

美德向邦醫療國際股份有限公司及子公司
一〇九年度及一〇八年度財務報告暨
會計師複核報告
(上市之台灣存託憑證用外國公司財務報告)

美德向邦醫療國際股份有限公司及子公司
 一〇九年度及一〇八年度財務報告暨會計師複核報告
 (上市之台灣存託憑證用外國公司財務報告)

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附 件 一

本國會計師複核報告

美德向邦醫療國際股份有限公司及子公司
會計師複核報告

美德向邦醫療國際股份有限公司 公鑑：

美德向邦醫療國際股份公司及其子公司民國一〇九年度及民國一〇八年度之合併財務報表，業經外國其他會計師查核，並於民國一一〇年三月二十五日出具無保留意見之查核報告(詳附件五)。隨附美德向邦醫療國際股份有限公司及其子公司民國一〇九年度及民國一〇八年度依新台幣換算之合併資產負債表、合併損益表、合併綜合損益表及合併現金流量表暨其相關資訊，業經本會計師依照「第二上市(櫃)公司財務報告複核要點」，採行必要之複核程序予以複核竣事。由於本會計師並未依照一般公認審計準則查核，故無法對上開財務報告之整體是否允當表達表示意見。

依本會計師之複核結果，第一段所述美德向邦醫療國際股份有限公司及其子公司民國一〇九年度及民國一〇八年度依新台幣換算之合併資產負債表、合併損益表、合併綜合損益表及合併現金流量表暨其相關資訊，並未發現有違反「第二上市(櫃)公司財務報告複核要點」規定而需作大幅修正、調整或再補充揭露之情事。

安永聯合會計師事務所

主管機關核准辦理公開發行公司財務報告

核准簽證文號：金管證審字第 1000002854 號

(92)台財證(六)第 100592 號

林素雯



會計師：

楊智惠



中華民國一一〇年四月十三日

附 件 二

按新台幣換算之主要財務報表



美商新台幣證券有限公司子公司

民國一〇九年十二月三十一日

| 會計科目 | 本集團合併 | | 新台幣 | | 美金 | | 新台幣 | | 美金 | | 新台幣 | | 美金 | |
|-------------|-----------|-------------|-----------|-------------|----------|-------------|-------------|-----------|-------------|-------------|-------------|-----------|-------------|-------------|
| | 美金 | 新台幣 | 美金 | 新台幣 | 美金 | 新台幣 | 美金 | 新台幣 | 美金 | 新台幣 | 美金 | 新台幣 | 美金 | 新台幣 |
| 非流動資產 | | | | | | | | | | | | | | |
| 不動產、廠房及設備 | \$21,499 | \$612,894 | \$1,426 | \$19,170 | \$43 | \$546,498 | \$1,226 | \$19,170 | \$43 | \$546,498 | \$1,226 | \$19,170 | \$43 | \$546,498 |
| 投資性不動產 | 2,839 | 80,934 | - | 2,950 | - | 84,099 | - | 2,950 | - | 84,099 | - | 2,950 | - | 84,099 |
| 出租資產 | 4,358 | 124,238 | - | 6,087 | - | 173,528 | - | 6,087 | - | 173,528 | - | 6,087 | - | 173,528 |
| 使用權資產 | 5,573 | 158,875 | 77 | 2,195 | 115 | 155,112 | 3,278 | 2,195 | 115 | 155,112 | 3,278 | 2,195 | 115 | 155,112 |
| 長期股權投資 | 709 | 20,212 | 28,353 | 808,287 | 24,883 | - | 709,365 | 709 | 20,212 | - | - | 709,365 | 709 | 20,212 |
| 遞延所得稅資產 | 4,617 | 131,621 | 12 | 941 | 14 | 599 | 399 | 12 | 941 | 599 | 399 | 12 | 941 | 599 |
| 其他非流動資產 | 39,628 | 1,129,715 | 28,789 | 8,467 | 3,796 | 197,674 | 108,216 | 28,789 | 8,467 | 197,674 | 108,216 | 28,789 | 8,467 | 197,674 |
| 流動資產 | | | | | | | | | | | | | | |
| 存貨淨額 | 53,678 | 1,530,253 | 611 | 17,418 | 78 | 1,078,857 | 2,224 | 611 | 17,418 | 1,078,857 | 2,224 | 611 | 17,418 | 1,078,857 |
| 應收帳款淨額 | 49,308 | 1,405,672 | 17,442 | 497,237 | 5,749 | 380,411 | 163,893 | 17,442 | 497,237 | 380,411 | 163,893 | 17,442 | 497,237 | 380,411 |
| 其他流動資產 | 15,733 | 448,516 | 14,498 | 413,309 | 12,349 | 459,064 | 352,045 | 14,498 | 413,309 | 459,064 | 352,045 | 14,498 | 413,309 | 459,064 |
| 應收關聯企業款項 | 5,178 | 147,614 | 30,780 | 877,476 | - | - | - | 30,780 | 877,476 | - | - | - | 30,780 | 877,476 |
| 受限制資產 | 82,161 | 2,342,246 | 20,008 | 570,388 | 4,930 | 140,544 | - | 20,008 | 570,388 | 140,544 | - | 20,008 | 570,388 | 140,544 |
| 現金及約當現金 | 206,058 | 5,874,301 | 83,339 | 2,375,828 | 18,222 | 87,520 | 1,311 | 83,339 | 2,375,828 | 87,520 | 1,311 | 83,339 | 2,375,828 | 87,520 |
| 資產總計 | \$245,686 | \$7,004,016 | \$112,128 | \$3,196,545 | \$47,073 | \$3,324,118 | \$1,341,957 | \$112,128 | \$3,196,545 | \$3,324,118 | \$1,341,957 | \$112,128 | \$3,196,545 | \$3,324,118 |
| 負債及權益 | | | | | | | | | | | | | | |
| 流動負債 | | | | | | | | | | | | | | |
| 應付帳款及其他流動負債 | 10,357 | 295,257 | 3,286 | 93,677 | 3,836 | 109,357 | 9,550 | 3,286 | 93,677 | 109,357 | 9,550 | 3,286 | 93,677 | 109,357 |
| 應付關聯企業款項 | 1,250 | 35,635 | - | 35,635 | - | - | - | 1,250 | 35,635 | - | - | - | 35,635 | 11,032 |
| 一年內到期之長期借款 | 31,603 | 990,938 | - | 36,279 | - | 1,034,242 | - | 36,279 | 36,279 | 1,034,242 | - | 36,279 | 36,279 | 1,034,242 |
| 短期借款 | 2,775 | 79,110 | 29 | 900 | 900 | 25,657 | 29 | 29 | 900 | 25,657 | 29 | 900 | 25,657 | 79,110 |
| 應付所得稅 | 45,985 | 1,310,940 | 4,537 | 129,341 | 41,402 | 1,180,288 | 524,006 | 4,537 | 129,341 | 1,180,288 | 524,006 | 4,537 | 129,341 | 1,180,288 |
| 流動資產/負債淨值 | 160,073 | 4,565,361 | 78,802 | 2,246,487 | 33,889 | 966,108 | (4,533) | 78,802 | 2,246,487 | 966,108 | (4,533) | 78,802 | 2,246,487 | 966,108 |
| 非流動負債 | | | | | | | | | | | | | | |
| 長期借款 | 228 | 6,500 | - | - | 5,870 | 167,342 | 106,905 | 228 | 6,500 | 167,342 | 106,905 | 228 | 6,500 | 167,342 |
| 租賃負債 | 3,158 | 90,028 | 211 | 6,015 | 3,083 | 87,890 | 7,355 | 3,158 | 90,028 | 87,890 | 7,355 | 3,158 | 90,028 | 87,890 |
| 遞延所得稅負債 | 181 | 5,160 | - | - | 213 | 6,072 | - | 181 | 5,160 | 6,072 | - | 181 | 5,160 | 6,072 |
| 應計退休金負債 | 1,221 | 34,808 | 276 | 7,869 | 927 | 26,427 | 6,414 | 1,221 | 34,808 | 26,427 | 6,414 | 1,221 | 34,808 | 26,427 |
| 其他非流動負債 | 423 | 12,059 | - | - | 518 | 14,767 | - | 423 | 12,059 | 14,767 | - | 423 | 12,059 | 14,767 |
| 負債總計 | 5,211 | 148,555 | 487 | 13,884 | 10,611 | 302,498 | 120,674 | 487 | 13,884 | 302,498 | 120,674 | 487 | 13,884 | 302,498 |
| 淨資產 | 51,196 | 1,459,495 | 5,024 | 143,225 | 52,013 | 1,482,786 | 644,680 | 51,196 | 1,459,495 | 1,482,786 | 644,680 | 51,196 | 1,459,495 | 1,482,786 |
| 歸屬母公司之業主權益 | 194,490 | 5,544,521 | 107,104 | 3,053,320 | 64,590 | 1,841,332 | 697,277 | 194,490 | 5,544,521 | 1,841,332 | 697,277 | 194,490 | 5,544,521 | 1,841,332 |
| 普通股股本 | 27,471 | 783,143 | 27,471 | 783,143 | 27,471 | 783,143 | 783,143 | 27,471 | 783,143 | 783,143 | 783,143 | 27,471 | 783,143 | 783,143 |
| 股本溢價 | 4,721 | 134,586 | 4,721 | 134,586 | 4,721 | 134,586 | 134,586 | 4,721 | 134,586 | 134,586 | 4,721 | 134,586 | 134,586 | |
| 保留盈餘(累積虧損) | 157,789 | 4,498,249 | 74,340 | 2,119,284 | 30,747 | 876,536 | (237,130) | 157,789 | 4,498,249 | 876,536 | (237,130) | 157,789 | 4,498,249 | 876,536 |
| 外幣換算調整數 | (142) | (4,048) | 11 | 314 | 6 | 171 | 685 | (142) | (4,048) | 171 | 685 | (142) | (4,048) | 171 |
| 外幣換算調整數 | 3,232 | 92,138 | - | - | 231 | 6,586 | - | 3,232 | 92,138 | 6,586 | - | 3,232 | 92,138 | 6,586 |
| 其他準備 | 394 | 11,232 | 561 | 15,993 | 394 | 11,232 | - | 394 | 11,232 | 11,232 | - | 394 | 11,232 | 11,232 |
| 非控制權益 | 103,465 | 5,513,300 | 107,104 | 3,053,320 | 63,570 | 1,812,254 | 15,993 | 103,465 | 5,513,300 | 1,812,254 | 15,993 | 103,465 | 5,513,300 | 1,812,254 |
| 權益合計 | 1,025 | 29,221 | 1,020 | 29,078 | 24,459 | 20,078 | 697,277 | 1,025 | 29,221 | 20,078 | 697,277 | 1,025 | 29,221 | 20,078 |
| 負債及權益總計 | \$245,686 | \$7,004,016 | \$112,128 | \$3,196,545 | \$47,073 | \$3,324,118 | \$1,341,957 | \$245,686 | \$7,004,016 | \$3,324,118 | \$1,341,957 | \$245,686 | \$7,004,016 | \$3,324,118 |

註：上列財務報表之所有資產、負債、股東權益及損益科目金額，係分別以民國一〇九年十二月三十一日之匯率 US\$1=NT\$28.508 換算。最近三年度美元對新台幣匯率最高、最低及平均匯率如下：

| | 最高 | 最低 | 平均 |
|-------|------------------|------------------|------------------|
| 一〇九年度 | US\$1:NT\$30.506 | US\$1:NT\$28.440 | US\$1:NT\$29.567 |
| 一〇八年度 | US\$1:NT\$31.628 | US\$1:NT\$30.106 | US\$1:NT\$30.924 |
| 一〇七年度 | US\$1:NT\$31.105 | US\$1:NT\$29.069 | US\$1:NT\$30.189 |



董事長：Clement Yang Ker-Cheng

經理人：William Yang Wei-yuan

會計主管：Wilfrido Candelaria Rodriguez

美德向邦醫療器材股份有限公司及子公司

(依會計師事務所報告準則編製)

民國一〇九年十二月三十一日

及民國一〇八年十二月三十一日

(金額除每股盈餘分別以美金及新台幣千元為單位，新台幣千元以美金千元為單位)

| 項目 | 一〇九年度 | | | | 一〇八年度 | | | |
|-----------|-----------|--------------|-----------|-------------|----------|-------------|----------|-----------|
| | 本集團合併 | | 本公司 | | 本集團合併 | | 本公司 | |
| | 美金 | 新台幣 | 美金 | 新台幣 | 美金 | 新台幣 | 美金 | 新台幣 |
| 營業收入 | \$400,327 | \$11,412,522 | \$324,639 | \$9,254,809 | \$68,977 | \$1,966,396 | \$12,589 | \$358,887 |
| 營業成本 | (228,707) | (6,519,979) | (232,106) | (6,616,878) | (58,446) | (1,666,178) | (9,386) | (267,576) |
| 營業毛利 | 171,620 | 4,892,543 | 92,533 | 2,637,931 | 10,531 | 300,218 | 3,203 | 91,311 |
| 其他收入 | | | | | | | | |
| 其他營業收入-淨額 | 379 | 10,805 | - | - | 759 | 21,638 | 239 | 6,813 |
| 財務收入 | 36 | 1,026 | 3 | 85 | 209 | 5,958 | 1 | 29 |
| 其他費用 | | | | | | | | |
| 銷售費用 | (22,271) | (634,902) | (2,256) | (64,314) | (2,600) | (74,121) | (322) | (9,180) |
| 管理費用 | (13,139) | (374,566) | (2,386) | (68,020) | (4,896) | (139,575) | (1,447) | (41,251) |
| 財務費用 | (1,535) | (43,760) | (514) | (14,653) | (2,486) | (70,871) | (992) | (28,280) |
| 其他費用 | - | - | (55) | (1,568) | - | - | - | - |
| 稅前淨利 | 135,090 | 3,851,146 | 87,325 | 2,489,461 | 1,517 | 43,247 | 682 | 19,442 |
| 所得稅(費用)利益 | (3,374) | (96,186) | 2 | 57 | (351) | (10,006) | - | - |
| 本期淨利 | \$131,716 | \$3,754,960 | \$87,327 | \$2,489,518 | \$1,166 | \$33,241 | \$682 | \$19,442 |
| 淨利歸屬於： | | | | | | | | |
| 母公司業主 | \$131,711 | \$3,754,817 | \$87,327 | \$2,489,518 | \$1,162 | \$33,127 | \$682 | \$19,442 |
| 非控制權益 | 5 | 143 | - | - | 4 | 114 | - | - |
| 本期淨利 | \$131,716 | \$3,754,960 | \$87,327 | \$2,489,518 | \$1,166 | \$33,241 | \$682 | \$19,442 |
| 每股盈餘 | | | | | | | | |
| 基本 | \$23.973 | \$6.834 | \$15.895 | \$4.531 | \$0.211 | \$0.060 | \$0.124 | \$0.035 |
| 完全稀釋 | \$23.973 | \$6.834 | \$15.895 | \$4.531 | \$0.211 | \$0.060 | \$0.124 | \$0.035 |

註：上列財務報表之所有資產、負債、股東權益及損益科目金額，係分別以民國一〇九年十二月三十一日之匯率US\$1=NT\$28.508換算。最近三年度美元對新台幣匯率最高、最低及平均匯率如下：

| | 最高 | 最低 | 平均 |
|-------|------------------|------------------|------------------|
| 一〇九年度 | US\$1:NT\$30.506 | US\$1:NT\$28.440 | US\$1:NT\$29.567 |
| 一〇八年度 | US\$1:NT\$31.628 | US\$1:NT\$30.106 | US\$1:NT\$30.924 |
| 一〇七年度 | US\$1:NT\$31.105 | US\$1:NT\$29.069 | US\$1:NT\$30.189 |

董事長：Clement Yang Ker-Cheng

經理人：William Yang Weiyuan

會計主管：Wilfrido Candalaria Rodriguez



單位：美金仟元，新台幣仟元

| 項目 | 一〇九年度 | | | | 一〇八年度 | | | |
|----------|-----------|-------------|----------|-------------|---------|----------|-------|----------|
| | 本集團合併 | | 本公司 | | 本集團合併 | | 本公司 | |
| | 美金 | 新台幣 | 美金 | 新台幣 | 美金 | 新台幣 | 美金 | 新台幣 |
| 本期淨利 | \$131,716 | \$3,754,960 | \$87,327 | \$2,489,518 | \$1,166 | \$33,241 | \$682 | \$19,442 |
| 其他綜合損益： | | | | | | | | |
| 外幣換算調整數 | 3,001 | 85,552 | - | - | 319 | 9,094 | - | - |
| 再衡量利益 | (148) | (4,219) | (13) | (371) | (243) | (6,927) | (70) | (1,995) |
| 本期綜合損益總額 | \$134,569 | \$3,836,293 | \$87,314 | \$2,489,147 | \$1,242 | \$35,408 | \$612 | \$17,447 |
| 綜合損益歸屬於： | | | | | | | | |
| 母公司業主 | \$134,564 | \$3,836,150 | \$87,314 | \$2,489,147 | \$1,238 | \$35,294 | \$612 | \$17,447 |
| 非控制權益 | 5 | 143 | - | - | 4 | 114 | - | - |
| 本期綜合損益總額 | \$134,569 | \$3,836,293 | \$87,314 | \$2,489,147 | \$1,242 | \$35,408 | \$612 | \$17,447 |

註：上列財務報表之所有資產、負債、股東權益及損益科目金額，係分別以民國一〇九年十二月三十一日之匯率US\$1=NT\$28.508換算。
最近三年度美元對新台幣匯率最高、最低及平均匯率如下：

| | 最高 | 最低 | 平均 |
|-------|------------------|------------------|------------------|
| 一〇九年度 | US\$1:NT\$30.506 | US\$1:NT\$28.440 | US\$1:NT\$29.567 |
| 一〇八年度 | US\$1:NT\$31.628 | US\$1:NT\$30.106 | US\$1:NT\$30.924 |
| 一〇七年度 | US\$1:NT\$31.105 | US\$1:NT\$29.069 | US\$1:NT\$30.189 |

董事長：Clement Yang Ker-Cheng



經理人：William Yang Weiyuan



會計主管：Wilfrido Candelaria Rodriguez

美德向邦醫藥股份有限公司及子公司
 (依新加坡財務條例編製)
 民國一〇九年十二月三十一日
 及民國一〇八年十二月三十一日

單位:美金仟元

| 項 目 | 普 通 股 本 | 股 本 溢 價 | 保 留 盈 餘 (累 積 虧 損) | 精 算 損 益 | 外 幣 換 算 調 整 數 | 其 他 準 備 | 非 控 制 權 益 | 權 益 總 計 |
|-----------------|----------|---------|------------------------|---------|------------------|---------|-----------|-----------|
| 本 集 團 | | | | | | | | |
| 民國一〇八年一月一日餘額 | \$27,471 | \$4,721 | \$29,585 | \$249 | \$(88) | \$394 | \$1,016 | \$63,348 |
| 一〇八年度淨利 | - | - | 1,162 | - | - | - | 4 | 1,166 |
| 外幣換算調整數 | - | - | - | (243) | 319 | - | - | 319 |
| 再衡量損益 | - | - | - | (243) | - | - | - | (243) |
| 民國一〇八年度綜合損益總額 | - | - | 1,162 | (243) | 319 | - | 4 | 1,242 |
| 民國一〇八年十二月三十一日餘額 | 27,471 | 4,721 | 30,747 | 6 | 231 | 394 | 1,020 | 64,590 |
| 一〇九年度淨利 | - | - | 131,711 | - | - | - | 5 | 131,716 |
| 外幣換算調整數 | - | - | - | - | 3,001 | - | - | 3,001 |
| 再衡量損益 | - | - | - | (148) | - | - | - | (148) |
| 民國一〇九年度綜合損益總額 | - | - | 131,711 | (148) | 3,001 | - | 5 | 134,569 |
| 發放現金股利 | - | - | (4,669) | - | - | - | - | (4,669) |
| 民國一〇九年十二月三十一日餘額 | \$27,471 | \$4,721 | \$157,789 | \$(142) | \$3,232 | \$394 | \$1,025 | \$194,490 |
| 本 公 司 | | | | | | | | |
| 民國一〇八年一月一日餘額 | \$27,471 | \$4,721 | (\$9,000) | \$94 | \$- | \$561 | \$- | \$23,847 |
| 一〇八年度淨利 | - | - | 682 | - | - | - | - | 682 |
| 一〇八年度其他綜合損益 | - | - | - | (70) | - | - | - | (70) |
| 民國一〇八年度綜合損益總額 | - | - | 682 | (70) | - | - | - | 612 |
| 民國一〇八年十二月三十一日餘額 | 27,471 | 4,721 | (8,318) | 24 | - | 561 | - | 24,459 |
| 一〇九年度淨利 | - | - | 87,327 | - | - | - | - | 87,327 |
| 一〇九年度其他綜合損益 | - | - | - | (13) | - | - | - | (13) |
| 民國一〇九年度綜合損益總額 | - | - | 87,327 | (13) | - | - | - | 87,314 |
| 發放現金股利 | - | - | (4,669) | - | - | - | - | (4,669) |
| 民國一〇九年十二月三十一日餘額 | \$27,471 | \$4,721 | \$74,340 | \$11 | \$- | \$561 | \$- | \$107,104 |



董事長：Clement Yang Ker-Cheng



經理人：William Yang Weiyuan

會計主管：Wilfrido Candelaria Rodriguez

| 項 目 | 普通股股本 | 股本溢價 | 保留盈餘 (附註 1) | 外幣換算調整數 | 其他準備 | 非控制權益 | 權益總計 |
|-----------------|-----------|-----------|-------------|----------|----------|----------|-------------|
| 民國一〇八年一月一日餘額 | \$783,143 | \$134,586 | \$843,409 | \$7,098 | \$11,232 | \$28,964 | \$1,805,924 |
| 一〇八年度淨利 | - | - | 33,127 | - | - | 114 | 33,241 |
| 外幣換算調整數 | - | - | - | 9,094 | - | - | 9,094 |
| 再衡量損益 | - | - | - | (6,927) | - | - | (6,927) |
| 民國一〇八年度綜合損益總額 | - | - | 33,127 | 9,094 | - | 114 | 35,408 |
| 民國一〇八年十二月三十一日餘額 | 783,143 | 134,586 | 876,536 | 6,586 | 11,232 | 29,078 | 1,841,332 |
| 一〇九年度淨利 | - | - | 3,754,817 | - | - | 143 | 3,754,960 |
| 外幣換算調整數 | - | - | - | 85,552 | - | - | 85,552 |
| 再衡量損益 | - | - | - | (4,219) | - | - | (4,219) |
| 民國一〇九年度綜合損益總額 | - | - | 3,754,817 | 85,552 | - | 143 | 3,836,293 |
| 發放現金股利 | - | - | (133,104) | - | - | - | (133,104) |
| 民國一〇九年十二月三十一日餘額 | \$783,143 | \$134,586 | \$4,498,249 | \$92,138 | \$11,232 | \$29,221 | \$5,544,521 |
| 民國一〇八年一月一日餘額 | \$783,143 | \$134,586 | (\$256,572) | \$2,680 | \$15,993 | \$- | \$679,830 |
| 一〇八年度淨利 | - | - | 19,442 | - | - | - | 19,442 |
| 一〇八年度其他綜合損益 | - | - | - | (1,995) | - | - | (1,995) |
| 民國一〇八年度綜合損益總額 | - | - | 19,442 | (1,995) | - | - | 17,447 |
| 民國一〇八年十二月三十一日餘額 | 783,143 | 134,586 | (237,130) | 685 | 15,993 | - | 697,277 |
| 一〇九年度淨利 | - | - | 2,489,518 | - | - | - | 2,489,518 |
| 一〇九年度其他綜合損益 | - | - | - | (371) | - | - | (371) |
| 民國一〇九年度綜合損益總額 | - | - | 2,489,518 | (371) | - | - | 2,489,147 |
| 發放現金股利 | - | - | (133,104) | - | - | - | (133,104) |
| 民國一〇九年十二月三十一日餘額 | \$783,143 | \$134,586 | \$2,119,284 | \$314 | \$15,993 | \$- | \$3,053,320 |

單位：新台幣千元

註：上列財務報表之所有資產、負債、股東權益及損益科目金額，係分別以民國一〇九年十二月三十一日之匯率 US\$1=NT\$28.508 換算。

最近三年度美元對新台幣匯率最高、最低及平均匯率如下：

| | 最高 | 最低 | 平均 |
|-------|------------------|------------------|------------------|
| 一〇九年度 | US\$1:NT\$30.506 | US\$1:NT\$28.440 | US\$1:NT\$29.567 |
| 一〇八年度 | US\$1:NT\$31.628 | US\$1:NT\$30.106 | US\$1:NT\$30.924 |
| 一〇七年度 | US\$1:NT\$31.105 | US\$1:NT\$29.069 | US\$1:NT\$30.189 |



董事長：Clement Yang Ker-Cheng

經理人：William Yang Weiyuan

會計主管：Wilfrido Candalaria Rodriguez

美德向都醫士國際藥業有限公司及子公司
 合併現金流量表
 (依照加坡現行會計準則編製)
 民國一〇九年一月一日至十二月三十一日
 及民國一〇八年一月一日至十二月三十一日

單位:美金仟元, 新台幣仟元
 一〇八年度

| 項 目 | 一〇九年度 | | 一〇八年度 | |
|--------------------|-----------|-------------|---------|-----------|
| | 美金 | 新台幣 | 美金 | 新台幣 |
| 營業活動之淨現金流量: | | | | |
| 稅前淨利 | \$135,090 | \$3,851,146 | \$1,517 | \$43,247 |
| 調整項目: | | | | |
| 折舊 | 3,960 | 112,891 | 2,292 | 65,340 |
| 出租資產攤銷 | 3,576 | 101,944 | 2,832 | 80,735 |
| 使用權資產攤銷 | 535 | 15,252 | 687 | 19,585 |
| 利息費用 | 1,486 | 42,363 | 2,287 | 65,198 |
| 應計退休金負債增加 | 146 | 4,162 | 99 | 2,822 |
| 其他融資成本 | 49 | 1,397 | 199 | 5,673 |
| 利息收入 | (36) | (1,026) | (209) | (5,958) |
| 處分不動產、廠房及設備利益 | (2) | (57) | (8) | (228) |
| 不含營運資金變動之營業活動之現金流量 | 144,804 | 4,128,072 | 9,696 | 276,414 |
| 存貨增加 | (15,143) | (431,697) | (3,916) | (111,637) |
| 應收帳款(增加)減少 | (33,987) | (968,901) | 1,552 | 44,244 |
| 其他流動資產減少 | 305 | 8,695 | 163 | 4,647 |
| 應付帳款及其他流動負債增加(減少) | 7,167 | 204,317 | (2,590) | (73,836) |
| 營業活動現金流入 | 103,146 | 2,940,486 | 4,905 | 139,832 |
| 收取利息 | 36 | 1,026 | 209 | 5,958 |
| 支付其他融資成本 | (49) | (1,397) | (199) | (5,673) |
| 支付所得稅 | (1,543) | (43,987) | (545) | (15,537) |
| 營業活動之淨現金流入 | 101,590 | 2,896,128 | 4,370 | 124,580 |
| 投資活動之淨現金流量 | | | | |
| 購置不動產、廠房及設備 | (6,463) | (184,247) | (1,952) | (55,648) |
| 購置出租資產 | (1,938) | (55,249) | (2,620) | (74,691) |
| 處分不動產、廠房及設備償款 | 15 | 428 | 356 | 10,149 |
| 處分出租資產 | 91 | 2,594 | 18 | 513 |
| 其他非流動資產減少(增加) | 2,111 | 60,180 | (451) | (12,857) |
| 投資活動之淨現金流出 | (6,184) | (176,294) | (4,649) | (132,534) |
| 融資活動之淨現金流量 | | | | |
| 償還長期借款淨額 | (4,779) | (136,240) | (1,841) | (52,483) |
| (償還)舉借短期銀行借款淨額 | (4,676) | (133,303) | 3,563 | 101,574 |
| 支付利息 | (1,179) | (33,611) | (2,004) | (57,130) |
| 受限制資產增加 | (248) | (7,070) | (670) | (19,100) |
| 遞延租賃收入減少 | (1) | (28) | (5) | (143) |
| 租賃本金償還 | (763) | (21,752) | (215) | (6,129) |
| 發放現金股利 | (4,669) | (133,104) | - | - |
| 融資活動之淨現金流出 | (16,315) | (465,108) | (1,172) | (33,411) |
| 本期現金及約當現金淨增加(減少)數 | 79,091 | 2,254,726 | (1,451) | (41,365) |
| 期初現金及約當現金餘額 | 3,070 | 87,520 | 4,521 | 128,885 |
| 期末現金及約當現金餘額 | \$82,161 | \$2,342,246 | \$3,070 | \$87,520 |

註: 上列財務報表之所有資產、負債、股東權益及損益科目金額, 係分別以民國一〇九年十二月三十一日之匯率US\$1=NT\$28.508換算。
 最近三年度美元對新台幣匯率最高、最低及平均匯率如下:

| | 最高 | 最低 | 平均 |
|-------|------------------|------------------|------------------|
| 一〇九年度 | US\$1:NT\$30.506 | US\$1:NT\$28.440 | US\$1:NT\$29.567 |
| 一〇八年度 | US\$1:NT\$31.628 | US\$1:NT\$30.106 | US\$1:NT\$30.924 |
| 一〇七年度 | US\$1:NT\$31.105 | US\$1:NT\$29.069 | US\$1:NT\$30.189 |

董事長: Clement Yang Ker-Cheng



經理人: William Yang Weiyuan



會計主管: Wilfrido Candelaria Rodriguez

附 件 三

依金管會認可之 IFRSs 重編後之主要財務報表
及財務報表重編說明

美商德邦證券有限公司及子公司
 中華民國金管會核准辦理之合併資產負債表
 民國一〇九年十二月三十一日

單位：新台幣仟元

| 代碼 | 資 | | 產 | | 一〇九年十二月三十一日 | | | | 一〇八年十二月三十一日 | | | |
|------|---------------|----------------|-----------|---------------|-------------|----------------|-----------|---------------|-------------|--|--|--|
| | 項目 | 依新加坡財務報告準則編製金額 | 調整金額增(減) | 依中華民國會計原則編製金額 | % | 依新加坡財務報告準則編製金額 | 調整金額增(減) | 依中華民國會計原則編製金額 | % | | | |
| 1100 | 流動資產 | \$ 2,342,246 | - | \$ 2,342,246 | 33 | \$ 87,520 | - | \$ 87,520 | 3 | | | |
| 1136 | 現金及約當現金 | 147,614 | - | 147,614 | 2 | 140,544 | - | 140,544 | 4 | | | |
| 1170 | 按攤銷後成本衡量之金融資產 | 1,405,672 | - | 1,405,672 | 20 | 380,411 | - | 380,411 | 11 | | | |
| 130x | 應收帳款淨額 | 1,530,253 | - | 1,530,253 | 23 | 1,078,857 | - | 1,078,857 | 33 | | | |
| 1470 | 存貨 | 448,516 | - | 448,516 | 6 | 459,064 | - | 459,064 | 14 | | | |
| 11xx | 其他流動資產 | 5,874,301 | - | 5,874,301 | 84 | 2,146,396 | - | 2,146,396 | 65 | | | |
| | 流動資產合計 | | | | | | | | | | | |
| 1600 | 非流動資產 | 612,894 | 124,238 | 737,132 | 11 | 546,498 | 173,528 | 720,026 | 21 | | | |
| 1725 | 不動產、廠房及設備 | 124,238 | (124,238) | - | - | 173,528 | (173,528) | - | - | | | |
| 1755 | 出租資產淨額 | 158,875 | - | 158,875 | 2 | 155,112 | - | 155,112 | 5 | | | |
| 1760 | 使用權資產 | 80,934 | - | 80,934 | 1 | 84,099 | - | 84,099 | 3 | | | |
| 1805 | 投資性不動產淨額 | 20,212 | - | 20,212 | - | 20,212 | - | 20,212 | - | | | |
| 1840 | 商譽 | 941 | - | 941 | - | 599 | - | 599 | - | | | |
| 1900 | 遞延所得稅資產 | 131,621 | - | 131,621 | 2 | 197,674 | - | 197,674 | 6 | | | |
| 15xx | 其他非流動資產 | 1,129,715 | - | 1,129,715 | 16 | 1,177,722 | - | 1,177,722 | 35 | | | |
| | 非流動資產合計 | | | | | | | | | | | |
| 1xxx | 資產總計 | \$ 7,004,016 | - | \$ 7,004,016 | 100 | \$ 3,324,118 | - | \$ 3,324,118 | 100 | | | |

註1: 「複核要點」係指金管會101.12.13(101)金管證審字第1010056540號令修正之「第二上市(櫃)公司財務報告複核要點」。
 註2: 上列財務報表之所有資產、負債、股東權益及損益科目金額，係分別以民國一〇九年十二月三十一日之匯率US\$1=NT\$28.508換算。

最近三年度美元對新台幣匯率最高、最低及平均匯率如下:

| | 最高 | 最低 | 平均 |
|-------|------------------|------------------|------------------|
| 一〇九年度 | US\$1:NT\$30.506 | US\$1:NT\$28.440 | US\$1:NT\$29.567 |
| 一〇八年度 | US\$1:NT\$31.628 | US\$1:NT\$30.106 | US\$1:NT\$30.924 |
| 一〇七年度 | US\$1:NT\$31.105 | US\$1:NT\$29.069 | US\$1:NT\$30.189 |

董事長：Clement Yang Ker-Cheng



經理人：William Yang Weiyuan



會計主管：Wilfrido Candelaria Rodriguez

單位：新台幣仟元

| 代碼 | 項目 | 一〇九年十二月三十一日 | | | | 一〇八年十二月三十一日 | | | |
|------|------------|--------------------|----------|-------------------|-----|--------------------|----------|-------------------|-----|
| | | 依新加坡財務報告 準則編製金額 | 調整金額增(減) | 依中華民國會計原 則編製金額 | % | 依新加坡財務報告 準則編製金額 | 調整金額增(減) | 依中華民國會計原 則編製金額 | % |
| | 負債及權益 | | | | | | | | |
| 2100 | 流動負債 | \$ 900,938 | - | \$ 900,938 | 13 | \$ 1,034,242 | - | \$ 1,034,242 | 31 |
| 2170 | 短期借款 | 171,133 | - | 171,133 | 2 | 27,026 | - | 27,026 | 1 |
| 2200 | 應付帳款 | 113,120 | - | 113,120 | 2 | 68,647 | - | 68,647 | 2 |
| 2230 | 其他應付款 | 79,110 | - | 79,110 | 1 | 25,657 | - | 25,657 | 1 |
| 2280 | 本期所得稅負債 | 11,004 | - | 11,004 | - | 13,684 | - | 13,684 | - |
| 2322 | 租賃負債一流動 | 35,635 | - | 35,635 | 1 | 11,032 | - | 11,032 | - |
| 21XX | 一年內到期之長期借款 | 1,310,940 | - | 1,310,940 | 19 | 1,180,288 | - | 1,180,288 | 35 |
| | 流動負債合計 | | | | | | | | |
| | 非流動負債 | | | | | | | | |
| 2540 | 長期借款 | 6,500 | - | 6,500 | - | 167,342 | - | 167,342 | 5 |
| 2570 | 遞延所得稅負債 | 5,160 | - | 5,160 | - | 6,072 | - | 6,072 | - |
| 2580 | 租賃負債-非流動 | 90,028 | - | 90,028 | 1 | 87,890 | - | 87,890 | 3 |
| 2600 | 其他非流動負債 | 12,059 | - | 12,059 | - | 14,767 | - | 14,767 | - |
| 2640 | 淨確定福利負債 | 34,808 | - | 34,808 | 1 | 26,427 | - | 26,427 | 1 |
| 25XX | 非流動負債合計 | 148,555 | - | 148,555 | 2 | 302,498 | - | 302,498 | 9 |
| 2XXX | 負債總計 | 1,459,495 | - | 1,459,495 | 21 | 1,482,786 | - | 1,482,786 | 44 |
| | 權益 | | | | | | | | |
| 3100 | 股本 | 783,143 | - | 783,143 | 11 | 783,143 | - | 783,143 | 24 |
| 3200 | 資本公積 | 145,818 | - | 145,818 | 2 | 145,818 | - | 145,818 | 5 |
| 3300 | 保留盈餘 | 4,494,201 | - | 4,494,201 | 64 | 876,707 | - | 876,707 | 26 |
| 3400 | 其他權益 | 92,138 | - | 92,138 | 2 | 6,586 | - | 6,586 | - |
| | 母公司業主權益合計 | 5,515,300 | - | 5,515,300 | 79 | 1,812,254 | - | 1,812,254 | 55 |
| 36XX | 非控制權益 | 29,221 | - | 29,221 | - | 29,078 | - | 29,078 | 1 |
| 3XXX | 權益總計 | 5,544,521 | - | 5,544,521 | 79 | 1,841,332 | - | 1,841,332 | 56 |
| | 負債及權益總計 | \$ 7,004,016 | - | \$ 7,004,016 | 100 | \$ 3,324,118 | - | \$ 3,324,118 | 100 |

註1: 「複核要點」係指金管會101.12.13(101)金管證審字第1010056540號令修正之「第二上市(櫃)公司財務報告複核要點」。
 註2: 上列財務報表之所有資產、負債、股東權益及損益科目金額，係分別以民國一〇九年十二月三十一日之匯率US\$1=NT\$28.508換算。

最近三年度美元對新台幣匯率最高、最低及平均匯率如下:

| | 最高 | 最低 | 平均 |
|-------|------------------|------------------|------------------|
| 一〇九年度 | US\$1:NT\$30.506 | US\$1:NT\$28.440 | US\$1:NT\$29.567 |
| 一〇八年度 | US\$1:NT\$31.628 | US\$1:NT\$30.106 | US\$1:NT\$30.924 |
| 一〇七年度 | US\$1:NT\$31.105 | US\$1:NT\$29.069 | US\$1:NT\$30.189 |

董事長: Clement Yang Ker-Cheng

經理人: William Yang Weiyuan

會計主管: Wilfrido Candelaria Rodriguez





 美德何利醫藥國際股份有限公司
 中華民國金管會核准之IFRSs基礎綜合損益表
 民國一〇九年一月一日至十二月三十一日
 及民國一〇八年一月一日至十二月三十一日
 (金額除每股盈餘外，均以新台幣千元為單位)

| 代碼 | 項 目 | 一〇九年度 | | | | 一〇八年度 | | | |
|------|-------------------|--------------------|----------|-------------------|------|--------------------|----------|-------------------|------|
| | | 依新加坡財務報告 準則編製金額 | 調整金額增(減) | 依中華民國會計原 則編製金額 | % | 依新加坡財務報告 準則編製金額 | 調整金額增(減) | 依中華民國會計原 則編製金額 | % |
| 4100 | 營業收入 | \$ 11,412,522 | \$ - | \$ 11,412,522 | 100 | \$ 1,966,396 | \$ - | \$ 1,966,396 | 100 |
| 5000 | 營業成本 | (6,519,979) | - | (6,519,979) | (57) | (1,666,178) | - | (1,666,178) | (85) |
| 5900 | 營業毛利 | 4,892,543 | - | 4,892,543 | 43 | 300,218 | - | 300,218 | 15 |
| 6000 | 營業費用 | (1,009,468) | - | (1,009,468) | (9) | (213,696) | - | (213,696) | (11) |
| 6900 | 營業利益 | 3,883,075 | - | 3,883,075 | 34 | 86,522 | - | 86,522 | 4 |
| | 營業外收入及支出 | | | | | | | | |
| 7100 | 利息收入 | 1,026 | - | 1,026 | - | 5,958 | - | 5,958 | - |
| 7020 | 其他利益及損失 | 10,805 | - | 10,805 | - | 21,638 | - | 21,638 | 1 |
| 7050 | 財務成本 | (43,760) | - | (43,760) | - | (70,871) | - | (70,871) | (3) |
| 7000 | 營業外收入及支出合計 | (31,929) | - | (31,929) | - | (43,275) | - | (43,275) | (2) |
| 7900 | 稅前淨利 | 3,851,146 | - | 3,851,146 | 34 | 43,247 | - | 43,247 | 2 |
| 7950 | 所得稅費用 | (96,186) | - | (96,186) | (1) | (10,006) | - | (10,006) | - |
| 8000 | 本期淨利 | 3,754,960 | - | 3,754,960 | 33 | 33,241 | - | 33,241 | 2 |
| | 其他綜合損益 | | | | | | | | |
| 8311 | 確定福利計畫之再衡量數 | (4,219) | - | (4,219) | - | (6,927) | - | (6,927) | - |
| 8361 | 國外營運機構財務報表換算之兌換差額 | 85,552 | - | 85,552 | 1 | 9,094 | - | 9,094 | - |
| 8300 | 本期其他綜合損益(稅後淨額) | 81,333 | - | 81,333 | 1 | 2,167 | - | 2,167 | - |
| 8500 | 本期綜合損益總額 | \$ 3,836,293 | \$ - | \$ 3,836,293 | 34 | \$ 35,408 | \$ - | \$ 35,408 | 2 |
| | 淨利歸屬於： | | | | | | | | |
| 8610 | 母公司業主 | \$ 3,754,817 | \$ - | \$ 3,754,817 | 33 | \$ 33,127 | \$ - | \$ 33,127 | 2 |
| 8620 | 非控制權益 | 143 | - | 143 | - | 114 | - | 114 | - |
| | | \$ 3,754,960 | \$ - | \$ 3,754,960 | 33 | \$ 33,241 | \$ - | \$ 33,241 | 2 |
| | 綜合損益總額歸屬於： | | | | | | | | |
| 8710 | 母公司業主 | \$ 3,836,150 | \$ - | \$ 3,836,150 | 34 | \$ 35,294 | \$ - | \$ 35,294 | 2 |
| 8720 | 非控制權益 | 143 | - | 143 | - | 114 | - | 114 | - |
| | | \$ 3,836,293 | \$ - | \$ 3,836,293 | 34 | \$ 35,408 | \$ - | \$ 35,408 | 2 |
| | 每股盈餘(元) | | | | | | | | |
| 9750 | 基本每股盈餘 | \$ 6.834 | \$ - | \$ 6.834 | | \$ 0.060 | \$ - | \$ 0.060 | |
| 9850 | 稀釋每股盈餘 | \$ 6.834 | \$ - | \$ 6.834 | | \$ 0.060 | \$ - | \$ 0.060 | |

註1:「複核要點」係指金管會101.12.13(101)金管證審字第1010056540號令修正之「第二上市(櫃)公司財務報告複核要點」。

註2: 上列財務報表之所有資產、負債、股東權益及損益科目金額，係分別以民國一〇九年十二月三十一日之匯率US\$1=NT\$28.508換算。

最近三年度美元對新台幣匯率最高、最低及平均匯率如下:

| | 最高 | 最低 | 平均 |
|-------|------------------|------------------|------------------|
| 一〇九年度 | US\$1:NT\$30.506 | US\$1:NT\$28.440 | US\$1:NT\$29.567 |
| 一〇八年度 | US\$1:NT\$31.628 | US\$1:NT\$30.106 | US\$1:NT\$30.924 |
| 一〇七年度 | US\$1:NT\$31.105 | US\$1:NT\$29.069 | US\$1:NT\$30.189 |

董事長: Clement Yang Ker-Cheng

經理人: William Yang Weiyuan

會計主管: Wilfrido Candelaria Rodriguez




 美德向新加坡國際股份有限公司及子公司
 中華民國金管會認可之IFRS重編現金流量表
 民國一〇九年一月一日至十二月三十一日
 及民國一〇八年一月一日至十二月三十一日

單位：新台幣仟元

| 代碼 | 項 目 | 一〇九年度 | | | 一〇八年度 | | |
|--------|---------------------|--------------------|-----------|-------------------|--------------------|----------|-------------------|
| | | 依新加坡財務報告 準則編製金額 | 調整金額增(減) | 依中華民國會計原 則編製金額 | 依新加坡財務報告 準則編製金額 | 調整金額增(減) | 依中華民國會計原 則編製金額 |
| A10000 | 營業活動之淨現金流量： | | | | | | |
| | 稅前淨利 | \$ 3,851,146 | \$ - | \$ 3,851,146 | \$ 43,247 | \$ - | \$ 43,247 |
| | 調整項目： | | | | | | |
| A20100 | 折舊 | 112,891 | 117,196 | 230,087 | 65,340 | 100,320 | 165,660 |
| A20400 | 出租資產攤銷 | 101,944 | (101,944) | - | 80,735 | (80,735) | - |
| | 使用權資產攤銷 | 15,252 | (15,252) | - | 19,585 | (19,585) | - |
| A20900 | 利息費用 | 42,363 | 1,397 | 43,760 | 65,198 | 5,673 | 70,871 |
| | 其他融資成本 | 1,397 | (1,397) | - | 5,673 | (5,673) | - |
| A21200 | 利息收入 | (1,026) | - | (1,026) | (5,958) | - | (5,958) |
| A22500 | 處分不動產、廠房及設備利益 | (57) | - | (57) | (228) | - | (228) |
| | 不含營運資金變動之營業活動現金流量合計 | 4,123,910 | - | 4,123,910 | 273,592 | - | 273,592 |
| A30000 | 與營業活動相關之資產/負債變動數： | | | | | | |
| A31150 | 應收帳款淨額(增加)減少 | (968,901) | - | (968,901) | 44,244 | - | 44,244 |
| A31200 | 存貨增加 | (431,697) | - | (431,697) | (111,637) | - | (111,637) |
| A31240 | 其他流動資產減少 | 8,695 | - | 8,695 | 4,647 | - | 4,647 |
| A32150 | 應付帳款及其他流動負債增加(減少) | 204,317 | - | 204,317 | (73,836) | - | (73,836) |
| A32230 | 應計退休金負債增加 | 4,162 | - | 4,162 | 2,822 | - | 2,822 |
| A33000 | 營運產生之現金流入 | 2,940,486 | - | 2,940,486 | 139,832 | - | 139,832 |
| A33100 | 收取之利息 | 1,026 | - | 1,026 | 5,958 | - | 5,958 |
| A33300 | 支付之利息 | (1,397) | - | (1,397) | (5,673) | - | (5,673) |
| A33500 | 支付之所得稅 | (43,987) | - | (43,987) | (15,537) | - | (15,537) |
| AAAA | 營業活動之淨現金流入 | 2,896,128 | - | 2,896,128 | 124,580 | - | 124,580 |
| | 投資活動之淨現金流量 | | | | | | |
| B02700 | 取得不動產、廠房及設備 | (184,247) | (55,249) | (239,496) | (55,648) | (74,691) | (130,339) |
| B02800 | 處分不動產、廠房及設備 | 428 | 2,594 | 3,022 | 10,149 | 513 | 10,662 |
| | 取得出租資產 | (55,249) | 55,249 | - | (74,691) | 74,691 | - |
| | 處分出租資產 | 2,594 | (2,594) | - | 513 | (513) | - |
| B06700 | 其他非流動資產減少(增加) | 60,180 | - | 60,180 | (12,857) | - | (12,857) |
| BBBB | 投資活動之淨現金流出 | (176,294) | - | (176,294) | (132,534) | - | (132,534) |
| | 籌資活動之淨現金流量 | | | | | | |
| C00100 | 短期借款(減少)增加 | (133,303) | - | (133,303) | 101,574 | - | 101,574 |
| C01700 | 償還長期借款 | (136,240) | - | (136,240) | (52,483) | - | (52,483) |
| C04020 | 租賃本金償還 | (21,752) | - | (21,752) | (6,129) | - | (6,129) |
| C04500 | 發放現金股利 | (133,104) | - | (133,104) | - | - | - |
| C05600 | 支付之利息 | (33,611) | - | (33,611) | (57,130) | - | (57,130) |
| C09900 | 其他籌資活動 | (7,098) | - | (7,098) | (19,243) | - | (19,243) |
| | 籌資活動之淨現金流出 | (465,108) | - | (465,108) | (33,411) | - | (33,411) |
| EEEE | 本期現金及約當現金淨增加(減少)數 | 2,254,726 | - | 2,254,726 | (41,365) | - | (41,365) |
| E00100 | 期初現金及約當現金餘額 | 87,520 | - | 87,520 | 128,885 | - | 128,885 |
| E00200 | 期末現金及約當現金餘額 | \$ 2,342,246 | \$ - | \$ 2,342,246 | \$ 87,520 | \$ - | \$ 87,520 |

註1: 「複核要點」係指金管會101.12.13(101)金管證審字第1010056540號令修正之「第二上市(櫃)公司財務報告複核要點」。

註2: 上列財務報表之所有資產、負債、股東權益及損益科目金額，係分別以民國一〇九年十二月三十一日之匯率US\$1=NT\$28.508換算。

最近三年度美元對新台幣匯率最高、最低及平均匯率如下：

| | 最高 | 最低 | 平均 |
|-------|------------------|------------------|------------------|
| 一〇九年度 | US\$1:NT\$30.506 | US\$1:NT\$28.440 | US\$1:NT\$29.567 |
| 一〇八年度 | US\$1:NT\$31.628 | US\$1:NT\$30.106 | US\$1:NT\$30.924 |
| 一〇七年度 | US\$1:NT\$31.105 | US\$1:NT\$29.069 | US\$1:NT\$30.189 |

董事長：Clement Yang Ker-Cheng

經理人：William Yang Weiyuan

會計主管：Wilfrido Candelaria Rodriguez



美德向邦醫療國際股份有限公司及子公司

合併財務報表重編說明

民國一〇九年十二月三十一日

及民國一〇八年十二月三十一日

一、合併財務報表重編原則

美德向邦醫療國際股份有限公司及子公司(以下簡稱本集團)如附件四所列之民國一〇九年度及一〇八年度財務報告，係包括美德向邦醫療國際股份有限公司(以下簡稱本公司)及所有持有表決權股份達 50%以上之被投資公司之合併財務資訊(如附件四譯稱“本集團”)及本公司個別之財務資訊。依新加坡財務報告準則規定，本公司個別財務報表之表達，毋須就持有表決權股份達 20%以上之長期股權投資採權益法評價，而係於編製合併財務報表時，始就未編入合併財務報表者(即持有表決權股份達 20%以上且未達 50%者)採權益法評價，故本公司資產負債表中個別財報資訊之長期股權投資科目採成本法評價，是以本公司個別財務資訊之業主權益總數不等於合併財務資訊之歸屬母公司之業主權益。

本集團依其所屬國暨新加坡法令及財務報告準則編製之主要報表格式，包括合併資產負債表、合併綜合損益表及合併現金流量表，因與我國「證券發行人財務報告編製準則」及「金融監督管理委員會認可之國際財務報導準則、國際會計準則、國際財務報導解釋及解釋公告」(以下簡稱中華民國會計規定)之規定不符，爰依「第二上市(櫃)公司財務報告複核要點」規定，就合併資產負債表、合併綜合損益表及合併現金流量表依中華民國會計規定格式予以重編。

另本集團尚無因適用新加坡財務報告準則與金管會認可之 IFRS 有重大不同，致其影響損益情形重大，而須予以重編第一段所述民國一〇九年度及民國一〇八年度合併損益表之情事。

二、中華民國會計規定與新加坡財務報告準則之差異彙總說明

(一)除中華民國與新加坡對主要報表格式規定差異外，所適用會計原則之差異彙總如下：

| | 中華民國會計規定 | 新加坡財務報告準則 | 對重編合併財務報表之影響 |
|--------|--|-----------|--------------|
| 合併財務報表 | 投資公司符合「關係企業合併營業報告書關係企業合併財務報表及關係報告書編製準則」關於控制關係之規定，對被投資公司具控制關係者，亦屬投資公司對被投資公司具有控制能力之情 | 無此類規定。 | 無 |

況。

1. 取得他公司過半數之董事席位者。
2. 指派他人獲聘為他公司總經理者。
3. 對他公司依合資經營契約規定，擁有經營權者。
4. 對他公司資金融通金額達他公司總資產之三分之一以上者。
5. 對他公司背書保證金額達他公司總資產之三分之一以上者。

投資性不動產

投資性不動產於原始認列時，以公允價值加計取得之交易成本衡量，後續評價時合併公司可採成本模式或公允價值模式衡量。

採公允價值模式衡量時，公允價值係採用收益法評價，並歸類於公允價值層級中之第三等級

投資性不動產係指由業主或融資租賃承租人，以賺取租金收入、資本增值，或兩者兼具為目的，所持有之不動產，而非以使用該不動產來生產或提供商品或服務，或用於管理行政之目的而持有之不動產，亦非企業在正常營運活動中出售所持有之不動產。

首次認列之後，企業可選擇以「成本模式」或「公平價值模式」來衡量此投資性不動產。若選擇「公平價值模式」，公平價值之變動應列入損益表中。

選擇「公平價值模式」衡量時，公平價值模式係以市場資料或可比較銷售對象法衡量，歸類於公允價值層級中之第二等級。

(二) 中華民國及新加坡財務報表表達及其他事項之重大差異彙總說明：

| | <u>中華民國會計規定</u> | <u>新加坡財務報告準則</u> | <u>對重編合併財務報表之影響</u> |
|-------|---|--|---------------------|
| 資產負債表 | 一般之分類方式，資產係以流動性大小排列，流動性大者在前，流動性小者在後。負債則按到期日的遠近排列，近者在先，遠者在後。權益按永久性大小排列，永久性大者在先，小者在後。 | 一般分類方式，資產係以非流動性資產在前，流動資產在後。負債及股東權益，係以負債在前，股本及各項準備在後，負債以流動性負債在前，非流動性負債在後。 | 已依中華民國財務報表規定予以表達揭露 |
| | 質押定期存款分類為流動資產項下，並列示為按攤銷後成本衡量之金融資產表達。 | 質押定期存款列為單行科目。 | 已依中華民國財務報表規定予以表達揭露 |
| 損益表 | 應區分營業收入、營業成本、營業費用、營業外收入及支出及所得稅費用，分別予以列示，但營業成本及營業費用不能分別列示者，得合併之。 | 應區分營業收入、聯屬公司利益(損失)、財務成本、所得稅費用、本年度利益(損失)。並列明歸屬予本公司股東及少數股東之本年度利益(損失)。 | 已依中華民國財務報表規定予以表達揭露。 |
| 現金流量表 | 出租資產增加及攤銷應依性質分類於取得不動產、廠房及設備及折舊科目。使用權資產攤銷應依性質分類於折舊科目。其他融資成本及交易成本攤銷之金額應依性質分類於利息費用表達。 | 出租資產、使用權資產及其他融資成本及交易成本攤銷分別列示為單行科目。 | 已依中華民國財務報表規定予以表達揭露。 |

附 件 四

外國會計師之查核報告暨

財務報表及其相關附註或附表(中譯本)

美德向邦醫療國際股份有限公司

20
20
年報



新加坡證券交易所有限公司認可板上市公司

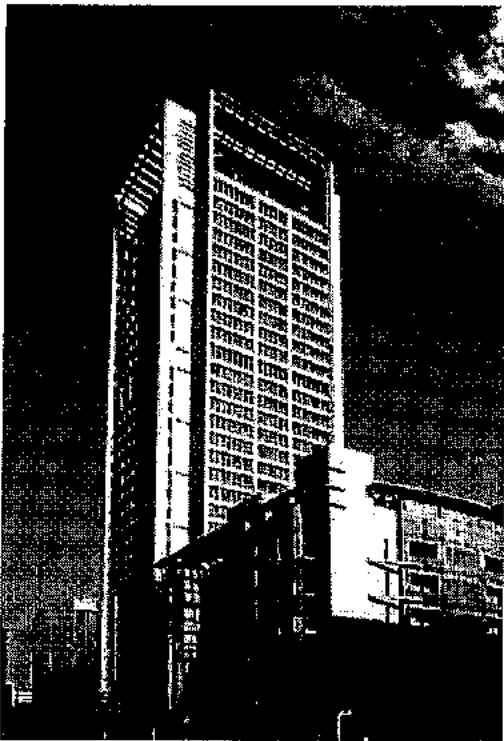
本年報由本公司編製，其內容已由本公司保薦人 R&T Corporate Services Pte. Ltd (下稱「保薦人」) 核閱以確保符合新加坡證券交易所 (下稱「新交所」) 的相關法令。保薦人未獨立驗證本年報的內容包括任何數字使用或陳述、意見及其他資訊的使用或揭露的正確性或完整性。

本年報未經新交所審閱或批准。保薦人和新交所無承擔本年報內容的責任，包括包含在本年報內的任何陳述或意見的正確性。

保薦人聯絡人為 Evelyn Wee Kim Lin 女士 (電話: +65 6232 0724) 和 Howard Chean Heng Haw 先生 (電話: +65 6232 0685)
地址: R & T Corporate Services Pte Ltd, 9 Straits View, #06-07 Marina One West Tower 1, Singapore 018937。

| | |
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集團簡介



臺灣台北辦公室

美德向邦醫療國際股份有限公司(下稱「本公司」或「美德醫療」)是個人防護裝備(Personal Protective Equipment, 簡稱PPE)的領導廠商及醫療院所後勤整合服務的供應商, 在生產PPE及工作服方面擁有長達30多年的經驗。本公司及各子公司(下稱「本集團」)於1989年設廠營運, 並在美國、歐洲及亞太地區穩健紮根。本集團目前在新加坡、台灣、菲律賓、中華人民共和國(下稱「中國」)、柬埔寨、及美國皆有營運據點。本公司於1999年10月6日在新加坡證券交易所的新加坡自動報價與交易系統—自動報價板股市(Singapore Dealing and Automated Quotation System, 簡稱SESDAQ)掛牌上市,

復自2010年2月26日起轉至實施保薦人制度的凱利板掛牌, 由R & T Corporate Services Pte. Ltd. 擔任其保薦人至今。本集團另於2002年12月13日以台灣存託憑證方式在台灣證券交易所掛牌上市。

本集團業務主要可以分為生產製造、貿易與銷售及提供醫院後勤整合服務三大領域。作為提供醫院及製造業各種PPE、工作服及防護裝備的製造商, 本集團擁有多元化的生產基地, 分布於菲律賓、柬埔寨、台灣及中國, 確保供應不中斷。在貿易與銷售方面, 本集團於加拿大、歐洲、日本及美國皆建置物流倉儲中心, 與亞馬遜(Amazon)、DHL及其他電商、物流平台合作, 建構擴及全球的銷售網路提升產品分銷能力。在醫院後勤服務方面, 本集團主要提供台灣及菲律賓醫院用醫療耗材及PPE的租賃、洗滌、配送(合

稱3L服務)及買賣。本集團為台灣地區醫療院所「全方位服務解決方案」的領導廠商，與全台24家重要指標醫院(如台大醫院、三軍總醫院等)簽有服務合約。過去數年，本集團已將此全方位醫院後勤服務成功擴展至菲律賓34家醫院。本集團致力於守護天下人的健康和安
全，希望所有民眾每天都能平安回家。



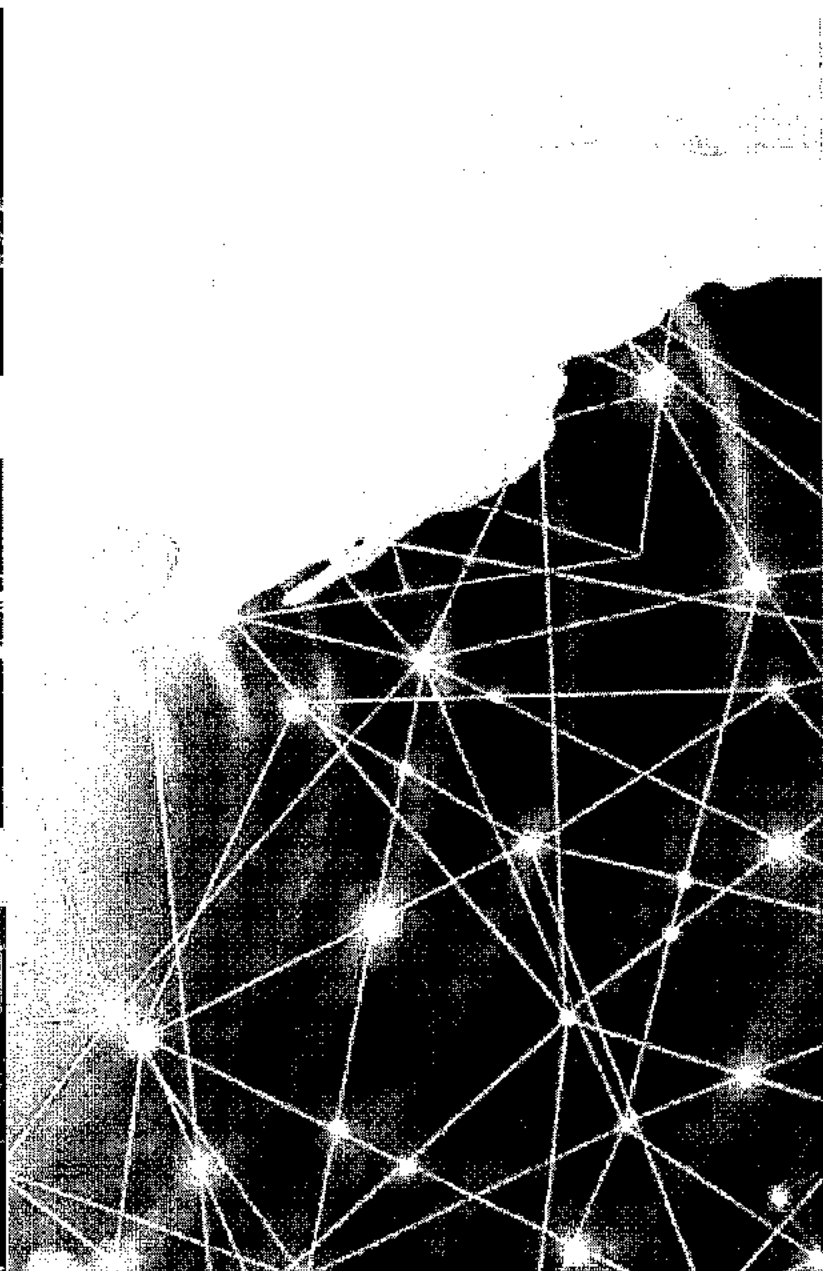
柬埔寨工廠



菲律賓工廠

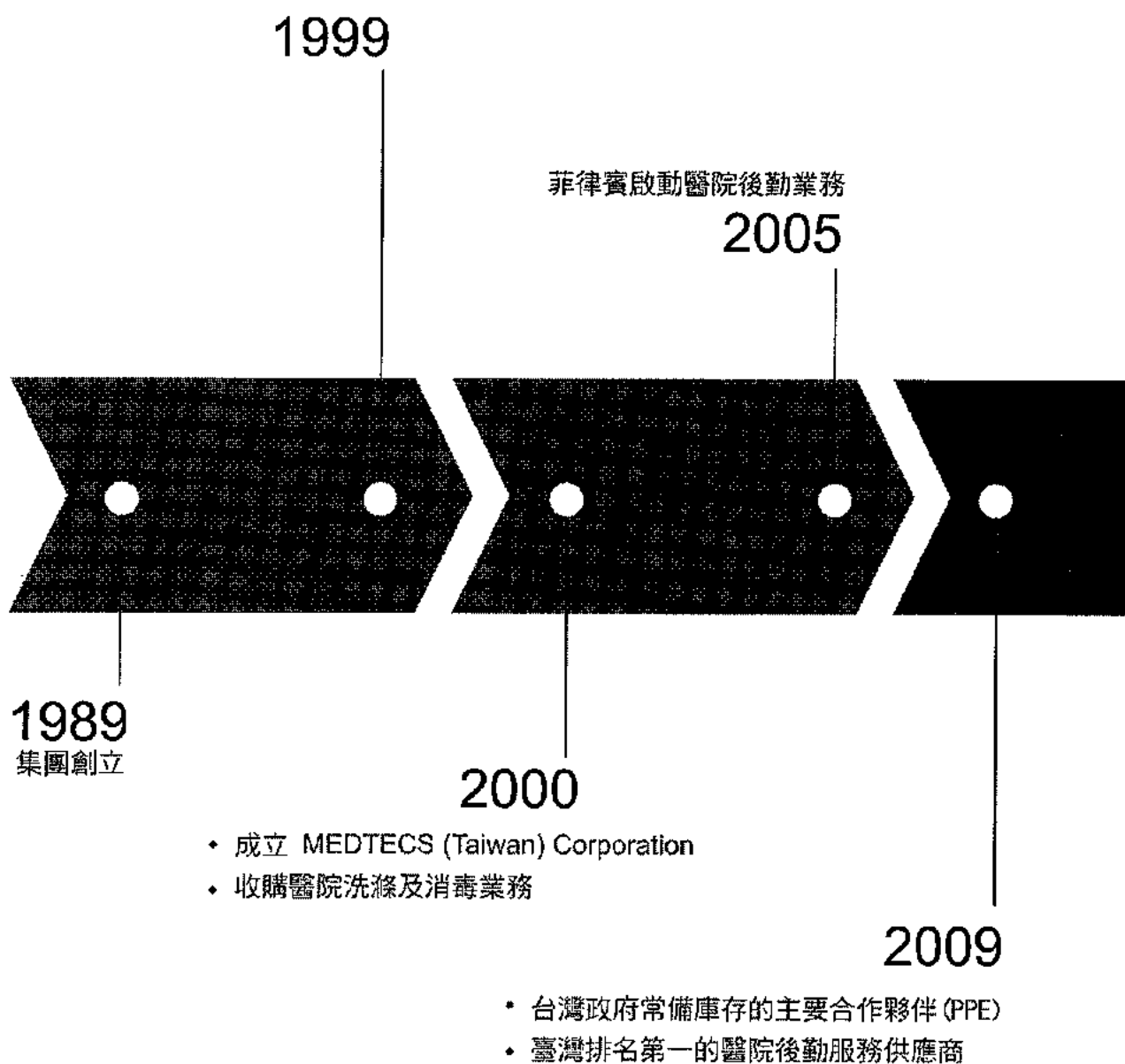


中國工廠



集團沿革

- 美德向邦醫療國際股份有限公司於新交所上市
- 成立 MEDTECS (Cambodia) Corporation
- 成立 MEDTECS (Asia Pacific) Pte. Ltd.



菲律賓排名第一
醫院後勤服務供應商

2013

- 開展B2B電商業務
- 全球買全球賣

2018

2015

在柬埔寨成立我們的第二處生產基地
(PPE產品線) - MMSEZ

2020

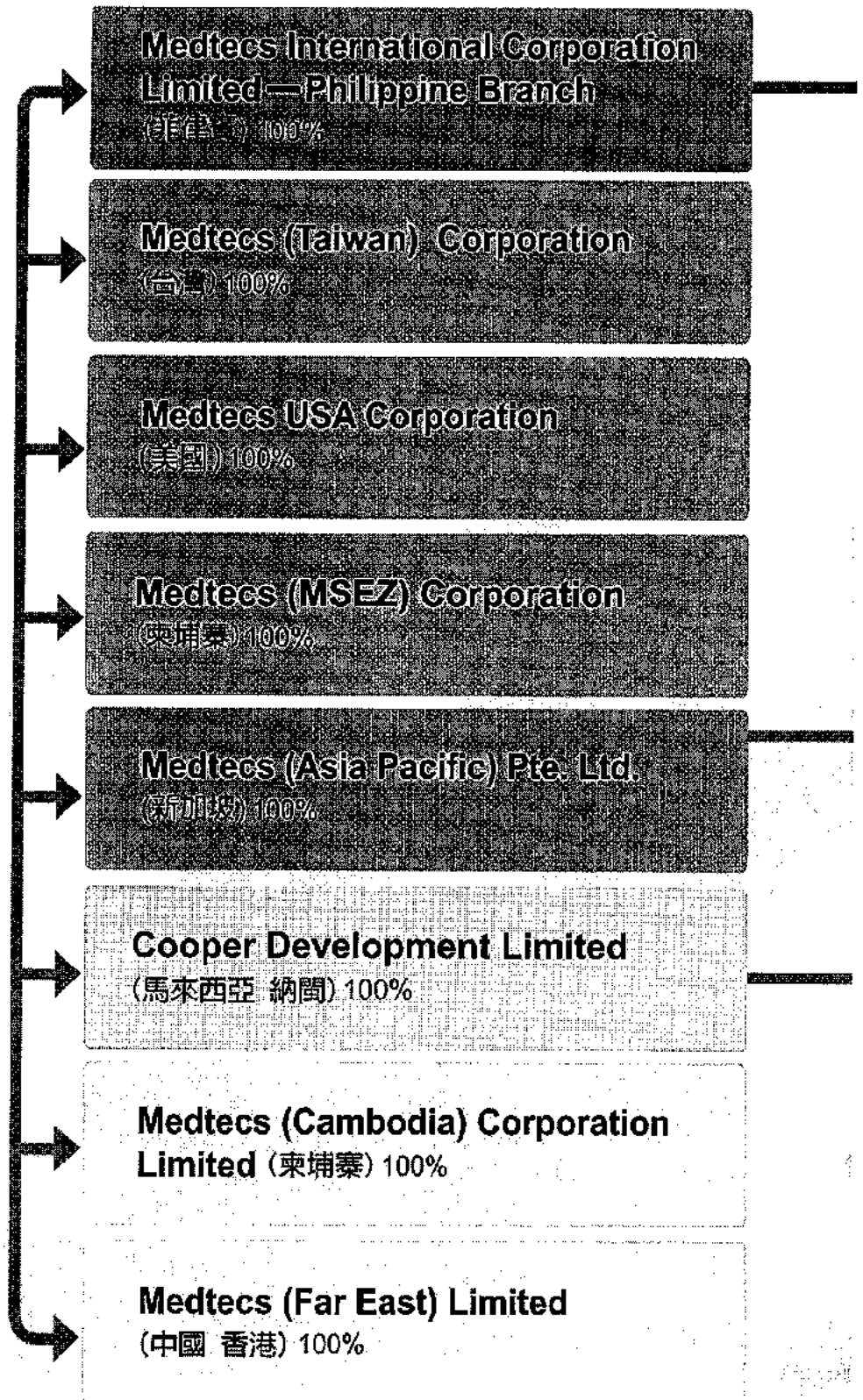
- PPE一站式服務
- 開展B2C電商交易
- 拓展線上和線下銷售及分銷網路

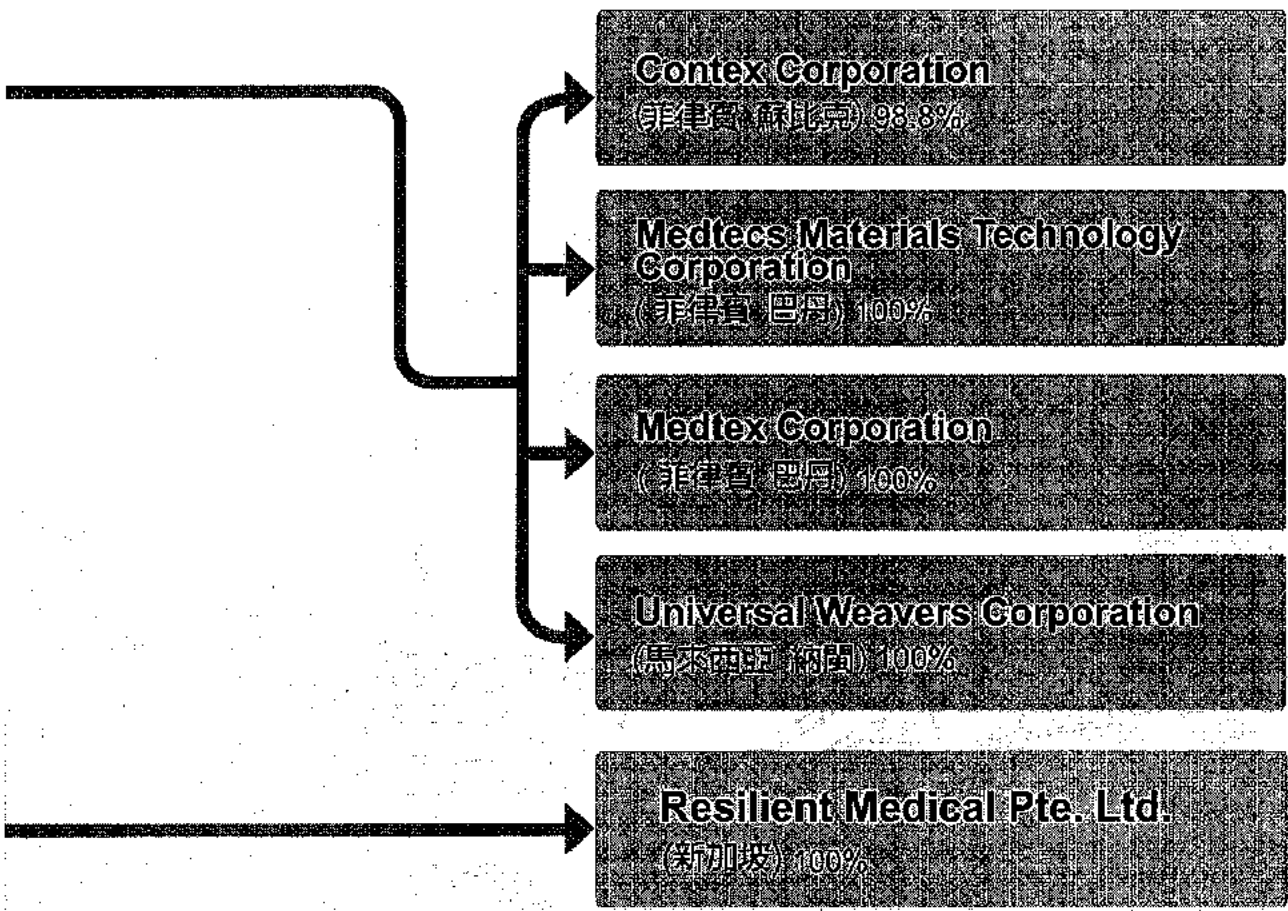
2021-

集團組織圖



International Corporation Limited
(MICL) (Bermuda)





致股東報告書



董事長 楊克誠

各位尊敬的股東：

大家好！本人很榮幸代表本集團向各位提報截至2020年12月31日止年度的全年營運成果（下稱「2020年會計年度」）及本集團2021年的展望。

2020年的成果

迅速回應疫情經營成果豐碩

2020年會計年度對美德醫療集團是極具關鍵意義的一年。因為嚴重特殊傳染性肺炎（下稱「新冠肺炎」）疫情的大流行，引起全球對個人防護裝備的爆炸性需求，本集團迅速採取各種因應措施，全力協助各界防疫。有幸本集團與供應商及客戶擁有深厚的關係並展現其韌性，全年整體營運表現異常亮麗。

一、財務和股票成果

（一）營收與獲利數倍增長

2020年會計年度本集團營收及稅後淨利分別為4.003億美元及1.317億美元，創下歷史最高紀錄，分別較2019年會計年度增長4.8倍及112倍。

（二）股票納入重要指數成份股

反映營收與獲利連袂激升，美德醫療股票在新加坡交易所（下稱「新交所」）價量齊揚，於2020年先後被納為MSCI（大摩）、S&P（標普）全球BMI等全球知名指數的成份股。

（三）股票漲幅高達2,603%

反映2020年的傑出營收與獲利，美德醫療股價巨幅上揚。在新加坡股市，2020年底較上年底大漲2,603%，高居新加坡海峽時報指數成份股的第一名。同期間，在台灣掛牌的存託憑證（TDR），每股漲幅高達2,314%。影響所及，2020年會計年度年底美德醫療在新

加坡市場的市值達新加坡幣5.49億元，符合自凱利版轉主板交易的條件之一。本公司已於2020年11月18日宣布將遞交自凱利板轉至主板掛牌上市之申請表。公司將適時向公司股東（下稱「股東」）告知轉主板之進展及結果。

二、業務面成果

（一）自有品牌銷售比重大幅上升

美德醫療成立30餘年來，一直是醫療紡織及PPE業界中值得信賴的供應商。以自有品牌「Medtecs」行銷產品始終是我們的目標。2020年會計年度因新冠肺炎疫情爆發，我們在「天時、地利、人和」等條件俱足下，強力行銷自有品牌，除原有的Medtecs品牌外，另以「CoverU」專門銷售PPE系列產品，全年本集團自有品牌銷售佔營收總額比重高達60%，遠超過歷年占比（多數不到5%），品牌戰大有斬獲。

（二）善用電商操作快速滿足客戶需求

本集團在2020年，仰賴長期於醫療紡織及PPE業界累積的經驗，及近年推動的「全球買全球賣」策略，透過嫺熟的電商平台操作，提供「一站購足」的服務，充分發揮全球找原料、找商品、找客戶的優勢，快速掌握商機。由於善用電商平台拓展業務，美德醫療在2020年成為阿里巴巴國際業務部門全球最大，且唯一達五星級的電商夥伴。

（三）布建跨國倉儲物流就近供應

因應全球供應鏈趨向在地化的短鏈趨勢，本公司在日本、美國、加拿大及歐洲設置倉儲物流中心，並在美國成立子公司，就近供應當地客戶並深入瞭解商情，此為本集團美國擴張計劃的一部分。

（四）開辦全球罩送服務廣受歡迎

因應疫情期間民眾跨境自用或贈送防疫物資的需求，本集團在2020年會計年度推出上網訂購的「美德全球罩送」服務，讓客戶可以跳過中間人直接向品牌製造商購買PPE。通過與知名物流供應商的合作，無論訂購數量多寡，均最快的速度及最低的運費，送交全球各地的收件人，此項服務廣受民眾歡迎。

（五）整合國內外虛實通路拓展B2C

本集團業務經營長期以B2B為主。2020年利用全球民眾對PPE需求激增之勢，進行虛實通路(O2O)大整合，除在台灣及菲律賓各大超商及藥局連鎖店的實體店面及相關電商上架販售商品外，也積極打入美國亞馬遜及阿里巴巴等電商平台，進一步擴大布局B2C業務。

三、管理面作為

(一) 增設專責部門優化專業系統

疫情來襲，經營團隊力拚業務之餘，不忘企業長青必須有好的策略、管理及企業文化支撐。為加強管理能量，特別設設公司治理部及資訊部，負責公司治理、風險控管及資訊安全暨運用等事宜。同時挹注資源優化企業資源規劃系統（ERP）及客戶管理系統（CRM）等基礎建設。

(二) 重塑願景使命彰顯企業價值

隨著PPE產品佔營收比重遽增，「Medtecs」成為防護抗疫商品的可靠標誌，本集團遂將經營願景由原來的「提供世界一流的醫療產品、服務、防護裝備，讓每位工作者都能平安回家。」改為「守護天下人的安全與健康」，彰顯本集團保護天下人的核心主張；使命則由原訂的「為工作者提供安全、舒適、有型的裝備；為醫療院所提供有速度、有溫度的後勤服務。」改為「提供安全有效的商品暨有速度有溫度的服務」，宣示本集團對所提供產品與服務的嚴肅承諾。

(三) 訂立經營策略保持產能彈性

為因應快速變動的經營環境，本集團在2020年會計年度訂定明確策略，作為營運依循，主要包括：

- 1、所有需求先以自身產能支應，輔以委外處理，避免隨意擴充產能。以輕資產為原則，保持產能彈性，隨時蓄積平台力。
- 2、原物料及商品來源務求多元，避免過度集中的風險。
- 3、增設行銷部門，強化行銷能量，培養品牌力，優化貿易力。

四、跨國捐贈善盡CSR

本集團自創立以來，一直善盡企業社會責任（Corporate Social Responsibility, CSR），持續在全球營運據點，與慈善機構合作捐贈現金及物資。因逢新冠疫情全球大流行，本集團對於台灣、柬埔寨、菲律賓、日本、美國、法國、義大利、德國及其他受到疫情影響的國家，陸續捐贈自有PPE產品及其他防疫用品，受贈單位咸表感謝。

五、注重ESG推動永續

本集團自2016年起，就可能會長期影響本集團及股東之環境保護、社會共融及公司治理（Environmental, Social, and Corporate Governance, 統稱ESG）等事項，擇定關鍵議題，分別設定目標、行動計劃及考核機制等，落實推動永續發展。截至2020年底，我們在採購政策、供應商管

理及節約能源等議題都有明顯成效。通過股東參與並進行重要性評估後，我們也針對其他相關ESG事項如產品創新、廢棄物管理及員工教育訓練等去採取行動（詳參本集團將於2021年5月31日或之前發布的2020年永續報告書）。

2021 年的展望

依據國際多家研究機構的預測，從2020年至2025年，全球PPE的市場規模將持續增長，每年平均複合成長率（CAGR）約介於6%至12%不等。依此而觀，本集團未來營運成長可期。

面對2021年，本集團將利用2020年會計年度打下堅實的基礎在經營團隊制定特定策略的執行之下，繼續成長（詳參閱本報告書中執行長的話）。透過此等作為，在全體同仁努力下，我相信本集團必將繼續成長茁壯。

致謝

2020年美德醫療締造了史無前例、令人驚艷的成果，除了感謝董事們長期的指導與支持；經營團隊善謀能斷，從原料取得、產能安排、產品組合、銷售策略、產品暨通路創新等方方面面的努力和付出，居功厥偉；感謝所有同仁在各自崗位上的持續貢獻；當然，最是感謝股東們長期以來對本集團的堅定支持。沒有這麼多人的協助，很難結出2020年的甜蜜果實。謝謝各位！



楊克誠
董事長

執行長的話

尊敬的股東們好！

2020年是動盪的一年。COVID-19病毒大流行導致全球社會及經濟受到巨大衝擊。對美德醫療集團而言，2020年是蛻變的一年，確立了成為全球領先的個人防護裝備（PPE）及PPE常備庫存解決方案供應商的定位。

很榮幸在此向各位報告截至2020年12月31日的財務年度（2020年）經營成果暨財務表現，以及推動未來集團持續成長的各項策略。



副董事長/執行長 楊威遠

2020年回顧

2020年是集團的收入和盈利創紀錄的一年。集團的收入在2020年大幅飆升480.4%，達到4.003億美元。

製造部門仍然是主要部門，佔集團2020年收入的89%。由於全球對個人防護裝備的需求激增，來自貿易部門的收入在2020年大幅增長1,444.2%，佔集團收入的7%。因為在台灣和菲律賓有穩定的收入來源，醫院服務部門佔集團收入的4%。

集團的淨利從2019年的120萬美元增長到2020年的1.317億美元。

2020年的挑戰與機會

2020年是非常的一年，充滿了前所未有的挑戰和機會。新冠疫情爆發為企業帶來諸多挑戰，包括：全球和區域封鎖、物流和供應鏈中斷以及原材料價格飛漲。儘管如此，集團迅速應對這些挑戰，除了全力履行對客戶的承諾，同時伺機快速擴張。

通過利用電子商務平台，增加集團在原材料及優質產品方面值得信賴的供應商數量，並與知名的零售連鎖店、物流及倉儲夥伴合作，而且在不同地區建立了物流中心，提高分銷發貨能量。從而蛻變為PPE供應領導廠商，以及PPE常備庫存解決方案提供者。同時推出零售服務（B2C）及擴大自有品牌銷售。

守護弱勢團體

除了增加產能維持對客戶的承諾外，我很自豪地分享集團所有部門和生產基地同心協力的抗疫努力。守護人類健康和 safety 為集團的願景，因此本集團對於台灣、菲律賓、柬埔寨、日本、德國、法國、義大利及美國的醫務人員、學童、老人及其他弱勢群體捐贈口罩、隔離衣、防護衣、鞋套、面罩及其他個人防護裝備暨醫療設備，確保他們在困難時期得到足夠的保護。同時與亞洲開發銀行、世界衛生組織、不同國家的紅十字會以及地方慈善機構合作，開展各種救災工作幫助受疫情和其他自然災害影響的社群及弱勢團體。有關集團公益活動的更多詳情，請參閱本報告中的“企業社會責任”章節。

展望

新冠肺炎疫情爆發之後，上自各國政府，下至各行各業及一般民眾，莫不深切體認供應鏈中斷的風險。美德醫療作為PPE的領導品牌有能力解決疫情期間浮出水面的供應鏈問題。

集團擁有多元化的原物料及防護相關產品的供應來源，生產基地又分散不同國家，加上嫺熟委外生產運作，足以確保生產能量的穩定性。另一方面，擁有世界知名大廠為數可觀的訂單，又已建置跨國跨區倉儲物流中心，貨品的調度與配送極具效率與成本優勢，我們深信我們的供應鏈既富彈性又有韌性。

在此基礎上，美德醫療將與政府機構、國際採購組織及品牌商合作，希望成為亞洲區首家全方位供應PPE、醫療器材及醫療保健產品的全球採購平台。我們與關鍵行業翹楚合作，擴大我們包括手套，注射器，快速篩檢試劑以及諸如呼吸器和噴霧器類的醫療設備的產品範圍。集團將通過消費者端(B2C)和企業端(B2B)營銷渠道，利用自有品牌Medtecs和CoverU，持續提高品牌知名度，發展品牌特許經營。

新冠疫情凸顯全球對PPE及其相關醫療用品的應急儲備需求，集團也望成為全球政府和企業的重要個人防護裝備庫存合作夥伴，因此將繼續與政府機構、醫療機構和全球大型採購團隊合作，提供滿足不同需求的PPE常備庫存解決方案。

致謝

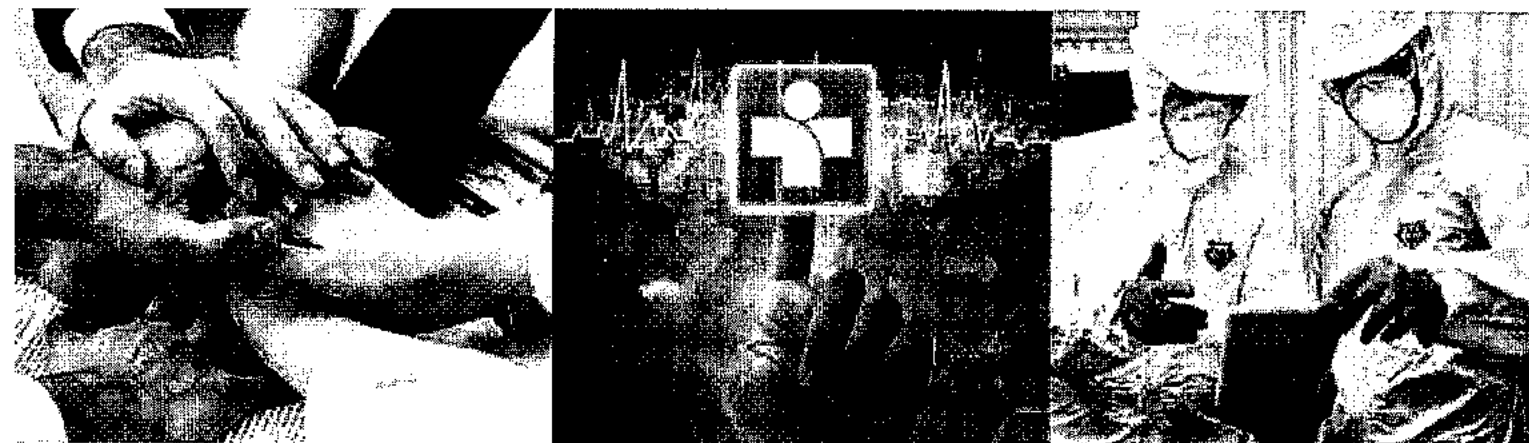
我為集團的轉型以及我們在2020年的驚人成長感到自豪，並衷心感謝美德集團的員工，合作夥伴和客戶以及我們股東的一如既往的支持。我期待在2021年及未來日子與他們緊密合作，以確保集團的長期成功。

對於所有日復一日無私奉獻自己的醫療工作者，本人由衷感謝。

William Yoy

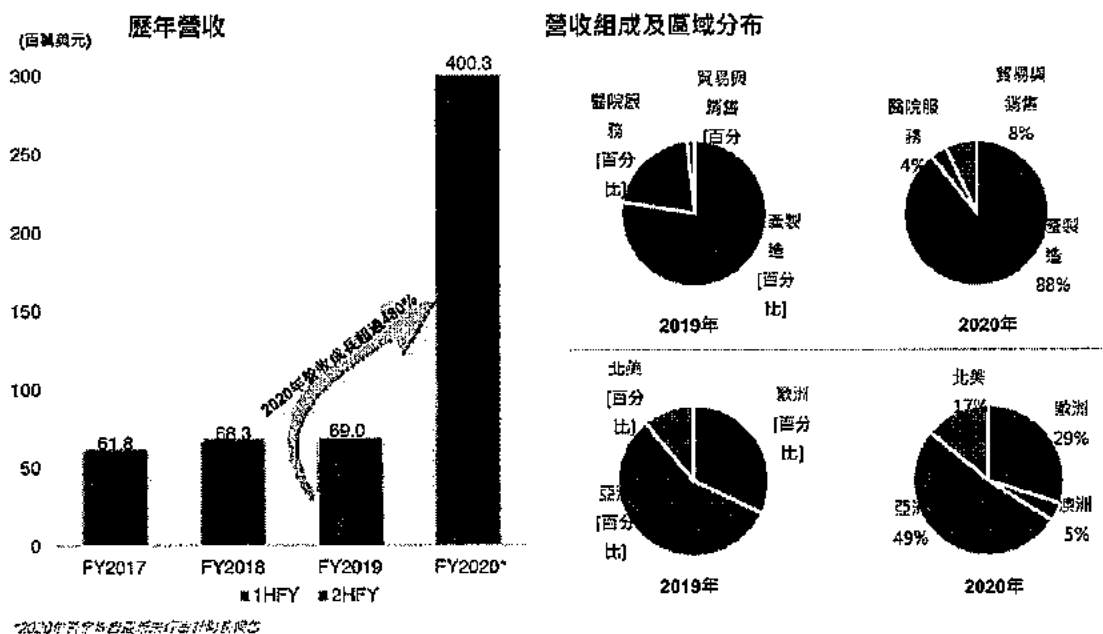
楊威遠

副董事長/執行長



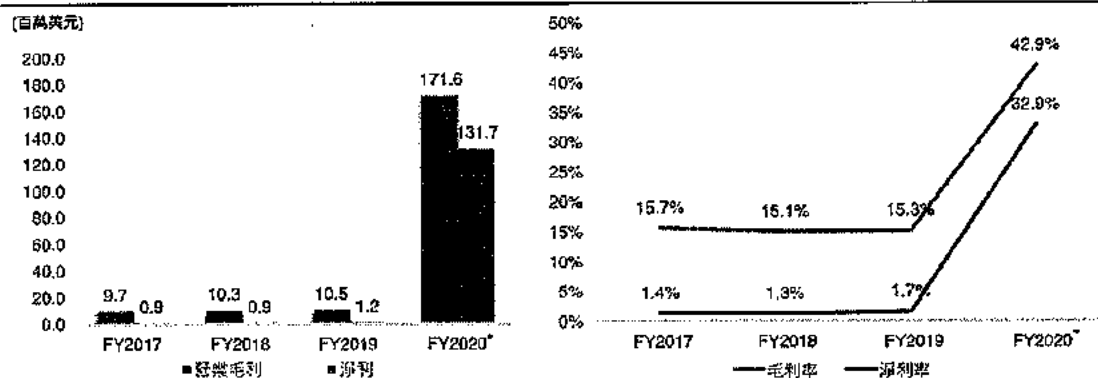
財務摘要

2020年的營收因PPE需求激增巨幅成長



2020年毛利與淨利急遽躍升

歷年毛利與淨利



- 得力於規模經濟效益、自有品牌產品比重提高及PPE平均銷售價格上漲，2020年淨利顯著成長。
- 全球供應吃緊訂單提升，PPE平均單價急遽攀升，於2020年4月達高點，儘管平均單價已稍回落，然自有品牌產品銷量提升，淨利率仍較往年度有所提升。
- 2020年營收中，有高達46%來自新客戶挹注。
- 原材料供應趨穩，生產成本隨之減低並趨向穩定。

*2020年第一季各區及總共執行資料與歷史

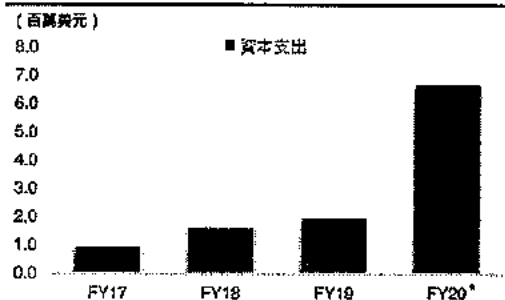
資產負債表摘要

| (百萬元) | 截至2020年 12月31日 | 截至2019年 12月31日 |
|------------|-------------------|-------------------|
| 現金及銀行存款 | 82.2 | 8.1 |
| 存貨 | 58.7 | 37.8 |
| - 存貨週轉天數 | 86 | 237 |
| 應收帳款 | 49.3 | 18.3 |
| - 應收帳款週轉天數 | 45 | 71 |
| 應付帳款 | 10.4 | 3.8 |
| - 應付帳款週轉天數 | 17 | 24 |

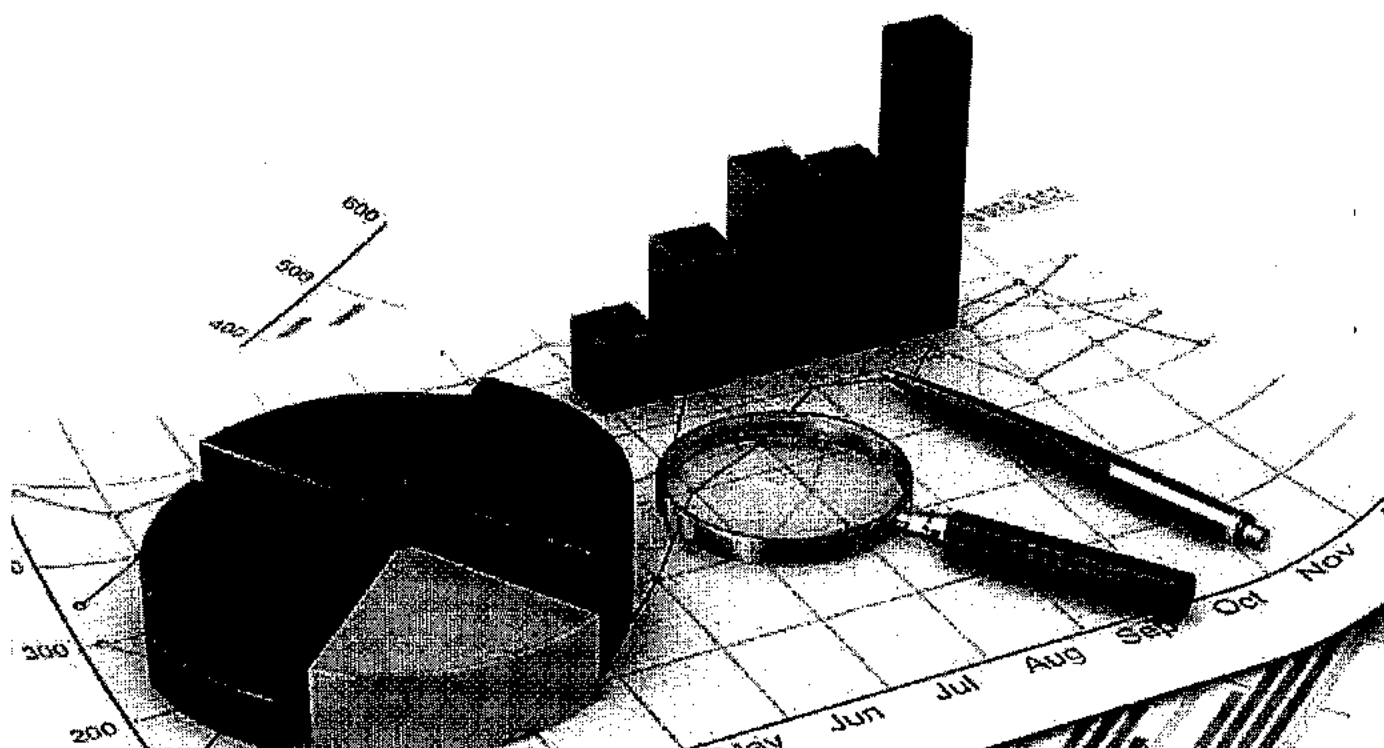
主要財務比率

| | | |
|--------------------|------|------|
| 債務權益比率 (債務 / 權益) | 0.2x | 0.7x |
| 淨債務權益比率 (淨債務 / 股本) | 不適用 | 0.7x |

* 2020年數字係根據初步審計財務報表

資本支出提升 - 提高產能因應需求大幅成長


| (千元美元) | 2020* | 2019 |
|-----------|----------|---------|
| 營運活動之現金流量 | 101,390 | 4,370 |
| 投資活動之現金流量 | (6,074) | (4,649) |
| 籌資活動之現金流量 | (16,225) | (1,172) |
| 淨現金流入(流出) | 79,091 | (1,451) |



財務狀況

業務概況

由於新冠疫情大流行導致全球對個人防護裝備的需求激增客戶銷售增加，本集團的收入從2019年的69百萬美元大幅增長480.4%至2020年的400.3百萬美元。由於規模效應增加經營收益和Medtecs自有品牌個人防護裝備產品的比例提高，集團2020年的淨利潤大幅增長11,196.4%至1.317億美元。

營業收入

由於全球對個人防護裝備的需求激增，製造部門的收入從2019年的5290萬美元大幅增長576.4%，達到3.578億美元。

2020年也於台灣和菲律賓的被服使用增加，醫院服務部門的收入在2020年小幅提升2.8%至1,470萬美元。由於對醫療保健產品的需求增加，來自貿易部門的收入在2020年大幅增長1,444.2%，達到2,780萬美元。

獲利能力

由於收入和更多高利潤產品銷售的增加，本集團的毛利從2019財年的1,050萬美元大幅增加1,529.7%至2020年的171.6百萬美元，使集團的毛利率從前一年的15.3%提高到2020年的42.9%。

製造業部門的毛利歸因高利潤產品銷售提升而增

加，從2019財年的9.4百萬美元大幅增加1,581.6%至2020年的157.6百萬美元，毛利率從2019年的17.7%大幅提高26.3%至44.1%。

由於較高的人工和被服攤銷成本，醫院服務部門的毛利潤下降了243.1%，從2019年的70萬美元的利潤下滑至2020年的虧損100萬美元。由於更高的利潤和更多的客戶需求，貿易部門的毛利潤從2019年的50萬美元大幅增加2,975.0%至2020年的14.9百萬美元。

其他營業收入從2019年的80萬美元下降50.1%至2020年的40萬美元，這是由於匯兌收益減少所致。

銷售和行政費用從2019年的7.5百萬美元增長372.4%至2020年的35.4百萬美元，這是由於擴大營運所致的銷售和經營費用增加。

由於銀行貸款減少，財務費用從2019年的2.5百萬美元下降38.3%至2020年的1.5百萬美元。

所得稅開支由2019年的40萬美元增加861.3%至2020年的3.4百萬美元，原因是本集團的盈利能力提升。

由於規模效應增加經營收益和Medtecs自有品牌個人防護裝備產品的比例提高，集團2020年的淨利



2020年的銷售額和利潤分別提高至**4.003**億美元和**1.317**億美元。

資產負債表與現金流量

本集團的資產總額由2019年的116.6百萬美元增加129.1百萬美元至2020年的245.7百萬美元，由於出色的經營業績，現金和銀行餘額從2019年的310萬美元增至2020年的82百萬美元。銷售和客戶需求的增加也導致應收賬款和庫存的增加。

本集團的營業活動的現金流入2019年度及2020年分別為 4.4百萬美元及101.6百萬美元，這歸因於收入及獲利的增加。籌資活動的現金流出從2019年的4.6百萬美元增至2020年的6.2百萬美元，主要由於菲律賓和柬埔寨的口罩和PPE產品線增加新機器和設備。由於償還貸款和分發現金股利，籌資活動產生的現金流出為16.3 百萬美元。



營運概況與展望

自由生活新選擇

美德醫療品牌概念快閃店 開幕記者會

美德醫療開啟 抗病毒新紀元



集團將持續發展電子商務，以及「美德」和「Cover U」品牌以提昇營收。

展望2021年，全球仍將持續受COVID-19影響，個人防護裝備（PPE）和醫療保健產品的需求依然旺盛。據多項研究顯示，全球PPE市場規模在2020年至2025年之間，預計將以6%至12%的複合年平均成長率增長。

除非出現不可預見的情況，本集團預期2021年仍會繼續獲利。

本公司在2020年，全面擴大在柬埔寨和菲律賓包括口罩、隔離衣和其他防護服等主要產品的產能。未來將利用COVID-19疫情帶來的改變，如全面認知PPE的重要性，及落實執行各種防治流行病的規劃，藉以擴大產品範圍並提高市占率。

同時，將透過「全球買全球賣」的經營策略，充分利用電子商務平台，擴大客戶參與度，並裨助採購優質原物料，增加各類型優質供應商，從而有效減降供應鏈中斷的風險。

本集團於2020年積極擴展對消費端（B2C）的業務，未來將藉由消費者對Medtecs品牌的認同度提高，大力尋求對外合作和特許經營的機會。本集團於2020年推出CoverU防護裝備及疾病預防產品系列，成功打入歐美市場，且一直保持高度需求。因COVID-19疫情在這兩個地區幾乎沒有減弱的跡象。

本集團未來將繼續與全球各級政府機構合作，提供PPE常備庫存解決方案。亦將持續研發各類新產品，例如美德神盾（Medtecs Shield）系列。這是一種以奈米技術為基礎的抗病毒產品，既可防止病原體傳播，又兼具環保與成本效益。

本公司在2020年陸續達成數項戰略聯盟。2021年仍將探討各種可能，並尋求合資或併購的機會。俾擴大產品範圍，建構產品開發、製造、銷售及配送的整合平台。進而完成「提供可靠、高品質個人防護裝備及醫療保健產品」的經營理念暨使命。

COVID-19的大流行，迅速提高本集團的品牌知名度及各界對本集團的產品需求。未來本集團將運用前述各種策略，繼續透過打造品牌知名度、開發新產品及擴增銷售通路等，逐步減少對代工收入的依賴，逐漸強化自力成長力道。另一方面，持續與戰略夥伴建立合作關係，並尋求合資和併購機會，積極運用外部力量配合集團自力成長，有效增強集團競爭力，確保永續發展。

製造部門

在新冠疫情期間，本集團成功地擴展在菲律賓及柬埔寨的口罩和個人防護裝備生產基地。因為疫情大流行喚醒各界對醫療保健及安全的重視，本集團在歐洲、北美及亞太地區的客戶量得以成長。另為提升技術並垂直整合生產鏈，本集團陸續與供應商暨其他醫療產業進行策略合作及聯盟。

另外，我們以自有品牌Medtecs及CoverU，大力行銷牌口罩及PPE產品，希望進一步拓展我們的營收。

我們經由B2B及B2C的商業模式，強化營運成長，同時積極提升在更多電子商務平台的能見度。此外，我們以長期為政府部門提供個人防護裝備和口罩常備庫存的經驗為基礎，希望在全球感染期間，可以協助穩定需求並發揮領導夥伴的功能。

醫院服務部門

醫院服務一直是本集團穩定的營收來源。我們期望掌握醫療系統將非核心作業委外的趨勢，得以增強在臺灣及菲律賓市場能見度及市場占有率。本集團持續採取成本減降措施以提升利潤。

醫療保健意識抬頭，促進貿易部門的收益增長

貿易部門

對本集團而言，貿易部門不但是是一個獨立的利潤中心，對其他部門也可發揮輔助效果。本集團希望成為全方位的一站式醫療商品供應商，在醫療產業備受重視之際，本部門擴張可期。

研發概況

在新冠疫情大流行下，本集團及全世界均將疾病管控與預防列為首要目標。本集團運用在製造上的優勢，及數十年在醫療產業的經驗，加速研發新冠疫情後需要的各項新產品，及提供疾病預防的各種解決方案。

2020年研發推出的美德神盾 (Medtecs Shield)系列是一種以奈米技術為基礎的抗病毒系列產品，此系列中的所有產品均經過TTA處理，TTA是一種環保且無毒的材料，可形成高反應性的羥基自由基，從而抑制病毒和細菌的生長。這使TTA成為可應用於多種疾病預防產品的理想材料。該系列的週拋抗病毒口罩都經過TTA處理，因此可以有效抑制病毒和細菌長達7天無異味。既可防止病原體傳播，又兼具環保與成本效益。公司預計將在2021年推出更多新的美德神盾系列產品。

Medtecs Shield 美德神盾系列



企業社會責任

美德醫療自成立以來長期透過慈善捐贈、志工服務社區參與活動，在全球各營運據點發揮正面影響力。同時我們也為我們的產品感到自豪，面對疫情席捲全球的2020年，我們發揮「人飢己飢，人溺己溺」的精神，與政府機構及知名慈善組織並肩合作，捐贈大量美德自有品牌PPE及相關醫療物資至世界各地。

我們站上防護最前線，持續為全球各地的國際紅十字會組織的各種救濟活動提供支援。自2020年初新冠肺炎爆發以來，在全球PPE需求激增的情況下，為了解決全球PPE短缺的困境，美德提高產能並同時供貨到世界各地的倉儲物流中心，為前線人員及資源不足地區的社區提供全面的保護。

在台灣

- 2020年2月我們透過三家在地社福團體捐贈總計300,000片口罩，希望藉此能夠守護弱勢兒童安心上學。
- 2020年11月我們攜手12家公益團體，捐贈12種顏色、總計一百萬片口罩守護弱勢，將愛全防護傳遞給全台各個角色，用愛落實心生活。



<https://www.youtube.com/watch?v=b7X7RJ2TYFA>



在柬埔寨

- 集團透過陸續捐贈於三月份提供柬埔寨政府完整的PPE解決方案，包含手術防護口罩100,000片、連帽防護衣20,00件、四級高風險隔離衣20,000件、PE隔離衣50,000件、護目鏡10,000件、頭套50,000件及鞋套100,000件。
- 捐款支持柬埔寨紅十字會扶貧，促進人類總體福利和尊嚴的各種救濟工作。
- 於2020年10月為解決當地縣級政府面臨警察辦公室圍欄建設資金不足的危機，希望在助力當地經濟發展的同時，也為當地執法部門提供更安全完善的工作環境。
- 2020年10月，柬埔寨全國19個省份和直轄市皆遭受洪水襲擊，各地的教學樓、道路和橋梁被洪水損壞。除了捐贈獻金給柬埔寨當地政府及部隊支持救災外，也捐贈了2,000條棉毯予當地協助救災的特种部隊。

在菲律賓

本集團陸續向政府機構與當地慈善團體，如菲律賓紅十字會、菲律賓空軍、菲律賓陸軍、省政府及市衛生局等捐贈了共近180萬片口罩、5000多片N95口罩、2,000件連帽防護衣及100件隔離衣，幫助受塔爾火山爆發、颱風及新冠肺炎疫情影響的災民。

在新冠疫情爆發後，鑑於PPE需求全球告急，我們不僅捐贈PPE給本集團主要營運國家，亦不遺餘力陸續於日本、美國、法國、義大利、德國等國家大規模捐贈防疫物資，與全球各國攜手抗疫。

- 2020年4月提供義大利Fondazione Opera San Camillo 14萬片口罩，確保醫護人員和臨床人員於治療他人能有全面保護。
- 2020年7月捐贈10,000 件連帽防護衣及100,000 鞋套給美國舊金山市政府。
- 2020年10月提供德國代表處20,000 件連帽防護衣。
- 2020年12月提供100萬片口罩，透過法國在臺協會捐予法國紅十字會，期待能及時援助法國當地的醫療機構。

有關本集團現金及物資捐贈之詳情，請參閱我們發布的2020年會計年度永續報告。



支持柬埔寨紅十字會幫助受災民眾



捐贈口罩支持菲律賓陸軍抗疫行動



捐贈三十萬片口罩守護台灣弱勢兒童



捐贈菲律賓Marikina市口罩幫助受颱風影響的災民



捐贈防護衣及鞋套給美國舊金山市政府



捐贈全套個人防護裝備予柬埔寨政府

投資者關係

美德認知與利害關係人及股東建立和維護長期關係的重要性，同時亦適時與投資界舉辦座談會，促進持續及有效的溝通交流。本集團同時以「當責」、「透明」及「永續」作為基本原則落實公司治理，在為投資者灌輸信心的同時，也實現永續經營，創造業績、提升股東價值。

2020年新冠肺炎疫情爆發，導致全球經濟及股市動盪不安。面對這些前所未有的不確定性及挑戰，美德掌握商機並在全球PPE爆炸性需求的推波助瀾之下，帶動整體營運表現的提升。在這一年，隨者投資者看好本集團的核心價值及成長，美德醫療股價上漲，股票表現也受到強烈肯定，於2020年11月被納為MSCI（大摩）Singapore Small Cap Index指數的成份股。此外，美德同時也是iEdge SG All Healthcare 及S&P（標普）全球BMI指數的成份股。

2020年本集團專注與業界及市場互動，幫助投資者了解本集團永續競爭優勢及未來發展策略。美德管理層密集與投資界互動，透過虛擬會議及簡報和機構及散戶投資分析師進行交流。全年本集團參與了各大券商舉辦的分析師座談會共計51場，每月平均參與超過4次會議，並獲得一家研究機構刊登報導及披露一份未評報告。

此外，本集團內部和外部的投資關係團隊亦不時通過SGXNet發布重要事項，例如業務發展以及其他相關揭露，以及有關集團的最新發展，使投資者及媒體及時獲得最新消息。所有相關揭露也同步美德公司官網：<http://www.medtecs.com/en/about/investor-relations>。展望未來，本集團將繼續對外同步最新發展，並保持公開、及時的溝通以提升市場知名度。



公司名錄

董事會

- ▲ 楊克誠
董事長
- ▲ 楊威遠
副董事長 / 執行董事 / 執行長
- ▲ Lim Tai Toon
首席獨立董事
- ▲ 楊小青
獨立董事
- ▲ 聶建中
獨立董事

審計委員會

- ▲ Lim Tai Toon
主席
- ▲ 楊小青
成員
- ▲ 聶建中
成員

薪酬委員會

- ▲ 聶建中
主席
- ▲ 楊小青
成員
- ▲ Lim Tai Toon
成員

提名委員會

- ▲ 楊小青
主席
- ▲ Lim Tai Toon
成員
- ▲ 聶建中
成員
- ▲ 楊克誠
成員
- ▲ 楊威遠
成員



董事會秘書

- ▲ Abdul Jabbar Bin Karam Din
(公司秘書)
- ▲ Codan Services Limited
(助理秘書)

股務代理

- ▲ Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

保薦人

- ▲ R & T Corporate Services Pte. Ltd.
9 Straits View #06-07
Marina One West Tower
Singapore 018937

專業團隊：

Evelyn Wee Kim Lin,
Howard Cheam Heng Haw

百慕達註冊辦公室

- ▲ Medtecs International Corp. Ltd.
TEL: +632-817-9000
Clarendon House 2 Church Street Hamilton
HM11, Bermuda

簽證會計師

- ▲ SyCip Gorres Velayo & Co.
(A Member Firm of
Ernst & Young Global Limited)
6760 Ayala Avenue
1226 Makati City
Philippines

負責合夥人：

Alvin M Pinpin
(2020年11月15日聘任)

主要往來銀行

- ▲ 合作金庫商業銀行
105臺北市松山區長安東路二225號
- ▲ 臺灣土地銀行
100 臺北市中正區館前路46號
- ▲ 遠東國際商業銀行
106臺北市大安區敦化南路二段207號27樓
- ▲ 安泰商業銀行
110臺北市信義區信義路五段7號40樓
- ▲ 臺灣銀行
115台北市南港區三重路66號2樓之2

投資者關係

- ▲ Citigate Dewe Rogerson Singapore Pte. Ltd.
105, Cecil St., #09-01 Singapore, 069534

董事會成員介紹

楊克誠 先生 | 董事長

(於1997年任命為董事，並將於2021年重新選任)

楊克誠先生為美德醫療集團董事長，負責企業整體營運管理、策略規劃、產品發展及行銷。楊先生自1990年起受任為董事長兼任執行長，直至2018年5月2日卸任集團執行長一職，由楊威遠先生接任。楊先生亦為提名委員會之成員。在楊先生的帶領下，美德醫療已成為全球醫療保健服務供應商，亦是各國醫療供應商、藥廠及醫療機構代工製造之製造商及經銷商。

在創立美德醫療之前，楊先生曾任福益集團副總經理、生暉國際股份有限公司(Shentex Corp)執行長。1986至1989年之間擔任台灣紡織業同業公會理事長，並曾任蘇比克灣台灣商會主席，目前為中菲經濟協進會以及中東經濟協進會主席，同時也是菲律賓PPE協會 (Confederation of Philippine Manufacturers of PPE)創會會長。

楊先生在紡織界有三十多年的經驗，並致力於醫療照護產業中的醫療耗材開發。

楊威遠先生 | 副董事長 / 執行董事 / 執行長

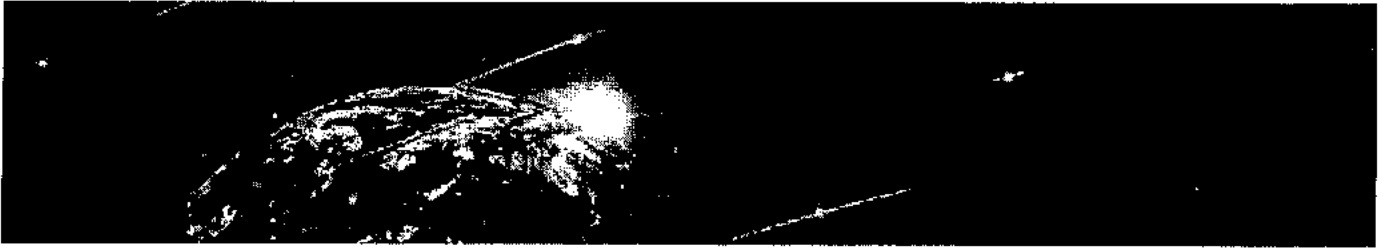
(於2013年任命為董事，並將於2021年重新選任)

楊先生2005年畢業於紐約理工學院，主修電機及電腦工程。

楊先生於2008年起擔任杭州津誠醫用紡織有限公司(本集團子公司)總經理，2010年7月1日起擔任台灣美德向邦股份有限公司(本集團子公司)總經理，管理行銷、生產、人力資源及財務等部門。

楊威遠先生於2018年5月2日接替楊克誠先生擔任集團執行長一職，並於2021年2月26日起出任為本公司的副董事長。

楊先生擁有超過10年的紡織業經驗，近年致力於醫用耗材及醫院服務等醫療保健行業的發展。



Lim Tai Toon 先生 | 首席獨立董事/審計委員會主席/提名委員會成員 薪酬委員會成員

(於2010年任命為董事，並將於2021年重新選任)

Lim Tai Toon先生於2010年10月29日任命為公司獨立非執行董事，2012年5月4日擔任審計委員會主席及首席獨立董事。他同時擔任提名及薪酬委員會委員。

Lim先生曾服役於新加坡陸軍，退役後轉往財務及商務方面發展。

自1994年開始，Lim先生先後任職於數家新加坡證交所掛牌之上市公司，於REA Ltd（前身為Superior Fastening Ltd）擔任財務顧問，於Eastgate Technology Limited(2006-2009)擔任執行董事，2003年至2006年期間於Vashion Group Limited（前身為Startech Electronics Limited）擔任常務董事，並於1995年至1996年間在Ipco International Limited（Corporate Affairs）擔任副總經理。自2018年起Lim先生擔任Medinex Ltd的獨立董事及審計委員會主席。

Lim先生於2003年創立一軟體開發公司，並於1996年至2000年間擔任一亞洲公司的中國區執行長。直至2020年，Lim先生在Loughborough University擔任兼職講師長達17年。

近年Lim先生擔任一家具有社會影響力公司的創始人兼執行長，該公司主張「從農場到餐桌」之概念。同時，他是BGST理事會的成員。Lim先生目前擔任Singapore Press Holdings Ltd 旗下Student Castle Property Management Service 的總經理。

Lim先生擁有澳洲Curtin University of Technology的資訊工程碩士學位和英國Henly Management College的企業管理碩士學位以及新加坡National University of Singapore的會計學士學位，並為新加坡特許會計師協會的資深特許會計師。

楊小青 女士 | 獨立董事

(於2005年任命為董事，並將於2021年重新選任)

楊小青女士於2005年5月1日被任命為公司獨立董事，2012年8月14日擔任提名委員會主席。她是審計與薪酬委員會委員會成員。

楊小青女士是贈與亞洲(Give2Asia)副總裁，中國首席代表。她曾是從事跨國投資和商業發展的嘉勒斯中國集團有限公司的聯合創始人。20多年來，她一直致力於支持國際企業在中國投資。楊女士在跨國投資、國際合作發展和合規運營方面有著豐富的經驗，並擔任多家企業董事、上市企業獨立董事、跨國公司的高級顧問。楊女士曾被中國國務院外國專家局聘請為外國專家。過去五年間，她曾擔任Schauenburg Truplast Hose Technology Ltd.、Guangzhou GISE Gas Ltd.、Asian Light Group Limited及Shanghai AKA Mechanical and Electric Co., Ltd等公司的董事。同時在2007年至2009年連續三年獲得廣州市最佳外商投資顧問獎。楊女士於2018加入贈與亞洲，在2020新冠疫情期間，帶領贈與亞洲中國團隊協同總部共同組織抗疫馳援，完成了超過一千萬美元的抗疫捐贈。

楊女士擁有中國濟南大學新聞系學士學位，並於1985年在美國史丹福大學進修。其後，楊女士在美國麻州Simmons College取得Communications Management & Investor Relations的碩士學位。

聶建中 博士 | 獨立董事

(於2019年8月8日任命為董事，於2020年重新選任)

聶建中博士於2019年8月8日起受任為公司獨立董事及薪酬委員會主席，並擔任審計及提名委員會成員。

聶博士現為淡江大學及國立台北大學教授。過去曾擔任國立政治大學教授。聶博士擁有美國紐約市立大學布魯克商校企管財務碩士，以及美國新澤西州立羅格斯大學經濟學博士、經濟學碩士和工業工程碩士。



會計年度行事曆

▼ 2020 會計年度

2021 年 3 月 1 日

公告 2020 全年營運成果

2021 年 4 月 28 日

年度股東大會

▼ 2021 年會計年度

2021 年 8 月中旬

公告 2021 上半年度營運成果

2022 年 2 月 最後一個星期

公告 2021 全年營運成果

公司治理報告

本公司致力於通過遵循良好治理的原則（包括當責、透明及永續），達到及維持本集團高標準的公司治理，將增強投資者的信心並實現長期永續的企業經營。良好的公司治理在本公司的各個層級建立並保持適當的文化、價值觀和道德行為標準，這有助於在考慮利害關係人利益的同時提高長期的股東價值。

在稍後今年，本公司將會依新交所之規範出版本公司的企業永續發展報告。

本報告具體參考新交所於2018年8月頒布修訂後的公司治理準則（即「2018年準則」），以描述2020年會計年度本公司的公司治理架構及實務。

本公司遵循上市公司治理準則，當我們的做法與準則的建議有所歧異時，將在適當情況下作出說明。

本報告應整體閱讀，而不是根據2018年準則內的不同準則單獨閱讀。

本公司已遵循2018年準則的原則和方針。如果與準則規定有所不同，我們將酌情就公司的慣例提供解釋，說明我們如何與有關原則的宗旨和理念保持一致。

(A) 董事會事務

董事會之職務

準則1：企業應設一高效能的董事會，董事會具有責任並與管理階層相互合作以確保公司的長期成功。

◎ 董事會的角色

董事會具有設定戰略方向和設定公司治理方式的雙重作用。這包括在公司的各個層面進行建立適當的文化、價值觀和道德標準。董事會的作用比提供監督更為廣泛，因為組織良好的董事會將促進更全面的討論，從而導致更好的決策和更高的業務績效。董事會還就道德，價值觀和理想的組織文化為集團定下基調，並確保在集團內部承擔適當的責任。董事會負責本公司的整體企業管治。

董事會負責本集團的管理工作，其主要角色是保障並提高股東的長期價值，監督集團及轄下機構各項業務及事務的管理，以樹立適當和期望的組織文化，並擔負在公司內部董事會之董事事務。董事會負責核決集團的策略方向、監察管理表現及檢討本集團的財務結算。此外，董事會直接負責以下事項的決策：

- a. 核准公司重大決策，如重要之子公司或資產和負債的取得或處分；
- b. 核准年度預算、重要籌資計畫、資本支出及投資和撤資計畫；
- c. 核准本集團全年度、半年度財務績效及關係人交易之公告；

- d. 監視風險管理流程和財務報告、承諾，以及評估內部控制的充分性和有效性，及可能經審計委員會之建議；
- e. 審視管理階層之績效和核准董事會人選之提名、主要管理階層人選指派，及可能經提名委會之建議；
- f. 審視和認可董事會及主要管理階層薪酬之架構；
- g. 公司政策保持良好的公司治理及業務經營；及
- h. 對於環境、社會、公司治理等永續發展議題之策略規劃。

董事會每半年對本集團經營的表現及前景，提供股東客觀及易於瞭解的評估報告。

董事是為了公司的最佳利益而客觀行事的受託人，並要求管理階層對營運負責。董事一直客觀地履行受託人的職責和責任，以符合本公司2020年會計年度的利益。董事有權向管理階層提出要求，並根據需要向董事提供其他訊息，以做出正確的決定。董事進一步了解，其必須避免自身或個人利益與本集團的利益，有直接或間接或潛在衝突的情況。董事在任何事項上有利益衝突或潛在利益衝突時，將立即在董事會議上宣布，或向董事長或公司秘書發送書面通知，詳細說明其利益衝突，並避免對此事進行任何討論，且放棄參加董事會的任何決定。

董事會其他的應決定事項還包括：

- 董事及主要股東是否涉及利益衝突；
- 重要資產之取得及處分；
- 公司或財務重新組織及股份發行；
- 決議股利及股東報酬；
- 在本公司利害關係人交易政策下需經過董事會核准之事項；及
- 公司秘書的任免。

董事會將監視本集團永續經營報告，藉著監控環境和社會、公司治理以影響本集團企業之永續發展。

◎ 董事委員會

為協助董事會的職責及功能的執行，董事會設立了一系列功能性的委員會，包含審計委員會、薪酬委員會及提名委員會(整體稱作「董事委員會」)。每個董事會委員會均由明確的書面職權範圍規範，包函了每個委員會的組成，職責，權限和當責，本報告第36至51頁對此也進行了詳細說明。

◎ 董事會議及召集

目前董事會每季度召開一次會議，並在必要時召開會議以履行其職責。由董事事先決定會議日期，根據本公司章程，會議得以電話或視訊方式進行，董事會和董事會委員會的決定也可以透過書面通函決議取得。董事會與提名委員會一致認為，董事積極參與了董事會和委員會會議，並且每位董事在2020年會計年度都為本集團事務投入了足夠的時間和精力。

本年度董事會召集及各董事出席的會議次數如下：

| 董事 | 股東大會 | | 特別股東會 | | 董事會 | | 審計委員會 | | 薪酬委員會 | | 提名委員會 | |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 會議 次數 | 出席 次數 | 會議 次數 | 出席 次數 | 會議 次數 | 出席 次數 | 會議 次數 | 出席 次數 | 會議 次數 | 出席 次數 | 會議 次數 | 出席 次數 |
| 楊克誠 | 1 | 1 | 1 | 1 | 4 | 4 | - | - | - | - | 4 | 4 |
| 夏軍偉 ^(a) | 1 | - | 1 | - | 4 | - | - | - | - | - | 4 | - |
| 楊威遠 | 1 | 1 | 1 | 1 | 4 | 4 | - | - | - | - | 4 | 4 |
| Wilfrido Candelaria Rodriguez ^(b) | 1 | 1 | 1 | 1 | 4 | 3 | - | - | - | - | - | - |
| Lim Tai Toon | 1 | 1 | 1 | 1 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| 楊小青 | 1 | - | 1 | - | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| 聶建中 | 1 | 1 | 1 | 1 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |

(a) 夏軍偉先生於2020年6月19日辭任非執行及非獨立董事。

(b) Wilfrido Candelaria Rodriguez先生於2020年8月11日辭任執行董事。

◎ 董事的就職及訓練

董事會將不斷審視其規模，並確定其人數對有效性的影響，並決定合適的規模。提名委員會每年一次評估董事會組成現況，確保成員的專業背景及經驗是合宜的。

提名委員會確保新董事了解其職責和義務，並負責審議董事是否能夠並且已經充分履行了其作為董事的職責。任命董事時，會向其提供正式信函，闡明其職責和義務。新任命的董事將受到保薦人的訪談，並由執行董事長及/或執行長及/或本公司的管理階層作簡報，介紹本集團的業務活動及其戰略方向和公司治理實踐。

董事會深刻認知所有董事必須保持業務和法律發展的最新動態，以便能夠有效地為董事會服務並為董事會做出貢獻。所有董事均具有多年的公司治理經驗，並熟悉其作為董事的職責和責任（包括各自的執行、非執行和獨立董事角色）。此外，董事了解本集團的業務，本集團亦提供機會使其發展和維持作為董事的技能和知識，包括參訪本集團的運營據點並與管理階層會面，以增加對本集團業務及策略的了解。

本公司持續向董事提供有關董事職責和責任、公司治理、財務報告準則的變更以及對財務報表有直接影響的問題等方面的情況簡介和更新，以使他們能夠適當地履行其作為董事會或董事會委員會成員的職責。此類持續的簡報和更新的範圍包括行業趨勢發展，治理實踐和發展趨勢的概述，以及與企業有關的治理實踐和法規要求的趨勢變化。

◎ 資訊取得

為了協助董事會履行職責，管理階層在董事會會議召開之前向董事會提供了完整、充分和及時資訊的管理報告。管理階層歡迎董事就本集團經營或業務的任何方面，向管理階層尋求解釋或澄清及/或召開非正式討論。必要時將為非正式的討論或解釋作出必要的安排。

所有董事在任何時候都可以單獨和獨立地訪問管理階層、公司秘書及外部顧問（如有必要），費用由本公司承擔。本公司秘書出席所有董事會會議，並確保遵守董事會程序以及適用於本公司的所有其他規章制度。本公司秘書的任命和罷免需要獲得董事會的批准。

管理階層會密切監控法規的變更，對於與本公司或董事的揭露義務有重要關係的變更，將在董事會會議上向董事進行簡報。

各個委員會的董事和主席，無論是作為一個小組還是個人，都可以在必要時尋求獨立的專業建議，以促進其職責，但由本公司承擔費用。該專業顧問的任命須經董事會批准。

董事會的組成與平衡

準則2：董事會在組成上具有適當的獨立性和思想和背景的多樣性，以使其能夠做出符合公司最大利益的決策。

董事會包含五（5）位董事，其中三（3）位是獨立董事。其名單如下：

| <u>執行董事</u> | <u>職銜</u> | <u>獨立董事</u> | <u>職銜</u> |
|-------------|------------------------------|--------------|-----------|
| 楊克誠 | 執行董事長 | Lim Tai Toon | 首席獨立董事 |
| 楊威遠 | 副董事長，於 2021年2月26日任命、執行董事、執行長 | 楊小青 | 獨立董事 |
| | | 聶建中 | 獨立董事 |

提名委員會不時審視董事會及董事會委員會的規模和組成，以確保其規模合適，並由董事組成適當平衡以及混合著提供技術、知識、經驗和其他方面，如性別和年齡等多樣性，以促進有效的討論和決策。提名委員會認為，考慮到本公司運營的性質和範圍，目前合適的董事會規模為五（5）位董事，其中三（3）位是獨立董事。

當前的董事會由在會計、業務和管理、財務和風險管理方面具有豐富專業知識和經驗的人員組成，他們共同提供滿足公司要求所必須的核心能力。董事對本公司事務以及集體經驗和知識的客觀判斷，對本集團而言是無價的，並可以有益地交流思想和觀點。

根據準則第2.4條，董事會還通過了董事會多元化政策。根據董事會成員多元化政策，提名委員會將在審查董事會的組成，董事的輪換和卸任以及繼任計劃時，考慮多個方面，包括但不限於性別、年齡、國籍、種族、文化背景、教育背景、經驗、技能、知識、獨立性和服務年限。在確定董事會的最佳組成時，將考慮這些差異，並在可能的情況下達到適當的平衡。

◎ 董事的獨立性

提名委員會根據準則對獨立董事的定義，每年審核每位董事的獨立性。每位董事必須聲明與本公司、其關聯公司、主要股東或高階管理人員（如果有）的關係，這些關係可能會通過填寫和提交「獨立確認書」來影響其獨立性。此類關係在在當前和最近一個會計年度，包括董事、其直系親屬或董事及/或其直系親屬擔任董事、主要股東、合夥人（持股比例為5%或以上）或執行管理人員與本公司或其任何關聯公司有關，以及董事與公司的主要股東有直接關係。上述所提的表格是根據準則原則2以及新加坡金融管理局、會計和公司監管局以及新加坡交易所於2014年8月發行的《新加坡審計委員會指南》（第二版）中的定義和準則制定的，要求每位董事評估自己是否認為自己獨立，儘管沒有守則中定義的任何關係。

提名委員會認為，根據新交所凱利板上市手冊第406（3）（d）條的規定，三（3）名獨立董事（代表董事會的一半以下）是獨立的，於2019年1月1日生效，董事會具有強大而獨立的組成部分，能夠對公司事項進行客觀判斷，尤其是獨立於管理階層，非經由個人或一小群人主導董事會的決策過程。

2018年準則要求對在董事會任職超過九年的任何董事進行獨立審查。自2022年1月1日起，如果董事擔任董事已超過9年（無論是上市前還是上市後）且未分別經由(a)所有股東；及(b)所有股東，不包括兼任公司董事或執行長的股東，以及該等董事和執行長的關係人決議繼續任命為獨立董事，則該董事將不再是獨立董事。

對於分別於2005年5月1日和2010年10月29日首次任職之日起在董事會任職九年以上的楊小青女士和Lim Tai Toon先生，提名委員會審核了他們於董事會和董事會委員會會議的出席及貢獻，並確認了楊小青女士和Lim Tai Toon先生的獨立性。董事會考慮到提名委員會的意見，同意楊小青女士和Lim Tai Toon先生在履行本公司董事職責時繼續表現出強烈的獨立性和判斷力。楊小青女士和Lim Tai Toon先生將繼續表達自己的觀點、辯論問題、客觀地審查和挑戰管理階層。董事會整體上還考慮並確定，楊小青女士和Lim Tai Toon先生隨著時間的推移對本集團的業務和運營有了深刻的見解，並通過其正直、客觀和專業精神為董事會提供了寶貴的貢獻。此外，在對本集團的業務和經營環境有了深入的了解之後，楊小青女士和Lim Tai Toon先生為公司提供了非常需要的行業經驗和知識。根據楊小青女士和Lim Tai Toon先生的獨立宣言，他們與管理階層之間沒有存在任何關係可能會損害其獨立性。提名委員會和董事會的結論是，楊小青女士和Lim Tai Toon先生仍被視為獨立董事。楊小青女士和Lim Tai Toon先生已迴避參加關於其獨立性的審議和決定。

董事會在考慮了提名委員會的意見後，對楊小青女士、Lim Tai Toon先生和聶建中博士仍為獨立董事感到滿意，因為沒有任何關係或情況會干擾每位獨立董事的獨立判斷。楊小青女士及Lim Tai Toon先生將於即將舉行的年度股東常會上尋求重新選任。

Lim Tai Toon先生為新加坡籍。因此，本公司符合凱利板上市準則中，公司董事會至少需有一(1)位新加坡籍獨立董事之相關規定。

非執行董事及/或獨立董事積極參加董事會和董事會委員會的會議。他們憑藉專業知識、經驗和知識，為董事會有效履行其在集團戰略、業務和其他事務上，提供建設性的意見和指導。非執行董事及獨立董事還以建設性的方式挑戰和協助制定戰略方向，並審查管理階層在實現議定目標的績效。此外，他們還監控集團營運的報告。為了促進對管理階層更有效的審查，非執行董事及獨立董事在必要時在沒有管理階層出席的情況下開會討論本集團的事務，並且適當地反饋給董事會及/或董事長。出席的情況下開會討論本集團的事務，並且適當地反饋董事會及董事長。

董事長與執行長

準則3：董事會領導和管理階層之間的職責分工明確，沒有人擁有不受約束的決策權。

本集團的董事長為楊克誠先生，並擔任本公司執行長直至2018年5月2日，在發展本集團業務方面發揮了重要作用，並提供本集團強大的領導願景。

作為本集團管理階層繼任計劃的一部分，楊威遠先生自2018年5月2日受任為執行長以替代楊克誠先生，並隨後在本公司章程第126條有關任命副董事長的要求之下，於2021年2月26日擔任本公司副董事長，其為楊克誠先生的兒子，楊威遠先生負責本集團的日常營運。

鑑於董事會在良好公司治理中的核心地位，董事長樹立正確的基調至關重要。主席與管理階層磋商後，確定董事會會議的議程，並確保在必要時舉行會議，並在會議期間鼓勵所有董事進行充分而坦率的意見交換，以便從多種意見中受益。

執行長負責管理本集團整體業務及發展。執行長與管理高層一起執行符合董事會制定的戰略決策和目標的計劃，並確保向其餘董事保持最新狀態並了解本集團的業務運營和財務狀況。

董事長和執行長在執行董事會與管理階層的溝通工作上，嚴格要求訊息能達到質、量及時效性。在必要時，召集董事會會議、訂定議程，諮詢董事之意見。董事長和執行長在會議之前檢閱所有的文件，確認董事們收到完整、足夠及最及時的資訊。不論管理階層或任何提出寶貴意見之同仁，皆會受邀至董事會列席報告。董事長和執行長應負責確認本公司在準則下運作，並及時有效地與股東溝通。

為了平衡權力分配，Lim Tai Toon先生自2012年5月4日起擔任首席獨立董事。所有的獨立董事(包含首席獨立董事)，每年皆需單獨召集會議討論重大議題，並向董事長及執行長報告。當股東有疑問，通過董事長、執行長或財務長通過常規管道進行聯繫時，未有令人滿意的解決方案，或者這種聯繫不當時，首席獨立董事亦得提供股東直接連繫管道，解答股東疑慮。獨立董事引領所有董事委員會，確保董事會共同決議的獨立性，且不受任何個人或團體的控制。

所有董事會委員會均由獨立董事擔任主席。董事會認為，有足夠的保障和檢查措施以確保董事會的決策過程是獨立的，並且基於集體決策，沒有任何個人或個人群體行使任何相當大的權力或影響力。

董事會成員

準則4：考慮到逐步更新董事會的需要，董事會具有正式且透明的董事任命和重新選任程序。

提名委員會包含主席共有以下五(5)位成員：

楊小青 小姐 (主席)

Lim Tai Toon 先生

聶建中 先生

楊克誠 先生

楊威遠 先生

現有的提名委員會由二(2)位執行董事及三(3)位非執行獨立董事所組成，符合2018年準則第4.2條的條件。提名委員會了解並確保(i) 如果有利益衝突及/或先前的關係，提名委員會的每位成員必放棄對任何決議案的投票、(ii) 新任/重新任命的董事將進行嚴格的面談以確保他們了解作為董事的義務及 (iii) 逐步審查候選人資格的標準。鑑於以上所述，董事會認為，提名委員會有足夠正式及透明的程序來任命和重新任命董事。

具有書面職權範圍的提名委員會，負責就所有董事會任命和重新任命向董事會提出建議。提名委員會的主要職責範圍如下：

- ◆ 提名股東常會改選之董事(或重新任命)及主要經理人，並訂定遴選標準；
- ◆ 確保所有董事任命經過適當的程序；
- ◆ 定期檢討董事會的架構、人數及組成，並就此向董事會提供必要的調整方案；

- ◆ 找出董事會成員在技能、經驗和素質上的缺失，提名或推薦合適的人選來填補這些空缺；
- ◆ 決定本公司董事是否能充分履行其職責，特別是當其董事擔任多家公司董事會成員時；
- ◆ 參照2018年準則所載情況，每年檢視各董事的獨立性；
- ◆ 對董事會的表现進行評估，並提出客觀的績效標準；及
- ◆ 評估董事會整體的績效，並評估個別董事的貢獻。

2020年會計年度當中，提名委員會舉行了四(4)次會議。

在決定任命新董事加入董事會時，提名委員會和董事會考慮多種因素，包括董事會和董事會委員會所需的核心能力、技能和經驗、多樣性、獨立性、利益衝突和時間。

提名委員會負責重新任命董事。在重新任命現有董事的審議中，提名委員會考慮董事的貢獻和績效。評估參數包括出勤率、協調品質和特殊貢獻。

根據本公司章程第86條，三分之一(1/3)的董事需在每年年度股東常會中輪替卸任；惟董事長及執行長任職期間則不輪替卸任或在確定董事人數時將其考慮在內。儘管如此，於2019年1月1日生效的凱利板準則第720(4)條要求所有董事必須至少每三年提交一次重新提名和重新任命。另外，根據本公司章程第85條規定，重新派任的董事，需經由下一次年度股東常會中選任後始具董事身份。

在這之下，提名委員會根據本公司章程，在即將召開的年度股東常會上建議退任及重新選任的以下董事再次當選為董事：

- 楊克誠 先生
- 楊威遠 先生
- Lim Tai Toon 先生
- 楊小青 女士

提名委員會的每位成員就其自身績效的評估及/或重新提名為董事時，均不提出任何建議或參與任何提名委員會的表決，以及對任何決議案的投票。

提名委員會確信，儘管有些董事具有多個董事會代表，但董事們已給予足夠的時間和精力來關注公司和集團的事務。提名委員會認為，沒有必要對上市公司董事會的代表人數和每位董事的其他主要承諾設置最大限制。在為新董事搜尋和提名過程中，提名委員會必須根據其處置權選擇搜尋公司、個人聯繫方式和建議，盡可能網羅對集團有貢獻的合適人選。

主要董事資料刊載如下：

| 董事姓名 | 職務 | 首次任命日期 | 重新委任日期 | 目前所任職 其他上市公司 董事或主席 | 過去三年任職 其他上市公司 董事或主席 | 其他重要職務 | 依公司章則 重選委任 |
|--------------|-------------------------|-------------|------------|---|---------------------------|---|------------------------------|
| 楊克誠 | 董事長 | 1997年11月19日 | 2019年4月26日 | 無 | 無 | <ul style="list-style-type: none"> Universal Weavers Corporation Contex Corporation Medtex Corporation Medtecs (Asia Pacific) Pte Ltd Medtecs (Far East) Ltd Medtecs (Taiwan) Corporation Medtecs Materials Technology Corporation Cooper Development Ltd Medtecs (Cambodia) Corporation | 依公司章程第86條任期屆滿需重新選任 |
| 楊威遠 | 執行副董事長、 執行董事及 執行長 | 2013年9月2日 | 2019年4月26日 | 無 | 無 | <ul style="list-style-type: none"> Medtecs (Taiwan) Corporation Medtecs MSEZ Corp., Ltd Cooper Development Ltd Hangzhou Jinchun Medical Supplies Manufacture Co., Ltd World Join International Ltd. | 依公司章程第86條任期屆滿需重新選任 |
| 楊小青 | 獨立董事 | 2005年5月1日 | 2020年6月19日 | 無 | 無 | <ul style="list-style-type: none"> Galaxaco China Group LLC GivezAsia | 依上市守則第406(3)(d)(iii)條要求的特定批准 |
| Lim Tai Toon | 獨立董事首席 | 2010年10月29日 | 2020年6月19日 | Mednex Ltd | 無 | <ul style="list-style-type: none"> Student Castle Property Management Service | 依上市守則第406(3)(d)(iii)條要求的特定批准 |
| 聶建中 | 獨立董事 | 2019年8月8日 | 2020年6月19日 | <ul style="list-style-type: none"> MicroTips Technology Inc. FullTech Fiber Glass Corp GloLiv Asset Management Ltd | 無 | 無 | 不適用 |

備註：董事之學經歷、專業技能、本公司股權及其相關法人及董事職位，可詳閱年報之董事會成員介紹。

凱利板準則第720(5)條要求資訊如下所示：

| 姓名 | 楊克誠 | 楊威遠 | 楊小青 | Lim Tai Toon |
|---------------------------------|--|--|---|---|
| 委任日期 | 1997年11月19日 | 2013年9月2日 | 2005年5月1日 | 2010年10月29日 |
| 最近重新委任日期(若適用) | 2019年4月26日 | 2019年4月26日 | 2020年6月19日 | 2020年6月19日 |
| 年齡 | 67歲 | 38歲 | 66歲 | 60歲 |
| 主要居住國家 | 臺灣 | 臺灣 | 中國 | 新加坡 |
| 董事會對此一委任案之意見(包括理由、選任標準及搜查與提名過程) | 在評估楊克誠先生的貢獻及績效表現後，提名委員會已推薦楊克誠先生再次選任本公司之董事。 | 在評估楊威遠先生的貢獻及績效表現後，提名委員會已推薦楊威遠先生再次選任本公司之董事。 | 在評估楊小青女士的貢獻及績效表現後，提名委員會已推薦楊小青女士再次選任本公司之董事。 | 在評估 Lim Tai Toon 先生的貢獻及績效表現後，提名委員會已推薦 Lim 先生再次選任本公司之董事。 |
| 委任是否為執行，若是，其責任範圍 | 執行，負責本集團整體業務策略及發展。 | 執行，負責本集團的日常營運。 | 非執行。 | 非執行。 |
| 職銜(例：首席獨立董事、審計委員會主席、審計委員等) | 執行董事長 | 副董事長、執行長 | 提名委員會主席、審計委員會及薪酬委員會成員。 | 審計委員會主席、提名委員會及薪酬委員會成員。 |
| 專業資格 | 學士學位 | 學士學位 | 中國濟南大學新聞系學士學位。 美國麻州 Simmons College Communications Management & Investor Relations 碩士學位。 | 澳洲 Curtin University of Technology 資訊工程碩士學位。 英國 Henly Management College 企業管理碩士學位。 新加坡 National University of Singapore 會計學士學位。 |
| 過去10年間之工作經驗及職業 | 擔任英德醫療集團董事長直到2018年，擔任中非經濟聯席會議主席 | 自2010年擔任英德向邦股份分公司總經理，自2018年擔任英德醫療集團執行長 | Galaxaco China Group LLC 公司執行長 | REA Ltd 財務顧問 Student Castle Property Management Service 總經理 |



| 姓名 | 潘克誠 | 潘成達 | 楊小齊 | Lim Tai Toon |
|--|---|--|---|---|
| 上市發行公司及其子公司之持股 | 24,873,285 (直接持有) 33,075,188 (間接持有) | 1,500,000 (間接持有) | 無 | 20,000 (間接持有) |
| 和上市發行人或其子公司現在的董事或管理階層、主要股東有任何關係(包括直系親屬關係) | 本公司執行長潘克誠先生之父、本公司法務長楊克清女士之父、後者為 Medtecs USA Corporation 及 Medtecs MSEZ Corp Ltd (Cambodia) 之董事及 Medtecs (Taiwan) Corporation 董事及主管；及本公司主要子公司 Medtecs (Taiwan) Corporation 非執行董事長楊家麗女士之配偶。 | 本公司執行董事長潘成達先生之子及本公司主要子公司 Medtecs (Taiwan) Corporation 非執行董事長楊素甜女士之子；及本公司法務長楊克清女士之胞弟，其為 Medtecs USA Corporation 及 Medtecs MSEZ Corp Ltd (Cambodia) 之董事及 Medtecs (Taiwan) Corporation 董事及主管。 | 無 | 無 |
| 利益衝突(包括任何競爭關係) | 無 | 無 | 無 | 無 |
| 在規則 729(1)下(附錄 7H 格式)已提交予上市發行人的承諾 | 是 | 是 | 是 | 是 |
| 其他主要承諾，包括董事職位 *「主要承諾」那本則中其間滿載。 # 根據上市規則第 704 (a) 條，過去五年中，這些承諾不能用於任何公司。 | <ul style="list-style-type: none"> • Universal Weavers Corporation • Conlex Corporation • Medtex Corporation • Medtecs (Asia Pacific) Pte Ltd • Medtecs (Far East) Ltd • Medtecs (Taiwan) Corporation • Medtecs Materials Technology Corporation • Cooper Development Ltd • Medtecs (Cambodia) Corporation | <ul style="list-style-type: none"> • Medtecs (Taiwan) Corporation • Medtecs MSEZ Corp., Ltd • Cooper Development Ltd • Hangzhou Jinchun Medical Supplies Manufacture Co., Ltd • World Join International Ltd. | <ul style="list-style-type: none"> • Galaxaco China Group LLC • Give2Asia | <ul style="list-style-type: none"> • Student Castle Property Management Service • Medinex Ltd |
| 揭發有關委任董事或執行長、總經理、其他同等職級三管之事項如下。 如任何問題的答案為「是」，必須提供詳細資料。 (a) 無論在任何時間，在過去十年裡，當其為合夥人時或在其辭去合夥人職務二年內，是否曾在任何時間在任一司法管轄區被依破產法對其或其合夥人提出破產申請？ | 無 | 無 | 無 | 無 |
| (b) 是否在過去的十年期間內的任何時間，曾在任一司法管轄區對其當時擔任企業之董事或同等職級或主要主管或停止董事或同等職級或該企業主要主管二年內，以無力償還為理由提出結束營業或清算該企業或為該企業之破產債權受託人，即破產信託之新章？ | 無 | 無 | 無 | 無 |

| 姓名 | 楊克誠 | 楊威遠 | 楊小青 | Lim Tai Toon |
|--|-----|-----|-----|--------------|
| (c) 對其判決是否有任何不滿意? | 無 | 無 | 無 | 無 |
| (d) 是否曾經在新加坡或其他地方，被裁定可判處監禁的犯罪行為，涉及欺詐或不誠實的行為，或一直受到可能遭受監禁之刑事法律程序約束（包括其所知道的任何未判決之刑事訴訟）? | 無 | 無 | 無 | 無 |
| (e) 是否曾在新加坡或其他地方被裁定犯下罪行，涉及違反與新加坡或其他地方的證券或期貨產業有關的任何法律或監管規定，或違約行為一直受到刑事法律程序約束（包括任何其所知道未判決之刑事法律程序）? | 無 | 無 | 無 | 無 |
| (f) 在過去十年期間的任何時間，在新加坡或其他地方是否有違反新加坡或其它地方的證券或期貨業有關之任何法律或法規要求之判決，或發現其欺詐、虛假陳述或不誠實之行為，或一直受到涉及其個人欺詐指控、失實陳述或不誠實行為之民事訴訟約程序約束（包括其所知道的任何未判決之民事訴訟）? | 無 | 無 | 無 | 無 |
| (g) 是否在新加坡或其他地方曾經因違反企業或商業信託有關的資訊或管理而被定罪? | 無 | 無 | 無 | 無 |
| (h) 是否曾被任何企業取消其董事或同等地位職務（包括商業信託的受託人）或其為企業或商業信託直接或間接經營團隊的資格? | 無 | 無 | 無 | 無 |
| (i) 是否曾被法院、法庭或政府機構的任何命令，判決或裁決為臨時或永久責令不得從事任何類型的商業行為或活動? | 無 | 無 | 無 | 無 |
| (j) 據其所知，是否曾經在新加坡或其他地方涉及以下事務的管理或行為：- (i) 在新加坡或其他地方的任何一家公司，因違反公司法法律或監管規定而被調查；或 | 無 | 無 | 無 | 無 |



| 姓名 | 楊克誠 | 楊威遠 | 楊小青 | Lim Tai Toon |
|---|-----|-----|-----|--------------|
| (ii) 在新加坡或其他地方的任何一個企業（非公司），因違反該組織管理法律或監管規定被調查；或 | 無 | 無 | 無 | 無 |
| (iii) 在新加坡或其他地方的信託公司，因違反法律或信託法規監管規定而被調查；或 | 無 | 無 | 無 | 無 |
| (iv) 是否有在新加坡或其他地方的企業或信託公司，因違反與證券或期貨行業有關的法律或監管規定而被調查在其擔任公司職務或信託期間涉及所發生的事情？ | 無 | 無 | 無 | 無 |
| (k) 是否在新加坡或其他地方目前或過去曾接受過任何調查或紀律處分，或被金融管理局、新加坡或任何其他監管機構、交易所、專業團體或政府機構，予以譴責或發出任何警告？ | 無 | 無 | 無 | 無 |
| 僅適用於公告委任董事。 | | | | |
| 過往是否有擔任上市公司董事的經驗？ | 不適用 | 不適用 | 不適用 | 不適用 |
| 若有，請提供前述經驗之細節。 | 不適用 | 不適用 | 不適用 | 不適用 |
| 若無，請提供擔任上市公司董事職務與責任所參與的培訓課程。 請提供相關經驗的細節及提名委員會未依前編總文所規定參與之培訓課程原因。（若適用） | 不適用 | 不適用 | 不適用 | 不適用 |

董事會的效能

準則5：董事會對其整體以及每個董事會委員會和個別董事的有效性進行正式的年度評估。

提名委員會每年審查評估董事會績效的標準，並向董事會推薦一套客觀的績效標準和流程，以評估整個董事會，每個董事會委員會的獨立性以及主席和董事的貢獻。董事會的每一位個人董事均旨在有效的提高長期股東的價值。依據提名委員會之建議，董事會已成立一項客觀評量作業，以評量董事會整體績效及各個董事個別之效能。

董事會成效之評量標準：包含董事會人數及組成、董事會/委員會/董事的取得資訊容易度、其可信度、決策、執行主要任務時的表現、與管理階層的溝通及各董事的行為標準。這些評量標準已經過董事會核定。董事長和執行長將依評量結果諮詢提名委員會，並建議適當的新任或卸任董事人選。

在這一年中，提名委員會將對各董事進行評量，針對評量結果討論、分析、並提供建議，以提昇董事會的整體成效表現。

董事會與提名委員會意見一致，認為董事會的整體表現令人滿意，董事會各委員會皆有效運作，每位董事都為董事會的整體效力做出了貢獻。在本會計年度的評估過未經外部人協助。

(B) 薪酬事項

薪酬政策設立程序

準則6：董事會必須有一項正式且透明的程序決定每一位董事及主要經理人的薪酬，任何董事均不得決定本身之薪酬。

薪酬委員會審查薪酬框架以及每位董事和主要經理人的具體薪酬方案，並向董事會提出建議，並考慮薪酬的所有方面，包括但不限於董事酬金、薪金、津貼、獎金、期權、實物福利和終止條款，以確保公平。

薪酬委員會包含主席共有三(3)位成員，所有成員包含主席皆為獨立董事：

聶建中 先生 (主席)(於2019年8月8日委任)

Lim Tai Toon 先生

楊小青 小姐

薪酬委員會成員具多年相關經驗並具備相關知識，如果需要並有相關諮詢管道。

薪酬委員會委員依據下列參考條款執行其責任：

- ◆ 審視董事薪酬政策的架構，確保董事薪酬具競爭性；

- ◆ 審核及同意執行董事股票選擇權及本集團員工股票選擇權之發放，詳情可參閱年報之董事會報告；
- ◆ 審核及建議董事會有關下列人員之任命及薪酬水準：董事、執行長、本集團主要經理人及所有與董事或執行長相關的管理人員；
- ◆ 與管理階層審核僱用安排，並在區域差異的基礎上，制定集團上一貫的僱用政策；
- ◆ 審核本集團之停聘政策制定；
- ◆ 在與高級管理層及董事長主席協商後向董事會建議董任何公司之長期激勵政策制定；及
- ◆ 審核主要經理人薪酬之提案或建議。

本會計年度薪酬委員會會議舉行四(4)次。

薪酬委員會在2020年會計年度沒有尋求外部薪酬顧問的服務。

薪酬的水準與組合

準則7：董事會和主要經理人的薪酬水準和結構是適當的，並與本公司的持續績效和價值創造相稱，並考慮了本公司的戰略目標。

本公司對個別董事的薪酬規劃有一套正式的標準作業程序。任何董事均不得參與決定其本身薪酬。薪酬規劃時，本公司將參酌相同產業及與公司表現相當之企業的薪資狀況、本集團之相關表現及個別董事的表現。

二(2)位執行董事皆各自與本公司簽屬服務合約。主要經理人和執行董事的薪酬框架包括月薪、年度獎金和津貼。本公司有一項員工選擇權施行辦法，其目標是提供董事、主要經理人的一項長期激勵、提升其忠誠度、使其績效能與股東利益一致。服務合約並無繁瑣的解約條款。董事長及執行長的服務合約是定期合約。

薪酬委員會每年定期審核董事的薪酬，確保執行董事與主要經理人的薪酬能夠符合其對本集團的附加價值及貢獻，並配合本集團的財務狀況及業務需要。本集團董事長與執行長(連同主要經理人)的經營績效也一併由薪酬委員會定期檢討。

本公司具有股票選擇權，以提供董事及主要經理人長期激勵，去鼓勵其忠誠度並使其利益與股東利益保持一致。

非執行董事與本公司並沒有簽定服務合約，其服務時間是依據本公司章程規定。非執行董事領取基本董事費，同時依據其所參與之委員會再領取額外董事費。額外董事費用是依各委員會年度會議召開次數、時間長短及責任輕重為依據計算。總費用須經年度股東常會同意通過。董事會認為，基於上述因素，2020年會計年度非執行董事的薪酬與貢獻相稱。

薪酬的揭露

準則8：公司透明揭露薪酬政策、薪酬標準與組合、薪酬程序、績效和價值創造之間的關係。

董事、主要經理人(且不是董事或執行長)及為董事/執行長之直系親屬的員工的薪酬分述如下：

◎ 董事的薪酬

| 董事姓名 | 底薪/固定薪資(1) % | 變動或績效相關收入/獎金(2) % | 董事費(3) % | 總計 % | 薪酬表註 S\$ '000 |
|-------------------------------|-----------------|----------------------|-------------|---------|------------------|
| 執行董事 | | | | | |
| 楊克誠 | 72% | — | 28% | 100% | S\$250,000 以下 |
| 夏軍偉 | — | — | 100% | 100% | S\$250,000 以下 |
| 楊威遠 | 91% | — | 9% | 100% | S\$250,000 以下 |
| Wilfrido Candelaria Rodriguez | 91% | — | 9% | 100% | S\$250,000 以下 |
| 獨立董事 | | | | | |
| Lim Tai Toon | — | — | 100% | 100% | S\$250,000 以下 |
| 楊小青 | — | — | 100% | 100% | S\$250,000 以下 |
| 聶建中 | — | — | 100% | 100% | S\$250,000 以下 |

(1) 底薪包含合約獎金。

(2) 變動支付包括績效獎金與分紅。

(3) 董事費總金額於2020年6月19日年度股東常會經本公司股東核准通過。

(4) 夏軍偉先生於2020年6月19日辭任非執行及非獨立董事。

(5) Wilfrido Candelaria Rodriguez先生於2020年8月11日辭任執行董事。

準則要求公司以確切的名稱全面披露每位董事和執行長的薪酬。在未披露的情況下，本公司必須提供未披露的原因以及本公司的做法如何確認該原則。

董事會在充分考慮之後，認為全面披露每位董事和執行長的具體薪酬不符合本公司或其利益相關者的最佳利益。董事會在作出此決定時，已特別考慮薪酬事項的商業敏感性和機密性、本集團的相對規模、本集團經營所在的商業環境競爭性，以及該披露的負面影響可能會不利長期吸引和留住本集團董事會的人才。董事會認為，非執行董事及執行董事（為執行長）的薪酬與行業慣例相符。作為替代方案，本公司已在新加坡幣250,000元的級距內披露了每位董事和執行長的姓名和薪酬。



◎ 2020年會計年度未擔任董事或執行長之主要管理階層薪酬

| 主要管理階層 (非擔任董事) 姓名 | 底薪/固定薪資(1) % | 變動或績效相關收入/獎金(2) % | 總計 % | 薪酬總額 S\$ '000 |
|-------------------------|-----------------|----------------------|---------|------------------|
| Kao Vreang | — | — | 100% | S\$250,000 以下 |
| Chen Liang | — | — | 100% | S\$250,000 以下 |

(1) 底薪包含合約獎金。

(2) 變動支付包括績效獎金與分紅。

截至2020年12月31日止的會計年度，上開兩名主要經理人(非擔任董事或執行長)的薪酬總額為新加坡幣84,000元。

截至2020年12月31日的會計年度中，沒有員工是本公司的主要股東、或董事、執行長的直系親屬，主要股東的薪酬亦未超過新加坡幣100,000元。

董事和主要經理人(不是董事或執行長)不得享有超出已披露資訊的終止、退休和離職後福利。

◎ 股東的核准

美德醫療員工選擇權計劃先前已獲得股東核准，董事薪酬也在年度股東常會中由股東核准通過。董事及執行主管的薪酬架構，亦已由薪酬委員會核准並經董事會核定。董事會認為薪酬架構無需提報股東常會議認可。選擇權計畫詳情可參閱年報之董事報告。

(C) 責任與審計

風險管理及內部控制

準則9：董事會負責風險管理，並確保管理階層維持健全的風險管理和內部控制體系，以維護公司及其股東的利益。

董事會，在審計委員會協助下，應責成經理人設立運作良好的風險管理機制及內部控制制度，以保障股東權益及本集團資產，另須確認本公司為達成組織目標及價值創造，所可能產生之重大風險之性質與範圍。

根據凱利板準則及準則中的規定，審計委員會有責任對風險管理機制及內部控制制度之完整有效性，於本集團年度報告內表示意見。

本集團內部控制功能主要在於辨認風險及評估風險管理機制，每年經審計委員會同意之稽核計畫，在於評估本集團之財務、營運、法令遵行及資訊管理作業上之完整有效性。另外，財務報表審計是由外部會計師執行。

不論內部或外部稽核，所有稽核報告均會送交審計委員會，並討論所有重大發現之問題。本集團內部稽核人員會持續且即時修正稽核缺失，並每季向審計委員會報告。

◎ 執行長與財務長之擔保

董事會已獲得執行長及財務長的書面保證，他們對本公司的風險管理和內部控制系統的充分性和有效性負責：

- (a) 本集團財務紀錄均妥善為維護及保存，合理反映截至2020年12月31日的會計年度本集團經營成果及現況；及
- (b) 本集團風險管理及內部控制適當且有效的應付本集團目前業務環境中的重大風險，包括重大財務、營運、法規遵循及資訊管理方面的風險及對策。

檢視管理階層及內外部稽核結果，以及執行長與財務長之擔保，董事會及審計委員會認為，本集團截至2020年12月31日止風險管理及內部控制，係適當且有效表達本集團於財務、營運、法規遵循及資訊管理方面的攸關性及重大性，以應對這些風險。

董事會注意到內部控制及風險管理系統提供合理而非絕對的保證，確保本集團不會因任何可合理預見的事件而受到不利影響。董事會及審計委員會認為任何風險及內部控制制度均無法完全除去重大缺失、錯誤決策、人為錯誤、損失、欺詐或其他失控發生的可能。

本集團有關的財務風險載於本年報財務報表附註31。

審計委員會

準則10：董事會設有審計委員會並書面規定，清楚列明其職權及責任。

審計委員會共有三(3)位成員，全部為獨立董事：

Lim Tai Toon 先生 (主席)

楊小青 小姐

聶建中 先生

審計委員會的所有成員在金融和工業部門的高階管理職位上都有多年的經驗，並且至少有兩名成員Lim Tai Toon和楊小青有近期和相關的會計或相關財務管理專業知識或經驗。審計委員會的成員均不是本公司現有審計公司或審計公司的前合夥人或董事。董事會認為，審計委員會成員具有最新和相關的會計及相關財務管理專業知識或經驗，有資格履行其職責。

內部審計職能的主要報告管道是向審計委員會報告，審計委員會還負責監督本集團會計、審計、內部控制和財務實務的品質和完整性，並確定任命、解僱和薪酬等內部審計職能。內部審計職能可以完全獲取本公司的文件、記錄、財產和人員，包括審計委員會。

審計委員會，依職權範圍所授權的職能如下：

- ◆ 審查重大的財務報告問題並判斷，以確保公司財務報表以及與公司財務績效有關的所有公告的完整性；
- ◆ 在提交給董事會前審閱本集團半年度及年度財務報表，審閱重點：
 - 會計政策：會計政策及事項的重大改變，是否直接影響財務報表表達；
 - 會計準則遵守：是否遵守會計準則、法律和新加坡證券交易所相關規定；
 - 管理階層的決策及估計，是否對本集團造成重大影響；及
 - 外部稽核：包含重大查核調整數，外部稽核提請審計委員會注意的審計意見及任何其他意見；
- ◆ 檢討審計計劃及外部稽核的報告；
- ◆ 評估外部稽核的成本效益，獨立性及客觀性；
- ◆ 檢討內部稽核功能(包括內部會計控制)及其程序和結果的適當性；
- ◆ 確保管理階層授予內部和外部稽核人員合作的充分性；
- ◆ 透過審查內部和外部稽核的書面報告，以及管理階層對查核缺失的回應和改正，以評估本集團包含財務、營運、法規遵循及資訊管理方面，內部控制是否適當且有效；
- ◆ 檢視執行長及財務長對財務記錄和財務報表的保證；
- ◆ 按照凱利板準則的規定，檢視關係人交易；
- ◆ 與外部稽核、其他委員會和管理階層開會，討論這些團體認為應與審計委員會私下討論的任何事項；
- ◆ 複核可能對財務報表有重大影響或可能的不當行為的相關事項(如法規遵循或來自監管機構的報告)；
- ◆ 審查內部審計職能的獨立性、有效性和充分性；
- ◆ 審查外部稽核人員所提供服務之性質及範圍，並對董事會提出適當之建議；
- ◆ 向董事會提出建議 (i) 建議給股東關於任命和罷免外部審計機構；及 (ii) 外聘審計的酬金及委條款；
- ◆ 審查有關政策和安排，以關注財務報告中可能存在的不當行為或其他事項需要安全提出、獨立調查並適當跟進。本公司公開揭露並明確告知員工舉報政策和舉報此類問題的程序；及
- ◆ 其他董事會要求的事項。

「吹哨者」的機制已設立，本集團全體員工都可秘密地就財務報告或其他事項方面，可能發生的不正當行為提出告發，審計委員會將會獨立調查並採取適當行動。

審計委員會亦監督會計政策、的變更，並討論重大交易的影響。此外，亦向董事會報告本集團之內部控制及風險管理制度之執行情形。

審計委員會被授權在其職權範圍內調查任何事宜，全權邀請任何執行董事或主要經理人出席會議，並以合理的資源，適當地履行其職能。審計委員會也對關係人進行交易審查。

審計委員會的每位成員均應迴避與其自身利害相關的決議案的表決。

審計委員會審核外部稽核的獨立性。過程中，審計委員會已審查本集團聘請之外部稽核的所有非審計服務內容，認為不會影響其獨立性。外部稽核於2020年會計年度沒有提供任何非審計服務。審計委員會已建議董事會，於即將到來的年度股東常會，依照股東決議，繼續委任外部稽核。

每年，審計委員會與內部及外部稽核分別在經理人缺席情況下，審查其所安排稽核的適當性，特別著重於稽核範圍和品質、獨立性以及客觀性。

審計委員會確信本公司在委任SyCip Gorres Velayo & Co.、台灣安永會計師事務所和新加坡安永會計師事務所方面已遵守凱利板準則第712、715及716條的要求。審計委員會據此向董事會建議提名外部審計SyCip Gorres Velayo & Co.、台灣安永會計師事務所和新加坡安永會計師事務所，在即將舉行的年度股東常會上再次任命。

外部稽核費用請參閱財報附註23，2020年會計年度當中，非審計服務費用為新加坡幣19,000元。

(D) 股東權利及責任

股東權利與股東大會的進行

準則11：公司公平公正地對待所有股東，以使他們能夠行使股東權利，並有機會就影響公司的事項發表意見。公司為股東提供業績、地位和前景的合理和可理解的評估。

股東參與

準則12：公司定期與股東溝通，並在股東大會和其他對話中促進股東參與，使股東就影響公司的各種事項發表意見。

利害關係人參與

準則13：董事會採取包容性方法，考慮並平衡重大利益相關者的需求和利益，這是其總體責任的一部分，以確保實現公司的最佳利益。

◎ 股東權利和股東會

股東會（包括年度股東常會）是與股東對話和互動的重要論壇。本公司對所有股東均給予公平公正的對待，所有股東將收到股東大會的通知和隨附的文件，以使他們能夠在有關會議上行使其權利。所有股東將在相關通知或隨附文件中獲悉有關該次會議投票的規則。

本公司歡迎股東向本公司提出意見，並鼓勵股東參與年度股東常會。本公司薪酬委員會、審計委員會及提名委員會主席，將出席股東常會與股東交流並回答問題，會計師也將到場協助董事回答股東提問。儘管去年只有大部分董事出席了年度股東常會，但未出席的股東已與所有董事討論股東在會議前後上會提出的問題，並提供他們對股東的回應。

根據本公司章程，股東可以親自投票，也可以受兩(2)人以下委託，持委託書參與投票表決。本公司章程對於代理公司持有之委託書，沒有任何條款限制。

在會議上，針對基本獨立的問題提出了單獨的決議，除非問題相互依存且相互聯繫以形成一個重要的提案，在這種情況下，本公司將解釋捆綁這些決議的原因，並在通知中揭露其實質性含義。股東會通告中包括的每項特殊業務在適當情況下均附有對決議案的解釋。會議上針對基本獨立的問題進行了單獨的決議。所有決議案均以投票方式進行表決，隨後將公佈詳細結果，特別是表明贊成和反對每項決議案的票數以及各自的百分比。

本公司秘書，在同事協助下，準備股東會並製作會議記錄，會議記錄包括股東的意見及問題，連同董事會及經理人的回應內容。此份會議紀錄將留存並應股東要求，隨時供股東查閱，亦將在會議召開後一(1)個月內儘快於SGXNET與本公司的公司網站上發布。

依據凱利板準則規定本公司的持續揭露義務，董事會的政策是及時全面告知所有股東，所有可能對價格產生重大影響或本公司股票的價值的重大變化。董事會認為，本公司已遵守凱利板準則所規定的持續揭露義務，以確保及時公開發布價格或交易敏感訊息，凱利板準則所規定的時間內公佈或發布營業結果和年報。本公司會將年報及年度股東常會通知寄給全體股東，年度股東常會通知亦在報章刊登。

本公司致力於實現可持續的收入和增長，以提高長期股東回報。本公司沒有固定的股利政策，對未來股利發放的形式、頻率、金額，將由董事依照盈餘、則務狀況、營運結果、股本需求、業務狀況、營業計劃和其他因素謹慎評估。董事會已提議派發每股0.0418美元的末期股息，並在即將舉行的年度股東常會上尋求股東批准。

◎ 股東參與

本公司相信，高標準的資訊揭露是提高公司治理水準的關鍵。本公司半年及全年度的營業結果除了通過SGXNET及新聞稿公佈，本公司並於公司網站向股東介紹本公司的發展和新計劃：<http://www.medtecs.com/en/>。本公司目前沒有投資者關係政策，不過股東若有疑問，可以透過郵件信箱：investor.relations@medtecs.com與本公司聯繫。

本公司重視與股東的對話。本公司相信與股東保持定期、有效和公平的溝通，並致力於聽取股東的意見並解決他們的擔憂。

◎ 利害關係人參與

本公司已將重要利害關係人確定為受本集團業務和運營影響的利益相關者，以及那些對本集團業務和運營的成功產生重大影響的利益相關者。這些利害關係人包括股東（包括機構和個人投資者）、客戶、員工、政府和決策者、當地社區、供應商和金融機構。本公司認為，滿足重要利害關係人的反饋和需求對於本集團業務的成功至關重要，亦對於實現永續增長至關重要。本公司通過各種管道與利害關係人互動，以確保本集團的最佳商業利益與利害關係人的需求和利益之間取得平衡。

本集團通過網站<http://www.medtecs.com/en/> 發佈(為本公司及其子公司提供各種溝通管道)、於本公司年度股東常會、公司出版物和公告、貿易展覽、慈善和捐贈等活動，與不同的利害關係人進行互動。將於2021年5月31日發布的企業永續報告中對此參與過程進行詳細說明。

(E) 重大合約

2020年會計年度，本公司或任其子公司沒有存續重大合約係關係到執行長、董事、或控制股東們的利益。

(F) 證券的交易

依據凱利板準則，本公司同時參照訂定了一項證券交易的作業細則，並洽悉董事會成員及本集團及本公司主管和職員共同遵行。本作業細則特別規範並提醒，當本公司主管（含董事及相關職員）處理或獲悉對股價有敏感性未揭露的資訊時，禁止投資買賣本公司上市有價證券、或其他有關的上市有價證券。該主管（含董事及相關職員）不得於本公司發布半年度及年度財務資訊前一個月內投資買賣本公司上市有價證券，本公司也不鼓勵本公司主管從事本公司有價證券的短期投資或買賣，並不時提醒注意遵守內部人交易的法律規定。

董事會確認2020年會計年度期間，本公司的證券交易均符合符合凱利板準則第1204(19)條規定。

(G) 凱利板保薦人

本公司現已於新加坡證券交易所持續保薦人監督的凱利板掛牌，本公司之持續保薦人為 R & T Corporate-Services Ptd. Ltd.(下稱「保薦人」)。2020年會計年度期間，本公司並沒有支付保薦人非保薦人職責外的任何費用。2020年會計年度期間，支付保薦人的關連公司Rajah & Tann Singapore LLP 相關作業費用約新加坡幣71,135元。

(H) 資金使用用途

本公司將定期公布剩餘1.4百萬美元的使用情況，其占2015年10月15日私募完成日之所得總淨額3.9百萬美元的35.9%。當剩餘私募所得有重大支付情事時，將根據準則第704 (30)條規定。

資產明細

| 租賃資產 | 所在地 | 面積 (平方米) | 租賃期間 |
|-----------------------|--|----------|------|
| 土地 | Srok Kampong Siam, Kampong Cham Province, Cambodia | 183,267 | 70年 |
| 廠房 | Srok Kampong Siam, Kampong Cham Province, Cambodia | 40,064 | 70年 |
| 廠房 | 曼哈頓特別經濟特區 Corner Public Road, Thanh Village, Sankat, Bavet City, Svay Reang Province, Kingdom of Cambodia | 13,146 | 50年 |
| 辦公室 | Khan Toul Kork, Phnom Penh, Cambodia | 960 | 2年 |
| 工業區之土地 | 7th Street, Phase II Mariveles Bataan, Philippines | 17,856 | 25年 |
| 工業區之土地 ⁽¹⁾ | SBMA, Olangapo City Zambales, Philippines | 13,124 | 25年 |
| 工業區之土地 | 7th Street, Phase II Mariveles Bataan, Philippines | 2,756 | 50年 |
| 工業區之土地 | 7th Street, Phase II Mariveles Bataan, Philippines | 4,248 | 50年 |
| 工業區之土地 | 7th Street, Phase II Mariveles Bataan, Philippines | 5,000 | 50年 |
| 辦公室 | 7B Country Space Building 133 HV Dela Costa Street Makati City, Philippines | 245 | 2年 |
| 土地 | 台灣苗栗縣竹南鎮廣源段 0018-0001 | 319 | 10年 |
| 辦公室 | 台灣台北市信義區松高路9號11樓 | 1,108 | 8年 |
| 土地 | 202 Zhangshan Road, Renhe Town Yuhang, Hangzhou, China | 15,333 | 50年 |
| 辦公室 | 4F., 21 Merchant Road, Singapore 058267 | 5 | 1年 |

(1)本不動產係投資用途，已於2021年3月5日資產重估價為430萬美元。這些不動產的總值不超過合併有形資產淨值的15%，也不佔本集團合併稅前營業淨利的15%以上。更多投資性不動產資訊揭露於本年報財務報表附註6。

股權結構表

至 2021 年 3 月 19 日之持股統計

總發行數量 549,411,240

發行種類：普通股

投票權：舉手表決則一位股東一票；投票表決則一股代表一票

庫藏股數量：3,000,000

持股分配表

| 股數分配 | 股東人數 | % | 持股數量 |
|--------------------|-------|--------|-------------|
| 1 - 99 | 8 | 0.10 | 323 |
| 100 - 1,000 | 639 | 7.61 | 413,492 |
| 1,001 - 10,000 | 5,213 | 62.04 | 22,662,781 |
| 10,001 - 1,000,000 | 2,520 | 29.99 | 121,423,648 |
| 1,000,001 及以上 | 22 | 0.26 | 401,910,996 |
| 合計 | 8,402 | 100.00 | 546,411,240 |

主要股東資料

至 2021 年 3 月 19 日

| | 直接持有 | % | 間接持有 | % |
|-----------------------------|------------|------|------------|-------|
| 楊克誠 ^(a) | 24,673,285 | 4.52 | 33,075,198 | 6.05 |
| 楊威遠 ^(b) | | | 1,500,000 | 0.27 |
| Lim Tai Toon ^(c) | | | 20,000 | 0.004 |

註：

(a) 楊克誠經由 South World Investment Ltd.、Maybank Kim Eng Securities Pte. Ltd 分別間接持有 18,506,621 股及 14,568,577 股

(b) 楊威遠經由台灣券商開立複委託帳戶，間接持有 1,500,000 股

(c) Lim Tai Toon 其妻 Wong Lai Kwan 女士間接持有 20,000 股

公開持有的股份比例

51.54% 的公司股份為公開持有(定義如凱利板準則)，但公司的台灣存託憑證的持有人(其詳細資訊如下)不包括在內。因此，本公司已遵守凱利板準則第 723 條規定。

前 20 大股東

至2021年3月19日

| | 姓名 | 持股數 | % |
|-----|--|-------------|-------|
| 1. | CITIBANK NOMINEES SINGAPORE PTE LTD | 218,733,400 | 40.03 |
| 2. | RAFFLES NOMINEES (PTE.) LIMITED | 26,431,135 | 4.84 |
| 3. | DBS NOMINEES (PRIVATE) LIMITED | 25,759,865 | 4.71 |
| 4. | YANG CLEMENT K C | 24,673,285 | 4.52 |
| 5. | MAYBANK KIM ENG SECURITIES PTE. LTD. | 23,592,477 | 4.32 |
| 6. | SOUTH WORLD INVESTMENTS LIMITED | 18,506,621 | 3.39 |
| 7. | HOLDRICH INTERNATIONAL LTD | 12,643,260 | 2.31 |
| 8. | IFAST FINANCIAL PTE. LTD. | 12,120,400 | 2.22 |
| 9. | CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. | 7,910,723 | 1.45 |
| 10. | LEOW SIEW CHOO | 4,841,900 | 0.89 |
| 11. | OCBC SECURITIES PRIVATE LIMITED | 4,591,200 | 0.84 |
| 12. | DBS VICKERS SECURITIES (SINGAPORE) PTE LTD | 4,480,214 | 0.82 |
| 13. | PHILLIP SECURITIES PTE LTD | 4,319,203 | 0.79 |
| 14. | DBSN SERVICES PTE. LTD. | 3,307,313 | 0.61 |
| 15. | HSBC (SINGAPORE) NOMINEES PTE LTD | 3,084,900 | 0.56 |
| 16. | UOB KAY HIAN PRIVATE LIMITED | 2,742,800 | 0.50 |
| 17. | TAN CHIN HUA (CHEN ZHENHE) | 1,655,000 | 0.30 |
| 18. | SIEOW TEAK HWA | 1,200,900 | 0.22 |
| 19. | ANTHONY TAN NAM HONG | 1,100,000 | 0.20 |
| 20. | WONG CHONG KUM RYAN (HUANG ZHONGJIN) | 1,100,000 | 0.20 |
| | 合計： | 402,794,596 | 73.72 |

本集團於2002年12月13日以台灣存託憑證(TDR)的方式在台灣證券交易所掛牌上市。

當時TDR發行數量22,000,000股。

2004年5月，因股票分割TDR增加4,382,875股。2009年10月，獲准增加發行100,000,000股TDR並於台灣證券交易所交易。

截至2021年3月19日，公司TDR總發行數量205,531,500股，約當本公司總股數之37.61%。

利害關係人交易

截至 2020 年 12 月 31 日止會計年度，沒有利害關係人交易總額超過新加坡幣 100,000 元。

美德向邦醫療國際股份有限公司
(百慕達註冊成立)

股東常會開會通知

由於新加坡已實施 COVID-19 相關的控制和安全疏導措施，因此公司股東將無法親自參加股東常會。詳情請參閱本開會通知和附註。

美德向邦醫療國際股份有限公司(下稱「本公司」)，謹定於 2021 年 4 月 28 日(星期三)下午 3:00 於 Seletar Room, Holiday Inn Atrium, 317 Outram Road, Singapore 169075 舉行年度股東常會(下稱「股東常會」)，並決議下列事項，特此通知各股東：

普通事項

1. 承認年報
本公司截至 2020 年 12 月 31 日董事會報告與董事聲明書和會計師查核簽證之財務報表，以及查核報告，敬請承認。(決議案 1)
2. 董事之重新選任
依本公司章程第 86 條，重新選任任期屆滿董事楊克誠先生擔任本公司董事，敬請公決。[見事項說明(i)] (決議案 2)
3. 董事之重新選任
依本公司章程第 86 條，重新選任任期屆滿董事楊威遠先生擔任本公司董事，敬請公決。[見事項說明(ii)] (決議案 3)
4. 董事之重新選任
依本公司章程第 86 條，重新選任任期屆滿董事 Lim Tai Toon 先生擔任本公司董事，敬請公決。[見事項說明(iii)] (決議案 4)
5. 董事之重新選任
依本公司章程第 86 條，重新選任任期屆滿董事楊小青女士擔任本公司董事，敬請公決。[見事項說明(iv)] (決議案 5)
6. 上述決議案 4 通過後，依 2022 年 1 月 1 日生效的新交所上市手冊 B 節：凱利板準則(「凱利板準則」)第 406(3)(d)(iii)條規定，成員批准繼續任命 Lim Tai Toon 先生擔任本公司獨立董事。[見事項說明(v)] (決議案 6)
7. 根據上述決議案 6 通過後，依 2022 年 1 月 1 日生效的凱利板準則第 406(3)(d)(iii)條規定，成員(本公司董事、執行長及其關係人除外)批准繼續任命 Lim Tai Toon 先生擔任本公司獨立董事。[見事項說明(v)] (決議案 7)
8. 根據上述決議案 5 通過後，依 2022 年 1 月 1 日生效的凱利板準則第 406(3)(d)(iii)條規定，成員批准繼續任命楊小青女士擔任本公司獨立董事。[見事項說明(v)] (決議案 8)
9. 根據上述決議案 8 通過後，依 2022 年 1 月 1 日生效的凱利板準則第 406(3)(d)(iii)條規定，成員(本公司董事、執行長及其關係人除外)批准繼續任命楊小青女士擔任本公司獨立董事。[見事項說明(v)] (決議案 9)
10. 董事酬勞案
核准支付截至 2020 年 12 月 31 日之財務年度 2021 年度董事酬勞，總計新加坡幣\$284,000，每季支付(2020 年共計新加坡幣\$194,000)，敬請公決。(決議案 10)



11. 股利發放
宣布截至2020年12月31日止財政年度的每股普通股0.0418美元的免稅一級期末股息。
(決議案11)
12. 委任會計案
資委託 Messrs SyCip Gorres Velayo & Co. 繼續擔任本公司查核簽證會計師，並授權董事會核定其酬勞，敬請公決。
(決議案12)
13. 臨時動議
進行任何其它應於股東常會處理的議案。

特別事項

考慮並酌情通過(不論是否修訂)下列決議案為普通決議案：

授權發行新股案

14. “依據凱利板準則第806規定，在此授權董事：
 - (i) 於本公司資本額核定額度內發行新股(依權利、紅利或其他方式)；及/或
 - (ii) 制定或授予可能需要發行新股之要約、協定或選擇權等，包含但不限於發行或調整認購權證、公司債或其他可轉換股權的工具(總稱「標的」)，
(雖然本決議案第1段賦予的權利可能已失效)依本決議案生效當時制定或授予之任何標的，據以發行股份，

在此決議有效期間內，董事認為對本公司有利之情況且認為時間、條件、目的、對象及支付方式適當，則：

- a. 依本決議發行之新股總數(包含依本決議發行標的之應發行股數)不得超過本公司已發行普通股股份總數之100%，不包括庫藏股或子公司所持股(如凱利板準則中所定義)(依以下b小段所計算)，其中除了依比例發予原股東之新股外，其餘發行之股數不得超過本公司已發行普通股股份總數之50%，不包括庫藏股或子公司所持股(如凱利板準則中所定義)(依以下b小段所計算)；
- b. 為了明定上方a小段所述，庫藏股或子公司所持股除外之已發行普通股股份總數之百分比，應基於此次本公司通過此決議案之庫藏股或子公司所持股除外之發行普通股股份總數計算，並就下列事項調整：
 - (i) 任何可轉換債券轉換或行使所產生之股數；
 - (ii) 通過本決議案之時，行使股票選擇權轉換或股份獎勵計畫之新增股數，並遵守凱利板準則第8章第VIII部份規範；及
 - (iii) 任何期後股權之股票股利、合併或分割；

根據上述(i)和(ii)小段進行之調整僅適用於此決議案通過後，於債券轉換或行使股票選擇權轉換或股份獎勵計畫產生之新增股數；

- c. 本公司在經授權執行該決議案時，仍需遵守凱利板準則之規定(除非該規定已被新交所取消)及本公司章程的約束；及
- d. 除非本公司於股東會中廢除或修改本決議，本決議案之授權有效期，至下一屆股東常會召開或召集股東會法定期限，以兩者孰先為準。即使該等授權在發行該等股份時已失效，董事仍得在本決議有效期間內就其已被授權制定或授予之標的發行新股。”
[見事項說明(vi)]
(決議案13)

美德股票選擇權發行計畫下授權發行與獎勵及配發與發行股票

15. “茲授權本公司董事依美德股票選擇權發行計畫(下稱「計畫」)規定之下，發行及獎勵選擇權且分配與發行使時所需之股份予選擇權持有人。惟本計畫所發行之股份總數，不得超過本公司當時已發行普通股股份總數之 15%，本公司不時持有的庫藏股或子公司所持股不包括在內(如凱利板準則中所定義)”
[見事項說明(vii)] (決議案 14)

更新股份購回授權提案

16. 如下：

- (a) 根據百慕達公司法及新交所的規範，無論透過下列何種方式，本公司董事可代表本公司行使，購買或以其他方式收購本公司已發行之普通股股份(下稱「普通股」)，有關股份購買數額上限百分比(定義如下)及董事依據不同時點決定之買進價格上限(定義如下)：
- (i) 從市場購買，本公司於新交所或當時於其他有上市和報價的任何交易所(下稱「其他交易所」)，透過一個或多個正式許可的股票經紀人進行場內購買(即「市場購買」)；及/或
 - (ii) 從場外購買，根據公司法第 76C 條定義下以平等准入的方式進行場外購買(即「場外購買」)；
- 且根據新交所之所有相關規章，在此獲得一般及無條件授權與批准(下稱「股份購回授權」)；
- (b) 除非本公司，於下次的年度股東常會前舉行之股東會上做出更改或撤銷，否則根據股份購回授權，董事們可於通過此決議之日起至下述期間，執行該授權。該授權的效力，為以下三個期間孰先到者，即失其效力：
- (i) 本公司所舉行之下次年度股東常會日期；
 - (ii) 法律所規範下，應舉行的下次年度股東常會日期；及
 - (iii) 授權收購本公司股份所規定之最大範圍內購買或收購普通股股份的日期；和
- (c) 董事們已被授權完成並執行所有適當或必要之符合本決議案相關事項(包含執行所需之文件)。
[見事項說明(viii)] (決議案 15)

本決議如中：

「平均收盤價格」，意指：

- (i) 市場購買案例，係指本公司以市場購買前的五個交易日，依照新交所或視情況而定當時有上市和報價的其他交易所，計算之普通股收盤價(定義如下)的平均，或；
- (ii) 場外購買案例，係指本公司於場外提出購買要約日前的五個交易日，依照新交所或視情況而定當時有上市和報價的其他交易所，計算之普通股收盤價(定義如下)的平均，

並根據凱利板準則，本公司會就市場購買或場外購買之不同方式，依照相關五個市場交易日規範，進行相應調整；

「收盤價格」指在新交所系統交易普通股股份的最後一個成交價格；

「提出要約日期」意指本公司向股東提出購買或收購普通股股份的要約日期，其中亦闡明均等准入下進行場外購買的相關條款；

「交易日」意指新交所開放證券交易的一日；

「最高百分比」，除非本公司於相關期間進行減資，本決議案通過之日，可購回普通股占已發行普通股股份之上限為 10.0%。根據百慕達公司法的相關規定，若發生此情況，應將本公司的已發行普通股總股數進行減計，任何被視為庫藏股的普通股股份以及任何子公司股份將不被列入上限 10.0%的計算範圍；

「最高價格」，意指有關購買或收購普通股股份之價格，（不包括相關經紀費、佣金、適用的商品和服務稅、印花稅、清關費及其他（如適用的）相關費用），且不得超過：

- (i) 就市場購買而言，最高價格不得超過股票平均收盤價格的 105.0%；和
- (ii) 根據均等准入下，進行場外購買的，其最高價格不得超過股票平均收盤價格的 120.0%；及

「相關期間」，意指本決議案之後，自召開本公司上次年度股東常會之日起至召開本公司下一屆年度股東常會之日，或依法律規定舉行之日的期間，以較早者為準。

依董事會決議

Abdul Jabbar Bin Karam Din
董事會秘書

2021 年 4 月 13 日新加坡

事項說明：

- (i) 楊克誠先生於重選為本公司董事後，將繼續擔任本董事會董事長。楊克誠先生為本公司執行董事。《2020 年年報》中標題為「董事會成員介紹」和「有關董事重選的其他信息」部分中可找到楊克誠先生的簡介。
- (ii) 楊威遠先生於重選為本公司董事後，將繼續擔任本董事會副董事長。楊威遠先生為本公司執行董事。《2020 年年報》中標題為「董事會成員介紹」和「有關董事重選的其他信息」部分中可找到楊威遠先生的簡介。
- (iii) Lim Tai Toon 先生於重選為本公司董事後，將繼續擔任審計委員會主席及薪酬委員會及提名委員會成員。Lim Tai Toon 先生為本公司獨立董事。《2020 年年報》中標題為「董事會成員介紹」和「有關董事重選的其他信息」部分中可找到 Lim Tai Toon 先生的簡介。就凱利板準則第 704 (7) 規定而言，他將被視為獨立人士。
- (iv) 楊小青女士於重選為本公司董事後，將繼續出任本公司提名委員會主席及薪酬委員會及審核委員會成員。楊女士為本公司獨立董事。《2020 年年報》中標題為「董事會成員介紹」和「有關董事重選的其他信息」部分中可找到楊小青女士的簡介。就凱利板準則第 704 (7) 規定而言，她將被視為獨立人士。
- (v) 根據凱利板準則第 406(3)(d)條規定以及新加坡金融管理局於 2018 年 8 月 6 日發布的《2018 年公司治理守則》，於董事會累計任職 9 年以上之獨立董事，必須透過另外決議向 (a)所有成員及(b)董事、執行長及其關係人除外之成員尋求批准繼續擔任獨立董事。因此，Lim Tai Toon 先生及楊小青女士分別將於決議案 4 和 5、決議案 6 和 7(有關 Lim Tai Toon 先生)及決議案 8 和 9(有關楊小青女士)通過後，繼續擔任獨立董事，直到他們退休或辭職，以兩者孰先為準；或在決議案 6 至 9 通過之後第三屆年度股東常會結束時。
- (vi) 上文第 14 項所提出之決議案 13 通過後，將授權董事在本公司資本額核定額度內發行新股和/或標的(如上定義)。依據決議案 13 可發行之總股數(包含已制定或授予標的之應發行股數)，不得超過本公司庫藏股或子公司所持股除外之已發行股份總數的 100%(如凱利板準則中定義)，除依比例發予原股東之新股外，其餘發予股東之股數不得超過本公司庫藏股或子公司所持股除外之已發行股份總數的 50%(包含依據本次決議已制定或授予標的之應發行股數)(如凱利板準則中所定義)。為確定可發行之總股數，庫藏股除外之已發行股份總數之百分比，應基於此次本公司通過決議案 13 之庫藏股或子公司所持股除外之發行股份總數計算(如凱利板準則中定義)，並就下列事項調整：(i) 任何可轉換債券轉換或行使所產生之股數；(ii) 符合凱利板準則第八章第八部份規定，於通過決議案 13 之時，行使股票選擇權轉換或股份獎勵計畫之新增股數 (iii) 任何期後之股票股利、合併或分割。根據上述(i)和(ii)進行之調整僅適用於決議案 13 通過後，於債券轉換或行使股票選擇權轉換或股份獎勵計畫產生之新增股數。
- (vii) 上文第 15 項所提出之決議案 14 通過後，將授權董事依計畫發行及獎勵選擇權且分配與發行人行使時所需之股份給予選擇權持有人。
- (viii) 上文第 16 項提案所提出之決議案 15 通過後，將更新 2020 年 12 月 18 日獲得股東批准的股份購回授權。有關更多詳細信息，請參閱本通告附錄。

附註:

1. 本公司年度股東常會(及其任何臨時會)訂於 2021 年 4 月 28 日(星期三)下午 3 點(新加坡時間)於 Seletar Room, Holiday Inn Atrium, 317 Outram Road, Singapore 169075 舉行。儘管股東常會有實際召開地點,根據新加坡會計與企業管制局、新加坡金融管理局及新加坡交易管理條例,基於 COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, 於 2020 年 4 月 13 日聯合發布及於 2020 年 10 月 1 日更新的《關於在安全隔離區域內召開股東大會的附加指南》及清單,除了本公司董事長、董事及/或代表可以至現場參加,本次股東常會將以電子方式舉行。保管人委任書的紙本將發送給保管人,股東常會開會通知書和委任書將不會發派給股東,而是將透過電子方式在 SGXNET 上以及本公司網站上發布,網址為: <http://www.medtecs.com/en/about/investor-relations>。
2. 本屆股東常會將通過即時視聽網絡「直播」或錄音實況播出。通過相關仲介持有本公司股份的股東和投資者【如公司法第 181 節(新加坡第 50 章)](即「投資者」)【包括通過輔助性退休計劃(下稱「SRS」)持有股份的投資者(「SRS 投資者」)],如欲透過手機、平板電腦或電腦,關注即時網絡「直播」的股東常會進行情況,或通過電話收聽該會議的錄音實況,必須於 2021 年 4 月 25 日下午 3 點前(即「註冊截止時間」)在以下網址: <http://smartagn.sg/MedtecsAGM2021> 提前註冊。通過身份驗證的股東和 SRS 投資者,將在 2021 年 4 月 27 日之前收到一封有關如何收看股東常會會議即時視聽網絡或錄音實況「直播」的電子郵件。股東和 SRS 投資者若在 2021 年 4 月 27 日下午 3 點之前仍未收到任何電子郵件,但已在註冊截止時間之前註冊,則應通過 bcasmeetings@boardroomlimited.com 與本公司聯繫。
3. 由於新加坡採取了各種控制和安全疏導措施防止 COVID-19 的傳播,因此股東將無法親自參加股東常會。所有股東(包括 SRS 投資者)必須提交其委任書,委任股東常會主席(即「主席」)代表股東參加股東常會,在股東常會上發言並代表行使其投票權(如果該股東希望於特別股東會行使其投票權)。股東常會委任書(即「委任書」)將與此通知書發布至本公司網站,網址為: <http://www.medtecs.com/en/about/investor-relations> 及 SGXNET 網站。

股東(無論是自然人或公司)任命主席作為其代理人時,他/她/它必須就決議案的投票或棄權作出具體指示,否則任命主席作為該決議的代理人將被視為無效。
4. 股東常會的主席(作為代理人)不必是本公司的成員。
5. 委任書不適用於投資者,如果由投資者使用或聲稱由投資者使用,則視為無效。希望投票的投資者應盡快與他/她的相關仲介聯繫,以具體說明他/她的投票指示。希望投票的 SRS 投資者應至少在股東常會召開之日前 7 個工作日與他的 SRS 營運人聯繫,以提交其委任書。以便各個相關機構有足夠時間在 2021 年 4 月 26 日下午 3 點之前提交委任書以任命主席代表投票。
6. 委任書最遲必須於股東常會召開時間之 48 小時前,以郵寄方式提交本公司於新加坡的股務代理, Boardroom Corporate and Advisory Services Pte Ltd, 地址: 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623。

希望提交委任書的股東必須先下載,填寫並簽署委任書,再郵寄到上面提供的地址。
7. 如果本公司股東的普通股股份是按照其在保管登記中的名稱登記的,而該股東於特別股東會舉行前 72 小時前並未被 The Central Depository (Pte) Limited 證明持有本公司普通股股份(依據新加坡法令第 289 章《證券及期貨法》Part IIIA)則本公司可以拒絕其提交的委任書。
8. 所有文件(包括 2020 年年報,本年度股東大會通知附錄,本年度股東大會通知以及與年度股東大會有關的委任書)或信息已在或將在 SGXNET 網站和/或公司網站上發布。除保管人委任書的紙本將發送給保管人外,所有文件均不會寄給任何股東和投資者。本公司的網站網址為: <http://www.medtecs.com/en/about/investor-relations>。
9. 在股東常會實況轉播中,股東將無法提問。希望更進一步了解在股東常會上提出的決議案的股東最遲必須於 2021 年 4 月 25 日新加坡時間下午 3 點,股東常會召開時間之 72 小時前於本公司的預先登記網站上填寫並提交問題,該網址為: <http://smartagn.sg/MedtecsAGM2021>
10. 考慮股東常會時間有限,本公司管理層及董事會在股東常會實況轉播中,將選擇性回應股東提交的相關重要問題。

由於股東常會時間有限而無法回覆的重要問題,本公司將於股東常會之前發布相關回應於本公司網站,網址為: <http://www.medtecs.com/en/about/investor-relation> 或是 SGXNET 網站。
11. 名字出現在保管登記並希望在本公司股東常會投票(非自然人)的保管人,應填寫保管人委任書,最遲於 2021 年 4 月 26 日新加坡時間下午 3 點,股東常會召開時間之 48 小時前,以郵寄方式提交保管人委任書至本公司於新加坡的股務代理, Boardroom Corporate and Advisory Services Pte Ltd, 地址: 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623。

個人資料隱私:

股東或保管人通過提交委任書，委任會議主席於股東常會及/或其任何臨時會代表出席、發言及投票，即同意本公司(或其代理人或服務代理商)蒐集、使用、揭露其個人資料，以供本公司(或其代理人或服務代理商)於股東常會(包含任何臨時會)所用。所蒐集得個人資料將用於本公司(或其代理人或服務代理商)處理、管理和分析股東常會(包含任何臨時會)的會議主席的委任以及名單統計、會議記錄和其他相關的文件，以確保本公司(或其代理人或服務代理商)遵守所有適用法律、上市規則、條例及/或準則。

本文件由本公司編製，其內容已由保薦人 R&T Corporate Services Pte. Ltd. (即「保薦人」)核閱以確保符合新加坡交易所(即「新交所」)的相關法令。保薦人未獨立驗證本文件的內文包括任何數字使用或陳述、意見及其他資訊的使用或揭露的正確性或完整性。

本文件未經新交所審閱或核准。保薦人和新交所無承擔本文件內文的責任，包括包含在本文件內的任何陳述或意見的正確性。

保薦人聯絡人為 Evelyn Wee Kim Lin 女士 (電話: +65 6232 0724) 和 Howard Cheam Heng Haw 先生 (電話: +65 6232 0685)，地址: R & T Corporate Services Pte Ltd, 9 Straits View, #06-07 Marina One West Tower 1, Singapore 018937。

財務報告

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董事會報告

2020年12月31日
(金額除另予註明外，均以美元為單位)

董事會謹就美德向邦醫療國際股份有限公司（以下簡稱本公司）暨其子公司（以下合稱本集團）2020年度經會計師查核簽證之財務報表及合併財務報表，以及董事會報告說明如下：

1. 董事

本公司於報告日董事會之成員如下：

楊克誠（董事長）
楊威遠（執行長）
楊小青
Lim Tai Toon
聶建中

根據新加坡證交所凱利板第 720(4)條規定，任期屆滿董事楊克誠先生，符合參與選任資格重新選任。

根據本公司章程第 86 條規定，任期屆滿董事楊威遠先生及楊克誠先生，符合參與選任資格重新選任。

依據 2018 守則凱利板準則第 406(3)(d)條規定，重新選任董事 Lim Tai Toon 先生及楊小青女士。

2. 安排董事購買股票及債券

除第 6 段所述股票選擇權計劃外，於本年底或本年度任何期間，本公司並未藉由安排購買本公司或其他公司之股票或債券之方式，使董事從中獲利。

美德向邦醫療國際股份有限公司
(設立於百慕達)
及子公司

董事會報告(續)
(金額除另予註明外，均以美元為單位)

3. 董事持有公司股票或債券之情形

依本公司之董事持股明細簿記載，截至本年底董事持有本公司及其他聯屬公司之股票或認股權情形如下：

| 單位：股 | 以董事名義持有之股權 | | | 視同董事持有之股權 | | |
|---------------------------|---------------|-----------------|----------------|---------------|-----------------|----------------|
| | 2020年 1月1日 | 2020年 12月31日 | 2021年 1月21日 | 2020年 1月1日 | 2020年 12月31日 | 2021年 1月21日 |
| 董事名稱 | | | | | | |
| 美德向邦醫療國際股份有限公司普通股，每股0.05元 | | | | | | |
| 楊克誠先生 | 24,673,285 | 24,673,285 | 24,673,285 | 33,075,198 | 33,075,198 | 33,075,198 |
| 楊威遠先生 | - | - | - | | 1,500,000 | 1,500,000 |
| Lim Tai Toon | | | | | 20,000 | 20,000 |

楊克誠先生視同持有股份係分別為經由 South World Investment Ltd. 所持有之 18,506,621 股，以及經由 Maybank Kim Eng Securities Pte. Ltd. 所持有之 14,568,577 股，2020 年 12 月 31 日及 2021 年 1 月 21 日均維持相同持股。

楊威遠先生視同持有股份經由台灣經銷商管理的複委託帳戶所持有之 1,500,000 股。

Lim Tai Toon 先生視同持有股份 20,000 股，由其妻子 Wong Lai Kwan 持有。

美德向邦醫療國際股份有限公司
(設立於百慕達)
及子公司

董事會報告 (續)
(金額除另予註明外，均以美元為單位)

3. 董事持有公司股票或債券之情形 (續)

自 2020 年 1 月 1 日至 2020 年 12 月 31 日，除以上述揭露事項外，本公司其他董事並未持有本公司及其他聯屬公司之股票、股票選擇權、認股權證或債券。

4. 依新加坡證券交易所規定需揭露之資訊

本公司或聯屬公司於本年度並無簽訂任何對公司執行長、董事或主要股東有任何利益關係之重大合約。

5. 董事依合約規定取得或可取得之利益

除財務報表附註揭露者外，本年度並無董事藉由本公司或聯屬公司與董事或以董事為重要成員之企業個體簽訂合約以取得重大利益之情事。

6. 股票選擇權

根據本公司於 2012 年 4 月 30 日最新修訂之股票選擇權計劃 (以下簡稱“計劃”)，本公司之股票選擇權只配發予本公司之全職員工、董事 (除楊克誠及楊威遠先生外) 及非為本公司主要股東或其關係人。此計劃由薪酬管理委員會負責管理，其成員如下：

聶建中 (委員會主席)
楊小青
楊克誠
Lim Tai Toon
楊威遠

依此計劃配發之已發行在外選擇權，其相關認購之普通股總數，在任何情況下，不得超過本公司已發行在外普通股的 15%。選擇權之執行價格應由委員會決定，其標準如下：

- (i) 市場價格，是以股票交易日之前的連續五個交易日最後成交價之平均價格計算，參照新交所發布的每日市場價格為準。如果該股票交易日在新交所未有本公司股票成交，則應往前推算至前一次本公司股票在新交所交易價格為最後成交價；或

美德向邦醫療國際股份有限公司
(設立於百慕達)
及子公司

董事會報告(續)
(金額除另予註明外，均以美元為單位)

6. 股票選擇權(續)

(ii) 滿足下列條件可以市價折價訂定：

(a) 最高折價應為選擇權給與日市價之百分之二十；且

(b) 任何給與主要股東之折價必須由本公司股東在股東常會中核准，且其折價後之價格不得低於本集團最近一期經會計師查核之財務報表所列之每股有形資產淨值。

上述執行價格若低於每股面額，則以每股面額為執行價格。

以市價為執行價格之選擇權，其執行期間自給與日起一年後開始；而以市價折價為執行價格之選擇權，其執行期間自配發日之二年後開始。配發予執行董事或員工之選擇權自給與日起滿十年失效；配發予非執行董事之選擇權自配發日起滿五年失效。

自前一財務年度終止日起，本公司並無配發任何股票選擇權。本公司之股票選擇權並未給與持有者參與任何其他公司配股之權利。截至本報告日止，共計 1,875,000 股已執行完畢。並無任何股票選擇權配發予聯屬公司之員工。

截至 2020 年 12 月 31 日止，無任何得認購本公司普通股之選擇權：

美德向邦醫療國際股份有限公司
(設立於百慕達)
及子公司

董事會報告(續)
(金額除另予註明外，均以美元為單位)

6. 股票選擇權(續)

本公司依照此計劃配與本集團董事及員工認購本公司普通股之選擇權明細如下：

| 執行期間 | 選擇權之股數(單位：股) | | | | 截至2020年 12月31日 尚未執行總數 | 執行價格 (新加坡幣) |
|----------------------------------|---------------------------|------|------------|-----------|-----------------------------|----------------|
| | 本年度 給與數 | 總給與數 | 已執行 總數 | 已失效 總數 | | |
| 本公司之董事 | | | | | | |
| 楊克誠先生 | 13.09.2003- 22.04.2014 | - | 2,260,800 | - | 2,260,800 | - |
| Wilfrido Candelaria Rodriguez | 06.07.2003- 10.05.2020 | - | 1,035,000 | - | 1,035,000 | - |
| 楊小菁女士 | 11.05.2012- 10.05.2015 | - | 100,000 | - | 100,000 | - |
| 其他員工 | 06.07.2003- 10.05.2020 | - | 24,357,200 | 1,875,000 | 22,482,200 | - |

並無任一員工取得超過(含)此選擇權計劃可發行總數的5%。

自員工股票選擇權計劃開始至本會計年度終止日止：

- 除前述一位董事外，無任何員工選擇權計劃參與者取得超過此一計劃可發行總數的5%；
- 本公司所配發之股票選擇權並未給與持有者參與任何其他公司配股之權利；

美德向邦醫療國際股份有限公司
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及子公司

董事會報告(續)
(金額除另予註明外,均以美元為單位)

7. 審計委員會

審計委員會職能如下:

- 審查重大的財務報告問題並判斷,以確保公司財務報表以及與公司財務績效有關的所有公告的完整性;
- 於呈送董事會之前,審核本集團之半年度、年度財務報表及會計師查核報告:
 - 會計政策:會計政策及事項的重大改變,是否直接影響財務報表表達;
 - 會計準則遵守:是否遵守會計準則、法律和新加坡證券交易所相關規定;
 - 管理階層的決策及估計,是否對本集團造成重大影響;
 - 外部稽核:包含重大查核調整數,外部稽核提請審計委員會注意的審計意見及任何其他意見;
- 審核本公司內部稽核及外部會計師之稽核計劃;
- 評估外部稽核的成本效益,獨立性及客觀性;
- 檢討內部稽核功能(包括內部會計控制)及其程序和結果的適當性;
- 確保管理階層授予內部和外部稽核人員合作的充分性;
- 透過審查內部和外部稽核的書面報告,以及管理階層對查核缺失的回應和改正,以評估包含財務、營運、法規遵循及資訊管理方面,內部控制是否適當且有效;
- 檢視執行長及財務長對財務記錄和財務報表的保證;
- 按照凱利板的規定,檢視關係人交易;
- 審計委員會與外部稽核,其他委員會和管理階層開會,私下討論任何應討論事項;
- 複核可能對財務報表有重大影響或可能的不當行為的相關事項(如法規遵循或來自監管機構的報告);
- 審查內部審計職能的獨立性、有效性和充分性;
- 審查外部稽核人員所提供服務之性質及範圍,並對董事會提出適當之建議;
- 向董事會提出建議(i)建議給股東關於任命和罷免外部審計機構;(ii)外聘審計的酬金及委條款;
- 審查有關政策和安排,以關注財務報告中可能存在的不當行為或其他事項需要安全提出、獨立調查並適當跟進。公司公開揭露並明確告知員工舉報政策和舉報此類問題的程序;和
- 其他董事會要求的事項。

審計委員會已審核由外部會計師提供之非審計服務,且同意該非審計服務之性質及範圍未違反外部會計師之獨立性。審計委員會亦已審核利益關係人交易。

審計委員會於本財務年度召集四次會議。審計委員會在無公司管理階層出席之情況下,每年至少與內部稽核人員及外部會計師進行一次會議。

有關審計委員會之更多細節係於公司治理報告中揭露。

美德向邦醫療國際股份有限公司
(設立於百慕達)
及子公司

董事會報告 (續)
(金額除另予註明外,均以美元為單位)

8. 簽證會計師

SyCip Gorres Velayo & Co. (安永全球的成員) 已同意續任本公司下一年度財務報表之簽證會計師。

於2020年11月15日委任Alvin M. Pinpin先生, 為SyCip Gorres Velayo & Co. (安永全球的成員) 的合夥人, 未連續五年以上對本集團進行審計。

所有重要子公司所委任審計事務所詳如下表:

| 重要子公司名稱 | 委任事審計事務所名稱 |
|--|-------------------------------------|
| Universal Weavers Corporation | SyCip Gorres Velayo & Co. (安永全球的成員) |
| Medtex Corporation | |
| Medtecs (Cambodia) Corporation Limited | |
| 美德向邦股份有限公司 | 安永臺灣 |
| Medtecs (Asia Pacific) Pte Ltd | 安永新加坡 |

董事會代表:

楊克誠先生
董事

楊威遠先生
董事

菲律賓, Makati 市
2021年3月25日

美德向邦醫療國際股份有限公司
(設立於百慕達)
及子公司

董事聲明書

本人楊克誠及楊威遠，為美德向邦醫療國際股份有限公司(以下簡稱“本公司”)之董事，謹代表董事會，作以下之聲明：

- (i) 隨後附之資產負債表和損益表、其他綜合損益表、權益變動表、綜合現金流量表及其附註，足以允當表達本集團與本公司於 2020 年 12 月 31 日之財務狀況，暨 2020 年度之財務績效、權益之變動與現金流量。
- (ii) 截至本聲明日止，本人確信，若本公司之債務到期，本公司將有足夠能力償付之。

董事會代表：

楊克誠先生
董事

楊威遠先生
董事

菲律賓, Makati 市
2021 年 3 月 25 日

會計師查核報告

截至 2020 年 12 月 31 日之財務年度

致美德向邦醫療國際股份有限公司成員們

查核意見

美德向邦醫療國際股份有限公司（以下簡稱“該公司”）之財務報表暨美德向邦醫療國際股份有限公司及其子公司（以下簡稱“該集團”）之合併財務報表業經本會計師查核竣事。前述財務報表包括該公司及該集團 2020 年 12 月 31 日之資產負債表，暨 2020 年度之損益表、綜合損益表、權益變動表、現金流量表，以及財務報表附註與重要會計政策。

依本會計師意見，後附之該集團合併財務報表，暨該公司之資產負債表、損益表、綜合損益表及權益變動表，係依照新加坡財務報告準則(SFRS(I))編製，足以允當表達該集團及該公司2020年12月31日之財務狀況，暨2020年度之財務績效、權益變動及現金流量。

查核意見之基礎

本會計師係依照新加坡審計準則（SSAs）執行查核工作。本會計師基於該準則下之責任，另說明於「會計師查核財務報表之責任」項下。本會計師查核財務報表係遵循新加坡會計與企業監管局（ACRA）所訂定之“會計人員和會計實體專業行為與道德準則”（ACRA Code），與該集團保持超然獨立，並達到該準則要求之道德責任標準。本會計師相信，已取得足夠及適切之查核證據，以作為表示查核意見之基礎。

關鍵查核事項

本會計師於查核期間，係以專業判斷最具重大影響之事項，並闡明該等事項對整體財務報表之影響。惟本會計師不對該等事項單獨表示意見。本會計師履行「會計師查核財務報表之責任」所述之責任，包含該等事項，我們的查核程序旨在有效評估其有無重大不實表達及其所產生之風險。此查核結果可對財務報表所表示之意見提供合理基礎。茲對該等關鍵查核事項敘明如下：

存貨價值評估

截至 2020 年 12 月 31 日，該集團存貨為 5,370 萬美元，約占該集團總資產的 22%。該集團對其存貨使用加權平均成本法評價，製成品和在製品的成本包括直接材料，直接人工和一定比例的製造費用。該集團有幾種類型的存貨且製造過程包括多個階段和裝配線，成本核算過程包含對於共同成本分配和在製品完成百分比估計的判斷。存貨按成本與可變現淨值兩者中的較低者計價，截至 2020 年 12 月 31 日並提列存貨備抵跌價損失準備 300 萬美元，在評估存貨的可收回性時需要作出判斷。

列入關鍵查核事項乃因為存貨是該集團資產的重要組成，需要對於淨變現價值進行管理性評價。

在評估存貨的淨變現價值低於成本時，該集團即提列存貨備抵跌價損失準備。存貨備抵跌價損失準備亦根據庫存的現況和市場價值進行評估。關於確認備抵存貨跌價損失準備說明，詳述於合併財務報表附註 2.4, 2.16, 和 12。

查核後回覆

我們了解了本集團的存貨評估流程，並進行了控制測試。同時也了解存貨成本核算，其中包括人工成本和製造費用的分配。我們也了解並查看了管理層分配一般成本和固定製造費用的基礎。在樣本的基礎上，我們通過從單位材料成本，單位人工成本和單位間接費用率中進行測試檢查，驗證了所選項目的單位成本。我們了解並審查了管理層對存貨可變現淨值的評估。在樣本的基礎上，我們依據最近交易的存貨的售價和銷售成本測試了可變現淨值。我們將可變現淨值與存貨樣本的成本價格進行了比較，並檢查了相關準備金，以評估存貨準備是否完整。此外，我們參加了主要子公司的存貨盤點，並觀察了在辨認過時存貨時的管理程序。

其他事項

有關該集團管理層面的其他事項，這些訊息揭露於本財務報告中，但其無涉於財務報表及會計師查核財務報告。本會計師財務報告的查核意見不涵蓋這些事項，本會計師對其也不表示任何形式的評論。

本會計師的責任是獲悉其他事項相關訊息，並考量此訊息是否與財務報表或查核中獲得的資訊有所抵觸，使其產生重大的不實表達，並揭露此一情形。本年度無前述重大不實表達情形。

關於我們對財務報表的審計，我們的責任是讀取其他事項，並在此過程中，考慮其他事項是否與財務報表或我們在審計中獲得的知識，存在重大不一致，或者看起來是否存在重大錯誤信息。如果根據我們所執行的工作，我們得出結論認為這些其他信息存在重大錯誤陳述，我們將需要呈報該事實。有鑑於此，我們沒有任何需要呈報的。

管理階層和董事對財務報表的責任

管理階層負責依據會計法規和 SFRS (1) 的規定準備財務報表，以提供真實與公正的觀點，並負責設計和維護足以為資產提供合理保證的內部會計控制體系，防止因未經授權使用或處置而造成損失；交易已得到適當授權，並在必要時進行記錄，以允許編制真實且公允的財務報表，並維持資產的責任制。

在編制財務報表時，管理階層負責評估本集團的持續經營能力，在適用的情況下揭露與持續經營有關的事項並使用持續經營會計基礎，除非管理階層打算清算本集團或停止經營本集團行動，或者在別無選擇的狀況下。

董事的職責包括監督本集團的財務報告流程。

會計師查核財務報表之責任

本會計師查核財務報表之目的，係對財務報表整體是否存在因舞弊或錯誤之重大不實表達，取得合理確信，並出具查核報告。合理確信係指高度確信，惟依照一般公認審計準則執行之查核工作，無法保證必然發現財務報表存有重大不實表達。不實表達可能導因於舞弊或錯誤。如不實表達之個別金額或彙總，可合理預期將影響財務報表使用者所作之經濟決策，則被認為具有重大性。

本會計師係依照新加坡審計準則 (SSAs) 執行查核工作，運用專業判斷並保持專業上之懷疑。本會計師亦執行下列工作：

- 辨認財務報表導因於舞弊或錯誤之重大不實表達並評估風險；設計及執行相應之審計程序，並取得足夠及適切之查核證據以作為出具意見之基礎。由於舞弊可能涉及共謀、偽造、故意遺漏、不實聲明或逾越內部控制，因此未必能發現由舞弊導致的重大不實表達。由舞弊導致的重大不實表達其風險高於單純的錯誤。
- 對與查核攸關之內部控制取得必要之了解，以設計當時情況下適當之查核程序，惟其目的非對該集團內部控制之有效性表示意見。
- 評估管理階層所採用會計政策之適當性，及其所作會計估計與相關揭露之合理性。
- 依據所取得之查核證據，對管理階層採用繼續經營假設之會計處理，以及使該集團繼續經營能力可能產生重大疑慮之事件或情況是否存在重大不確定性，做出結論。本會計師若認為該等事件或情況存在重大不確定性，則須於查核報告中提醒財務報表使用者注意財務報表之相關揭露，或於該揭露係屬不適當時修正查核意見。本會計師之結論係以截至查核報告日所取得之查核證據為基礎。惟未來事件或情況係有可能導致該集團不再具有繼續經營之能力。
- 評估財務報表的整體表達，結構和內容，以及財務報表是否已允當表達相關交易和事件。
- 本會計師對合併財務報表所表示之意見，係已經由該集團的財務資訊或營業活動中，取得充足及適當之查核依據。我們負責指導、監督和完成該集團的查核，並對查核意見負責。

本會計師與董事溝通，其中包括查核計劃的範圍和時間以及重大的查核發現，包括在查核過程中任何可能造成內部控制的重大缺失。

我們亦向董事提供會計師所遵循會計師職業道德規範中，有關獨立性之聲明，並溝通所有可能被認為會影響會計師獨立性之事項，以及相關的保障措施。

本會計師與董事溝通屬財務報表最重大之關鍵查核事項，並於查核報告中敘明該等事項，除非法令不允許公開揭露特定事項，或在極罕見情況下，本會計師決定不於查核報告中揭露特定事項，因可合理預期其所產生之負面影響大於所增進之公共利益。

其他法律和法規要求的報告

本會計師認為，該公司以及在新加坡註冊成立為我們作為審計的子公司依公司法要求的會計和其他記錄已按照該法案的規定妥善保存。

作為會計師查核報告審查結果的主辦會計師為 Alvin M. Pinpin。

SYCIP GORRES VELAYO & CO.
(Ernst & Young Global Limited 會員成員之一)
會計師

菲律賓, Makati 市
2021 年 3 月 25 日

美德向邦醫療國際股份有限公司
(設立於百慕達)
及子公司

資產負債表

至 2020 年 12 月 31 日

(單位：美金千元)

| | 附註 | 本集團 | | 本公司 | |
|--------------|----|----------------|----------------|----------------|---------------|
| | | 2020 | 2019 | 2020 | 2019 |
| 資產 | | | | | |
| 非流動資產 | | | | | |
| 不動產、廠房及設備 | 5 | 21,499 | 19,170 | 50 | 43 |
| 投資性不動產 | 6 | 2,839 | 2,950 | - | - |
| 出租資產 | 7 | 4,358 | 6,087 | - | - |
| 使用權資產 | 28 | 5,573 | 5,441 | 77 | 115 |
| 長期股權投資 | 8 | - | - | 28,353 | 24,883 |
| 商譽 | 9 | 709 | 709 | - | - |
| 遞延所得稅資產 | 24 | 33 | 21 | 12 | 14 |
| 其他非流動資產 | 11 | 4,617 | 6,934 | 297 | 3,796 |
| | | <u>39,628</u> | <u>41,312</u> | <u>28,789</u> | <u>28,851</u> |
| 流動資產 | | | | | |
| 存貨 | 12 | 53,678 | 37,844 | 611 | 78 |
| 應收帳款 | 13 | 49,308 | 13,344 | 17,442 | 5,749 |
| 其他流動資產 | 14 | 15,733 | 16,103 | 14,498 | 12,349 |
| 應收關聯企業款項 | 10 | - | - | 30,780 | - |
| 受限制資產 | 15 | 5,178 | 4,930 | - | - |
| 現金及銀行存款 | 15 | 82,161 | 3,070 | 20,008 | 46 |
| | | <u>206,058</u> | <u>75,291</u> | <u>83,339</u> | <u>18,222</u> |
| 資產總計 | | <u>245,686</u> | <u>116,603</u> | <u>112,128</u> | <u>47,073</u> |

(請參閱財務報表附註)

美德向邦醫療國際股份有限公司
(設立於百慕達)
及子公司

資產負債表(續)

至 2020 年 12 月 31 日

(單位：美金千元)

| | 附註 | 本集團 | | 本公司 | |
|------------------|----|----------------|---------------|----------------|---------------|
| | | 2020 | 2019 | 2020 | 2019 |
| 股東權益與負債 | | | | | |
| 流動負債 | | | | | |
| 應付帳款及其他流動負債 | 16 | 10,357 | 3,836 | 3,288 | 335 |
| 應付關聯企業款項 | 10 | - | - | - | 18,045 |
| 一年內到期之長期負債 | 17 | 1,250 | 387 | 1,250 | - |
| 短期銀行借款 | 17 | 31,603 | 36,279 | - | - |
| 應付所得稅 | | 2,775 | 900 | 1 | 1 |
| | | <u>45,985</u> | <u>41,402</u> | <u>4,537</u> | <u>18,381</u> |
| 淨流動資產(負債) | | <u>160,073</u> | <u>33,889</u> | <u>78,802</u> | <u>(159)</u> |
| 非流動負債 | | | | | |
| 長期負債 | 17 | 228 | 5,870 | - | 3,750 |
| 租賃負債 | 28 | 3,158 | 3,083 | 211 | 258 |
| 遞延所得稅負債 | 24 | 181 | 213 | - | - |
| 應計退休金負債 | 20 | 1,221 | 927 | 276 | 225 |
| 其他非流動負債 | | 423 | 518 | - | - |
| | | <u>5,211</u> | <u>10,611</u> | <u>487</u> | <u>4,233</u> |
| 負債合計 | | <u>51,196</u> | <u>52,013</u> | <u>5,024</u> | <u>22,614</u> |
| 淨資產 | | <u>194,490</u> | <u>64,590</u> | <u>107,104</u> | <u>24,459</u> |

(請參閱財務報表附註)

美德向邦醫療國際股份有限公司
(設立於百慕達)
及子公司

資產負債表(續)

至 2020 年 12 月 31 日

(單位：美金千元)

| | 附註 | 本集團 | | 本公司 | |
|-------------------|----|----------------|----------------|----------------|---------------|
| | | 2020 | 2019 | 2020 | 2019 |
| 歸屬母公司股東之權益 | | | | | |
| 股本 | 3 | 27,471 | 27,471 | 27,471 | 27,471 |
| 股本溢價 | | 4,721 | 4,721 | 4,721 | 4,721 |
| 保留盈餘(累積虧損) | 4 | 157,789 | 30,747 | 74,340 | (8,318) |
| 再衡量損益 | 20 | (142) | 6 | 11 | 24 |
| 外幣換算調整數 | 4 | 3,232 | 231 | - | - |
| 其他準備 | 3 | 394 | 394 | 561 | 561 |
| | | <u>193,465</u> | <u>63,570</u> | <u>107,104</u> | <u>24,459</u> |
| 非控制權益 | | 1,025 | 1,020 | - | - |
| 權益合計 | | <u>194,490</u> | <u>64,590</u> | <u>107,104</u> | <u>24,459</u> |
| 權益及負債總計 | | <u>245,686</u> | <u>116,603</u> | <u>112,128</u> | <u>47,073</u> |

(請參閱財務報表附註)

美德向邦醫療國際股份有限公司
(設立於百慕達)
及子公司

損益表

2020 及 2019 年 1 月 1 日至 12 月 31 日

(單位：美金千元)

| | 附註 | 本集團 | | 本公司 | |
|----------|----|-----------|----------|-----------|---------|
| | | 2020 | 2019 | 2020 | 2019 |
| 營業收入 | 18 | 400,327 | 68,977 | 324,639 | 12,589 |
| 營業成本 | | (228,707) | (58,446) | (232,106) | (9,386) |
| 營業毛利 | | 171,620 | 10,531 | 92,533 | 3,203 |
| 其他收入項目 | | | | | |
| 其他收入-淨額 | 19 | 379 | 759 | - | 239 |
| 財務收入 | 21 | 36 | 209 | 3 | 1 |
| 其他費用項目 | | | | | |
| 銷售費用 | | (22,271) | (2,600) | (2,256) | (322) |
| 管理費用 | | (13,139) | (4,896) | (2,386) | (1,447) |
| 財務費用 | 22 | (1,535) | (2,486) | (514) | (992) |
| 其他費用-淨值 | 19 | - | - | (55) | - |
| 稅前淨利(損) | 23 | 135,090 | 1,517 | 87,325 | 682 |
| 所得稅費用 | 24 | (3,374) | (351) | 2 | - |
| 本期淨利(淨損) | | 131,716 | 1,166 | 87,327 | 682 |
| 歸屬於： | | | | | |
| 母公司業主權益 | | 131,711 | 1,162 | 87,327 | 682 |
| 非控制權益 | | 5 | 4 | - | - |
| 本期淨利(淨損) | | 131,716 | 1,166 | 87,327 | 682 |
| 每股盈餘(美分) | 25 | | | | |
| 歸屬於母公司業主 | | | | | |
| - 基本 | | 23.973 | 0.211 | | |
| - 完全稀釋 | | 23.973 | 0.211 | | |

(請參閱財務報表附註)

美德向邦醫療國際股份有限公司
(設立於百慕達)
及子公司

綜合損益表

2020 及 2019 年 1 月 1 日至 12 月 31 日

(單位：美金千元)

| | 本集團 | | 本公司 | |
|-------------|---------|-------|--------|------|
| | 2020 | 2019 | 2020 | 2019 |
| 本期淨利(損) | 131,716 | 1,166 | 87,327 | 682 |
| 其他綜合損益： | | | | |
| 重分類至損益之項目 | | | | |
| 外幣換算調整數 | 3,001 | 319 | — | — |
| 不再重分類至損益之項目 | | | | |
| 再衡量損益 | (148) | (243) | (13) | (70) |
| 本期綜合損益總額 | 134,569 | 1,242 | 87,314 | 612 |
| 綜合損益歸屬於： | | | | |
| 母公司業主權益 | 134,564 | 1,238 | 87,314 | 612 |
| 非控制權益 | 5 | 4 | — | — |
| 本期綜合損益總額 | 134,569 | 1,242 | 87,314 | 612 |

(請參閱財務報表附註)

美德向邦醫療國際股份有限公司
(設立於百慕達)
及子公司

權益變動表

2020 及 2019 年 1 月 1 日至 12 月 31 日

(單位：美金千元)

| 2020 本集團 | 股本 (附註 3) | 股本溢價 | 保留盈餘 (附註 4) | 再衡量 損益 (附註 20) | 外幣換算 調整數 (附註 4) | 其他準備 (附註 3) | 非控制權 益 | 權益 合計 |
|------------------|--------------|-------|----------------|----------------------|-----------------------|----------------|-----------|----------|
| 2020 年 1 月 1 日 | 27,471 | 4,721 | 30,747 | 6 | 231 | 394 | 1,020 | 64,590 |
| 本期淨利 | - | - | 131,711 | - | - | - | 5 | 131,716 |
| 其他綜合損益 | | | | | | | | |
| 外幣換算調整數 | - | - | - | - | 3,001 | - | - | 3,001 |
| 再衡量損益 | - | - | - | (148) | - | - | - | (148) |
| 其他綜合損益小計 | - | - | - | (148) | 3,001 | - | - | 2853 |
| 綜合損益小計 | - | - | 131,711 | (148) | 3,001 | - | 5 | 134,569 |
| 現金股利(附註 26) | - | - | (4,669) | - | - | - | - | (4,669) |
| 2020 年 12 月 31 日 | 27,471 | 4,721 | 157,789 | (142) | 3,232 | 394 | 1,025 | 194,490 |

(請參閱財務報表附註)

美德向邦醫療國際股份有限公司
(設立於百慕達)
及子公司

權益變動表(續)

2020 及 2019 年 1 月 1 日至 12 月 31 日

(單位：美金千元)

| 2019 本集團 | 股本 | | 保留盈餘 | 再衡量損益 | 外幣換算 調整數 | 其他準備 | 非控制權 益 | 權益 合計 |
|------------------|--------|-------|--------|---------|-------------|--------|-----------|----------|
| | (附註 3) | 股本溢價 | (附註 4) | (附註 20) | (附註 4) | (附註 3) | | |
| 2019 年 1 月 1 日 | 27,471 | 4,721 | 29,585 | 249 | (88) | 394 | 1,016 | 63,348 |
| 本期淨利 | - | - | 1,182 | - | - | - | 4 | 1,186 |
| 其他綜合損益 | | | | | | | | |
| 外幣換算調整數 | - | - | - | - | 319 | - | - | |
| 再衡量損益 | - | - | - | (243) | - | - | - | (243) |
| 其他綜合損益小計 | - | - | - | (243) | 319 | - | - | 76 |
| 本期綜合損益 | - | - | 1,182 | (243) | 319 | - | 4 | 1,242 |
| 2019 年 12 月 31 日 | 27,471 | 4,721 | 30,747 | 6 | 231 | 394 | 1,020 | 64,590 |

(請參閱財務報表附註)

美德向邦醫療國際股份有限公司
(設立於百慕達)
及子公司

權益變動表(續)

2020 及 2019 年 1 月 1 日至 12 月 31 日

(單位：美金千元)

本公司

| | 股本 (附註 3) | 股本溢價 | 保留盈餘(附 註 4) | 再衡量損益 (附註 20) | 其他準備 (附註 3) | 保留盈餘 小計(虧損) | 權益合計 |
|--------------------------------------|--------------|-------|----------------|------------------|----------------|----------------|---------|
| 2019 年 1 月 1 日 | 27,471 | 4,721 | (9,000) | 94 | 561 | (8,345) | 23,847 |
| 本期淨利(損) | - | - | 682 | - | - | 682 | 682 |
| 其他綜合損益 | - | - | - | (70) | - | (70) | (70) |
| 綜合損益總額 | - | - | 682 | (70) | - | 612 | 612 |
| 2019 年 12 月 31 日 及 2020 年 1 月 1 日 | 27,471 | 4,721 | (8,318) | 24 | 561 | (7,733) | 24,459 |
| 本期淨利(損) | - | - | 87,327 | - | - | 87,327 | 87,327 |
| 其他綜合損益 | - | - | - | (13) | - | (13) | (13) |
| 綜合損益總額 | - | - | 87,327 | (13) | - | 87,314 | 87,314 |
| 現金股利(附註 26) | - | - | (4,669) | - | - | (4,669) | (4,669) |
| 2020 年 12 月 31 日 | 27,471 | 4,721 | 74,310 | 11 | 561 | 74,912 | 107,104 |

(請參閱財務報表附註)

美德向邦醫療國際股份有限公司
(設立於百慕達)
及子公司

合併現金流量表

2020 及 2019 年 1 月 1 日至 12 月 31 日

(單位：美金千元)

| | 附註 | 2020 | 2019 |
|-------------------|--------|----------|---------|
| 營業活動之現金流量 | | | |
| 稅前淨利 | | 135,090 | 1,517 |
| 調整項目： | | | |
| 折舊 | 5 和 6 | 3,960 | 2,292 |
| 攤銷： | | | |
| 出租資產 | 7 和 23 | 3,576 | 2,832 |
| 使用權資產 | 28 | 535 | 687 |
| 利息費用(貸款與租賃負債) | 22 | 1,486 | 2,287 |
| 退休金義務變動數 | | 146 | 99 |
| 其他財務成本 | 22 | 49 | 199 |
| 利息收入 | 21 | (36) | (209) |
| 處分不動產、廠房及設備利益 | 19 | (2) | (8) |
| | | <hr/> | <hr/> |
| 營運資金變動前之營業活動之現金流量 | | 144,804 | 9,896 |
| (增加)/減少項目： | | | |
| 存貨 | | (15,143) | (3,916) |
| 應收帳款 | | (33,987) | 1,552 |
| 其他流動資產 | | 305 | 163 |
| 增加/(減少)項目： | | | |
| 應付帳款及其他流動負債 | | 7,167 | (2,590) |
| | | <hr/> | <hr/> |
| 營業活動之現金流入 | | 103,146 | 4,905 |
| 收取利息 | | 36 | 209 |
| 支付所得稅 | | (1,543) | (545) |
| 支付其他財務成本 | | (49) | (199) |
| | | <hr/> | <hr/> |
| 營業活動之淨現金流入 | | 101,590 | 4,370 |
| | | <hr/> | <hr/> |

(請參閱財務報表附註)

美德向邦醫療國際股份有限公司
(設立於百慕達)
及子公司

合併現金流量表(續)

2020 及 2019 年 1 月 1 日至 12 月 31 日

(單位：美金千元)

| | 附註 | 2020 | 2019 |
|------------------|----|----------|---------|
| 投資活動之現金流量 | | | |
| 處分： | | | |
| 不動產、廠房及設備 | | 15 | 356 |
| 出租資產 | | 91 | 18 |
| 其他非流動資產增加(減少) | | 2,111 | (451) |
| 購置： | | | |
| 不動產、廠房及設備 | 5 | (6,463) | (1,952) |
| 出租資產 | 7 | (1,938) | (2,620) |
| 投資活動之淨現金流出 | | (6,184) | (4,649) |
| 融資活動之現金流量 | | | |
| 償還長期借款淨額 | | (4,779) | (1,841) |
| 受限制資產增加 | | (248) | (670) |
| 支付利息 | | (1,179) | (2,004) |
| 舉借(償還)短期銀行借款 | | (4,676) | 3,563 |
| 支付現金股利 | | (4,869) | — |
| 支付租賃負債 | 28 | (763) | (215) |
| 遞延租賃收入減少 | | (1) | (5) |
| 融資活動之淨現金流入(流出) | | (16,315) | (1,172) |
| 現金及銀行存款淨增加(減少) | | 79,091 | (1,451) |
| 期初現金及銀行存款 | | 3,070 | 4,521 |
| 期末現金及銀行存款 | 15 | 82,161 | 3,070 |

(請參閱財務報表附註)

美德向邦醫療國際股份有限公司
(設立於百慕達)
及子公司

財務報表附註

(金額除另予註明外，均以美元為單位)

1. 公司概況

美德向邦醫療國際股份有限公司(下稱本公司)為設立於百慕達並駐於菲律賓，掛牌於新加坡證券交易所-凱利板("SGX-ST Catalist")上市之有限責任公司。

本公司之登記地址為 Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。本公司主要營業場所之地址為 7B Country Space1 Building 133 H.V Dela Costa St. Makati City, Philippines。

本公司主要從事醫療耗材、器具、醫療紡織用品之生產及銷售。有關各子公司之主要業務，詳述於財務報表附註 9。

2. 重要會計政策之彙總說明

2.1 編製基礎

本集團及本公司之財務報表係依照新加坡財務報告準則(國際) (Singapore Financial Reporting Standards (International), "(SFRS(I))")編製。

本財務報表，除以下揭露者外，係按歷史成本編製。

本財務報表以美元為表達單位，除另予註明外，表格中之金額均四捨五入至千美元。

美德向邦醫療國際股份有限公司
(設立於百慕達)
及子公司

財務報表附註(續)
(單位：美金千元)

2. 重要會計政策之彙總說明(續)

2.2 採用新的和修訂的標準和解釋

所採用的會計政策與上一個會計年度的會計政策一致，但在本會計年度，本集團已採用所有與本集團相關並在1月1日或之後開始生效的新準則和經修訂的準則。2020年採用這些準則對本集團的財務績效或狀況沒有任何重大影響。

SFRS(I)於2020年1月1日或之後開始的年度期間生效

以下標準和解釋於2020年1月1日或之後開始的年度期間生效：

- 修訂 SFRS(I) 概念性架構參考準則
- 修訂 SFRS(I) 1-1 和 SFRS(I) 1-8 重大性定義
- 修訂 SFRS(I) 3 企業定義
- 修訂 SFRS(I) 9、SFRS(I) 1-39 和 SFRS(I) 7 利率基準改革
- 修正 SFRS(I) 16 因 COVID-19 疫情相關的租金減免

2.3 已發佈但未生效的準則

本集團尚未採用已發佈但未生效的準則如下和闡明：

| 內容 | 開始適用日期 |
|--|-----------|
| 修訂 SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16 利率基準改革-第二階段 | 2021年1月1日 |
| 參考概念性架構 - 修訂 SFRS(I) 3 | 2022年1月1日 |
| 修訂 SFRS(I) 1-16 不動產、廠房與設備-預期使用前的收益 | 2022年1月1日 |
| 重大契約-履行契約的成本 - 修訂 SFRS(I) 1-37 | 2022年1月1日 |
| SFRS(I) 1 首次採用國際財務報告準則 - 子公司為首次採用 | 2022年1月1日 |
| SFRS(I) 9 金融工具 - 終止認列金融負債的 10% 測試費用 | 2022年1月1日 |
| SFRS(I) 17 保險合約 | 2023年1月1日 |
| SFRS(I) 1-1 的修訂-負債分類為流動或非流動負債 | 2023年1月1日 |
| 修正 SFRS(I) 10 和 SFRS(I) 1-28 投資者與其關聯企業或合資間之資產出售或投入 | 日期待決定 |

董事們預期以上列示之準則適用未來於首次適用年度對財務報表無重大影響。

2.4 重大會計科目估計與判斷

在編製集團合併財務報表時，需運用估計、針對未來予以假設及判斷等方法。上述估計、假設及判斷將影響收入及費用、資產、負債之金額及其揭露，以及或有負債之揭露。關於這些假設與估計之不確定性，可能造成對未來資產及負債金額產生重大調整。

對本集團財務報表產生重大影響之會計政策，管理階層所做出重要判斷如下：

美德向邦醫療國際股份有限公司
(設立於百慕達)
及子公司

財務報表附註(續)
(單位：美金千元)

2. 重要會計政策之彙總說明(續)

2.4 重大會計科目估計與判斷(續)

a) 適用會計政策之重要判斷

i) 功能性貨幣之決定

本集團各公司之功能性貨幣，係管理層層依據最能忠實表達各公司營運所在地之主要經濟環境之貨幣，且各該貨幣係主要影響本集團各公司之交易事項及條件之貨幣。

ii) 不動產、廠房及設備之重大折舊項目之決定

為適當計算折舊目的，本集團已適當辨識固定資產之重大組成項目，截至 2020 年 12 月 31 日，本集團的不動產、廠房和設備的帳面價值為 2,150 萬美元 (2019 年：1,920 萬美元)。

iii) 決定租賃合約條款具有延長選擇權

本集團確定租賃期為租賃的不可撤銷期，以及在合理確定地可以行使的前提下，附有延長租賃期的選擇，或可以肯定地確定不行使的前提下，依選擇權終止租賃。

本集團有幾份包括延長選擇權的租賃合約。本集團評估是否可以合理確信是否行使選擇權來延長租賃期間。也就是說，它考慮了所有因素，並創造了經濟誘因去執行延長。在起始後，本集團會重新評估租賃期限，是否在其控制範圍內存在重大事件或情況變化，以及影響其行使或不行使選擇權的能力 (例如，建造重大租賃改良或重大的租賃資產客製)。

本集團在某些土地租賃的租賃期中將延長選擇權，因為這將使本集團避免為尋找其他營業地點而產生額外費用。然而，其餘土地租賃並不包括延期選擇權，因為需要承租人與出租人雙方同意，因此本集團無法合理地行使選擇權。

截至 2020 年 12 月 31 日，大約有 167 萬與 149 萬美元的潛在未來 (未貼現) 現金流出 (將分別在 27 到 52 年內到期) 尚未計入租賃負債，因為無法合理地確定租賃將被延長。

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(單位：美金千元)

2. 重要會計政策之彙總說明(續)

2.4 重大會計科目估計與判斷(續)

a) 適用會計政策之重要判斷(續)

iv) 投資性不動產及自用不動產之辨認

本集團決定一項資產是否為投資性不動產時，主要係考慮該資產能否獨立於其他資產產生重大之現金流量。自用不動產所產生之現金流量，不僅歸因於不動產，亦歸因於生產或提供過程中所使用之其他資產。當持有不動產的目的的一部分係為賺取租金或資本增值，其他部分則係用於生產、提供商品或勞務、或供管理目的，且該不動產、廠房及設備無法單獨出售，則僅在該不動產、廠房及設備用於生產、提供商品或勞務、或供管理目的而產生之現金流量為非重大時，始可分類至投資性不動產。在判別不動產是否符合投資性不動產時，需要針對是否有重大相關服務產生，本集團係採個別判斷。本集團於 2020 年 12 月 31 日之投資性不動產之帳面價值為 \$280 萬元 (2019 年：\$300 萬元)。請參閱附註 6。

v) 判別具重大非控制權益之子公司

本集團依據子公司之損益或其他綜合損益歸屬於非控制權益之部分，相對於集團之報導期間損益或其他綜合損益，及非控制權益帳面值歸屬於子公司之部分相對於集團之股權淨值，判別是否有具重大非控制權益之子公司。本集團未有具重大非控制權益之子公司。

vi) 估計可變對價

管理層已確定預期價值法來估計可變對價。管理層已對交易價格中包含的估計可變對價適用強制作出判斷，因為該金額非常容易受到集團影響之外的因素的影響，並且具有大量且廣泛的可能考慮因素。

vii) 認列提供服務的收入

隨著客戶同時接收和消費本集團提供的利益，提供服務的義務隨著時間的推移而得到滿足。本集團根據轉移給客戶的價值計量履約義務的滿足程度。本集團將適用發票實際權宜之計的權利，使本集團能夠確認收入為發票，即與實體迄今為止的業績價值直接對應的金額。

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2. 重要會計政策之彙總說明(續)

2.4 重大會計科目估計與判斷(續)

b) 不確定性估計之主要來源

於資產負債表日，對未來資產及負債金額可能產生重大調整之假設及不確定估計，具有重大之風險，以下列示相關之假設及估計。

本集團之財務報表是根據可取得之假設和估計的參數所編製。現有情況和假設依未來發展可能有所改變，然而在市場或本集團無法預知的情況下，不確定性估計的變化將反應在事實發生時。

i) 商譽、不動產、廠房及設備、投資性不動產及出租資產之減損

本集團每年就商譽、不動產、廠房及設備、投資性不動產及出租資產是否減損予以評估，減損評估係以資產所屬之現金產生單位進行測試。為計算該商譽、不動產、廠房及設備、投資性不動產及出租資產之使用價值，本集團必須就現金產生單位之未來現金流量予以估計，並選擇一適當之折現率以計算該未來現金流量之現值。本集團於 2020 年 12 月 31 日的商譽、不動產、廠房及設備、投資性不動產及出租資產之帳面價值分別為 \$709,000 元(2019 年：\$709,000 元)、\$2,150 萬元(2019 年：\$1,920 萬元)、\$280 萬元(2019 年：\$300 萬元)及 \$440 萬元(2019 年：\$610 萬元)。

本公司於 2020 年 12 月 31 日的不動產、廠房及設備之帳面價值為 \$50,000 元(2019 年：\$43,000 元)。請參閱附註 5、6、7 及 9。

ii) 所得稅費用

複雜之稅務法規及解釋函令及未來課稅所得在時間及金額方面存在不確定性。由於廣泛之國際業務關係及長期性已存在合約協議之性質及複雜度，致實際結果與先前假設產生差異，可能有必要於未來調整原已紀錄之應付所得稅。

在正常營運下，有一些交易及其所得稅之決定具有不確定性。本集團以各國稅務機關可能核定之金額加以合理估計所得稅，應付所得稅金額之估計係依據各種因素，如以往稅務機關核定數及稅務法令解釋上之差異。依公司所在國家之不同，此類稅務法令解釋之差異可能發生在不同議題上。若最後核定結果與原始估列數產生差異時，該差異將影響核定當年度之所得稅費用及遞延所得稅。本集團於 2020 年 12 月 31 日的應付所得稅餘額為 \$280 萬元(2019 年：\$90 萬元)。本公司於 2020 年 12 月 31 日的應付所得稅餘額為 \$1,000 元(2019 年：\$1,000 元)

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2. 重要會計政策之彙總說明(續)

2.4 重大會計科目估計與判斷(續)

b) 不確定性估計之主要來源(續)

iii) 遞延所得稅

對於所有應課稅之暫時性差異認為遞延所得稅負債。對於所有可減除之暫時性差異如可於未來實現時，則應認為遞延所得稅資產。可認列之遞延所得稅資產金額係管理當局根據未來產生應稅所得之時點與金額並配合集團稅賦規劃，選用重大判斷而決定。

本集團 2020 年 12 月 31 日止之遞延所得稅資產及遞延所得稅負債餘額分別為\$33,000 元(2019 年：\$21,000 元)及\$181,000 元(2019 年：\$213,000 元)。本公司 2020 年 12 月 31 日之遞延所得稅資產餘額為\$12,000 元(2019 年：\$14,000 元)，請參閱附註 24。

iv) 應收帳款的預期信用損失準備

本公司準備的基礎為計算應收帳款的預期信用損失。準備的比率是依照各種客戶群組合其相似的損失模式的逾期天數。

準備的基礎最初是依本集團歷史觀察所得違約率。本集團未來將依前瞻性訊息做校準調整歷史信用損失經驗。在每一報告日，更新歷史違約率和分析後的前瞻性估計也會改變。

由歷史觀察違約率和預測經濟情況(國內生產毛額成長率和國民收入成長率、主要收入淨額利率、消費者物價指數、通貨膨脹率)預期信用損失之間相關的評估是為重大之估計。預期信用損失金額對環境變化及預測之經濟情況尤為敏感。本集團歷史信用損失經驗和預測之經濟情況或許也非代表未來客戶實際之違約。有關本集團應收帳款的預期信用損失資訊揭露於附註 13。

應收帳款帳面價值於 2020 年 12 月 31 日為 4,930 萬元(2019 年：\$1,330 萬元)。本集團認列之預期信用損失於 2020 年為\$12,000 元(2019 年：\$0 元)，本公司應收帳款帳面價值於 2020 年 12 月 31 日為 1,740 萬元(2019 年：\$670 萬元)，本公司未提列應收帳款的預期信用損失準備。

v) 不動產、廠房及設備及投資性不動產之預計耐用年限

本集團依據不動產、廠房及設備及投資性不動產之預期使用期間來訂定其耐用年限。本集團每年持續根據資產使用狀況、內部技術衡量、技術變更、環境及同業標準來評估不動產、廠房及設備及投資性不動產之耐用年限是否適當。前開因素之改變可能對於本集團未來之營運結果有重大影響。

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2. 重要會計政策之彙總說明(續)

2.4 重大會計科目估計與判斷(續)

b) 不確定性估計之主要來源(續)

本集團於 2020 年 12 月 31 日之不動產、廠房及設備及投資性不動產淨帳面價值分別為\$2,150 萬元(2019 年：\$1,920 萬元)及\$280 萬元(2019 年：\$300 萬元)。本公司於 2019 年 12 月 31 日之不動產、廠房及設備淨帳面價值為\$50,000 元(2019 年：\$43,000 元)。請參閱附註 5 及 6。

vi) 存貨

本集團在考慮存貨與生產期間和市場狀況直接相關的成本基礎上，為存貨生產的每個階段，確定共同成本的分配基礎和完工百分比。

當呆滯或其他因素導致存貨淨變現價值低於成本時，本集團即對存貨提列備抵存貨跌價呆滯損失。呆滯情形係依存貨實際狀況及公司內部狀況判斷，當存貨已無法出售時，即提列呆滯損失。存貨跌價呆滯損失帳列銷貨成本項下並沖減該存貨至淨變現價值。除了按特定呆滯存貨項目提列備抵呆滯損失外，尚依據存貨之庫齡評估提列。本集團確信已合理評估存貨跌價呆滯損失水準。本集團每月複核存貨狀況。前述之評估結果會增加或減少費用或存貨成本總額。本集團於 2020 年認列存貨跌價呆滯損失為\$659,000 元(2019 年：\$246,000 元)。本集團於 2020 年 12 月 31 日之備抵存貨跌價呆滯損失餘額為\$300 萬元(2019 年：\$230 萬元)，本公司於 2020 年 12 月 31 日之備抵存貨跌價呆滯損失餘額為\$0 元(2019 年：\$0 元)。本集團於 2020 年 12 月 31 日減除備抵存貨跌價呆滯損失後之存貨淨帳面價值為\$5,370 萬元(2019 年：\$3,780 萬元)，本公司於 2020 年 12 月 31 日之存貨淨帳面價值為\$611,000 元(2019 年：\$78,000 元)。請參閱附註 12。

vii) 退休金福利義務

退休金福利義務及成本之決定與精算報告假設之選擇有關。該精算假設包括折現率及未來薪資成長率等。即使本集團確信此假設係合理且適當，實際經驗之重大差異或假設之重大改變仍可能對退休金及其他退休義務給付產生重大影響。本集團於 2020 年 12 月 31 日之應計退休金負債餘額為\$120 萬元(2019 年：\$927,000 元)。本公司於 2020 年 12 月 31 日之應計退休金負債餘額為\$276,000 元(2019 年：\$225,000 元)，更多明細請參閱附註 20。

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2.4 重大會計科目估計與判斷(續)

b) 不確定性估計之主要來源(續)

viii) 或有事項

本集團之某些子公司，在正常業務範圍中以被告的身分涉及數個不同之訴訟案件。本集團估計至訴訟案件結束為止之可能成本，係與本集團內部及外部辯護律師諮詢，並考量可能之訴訟結果而得。

儘管無法保證訴訟案件之結果，管理階層依據已取得之相關資訊及專業法務諮詢，認為最終訴訟結果不太可能對公司之營運或財務狀況產生重大不利影響。然而，未來營運成果可能受估計變動或訴訟策略有效性之影響。

ix) 估計租賃的增額借款利率

本集團無法直接觀察租賃內含的利率，因此，本集團使用其增額借款利率來衡量租賃負債。增額借款利率是本集團為在相似的經濟環境中獲得與使用權資產具有相似價值的資產，而需要在相似期限和相似擔保下借款所必須支付的利率。因此，增額借款利率反映了本集團“必須支付”的金額，當沒有可參考的利率或需要對其進行調整，以反映租賃條款和條件時，需要進行估算。本集團使用可觀察到的數據(例如市場利率)並需要進行某些特定項目的估算(例如本集團的獨立信用評等)來估算增量借款利率。

本集團於2020年12月31日的租賃負債金額為\$350萬元(2019: 360萬元)(請參閱附註28)。

2.5 子公司及合併政策

a) 子公司

子公司係指受本集團控制之被投資公司。當本集團參與被投資者而承擔變動報酬或對該等變動報酬享有權利，且透過其對被投資者之權力有能力影響該等報酬時，本集團控制該被投資者。

在本公司單獨財務報表中，係以投資成本減去累計減損損失列示對子公司之投資。本公司僅於子公司分派於收購日後累積之盈餘時，認列投資收益，超出之部分，視為投資成本之返還。

b) 合併財務報表之編製政策

合併財務報表之組成係包括本公司及合併子公司於同一財務報導日之財務報表。對於類似之交易及相同之事項，皆採用一致的會計政策。

所有因內部交易所產生之未結清餘額、損益及未實現損益及集團內部之股利將全數予以沖銷。

本集團自取得控制力之日起，將具控制力之子公司列入合併財務報表，並自喪失控制力之日起，將其排除於合併財務報表編製個體外。

淨利或淨損及其他綜合損益項下的各項組成，仍應歸屬至集團母公司權益項下以及非控制股權，即使導致非控制權益產生借餘。

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2.5 子公司及合併政策(續)

b) 合併財務報表之編製政策(續)

對子公司之持股的變化如未造成控制力的喪失，則作為股東權益的調整；若集團喪失對子公司的控制力時，則：

- i. 將該子公司之資產(包含商譽)與負債以控制權喪失日之帳面價值除列；
- ii. 將非控制權益之帳面價值除列；
- iii. 將累積換算調整數從股東權益中除列；
- iv. 認列收取對價之公允價值；
- v. 認列剩餘投資之公允價值認列；
- vi. 認列所有相關的盈餘或虧損為損益；
- vii. 重新分類集團先前認列之其他綜合損益至損益科目或保留盈餘。

c) 企業合併與商譽

企業合併係依購買法入帳。因企業合併所產生之可辨認資產及負債與或有負債係依取得當時之公允價值予以衡量。併購相關之成本於發生當期認列為費用。

任何將被移轉至被併購公司之或有對價亦會以併購日之公允價值認列；認列為資產或負債後，若或有對價公允價值之有所變動，則認列為當期之損益。

對每一併購，本集團得選擇將具有所有權利益，及於清算時依比例對淨資產享有權利之非控制權益，依收購日公允價值認列或按被收購者可辨認淨資產所享有之比例份額衡量之。除其他SFRS(I)準則另有規定者外，皆以併購日之公允價值衡量非控制權益之其他組成部分。

於企業購併時，如支付價款大於該公司可辨認資產及負債之淨公允價值、被收購者之非控制權益及先前擁有被收購者權益公允價值合計數，其差額則列為商譽。商譽係依據附註2.11之會計政策予以入帳。本集團因企業購併取得之可辨認資產及負債及之淨公允價值超過支付價款部分，應視為廉價購買利益於併購日認列於損益項目。

商譽之原始認列係以成本衡量，續後則以成本扣除累計減損損失之餘額衡量。

為進行減損測試，於企業合併中取得之商譽，自取得日起，分配給集團內預期受益之現金產生單位，不論其他因收購取得之資產及負債是否歸屬於該單位。

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2.5 子公司及合併政策(續)

c) 企業合併與商譽(續)

商譽所屬之現金產生單位或群組，不論有無減損跡象，於每年定期進行減損測試。減損之判定係評估與商譽有關之各現金產生單位(集團現金產生單位)之可回收金額。

2.6 非控制權益之交易

非控制權益係指非直接或間接歸屬於本公司股東之子公司權益。

母公司對子公司所有權權益之變動，未導致喪失控制者，應作為權益交易處理，在此情況下，應調整控制權益與非控制權益以反映該子公司相對利益之變動。收取或支付價款之公允價值與非控制權益調整金額間之差異數應認列為權益項目並歸屬為本公司權益。

2.7 功能性貨幣及外幣

a) 貨幣功能與表達

合併財務報表均以美元為單位，此亦係本公司功能性貨幣及財務報表表達之幣別。本集團內各子公司依規定自行評估其功能性貨幣，並以該功能性貨幣衡量財務報表。

管理階層依據本公司營運之主要經濟環境決定功能性貨幣為美元，因為本公司銷售價格及提供貨物及勞務所產生成本，包括主要之營業費用，多受美元匯率波動影響。

外幣交易係依本公司及子公司使用之功能性貨幣予以衡量並依交易日之匯率予以換算作為入帳基準。至資產負債表日尚未收取或償付之貨幣性資產及負債係依資產負債表日之匯率予以衡量。非貨幣性項以歷史成本衡量並依初始交易日之匯率予以換算作為入帳基準。以公允價值衡量之非貨幣性項目，係以公允價值決定日之匯率予以衡量。

b) 外幣換算及餘額計算

除下所述外，本集團因結清貨幣性項目或於資產負債表日因貨幣性項目換算所產生之兌換差異係認列於損益表項下。本集團持有與國外營運淨投資相關之貨幣性項目，其原始兌換差異認列為其他綜合淨利，續後之評價差異則以“外幣換算調整數”科目表達。處分該國外營運淨投資時則將外幣換算調整數重分類列至合併損益表。在本公司個別財務報表中，此兌換差異係認列於損益科目。

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2.7 功能性貨幣及外幣(續)

b) 外幣換算及餘額計算(續)

外幣財務報表依根據以下方式轉換成美金：

- 資產與負債項目係依資產負債表日之匯率予以換算；另
- 損益科目係依月平均匯率予以換算(其接近於交易日之匯率)

轉換差異將認列在股東權益項下之“外幣換算調整數”。

自 2005 年 1 月 1 日起，因取得國外營運機構而產生商譽和公允價值調整，視為國外營運機構之資產與負債並以國外營運機構功能性貨幣入帳，續後以資產負債表日匯率予以衡量。

在 2005 年 1 月 1 日之前因取得國外子公司產生之商譽和公允價值調整，係以取得日匯率認為資產負債並以美元計價。

當處分國外營運機構時，國外營運機構之累積換算調整數將會認為處分利益或損失。

當處分含國外營運機構之子公司且不喪失控制力的情況下，需依據比例將累積換算調整數重新分配到非控制權益，不再認為處分利益或損失。

2.8 關係人

關係人定義如下：

(a) 個人若有下列情況之一，則該個人或個人之近親與本集團及本公司為關係人：

- i. 對本公司具控制或聯合控制；
- ii. 對本公司具有重大影響力；或
- iii. 為本集團或本公司或本公司之母公司主要管理階層之成員。

(b) 個體若符合下列情況之一，則與本集團及本公司為關係人：

- i. 該個體與本公司為同一集團之成員(意指母公司、子公司及兄弟公司間彼此具有關係)。
- ii. 該個體為另一個體之關聯企業或合資(或為某集團某成員之關聯企業或合資，和另一個體亦為該集團之成員)。
- iii. 兩個體均為相同第三方之合資。

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2.8 關係人(續)

- iv. 一個體為第三方之合資且另一個體為該第三方合資之關聯企業。
- v. 該個體係為本公司或與本公司有關係之個體之員工福利所設之退職後福利計畫。若本公司即為前述計畫，則主辦雇主亦與本公司有關係。
- vi. 該個體受(a)所列舉之個人控制或聯合控制。
- vii. 於(a)(i)所列舉之個人對該個體具重大影響或為該個體(或該個體之母公司)主要管理階層之成員。

2.9 不動產、廠房及設備

a) 認列與衡量

所有不動產、廠房及設備皆以取得成本入帳。

不動產和設備的原始成本包括其購買價格、進口關稅、稅金以及將資產達到其預期使用狀態的任何直接歸屬成本。資產投入運營後產生的支出，例如維護和修理成本，通常從產生的收入中扣除。在可以明確證明支出係使用某項不動產和設備，其獲得的未來經濟效益超出其最初評估的績效標準，此情況下，支出可被資本化為不動產和設備之附加成本。

不動產、廠房及設備入帳後係以成本減除累計折舊及累計減損損失衡量。

b) 折舊

不動產、廠房及設備係以直線法按其估計耐用年限計提折舊，租賃建築物及改良物則按租賃期間與耐用年限較短者計提折舊。不動產、廠房及設備之估計耐用年限如下：

| | <u>耐用年限</u> |
|-------|-------------|
| 機器設備 | 10 - 15 |
| 辦公設備 | 3 - 10 |
| 運輸設備 | 5 - 10 |
| 租賃改良物 | 3 - 10 |

當有具體情況顯示不動產、廠房及設備之帳面價值無法回收時，將檢視該不動產、廠房及設備有無減損。

不動產、廠房及設備的殘值、耐用年限及折舊提列方式於每個會計年度均會重新評估，以確保其價值、使用期間及折舊提列方式係與之前預估不動產、廠房及設備所含之未來經濟效益之預期消耗型態一致。

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2.9 不動產、廠房及設備(續)

c) 後續支出

除經常性維護或修理支出列為當期費用外，若不動產、廠房及設備之後續支出可合理評估且對於本集團具有未來經濟效益，則該支出應予增列於不動產、廠房及設備之帳面價值中，該後續支出包括符合認列基礎之更換零件成本。其他後續支出於發生年度認列為費用。

d) 處分及報廢

固定資產在處分/報廢時，或預期未來之使用或處分將無法替本集團帶來經濟效益時予以沖銷，出售價款淨額與資產淨帳面值間之差異列為當期之損益

2.10 投資性不動產

投資性不動產係指為賺取租金或資本增值或兩者兼具，而為本集團持有或融資租賃之不動產，而非用於(a)商品或勞務之生產或提供，或供管理目的；或(b)正常營業過程出售。投資性不動產包含已完成的投資性不動產和正在建造或開發，以供未來作為投資性不動產使用之不動產。當符合投資性不動產之定義及標準時，營業租賃之不動產會重分類為投資性不動產且帳列融資租賃。

投資性不動產應按其成本進行原始衡量，交易成本應該包含於其中。當該投資性不動產發生重置成本，且該成本符合規定時，應將該成本包含於該投資性不動產之帳面價值中。

投資性不動產之後續衡量係以成本減除累計折舊及累計減損，折舊係以直線法按估計耐用年限 10-48 年或租賃合約，何者較短者計提折舊。

當投資性不動產被處分或永久不再使用且不預期處分該不動產能帶來未來經濟效益時，則將該投資性不動產除列，因處分投資性不動產取得價款淨額與資產淨帳面值間之差異列為當期損益。

轉入至投資性不動產科目僅於有明顯證據證明投資性不動產的用途改變時，且有證據證明時始得為之，例如結束自用，開始以營業租賃方式出租予另一方，或者結束建造或開發。自投資性不動產科目轉出僅於有客觀證據證明將投資性不動產轉供自用或預期出售時為之。投資性不動產、自用不動產或存貨間之轉換並不改變其帳面價值亦不改變用於衡量或揭露目的之成本。

2.11 無形資產

商譽

企業於企業合併時所產生之商譽，係以成本衡量。嗣後，該商譽係以成本減除累計減損損失予以衡量。商譽須至少每年(或當事件發生或情況變更致該商譽帳面價值可能發生減損時)進行減損評估。

為進行減損測試，企業合併所取得之商譽應自取得日起分攤至預計能享受合併綜效的各個現金產生單位，無論被合併之資產或負債是否有分攤至這些現金產生單位。

分攤商譽之現金產生單位每年(或當有減損跡象時)必須比較個別現金產生單位(或現金產生單位群組)的帳面價值與可回收金額，以評估是否有減損損失。

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2.11 無形資產(續)

商譽(續)

當現金產生單位的可回收金額低於帳面價值時，減損損失應立即認列至當期損益項下。商譽之減損損失一經認列，嗣後不得迴轉。

企業若處分商譽所屬現金產生單位內之部分營運，與該營運有關之商譽價值應分攤予該部份營運列為其帳面價值，據以計算處分損益。前述情形下處分之商譽金額係以被處分營運部分與未處分之現金產生單位之相對價值按比例計算之。

自2005年1月1日起，因取得之國外營運機構而產生之商譽及其公允價值之調整視為外國營運機構之資產及負債，以外國營運機構之功能性貨幣認列，並依附註2.7中所載之會計政策換算。

於2005年1月1日之前所取得之國外營運機構之商譽及其公允價值之調整視為本公司之資產及負債，並以取得日當時之美元匯率認列。

2.12 非金融資產之減損

本集團於每一資產負債表日評估資產是否有減損跡象。當有減損跡象，或需於年度進行減損測試時，本集團估計該資產之可回收金額。

若資產能產生與其他資產大部分獨立之現金流量，則其可回收金額係取下列兩者中較高者：(1)資產使用價值，或(2)現金產生單位公允價值扣除銷售成本。

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2.12 非金融資產之減損(續)

如資產或現金產生單位之帳面價值大於可回收金額，則須認列減損損失，將帳面價值調整至可回收金額。在評估使用價值時，係以該資產預計未來之現金流量折算其現值，折現率係能反應目前市場對時間價值及特定資產風險之稅前折現率。若可行時，在決定公允價值扣除銷售成本時，應考慮最近市場行情。假設無類似交易，則使用適當的評價模式。該計算需考量評價乘數、公開交易市場成交價以及其他可取得之公允價值參數。

本集團係以各現金產生單位為基準編製之預算來作為減損測試之計算基礎。前述之預算通常是五年期間的預算資料。若有長於五年的情形，則會計算長期成長率並將之運用在第六年之後的預計現金流量計算上。

減損損失應認列於損益；若係經重估之資產產生減損，該減損損失應先沖銷該重估資產認列於其他綜合損益項下之重估增值準備，若有不足，於損益項下認列。

企業應於資產負債表日評估是否有證據顯示於以前年度所認列之減損損失，可能已不存在或減少(商譽除外)。若有此證據存在，應重新評估資產或現金產生單位之可回收金額，若可回收金額因資產之估計服務潛能變動而增加時，減損應予迴轉，惟迴轉後帳面價值不可超過資產在未認列減損損失情況下，減除應提列折舊或攤銷後之帳面價值。除非此資產係以重估價值入帳(其迴轉之金額視為重估之增值)，資產減損損失之迴轉應列於損益科目。

2.13 金融工具

a) 金融資產

i) 原始認列和衡量

金融資產被認列僅當企業成為文書的合約條款的一方時。

在原始認列時，本集團衡量在公允價值下的金融資產，至於非透過損益衡量公允價值的金融資產者，交易成本是為直接可歸屬取得的金融資產成本。金融資產的交易成本以公允價值通過損益衡量列於損益表之費用。

應收帳款按本集團預期客戶有權對價換取或移轉商品或服務代價之金額衡量，不包括由第三方收取的金額，若應收帳款未包含在原始認列時的重大財務組成部份。

ii) 後續衡量

債務工具投資

債務工具的後續衡量取決於本集團管理資產的經營模式及資產的合約現金流量特徵。債務工具分類的三個衡量類別是：

1) 攤銷後成本衡量

持有金融資產以收取合約現金流量者，其現金流量為完全支付本金及利息者應按攤銷後成本衡量。金融資產是以有效利率法衡量攤銷後成本減除減損，當資產除列或減損時通過攤銷程序，認列利得或損失於損益表中。

該會計政策主要適用於本集團及本公司的現金及銀行存款、定期存款、應收帳款及其他應收款項，員工借支、存出保證金。會計政策也適用於本公司的應收帳款-子公司。

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2. 重要會計政策之彙總說明(續)

2.13 金融工具(續)

a) 金融資產(續)

ii) 後續衡量(續)

債務工具投資(續)

2) 透過其他綜合損益按公允價值衡量

持有金融資產以收取合約現金流量者 and 出售資產達成目的者，其資產的現金流量為全額支付本金及利息者，應透過其他綜合損益按公允價值衡量。透過其他綜合損益按公允價值衡量的金融資產隨後按公允價值衡量。任何金融資產因公允價值變化產生的利得與損失被認列於其他綜合損益，除減損損失外，外幣兌換利益或損及和以有效利率法計算的利息認列於損益表中。之前認列於其他綜合損益的累積利得和損失，當金融資產除列時，需將其從權益項下重分類調整至損益表下。

3) 透過損益按公允價值衡量

若資產皆未以按攤銷後成本或其他綜合損益公允價值衡量衡量，則透過損益按公允價值衡量。一債務工具利得或損失隨後透過損益按公允價值衡量和非屬於避險關係，其產生時認列於該期的損益表下。

權益工具投資

權益工具投資原始認列時非以交易為持有目的，本集團或許可作一不可撤銷的選擇，其後續的公允價值改變呈現於其他綜合損益下。此類投資的股利被認列於損益表下，當本集團確立收到該款項的權利時。本集團的權益工具投資的公允價值改變未選擇呈現列示於其他綜合損益下，公允價值的改變認列於損益表下。

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2. 重要會計政策之彙總說明(續)

2.13 金融工具(續)

a) 金融資產(續)

iii) 金融資產除列

當資產收取現金流量的合約權利失效時，金融資產應被除列。在金融資產完全除列，債務工具的帳面金額和收取之代價和累積利得或損失之差異過去被認列於其他綜合損益下，現認列於損益表下。

b) 金融負債

i) 原始認列和衡量

金融負債被認列僅當本集團成為金融工具合約條款的一方時。本集團原始認列時決定金融負債的分類。

全部金融負債原始依公允價值認列，至於非透過損益衡量公允價值的金融負債者，直接歸屬於交易成本。

ii) 後續衡量

在原始認列後，金融負債不以透過損益按公允價值衡量，而隨後採有效利率法的攤銷後成本衡量。當負債被除列通過攤銷程序時，認列利得與損失於損益表下。

iii) 除列

當負債的責任被免除或取消、失效時，金融負債則被除列。在除列時，帳面金額和支付代價的差異被認列於損益表下。

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2. 重要會計政策之彙總說明(續)

2.14 金融資產的減損

本集團對所有債務工具非透過損益表按公允價值衡量及財務保證合約認列預期信用損失準備。預期信用損失基於根據合約到期的合約現金流量與本集團預期收到之間的差額，以原始有效利率的近似值貼現。預期的現金流量將包括持有抵押品的出售或其他信用提高，皆為合約期間不可缺的

預期信用損失有兩階段之認列。自原始認列後，信用暴險和信用風險未有顯著增加，預期信用風險提供了有可能在未來 12 個月違約事項導致的信用風險。與違約時間無關，預期信用損失準備被認列於超過揭露的剩餘期間(存續期間的預期信用風險)。

對於應收帳款，本集團適用簡化方法計算預期信用風險。因此，本集團未追蹤信用風險改變，損失準備取代的是在每一報告日依存續期間的預期信用風險認列。本集團已建立一計算基礎是依照歷史信用風險經驗，並按債務人特定的前瞻性因素和經濟環境做調整。

債務工具透過其他綜合損益按公允價值衡量，本集團採用低信用風險簡化。在每一報告日，本集團在使用全部合理和支持可得到的資訊下，在無過度的成本或努力衡量債務工具是否被考慮為低信用風險。在做評估時，本集團對債務工具的內部信用等級再評價。另外，當合約付款超過一個月成為逾期時，本集團考慮信用風險是為顯著增加。

當合約付款超過 11 個月成為逾期時，本集團將考慮金融資產之違約。然而，在特定的情況，本集團也考慮金融資產是為違約，當本集團持有的客戶信用增強前，內部或外部資訊顯示全部未償還合約金額幾乎很難收回時。而當未有合理預期可收回合約之現金流量時，金融資產會被沖銷。

2.15 現金及銀行存款及受限制資產

現金及銀行存款係包括庫存現金、銀行存款及可隨時變現且無重大風險之短期高流動性投資，包含自投資日起三個月內到期之投資，也包括因本集團現金管理之主要需求所產生之銀行透支項目。

受限制資產係依借款合同要求存放於帳戶持有人名下的存款，該存款在一特定期間內無法隨時提存；根據存款條件，此類存款通常可獲取固定之利息收入並且屬於流動性質。

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2. 重要會計政策之彙總說明 (續)

2.16 存貨

存貨係以成本與淨變現價值孰低法評價。存貨成本包括為使存貨達到可供銷售之狀態及地點之一切支出，詳述如下：

- 原料—實際進貨成本，採加權平均法
- 製成品及在製品—係依直接原料及直接人工，及以正常產能分攤但不包含借款成本之製造費用。

若有存貨損壞或呆滯情形時，將調整備抵存貨損失科目以反應其淨變現價值。

淨變現價值係指在正常情況下，估計售價減除至完工尚須投入之成本及必要之銷售費用後淨額。

2.17 各項準備

各項準備之認列，係當本集團因過去事件結果影響而有現時義務，此支付義務係很有可能以本集團之經濟資源予以償付，且該償付金額可予以合理估計。

各項準備需於每個資產負債表日檢視並予以調整以反應至目前最佳之估計。當非屬很有可能以經濟資源償付該負債時，應予迴轉該項準備。當貨幣時間價值之影響重大時，需以當期稅前折現率予以折現以反映該負債之風險。折現後，其嗣後隨時間經過所增列之準備應認列為財務成本。

2.18 財務保證

財務保證係指當債務人無法於到期日償還債務時，保證人必須彌補保證合約受益人損失之合約。

財務保證之原始認列係依公允價值加計可直接歸屬之交易成本認列為負債，並在財務保證期間攤銷認列為收入。續後衡量時，若財務保證義務金額很有可能高於財務保證原始認列金額減去攤銷數之餘額，財務保證應以較高之金額認列，其差額認列於損益。

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2. 重要會計政策之彙總說明(續)

2.19 借款成本

除不動產、廠房及設備之取得、建造或製造之利息予以資本化外，其餘之利息支出應於發生時認為當年度費用。當取得或建造資產之支出已開始且借款成本已經發生，則開始資本化。當資產已達可使用或可供銷售狀態，則停止資本化。借款成本包括利息以及公司因借款而發生之其他成本。

2.20 借款

借款係依公允價值減除交易成本後金額入帳。遞延交易成本係為取得專案借款產生成本，依有效利率法於借款期間攤銷入帳。

付息借款續後依攤銷後成本衡量。其認列金額(收取對價之公允價值減除可直接歸屬之交易成本)與償還金額間之差異係依有效利率法進行攤銷，因攤銷產生之利益與損失認列於損益項下。於資產負債表日後 12 個月內到期之借款(包括原始借款條款為 12 月以上且已於資產負債表日後及財務報告交付日前完成長期性之再融資或展期者)係為一年內到期之長期借款。其他償付期限在一年以上者之借款，係為長期借款，於資產負債表中表達於非流動負債項下。

2.21 員工福利

a) 確定福利退休金計劃

本集團係採用確定福利退休金計劃，其適用於大部份本集團於菲律賓正式聘用之員工，該退休金計劃於菲律賓並未實際提撥。就本集團之確定福利退休金計劃而言，退休金成本係以預計單位信託福利法 (projected unit credit method) 予以計算。本方法反應於評價日員工提供之勞務以及公司關於未來員工薪資之假設。退休金費用之組成包括當期服務成本以及利息成本。再衡量損益於發生當期認列於其他綜合損益。

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2. 重要會計政策之彙總說明 (續)

2.21 員工福利 (續)

a) 確定福利退休金計劃 (續)

當計劃修正發生時，不論是否為既得，前期服務成本應認列為費用。

確定福利負債為確定福利義務之現值減未認列之前期服務成本。

b) 確定提撥計劃

本集團根據當地法令參加當地退休金計劃。特別是本集團於新加坡及台灣營運之子公司提撥至中央公積金局 (Central Provident Fund scheme)，為一確定提撥之退休金計劃。根據退休金計劃於提供服務期間所提撥之金額，認列為當期費用。

c) 員工未休假獎金

因員工犧牲性休假所產生之未休假獎金，應認列為負債。截至資產負債表日之應計員工未休假獎金，應予以估列。

d) 離職福利

離職福利係以支付離職金方式使員工提早退休或自請離職。本集團認列離職福利，係根據不可取消之詳細計劃給與同意終止聘雇關係之員工離職金；或以提供離職金方式鼓勵員工自動離職。當有鼓勵員工自動離職之情形，離職金之計算係根據預計自願離職員工人數決定。

應付離職金於資產負債表日 12 個月後到期者，需予以折算現值。

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2. 重要會計政策之彙總說明(續)

2.22 租賃

本集團評估合約是否為租賃合約或包含租賃性質，即評估該合約是否包含一段時間內對特定資產之使用權，以換取對價。

a) 承租人

本集團對所有租賃採用單一認列和衡量方法，短期租賃和低值資產租賃除外。本集團認列代表租賃付款義務的租賃負債和代表相關租賃資產使用權的使用權資產。

使用權資產

本集團於租賃開始日(即相關資產可供使用之日)認列使用權資產。使用權資產按成本減去任何累計攤銷和減值損失後的金額進行衡量，並針對租賃負債的任何重新衡量進行調整。使用權資產的成本包括已確認的租賃負債金額、已發生的原始直接成本以及在開始日期或之前支付的租賃款項減除已收到的任何租賃獎勵。使用權資產在租賃期與資產的估計耐用年限兩者中較短的期間(2至50年內)內按直線法攤銷。

如果租賃資產的所有權在租賃期末轉移至本集團，或成本已反映在購買權利上，則使用資產的估計耐用年限計算折舊。使用權資產也受到減值的影響。減值的會計政策在附註 2.12 中披露。

租賃負債

於租賃開始日，本集團認列按租賃期內的租賃付款現值衡量租賃負債。租賃付款包括固定付款(包括固定付款減去應收的任何租賃獎勵、變動的租賃付款依指數或利率、以及以殘值擔保支付的預期付款。)租賃付款還包括了集團預期會行使購買權的履約價格。以及如果本集團行使購買權而終止合約所產生的罰款。變動的租賃於一段期間發生的款項，不依指數或利率而定，則認列為費用(除非它們產生庫存)。

在計算租賃付款的現值時，因為租賃中隱含的利率難以確定，本集團在租賃開始日使用增額借款利率。在開始日期之後，增加租賃負債的金額以反映利息的增加，並減少所支付的租賃付款金額。此外，如果租賃內容修改、期限發生變化、租賃付款額發生變化(例如，用於確定此類租賃的指數或利率發生變化而導致的未來付款發生變化)或購買相關資產權利的評估中發生改變，則租賃負債的帳面價值需重新衡量。

短期租賃和低值資產租賃

本集團將短期租賃確認豁免適用於其機器設備的短期租賃(自開始日起租賃期為12個月或更短且不包含購買權利的租賃)。低值資產認列豁免的租賃適用於被認為是低價值的辦公設備租賃。短期租賃的租賃付款和低值資產的租賃在租賃期內按直線法確認為費用。

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2. 重要會計政策之彙總說明(續)

2.22 租賃(續)

b) 出租人

本集團將未實質移轉租賃資產所有權有關之風險及報酬之租賃視為營業租賃。所產生之原始直接成本認列為租賃資產成本之加項並在租賃期間按直線法認列為租金收入協商和安排管營租賃所發生的初始直接費用被加到租賃資產的帳面價值中，並在租賃期內以與租金收入相同的基礎認列。或有租金在賺取期間認列為收入。

應付保證金

應付保證金按攤銷成本衡量。應付保證金是指在本集團的投資性不動產簽訂相應的租賃合約時，從各個承租人收取的保證金。租賃合約終止時，本集團收到的保證金將退還給承租人，並減去未付的租金，罰款和維修損壞賠償(如果有)的扣除額。相關租賃合約的期限通常超過十二個月。

2.23 出租資產

出租資產以成本衡量，主要為醫療用被服，並以直線法按五年攤銷。

出租資產於被處分，或永久不再使用且不預期處分該資產能帶來未來經濟效益時，予以除列。報廢或處分出租資產時，其產生之相關利益或損失認列於當期損益。

2.24 收入認列

收入乃根據本集團預期就交付將承諾貨品或服務轉讓予客戶而有權獲得的代價衡量，不包括代表第三方收取的金額。

收入的認列為當本集團通過向客戶轉讓承諾商品或服務，即客戶獲得商品或服務的控制權來履行履約義務時。履約義務可以在某個時間點或隨著時間的推移而得到滿足。認列收入金額為分配至履約義務的金額。

以下的銷貨認列條件必需同時符合，始能認列收入：

a) 銷貨收入

收入在當商品送抵客戶時和所有承諾的準則已滿足時認列，收入金額的認列是按估計交易價格，其包含合約價格，扣除折扣的估計額和預期回報的調整。根據本集團類似情況合約的經驗，可變對價是典型被限制和被包含在交易中僅限於當與可變對價的不確定連結隨後被解決時，累計收入金額認列不會發生極有可能的重大轉回情況。

本集團認列客戶的預期應付折扣金額是以客戶已收到的酬金和退款負債因預期客戶退貨的退款。另外，本集團對收回的退貨認列相關資產，其金額是根據商品之前的帳面金額減收回商品的預期成本，做為銷貨成本相應的調整項。

在每一報告日結束時，本集團更新估計成交價的評估，包括評估可變對價判斷是否被限制。對應金額的調整是依該期間收入的成交價改變。本集團同時也更新收回退貨商品的資產衡量，以改變對退貨的預期。

本集團已選擇適用的實踐措施為，當發生資產的攤銷期間認列在一年或以下，認列為取得合約的增額成本。

b) 服務收入

管理服務收入係於服務提供完成時認列。

隨著客戶同時接收和消費本集團提供的福利，提供醫院服務的義務隨著時間的推移而得到滿足。本集團根據轉移給客戶的價值計量履約義務的滿足程度。本集團將適用實施開立發票方法的權利，使本集團可以發票作為認列收入為依據，其金額為可直接符合迄今企業績效對客戶的價值。與客戶的合約提供了不確定的服務數量，進而產生可變對價。

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2.24 收入認列(續)

c) 租金收入

租金收入係透過投資性不動產之營業租賃而產生，其於租賃期間內依直線法攤銷。在租期內給與承租人之優惠，亦依直線法在租期內認列為租金收入之減項。

d) 利息收入

利息收入係採有效利率法認列。

2.25 稅賦

a) 當期所得稅

本年度及以前年度之當期所得稅資產和負債係依可能由稅務主管機關收到之退稅款或支付予稅務主管機關之稅款來衡量。用來計算所得稅費用之稅率及相關法規係以資產負債表日已頒布或實質上已頒布者為基準。

所得稅費用應於發生當期認列為費用，除非該所得稅費用與損益項目無關，例如其他綜合損益或股東權益項目。本公司定期評估所得稅申報情形，若有相關稅務法令尚不確定之情形，則提列適當之所得稅準備。

b) 遞延所得稅

遞延所得稅係以資產負債表法(Liability method)計算截至資產負債表日止，所有資產及負債項目其帳面價值與課稅基礎不同所產生之暫時性差異。

所有應課稅暫時性差異皆應認列為遞延所得稅負債，但下列情形除外：

- 遞延所得稅負債係商譽原始認列或非因企業合併交易所產生，且在交易日未影響會計淨利或課稅淨利或淨損之資產或負債；及
- 有關投資子公司之應課稅暫時性差異其迴轉時間可由本集團控制，且於可預見之未來將不會迴轉。

除了下列情況外，所有可減除暫時性差異、以前年度未使用之所得稅抵減及虧損扣抵應在未來很有可能產生足夠之課稅所得以回收該暫時性差異、所得稅抵減及虧損扣抵之範圍內認列：

- 非屬於企業合併交易，且於交易當時既不影響會計利潤亦不影響課稅所得(損失)之資產或負債原始認列所產生之可減除暫時性差異有關；及
- 與投資子公司、關聯企業及合資權益所產生之可減除暫時性差異有關，僅於可預見之未來很有可能迴轉且迴轉當時有足夠之課稅所得以供該暫時性差異使用之範圍內認列。

遞延所得稅資產之帳面金額係於每一資產負債表日重新檢視，並於非很有可能足有足夠課稅所得可供所有或部分遞延所得稅資產回收之範圍內予以調減，原未認列為遞延所得稅資產者，亦於每一資產負債表日予以重新評估，並在未來很有可能產生課稅所得以供遞延所得稅資產回收之範圍內認列。

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2.25 稅賦(續)

b) 遞延所得稅(續)

遞延所得稅資產及負債，以預期未來遞延所得稅資產實現或負債清償年度之稅率衡量，該稅率並以報導日已頒布或實質上已頒布之稅率及相關法規為基礎衡量。

與損益項目無關之遞延所得稅則不認為損益項目，而列為其他綜合損益或直接列為股東權益項下；與企業合併相關之遞延所得稅則視為合併商譽調整項目。

遞延所得稅資產與負債僅於當期所得稅資產及當期所得稅負債之抵銷具有法定強制權，且遞延所得稅係屬同一納稅主體並由同一稅捐機關課徵時才予以互抵。

c) 銷售稅

除下述外，收入、費用及資產係以扣除銷售稅後之淨額認列：

- 因購買資產或勞務所產生之銷售稅無法由稅捐機關退回時，所支付之銷售稅視為資產取得成本或費用項目之一部分；及
- 應收及應付款係以包含銷售稅之金額表達。

可自稅捐機關收回或應付予稅捐機關之銷售稅淨額，於資產負債表中為構成應收款或應付款項之一部分。

2.26 股本及股票發行成本

普通股列於權益項下。

因發行新股所增加之成本列於權益項下股本之減項。

2.27 部門別資訊

為管理之目的，本集團以全球為基礎劃分為三個主要區域部門，並按此劃分基礎揭露部門別資訊。

部門之收入、費用及經營成果（包括各區域部門與營運部門）均包括部門間之相互交易。部門間之交易係以與外部第三人之常規交易為基礎。

2.28 股利

現金股利在被授權進行股利分配後認為負債，且該分配不再由公司決定。該股利分配在股東批准後即被授權。相對應的金額直接認列在權益項下。

2.29 或有事項

或有負債係指：

- a) 以前既存之事實或狀況，可能業已對公司產生損失，惟其確切結果，有賴於未來不確定事項(無法由本集團完全控制)之發生或不發生以證實；
- b) 起因於過去事件而產生之現時義務，但因下列原因而未認列：
 - i. 經濟資源之流出以免除該現時義務係非屬很可能；
 - ii. 該現時義務之金額無法可靠衡量。

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2.30 期後事項

於報告期後(調整事項)提供有關本集團財務狀況的其他期後事項將反映在財務報表中。期後事項非為調整事項，當其為重大時將揭露於財務報表附註中。

2.31 公允價值

公允價值係指：於衡量日，市場參與者間在有序之交易中出售資產所能收取或移轉負債所需支付之價格。公允價值衡量假設出售資產或移轉負債之交易發生於下列市場之一：

- 該資產或負債之主要市場；或
- 若無主要市場，該資產或負債之最有利市場。

集團於衡量日必須能進入主要(或最有利)市場。

企業應使用市場參與者於定價資產或負債時會使用之假設，以衡量該資產或負債之公允價值，假設該等市場參與者依其經濟最佳利益為之。

非金融資產之公允價值衡量，考量市場參與者將該資產以最高及最佳使用方式，或藉由將該資產出售予會將該資產以最高及最佳使用方式之另一市場參與者，而產生經濟效益之能力。

集團採用在該等情況下，以合適且有足夠資料可取得之評價技術，衡量公允價值，並最大化攸關且可觀察輸入值之使用，及最小化不可觀察輸入值之使用。

為增進一致性及可比性，將於財務報表中以公允價值衡量或揭露之資產及負債，以對整體公允價值衡量重大之最低輸入值等級，將用以衡量公允價值之評價技術輸入值歸類為三等級：

第一等級：相同資產或負債於活絡市場之公開報價(未經調整)。

第二等級：除第一等級之公開報價外，以屬於該資產或負債直接(亦即價格)或間接(亦即由價格推導而得)可觀察之輸入值推導公允價值。

第三等級：評價技術並非以可觀察市場資料為基礎之資產或負債之輸入值(不可觀察之輸入值)推導公允價值。

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2.31 公允價值(續)

對於重複性公允價值衡量之資產和負債，集團應於報導期間結束時，以對整體公允價值衡量重大之最低輸入值等級，重新評估其分類，以判定是否有等級間之移轉。

集團為公允價值揭露之目的，考量其資產及負債之性質、特性及風險以決定其類別，並歸入適當之公允價值等級。公司的管理階層決定經常性公允價值衡量（如投資性不動產）的政策和程序。

外部估價師參與投資性不動產的評估。外部估價師的參與由管理階層每年決定。選任的標準包括市場知識、聲譽、獨立性以及是否維持專業標準。在與集團的外部估價師討論後，管理階層決定針對每種情況使用哪種估價技術和投入。

根據公司會計政策，管理階層在每個報告日分析需要重新衡量或評估的資產與負債價值的變動。對於此分析，管理階層藉由將評價計算的合約及其他相關文件整合，來驗證最新評價中所應用的主要投入。

管理層亦將每項資產和負債的公允價值變動，與相關外部來源進行比較，以確定該變動是否合理。

就公允價值揭露的目的而言，本集團已根據資產或負債的性質、特徵和風險，及上述公允價值的等級，確立了資產和負債的類別。

2.32 每股盈餘

基本每股盈餘，係考量該年度宣告之股票股利及行使之認股權後，以歸屬於股東之年度合併淨利除以年度加權平均流通在外普通股股數。

稀釋每股盈餘，係以歸屬於股東之年度合併淨利，除以母公司年度加權平均流通在外普通股股數加上因轉換而可能發行之普通股之加權平均股數。本集團未有具稀釋效果之潛在普通股。

3. 股本

| | (單位：美金千元) | |
|-----------------------------------|-----------|--------|
| | 本集團及本公司 | |
| | 2020 | 2019 |
| 額定股本 | | |
| -普通股 1,000,000,000 股，每股 \$0.05 美元 | 50,000 | 50,000 |
| 實收股本 | | |
| -1月1日及12月31日 | | |
| -普通股 549,411,240 股，每股\$0.05 美元 | 27,471 | 27,471 |

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3. 股本(續)

本公司僅發行普通股，普通股無面值每股依 \$0.05 美元發行，每股均有一表決權。若經本公司宣告且經股東會決議通過，股東可享有配發本公司股利之權利。

本公司於 2021 年 3 月 8 日以價金 290 萬元新幣買入庫藏股 300 萬股。

本公司於 2014 年發行新股以取得子公司美德向邦股份有限公司(MTC)的非控制股權。取得成本超過淨資產之公允價值部分，認列於資產負債表權益項下之其他準備科目。

4. 保留盈餘和其他準備

a) 保留盈餘(累積虧損)

(單位：美金千元)

| | 本集團 | |
|---------|----------------|---------------|
| | 2020 | 2019 |
| 保留盈餘來自： | | |
| 本公司 | 74,340 | (8,318) |
| 子公司 | 83,449 | 39,065 |
| | <u>157,789</u> | <u>30,747</u> |

b) 累積換算調整數

累積換算調整數係用以記錄因海外子公司及聯屬公司之財務報表(其功能性貨幣與本集團之功能性貨幣不同)轉換時，所產生之換算差異。

(單位：美金千元)

| | 本集團 | |
|------------------|--------------|------------|
| | 2020 | 2019 |
| 1 月 1 日 | 231 | (88) |
| 國外營運機構財務報表換算淨影響數 | 3,001 | 319 |
| 12 月 31 日 | <u>3,232</u> | <u>231</u> |

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5. 不動產、廠房及設備

(單位：美金千元)

| 本集團 | 租賃建築物及 | | | | | 合計 |
|---------------------------|--------|---------|-------|-------|-------|---------|
| | 改良 | 機器設備 | 辦公設備 | 租賃改良 | 運輸設備 | |
| 成本: | | | | | | |
| 2019年1月1日 | 24,320 | 35,928 | 3,116 | 4,288 | 1,139 | 68,791 |
| 增添 | 89 | 1,497 | 298 | 10 | 58 | 1,952 |
| 處分 | (202) | (4,131) | (505) | (50) | (85) | (4,973) |
| 重分類 | 150 | (200) | (71) | 114 | (77) | (84) |
| 換算調整數 | (505) | 289 | (13) | 14 | 3 | (212) |
| 2019年12月31日及 2020年1月1日 | 23,852 | 33,383 | 2,825 | 4,376 | 1,038 | 65,474 |
| 增添 | 327 | 5,290 | 443 | 44 | 359 | 6,463 |
| 處分 | - | (696) | - | - | (65) | (761) |
| 重分類 | - | 250 | (185) | - | - | 65 |
| 換算調整數 | 125 | 40 | 17 | (2) | 5 | 185 |
| 2020年12月31日 | 24,304 | 38,267 | 3,100 | 4,418 | 1,337 | 71,426 |
| 累計折舊: | | | | | | |
| 2019年1月1日 | 9,217 | 30,702 | 2,584 | 3,926 | 762 | 47,191 |
| 當年度提列之折舊 | 555 | 1,370 | 92 | 124 | 40 | 2,181 |
| 重分類 | (28) | (3,975) | (505) | (50) | (67) | (4,625) |
| 處分 | 2,403 | (172) | (102) | (23) | (77) | 2,029 |
| 換算調整數 | (306) | (156) | 9 | - | (19) | (472) |
| 2019年12月31日及 2020年1月1日 | 11,841 | 27,769 | 2,078 | 3,977 | 639 | 46,304 |
| 當年度提列之折舊 | 732 | 2,955 | 66 | 32 | 64 | 3,849 |
| 處分 | - | (690) | - | - | (58) | (748) |
| 重分類 | - | 2 | (2) | - | - | - |
| 換算調整數 | 218 | 237 | 50 | 1 | 16 | 522 |
| 2020年12月31日 | 12,781 | 30,273 | 2,192 | 4,010 | 661 | 49,927 |
| 帳面價值: | | | | | | |
| 2019年12月31日 | 12,011 | 5,614 | 747 | 399 | 399 | 19,170 |
| 2020年12月31日 | 11,513 | 7,994 | 908 | 408 | 676 | 21,499 |

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(單位：美金千元)

5. 不動產、廠房及設備(續)

(單位：美金千元)

| 本公司 | 租賃建築物 及改良 | 機器設備及辦公設備 | 租賃改良 | 運輸設備 | 合計 |
|---------------------------|--------------|-----------|------|------|-------|
| 成本: | | | | | |
| 2019年1月1日 | 229 | 3,438 | 10 | 50 | 3,727 |
| 增添 | - | 19 | - | - | 19 |
| 重分類(附註6) | 2,228 | - | - | - | 2,228 |
| 2019年12月31日及 2020年1月1日 | 2,457 | 3,457 | 10 | 50 | 5,974 |
| 增添 | - | 27 | - | - | 27 |
| 2019年12月31日 | 2,457 | 3,484 | 10 | 50 | 6,001 |
| 累計折舊: | | | | | |
| 2019年1月1日 | 211 | 3,426 | 6 | 40 | 3,683 |
| 當年度提列折舊 | 5 | 8 | 1 | 6 | 20 |
| 重分類(附註6) | 2,228 | - | - | - | 2,228 |
| 2019年12月31日及 2020年1月1日 | 2,444 | 3,434 | 7 | 46 | 5,931 |
| 當年度提列折舊 | 6 | 10 | - | 4 | 20 |
| 2020年12月31日 | 2,450 | 3,444 | 7 | 50 | 5,951 |
| 帳面價值: | | | | | |
| 2019年12月31日 | 13 | 23 | 3 | 4 | 43 |
| 2020年12月31日 | 7 | 40 | 3 | - | 50 |

於2019年12月31日，本集團及本公司先前分類為投資性不動產的已全數提列折舊的房屋及建築物改良，已重分類至不動產、廠房及設備。不動產的總成本計入本集團和公司一部分仍在使用的已全數提列折舊的不動產、廠房和設備(附註6)。

截至2020年12月31日，帳面價值為\$780萬元(2019年：\$550萬元)之不動產、廠房及設備用以抵押貸款情形，請詳閱附註17。

本公司繼續使用已完全折舊之不動產及設備，2020年12月31日及2019年12月31日該等資產之取得成本總額，分別為\$2,630萬元及\$2,770萬元。

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財務報表附註(續)
(單位：美金千元)

6. 投資性不動產

(單位：美金千元)

| | 本集團 | | 本公司 | |
|--------------|-------|---------|------|---------|
| | 2020 | 2019 | 2020 | 2019 |
| 成本: | | | | |
| 1月1日 | 5,465 | 7,693 | - | 2,228 |
| 重分類(附註5) | - | (2,228) | - | (2,228) |
| 12月31日 | 5,465 | 5,465 | - | - |
| 累計折舊: | | | | |
| 1月1日 | 2,515 | 4,632 | - | 2,228 |
| 當年度提列折舊 | 111 | 111 | - | - |
| 重分類(附註5) | - | (2,228) | - | (2,228) |
| 12月31日 | 2,626 | 2,515 | - | - |
| 12月31日淨帳面價值 | 2,839 | 2,950 | - | - |
| 損益表: | | | | |
| 租金收入(附註28) | 613 | 615 | - | - |
| 直接營業費用 | (111) | (111) | - | - |
| | 502 | 504 | - | - |

本集團及本公司之投資性不動產係以賺取租金及資本增值為目的持有之土地、建築物及其改良物。目前主要持本集團及本公司之投資性不動產並無變現之限制，亦無契約義務購買、建造或發展，或修繕、改善投資性不動產。

投資性不動產係以成本減除累計折舊及累計減損表達。本集團之投資性不動產係由獨立估價師衡量公允價值。投資性不動產之總公允價值係以成本法及收益法評估。成本法係新資產的重製成本進行衡量。收益法係由估價師通過將預期的未來收益轉換為當前財產價值，來得出其價值指標。收益法中使用的 9.9%折現率將“預期的未來收益”評估為當前資產價值，是根據堆疊法計算的。根據投資性不動產的最高和最佳用途，其公允價值達到\$430 萬元。對整體公允價值衡量等級分類，該公允價值係屬第二等級（評估技術係由可直接或間接觀察到對公允價值計量重要的最低輸入水準）。

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(單位：美金千元)

7. 出租資產

(單位：美金千元)

| | 本集團 | |
|--------------------|--------------|--------------|
| | 2020 | 2019 |
| 成本： | | |
| 1月1日 | 10,014 | 9,575 |
| 增添 | 1,938 | 2,620 |
| 沖銷 | (2,723) | — |
| 處份 | (1,401) | (2,181) |
| 12月31日 | 7,828 | 10,014 |
| 累積攤銷： | | |
| 1月1日 | 3,927 | 3,258 |
| 當年度攤銷費用 | 3,576 | 2,832 |
| 沖銷 | (2,723) | — |
| 處份 | (1,310) | (2,163) |
| 12月31日 | 3,470 | 3,927 |
| 12月31日淨帳面價值 | 4,358 | 6,087 |

截至2020年12月31日，全數攤銷完畢之布服金額\$400萬元(2019年：\$220萬元)已於帳上除列。

8. 長期股權投資-子公司

(a) 長期股權投資之子公司包含：

(單位：美金千元)

| | 本公司 | |
|-------------|--------|--------|
| | 2020 | 2019 |
| 未上市股票，以成本入帳 | 24,899 | 24,899 |
| 新增投資 | 3,470 | — |
| 備抵減損損失 | (16) | (16) |
| | 28,353 | 24,883 |

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(單位：美金千元)

8. 長期股權投資-子公司(續)

(b) 本公司截至 12 月 31 日所持有之子公司明細如下：

(單位：美金千元)

| 子公司名稱 | 主要營業活動 | 創立及營業 之所在地 | 本公司之持股比率 | | 本公司投資成本 | |
|---|--|---------------|----------------------|----------------------|----------------------|----------------------|
| | | | 2020 % | 2019 % | 2020 | 2019 |
| 本公司直接持有 | | | | | | |
| Universal Weavers Corporation (UWC) | 生產及銷售紡織布料 | 菲律賓 | 100.0 | 100.0 | 5,853 ^(a) | 5,863 ^(a) |
| Contex Corporation (CC) | 銷售醫療用紡織用品、病人服、枕頭、床單、手術服以及轉租業務 | 菲律賓 | 98.8 ^(a) | 98.8 ^(a) | 1,854 | 1,854 |
| 美德向邦股份有限公司 (MTC) | 製造、出租、銷售及配送醫療耗材及提供醫院洗滌服務 | 臺灣 | 100.0 ^(b) | 100.0 ^(b) | 7,569 ^(a) | 7,569 ^(a) |
| Medtex Corporation | 製造及銷售彈性繃帶及織帶及其他成衣產品 | 菲律賓 | 100.0 | 100.0 | 474 ^(a) | 474 ^(a) |
| Medtecs (Cambodia) Corporation Limited (MCCL) | 製造醫療耗材及採購服務 | 柬埔寨 | 100.0 | 100.0 | 2,038 ^(a) | 2,038 ^(a) |
| Medtecs (Asia Pacific) Pre. Ltd. | 銷售紡織面料及其他同性質之紡織產品 | 新加坡 | 100.0 | 100.0 | 1,241 ^(a) | 1,241 ^(a) |
| Medtecs Materials Technology Corporation (MMTC) | 生產、租賃及銷售紡織面料及其他同性質之紡織製成品及相關醫療產品及提供醫院洗滌服務 | 菲律賓 | 100.0 | 100.0 | 2,021 | 2,021 |
| Medtecs MSEZ Corp., Ltd. (MMSEZ) | 生產紡織及不織布面料 | 柬埔寨 | 100.0 ^(b) | — | 3,370 | — |
| Medtecs USA Corporation | 生產及供個人防護裝備及醫療保健產品 | 美國 | 100.0 ^(a) | — | 100 | — |

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(單位：美金千元)
8. 長期股權投資-子公司(續)
(單位：美金千元)

| 子公司名稱 | 主要營業活動 | 創立及營業之所在地 | 本公司之持股比率 | | 本公司投資成本 | |
|----------------------------------|-------------------|-----------|---------------------|----------------------|----------------------|----------------------|
| | | | 2020 % | 2019 % | 2020 | 2019 |
| Medtecs (Far East) Limited | 銷售紡織品及其他同性質之紡織產品 | 香港特別行政區 | 100.0 | 100.0 | 1 | 1 |
| Cooper Development Limited | 控股公司 | 馬來西亞 | 100.0 | 100.0 | 3,822 ^(a) | 3,822 ^(a) |
| 透過子公司間接持有 | | | | | | |
| 杭州津誠醫用紡織有限公司 | 生產及銷售紡織品及其他相關醫療產品 | 中華人民共和國 | 100.0 | 100.0 | - | - |
| 淄博聯恆紡織有限公司 | 生產及銷售紡織品 | 中華人民共和國 | 51.1 ^(b) | 51.1 ^(b) | - | - |
| 淄博聯成紡織服裝有限公司 | 生產及銷售紡織品 | 中華人民共和國 | 100.0 | 100.0 | - | - |
| Medtecs MSEZ Corp., Ltd. (MMSEZ) | 生產紡織及不織布面料 | 柬埔寨 | - | 100.0 ^(c) | - | - |
| | | | | | 28,353 | 24,883 |

^(a) 部分股權係由少數股東持有，其持有總比例約為實收股本總額之 1.2%。

^(b) 部分股權係由少數股東持有，其持有總比例約為實收股本總額之 7.6%，並於 2014 年由本公司取得。

^(c) 部分股權係由少數股東持有，其持有總比例約為實收股本總額之 48.9%。

^(d) 包括給與子公司員工之以權益交割員工認股權，視為對子公司投資之增加。

^(e) 包括因子公司持續虧損所提列備抵減損損失 \$16,000。

^(f) 於 2020 年由本公司董事會批准以總投資成本 \$3,370,000 美元的價格收購 MMSEZ (以前是 MTC 的全資子公司) 的所有股份。

^(g) 2020 年 10 月 19 日，董事會宣布成立新的子公司 Medtecs USA Corporation，投資成本為 \$100,000 美元，佔該子公司 100% 的股權。

以下具有非控制性權益的子公司的財務摘要係根據 SFRS (1) 編制的，並根據取得的公允價值調整和本集團會計政策的差異進行了修改。

| | CC | | Lianheng | | 集團內部沖銷數 | | 總計 | |
|-----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| 非流動資產 | 3,142 | 3,265 | 716 | 954 | | | | |
| 流動資產 | 2,258 | 4,618 | 750 | 2,498 | | | | |
| 非流動負債 | (150) | (103) | - | - | | | | |
| 流動負債 | (70) | (3,021) | - | (1,430) | | | | |
| 淨資產 | 5,180 | 4,759 | 1,466 | 2,022 | | | | |
| 淨資產歸屬於NCI | 62 | 57 | 717 | 989 | 245 | (26) | 1,025 | 1,020 |

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(單位：美金千元)

9. 商譽

(單位：美金千元)

| | 本集團 | |
|--------|------|------|
| | 2020 | 2019 |
| 1月1日 | 709 | 709 |
| 換算調整數 | - | - |
| 12月31日 | 709 | 709 |

因企業合併所產生之商譽已分攤至下列各現金產出單位，同時也是營運部門，以作為減損測試之基礎：

(單位：美金千元)

| | 2020 | 2019 |
|--------|------|------|
| 製造部門 | 198 | 198 |
| 醫院服務部門 | 511 | 511 |
| | 709 | 709 |

本集團每年進行商譽之減損測試，或於商譽有減損跡象時進行測試。

現金產生單位之可回收金額係以經管理階層核准之五年期現金流量預測為基礎。2020年現金流量之稅前折現率製造部門為10.80%（2019年：10.86%），醫院服務部門為6.47%（2019年：6.80%）；五年現金流量之預測成長率製造部門為10%（2019年：10%），醫院服務部門為5%（2019年：5%）該預測成長率係依據本集團管理階層對既有製造及醫院服務之營運模式及於中國及臺灣地區之擴展計劃予以合理估計。

以下為管理階層於進行商譽減損測試時對於現金流量預測之重大假設：

預計銷貨毛利

預計銷貨毛利係依據管理階層的擴張策略，並參考歷史利潤率及預期成長率。

預計成長率

預計成長率係根據管理階層針對現金產生單位長期之平均成長率。

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(單位：美金千元)

9. 商譽(續)

市場占有率假設

市場占有率係重要假設，因為管理階層評估之現金產生單位相對於競爭對手之市場占有率有可能在預算期間變動。管理階層預計集團的市場占有率在預算期間可維持穩定。

稅前折現率

稅前折現率係反應管理階層對於各現金產生單位風險之估計。此為管理階層評估營運績效及未來投資方案之指標。在決定各個現金產生單位之折現率時，係依現金產生單位特定情況計算，並考量加權平均資本成本(WACC) 所得出，WACC 同時考量負債及權益成本，權益之成本係集團之投資者對投資之預期報酬，而負債之成本則係集團有義務償還之附息借款成本。現金產生單位特定風險則採用個別 beta 因子而納入，此 beta 因子係依據每年公開之市場資料評估而得。

關於現金產生單位使用價值之評估，管理階層認為，在合理之情況下，上述之關鍵假設尚無可能發生使該單位之帳面價值超過可回收金額之改變。

10. 應收(付)子公司帳款

流動部分之應收(付)子公司款項係無擔保、免息，且依約定期間支付。

11. 其他非流動資產

(單位：美金千元)

| | 本集團 | | 本公司 | |
|-------|--------------|--------------|------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| 保證金 | 2,641 | 5,617 | 26 | 3,025 |
| 存出保證金 | 1,372 | 750 | 250 | 750 |
| 其他 | 604 | 567 | 21 | 21 |
| | <u>4,617</u> | <u>6,934</u> | <u>297</u> | <u>3,796</u> |

存出保證金包括於合作金庫銀行的定期存款，作為向該銀行提供\$5,000,000 元貸款的抵押。另包括支付給台灣醫院客戶的款項，作為在服務合約期限內提供服務的保證。請參閱附註 17。

其他包括高爾夫會員及其他長期投資。

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(單位：美金千元)

12. 存貨

(單位：美金千元)

| | 本集團 | | 本公司 | |
|---------|--------|--------|------|------|
| | 2020 | 2019 | 2020 | 2019 |
| 成本： | | | | |
| 在途存貨 | 477 | 908 | - | - |
| 原料 | 17,038 | 10,943 | 12 | 12 |
| 在製品 | 5,566 | 6,589 | 11 | 13 |
| 物料及零件備品 | 5,377 | 4,932 | 1 | 1 |
| 製成品 | 28,223 | 16,772 | 587 | 52 |
| | 56,681 | 40,144 | 611 | 78 |
| 淨變現價值： | | | | |
| 原料 | 16,248 | 10,791 | - | - |
| 在製品 | 4,961 | - | - | - |
| 物料及零件備品 | 5,311 | 4,866 | - | - |
| 製成品 | 26,681 | 14,690 | - | - |
| | 53,201 | 30,347 | - | - |
| 總存貨 | 53,678 | 37,844 | 611 | 78 |

本集團於 2020 年度於損益表中提列之備抵存貨跌價準備\$659,000 元(2019 年：\$246,000 元)。

本集團於 2020 年 12 月 31 日已提列之備抵存貨跌價準備\$300 萬元(2019 年：\$230 萬元)。本公司於 2020 年 12 月 31 日於損益表中提列之備抵存貨跌價準備為\$0 元(2019 年：\$0 元)。

本集團 2020 年度認列為費用之存貨成本為\$1.893 億元(2019 年度：\$2,740 萬元)，請參閱附註 23。

13. 應收帳款

(單位：美金千元)

| | 本集團 | | 本公司 | |
|----------|--------|--------|--------|-------|
| | 2020 | 2019 | 2020 | 2019 |
| 應收帳款 | | | | |
| 製造 | 41,438 | 10,837 | 17,442 | 5,749 |
| 醫院服務 | 2,042 | 1,352 | - | - |
| 買賣 | 6,048 | 1,384 | - | - |
| 減：備抵減損損失 | (220) | (229) | - | - |
| | 49,308 | 13,344 | 17,442 | 5,749 |

應收帳款係屬無息，且通常於 1 至 11 個月到期，因與公允價值相近，故以原始交易金額認列。

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(單位：美金千元)

13. 應收帳款(續)

截至 12 月 31 日止，以外幣計價之應收帳款列示如下：

(單位：美金千元)

| | 本集團 | |
|-------|--------|-------|
| | 2020 | 2019 |
| 菲律賓披索 | 1,277 | 524 |
| 人民幣 | 119 | 261 |
| 新台幣 | 1,547 | 2,333 |
| 新加坡幣 | 16,543 | 464 |

預期信用損失

依存續期間 ECL 計算應收帳款的備抵預期信用損失變動情況如下：

(單位：美金千元)

| | 2020 | 2019 |
|-----------|------|------|
| 1 月 1 日 | 229 | 225 |
| 當期變動數 | 12 | - |
| 沖銷 | (27) | - |
| 換算調整數 | 6 | 4 |
| 12 月 31 日 | 220 | 229 |

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(單位：美金千元)

14. 其他流動資產

(單位：美金千元)

| | 本集團 | | 本公司 | |
|-------|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| 預付貨款 | 12,017 | 12,918 | 11,807 | 11,932 |
| 預付費用 | 331 | 285 | 25 | 32 |
| 員工借支 | 72 | 36 | 7 | 9 |
| 進項稅額 | 2,477 | 264 | - | - |
| 其他應收款 | 836 | 2,600 | 2,659 | 376 |
| | <u>15,733</u> | <u>18,103</u> | <u>14,498</u> | <u>12,349</u> |

預付貨款係對供應商未來一年內所需交付貨物所做的支付。

其他應收款包括應收租賃款及其他應收非關係人款項。

截至 12 月 31 日止，以外幣計價之其他流動資產列示如下：

(單位：美金千元)

| | 本集團 | | 本公司 | |
|-------|--------------|--------------|------------|-----------|
| | 2019 | 2019 | 2020 | 2019 |
| 人民幣 | 157 | 392 | - | - |
| 菲律賓披索 | 1,431 | 646 | 392 | 14 |
| 新台幣 | 359 | 917 | - | - |
| 新加坡幣 | 1,762 | - | - | - |
| | <u>4,709</u> | <u>1,955</u> | <u>392</u> | <u>14</u> |

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(單位：美金千元)

15. 現金、銀行存款及受限制資產

(單位：美金千元)

| | 本集團 | | 本公司 | |
|---------|--------|-------|--------|------|
| | 2020 | 2019 | 2020 | 2019 |
| 現金及銀行存款 | 82,161 | 3,070 | 20,008 | 46 |
| 受限制資產 | 5,178 | 4,930 | - | - |

本集團及本公司的銀行餘額以基於銀行存款的浮動利率賺取利息。

本集團及本公司之受限制資產已提供作為銀行貸款額度及透支額度之擔保品。此類受限制資產為定期存款，提取需經銀行之核准，係以美元計價，並計息，其利率為0.9% (2019年: 0.9%)。

截至12月31日止，以外幣計價之現金列示如下：

(單位：美金千元)

| | 本集團 | | 本公司 | |
|-------|--------|-------|-------|------|
| | 2020 | 2019 | 2020 | 2019 |
| 新台幣 | 6,314 | 6,855 | - | - |
| 菲律賓披索 | 2,760 | 231 | 29 | 20 |
| 人民幣 | 2,188 | 116 | - | - |
| 新加坡幣 | 49,749 | 26 | 7,525 | 20 |
| 歐元 | 2,510 | - | 56 | - |
| 柬埔寨瑞爾 | 5 | 2 | - | - |

本集團和公司從銀行現金和定期存款中獲得的利息收入分別為\$36,000元(2019年：\$209,000元)和\$3000元(2019年：\$1,000元)。

16. 應付帳款及其他流動負債

(單位：美金千元)

| | Group | | 本公司 | |
|---------------|--------|-------|-------|------|
| | 2020 | 2019 | 2020 | 2019 |
| 應付帳款 | 6,003 | 948 | 104 | 87 |
| 其他應付款 | 1,997 | 622 | 3,072 | 127 |
| 租賃負債-流動(附註28) | 386 | 480 | - | - |
| 應付營業費用 | 1,900 | 1,739 | 39 | 77 |
| 應付董事款項(附註27) | 71 | 47 | 71 | 44 |
| | 10,357 | 3,836 | 3,286 | 335 |

應付帳款為無抵押、免息及須於一年內支付。應付董事款項係非屬交易行為、無息且無擔保之款項，依約定期間支付。其他應付款包括應付政府機構的款項和客戶預付款項。

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(單位：美金千元)

16. 應付帳款及其他流動負債(續)

截至 12 月 31 日止，以外幣計價之應付帳款及其他流動負債列示如下：

(單位：美金千元)

| | 本集團 | | 本公司 | |
|-------|-------|-------|------|------|
| | 2020 | 2019 | 2020 | 2019 |
| 新台幣 | 5,768 | 828 | - | - |
| 人民幣 | 677 | 24 | - | - |
| 菲律賓披索 | 1,679 | 1,370 | 87 | 81 |

17. 貸款及借款

(單位：美金千元)

| | 加權平均有效利率(年) | 到期日 | 本集團 | | 本公司 | |
|--------------|-------------|------|--------|--------|-------|------|
| | | | 2020 | 2019 | 2020 | 2019 |
| 流動： | | | | | | |
| 銀行借款： | | | | | | |
| - 美金借款 | | | | | | |
| 擔保(附註 5) | 4.46% | 2020 | - | 459 | - | - |
| 無擔保 | 8.40% | 2021 | 500 | 11,913 | - | - |
| - 人民幣借款 | | | | | | |
| 擔保(附註 5) | 5.30% | 2021 | 1,123 | 1,765 | - | - |
| - 新台幣借款 | | | | | | |
| 無擔保 | 1.56% | 2020 | 24,638 | 22,142 | - | - |
| 擔保(附註 5) | 1.61% | 2021 | 5,342 | - | - | - |
| 短期借款總額 | | | 31,603 | 36,279 | - | - |
| 一年內到期之長期借款 | | | 1,250 | 387 | 1,250 | - |

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17. 貸款及借款(續)

(單位：美金千元)

| | 加權平均有效利率(年) | 到期日 | 本集團 | | 本公司 | |
|-----------------------|-------------|-----------|---------|--------|---------|-------|
| | | | 2020 | 2019 | 2020 | 2019 |
| 非流動： | | | | | | |
| 長期借款： | | | | | | |
| - 長期借款 (擔保) (附註 6) | 2.50% | 2019-2021 | 1,250 | 3,750 | 1,250 | 3,750 |
| - 長期借款 (擔保) (附註 6) | 8.50% | 2019-2024 | 228 | 617 | - | - |
| - 新台幣長期借款 無擔保 | 3.40% | 2019-2020 | - | 1,890 | - | - |
| 長期借款總額 | | | 1,478 | 6,257 | 1,250 | 3,750 |
| 一年內到期 | | | (1,250) | (387) | (1,250) | - |
| 一年以上到期 | | | 228 | 5,870 | - | 3,750 |
| 借款總額 | | | 33,081 | 42,536 | 1,250 | 3,750 |

上述貸款及借款分類如下：

(單位：美金千元)

| | 本集團 | | 本公司 | |
|-----|--------|--------|-------|-------|
| | 2020 | 2019 | 2020 | 2019 |
| 擔保 | 7,943 | 6,591 | 1,250 | 3,750 |
| 無擔保 | 25,138 | 35,945 | - | - |
| | 33,081 | 42,536 | 1,250 | 3,750 |

不動廠、廠房及設備、存貨及存出保證金之帳面價值分別為 780 萬元和 25 萬元(2019 年：550 萬元和 75 萬元)(附註 5 和 11)，作為本集團和本公司分別為金額 790 萬元(2019 年：660 萬元)和 130 萬元(2019 年：380 萬元)之擔保借款。

長期借款

國泰世華銀行之長期借款係以有效年利率 8.5% 計息，每月分期償還，並以房屋及其改良設定 \$110 萬元之擔保。合作金庫之長期借款係以有效年利率 2.25% 每年加計 LIBOR 計息，自 2020 年起每季分期償還，並以借款的 20% 做定期存款擔保(請參閱附註 11 和 15)。

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(單位：美金千元)

17. 貸款及借款(續)

來自於融資活動之負債調節表列示如下：

(單位：美金千元)

| | 2019年12月31日 | 淨現金流量 | 非現金變化 | |
|-------|-------------|----------|---------|-------------|
| | | | 其他 | 2020年12月31日 |
| 長期借款 | | | | |
| - 流動 | 387 | (5,007) | 5,870 | 1,250 |
| - 非流動 | 5,870 | 228 | (5,870) | 228 |
| 短期借款 | 36,279 | (4,676) | - | 31,603 |
| 租賃資產 | 3,563 | (763) | 744 | 3,544 |
| 應計利息 | - | (1,179) | 1,203 | 24 |
| 總計 | 46,099 | (11,397) | 1,947 | 36,649 |

(單位：美金千元)

| | 2018年12月31日 | 淨現金流量 | 非現金變化 | |
|-------|-------------|---------|---------|-------------|
| | | | 其他 | 2019年12月31日 |
| 長期借款 | | | | |
| - 流動 | 2,185 | (7,711) | 5,913 | 387 |
| - 非流動 | 5,913 | 5,870 | (5,913) | 5,870 |
| 短期借款 | 32,716 | 3,563 | - | 36,279 |
| 租賃資產 | - | (215) | 3,778 | 3,563 |
| 應計利息 | - | (2,004) | 2,004 | - |
| 總計 | 40,814 | (497) | 5,782 | 46,099 |

“其他”係指隨時間經過而重分類至非流動之長期借款以及租賃負債的新增及調整。

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(單位：美金千元)

18. 營業收入

收入細分

(單位：美金千元)

| 本集團 | 製造 | | 醫院服務 | | 經銷及其他 | | 合計 | |
|------------------------|----------------|---------------|---------------|---------------|---------------|--------------|----------------|---------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| 主要地域市場 | | | | | | | | |
| 北美 | 49,219 | 7,814 | - | - | - | - | 49,219 | 7,814 |
| 亞太地區 | 174,954 | 12,360 | 14,668 | 14,271 | 27,842 | 1,803 | 217,464 | 28,434 |
| 歐洲 | 118,929 | 32,729 | - | - | - | - | 118,929 | 32,729 |
| 澳洲 | 14,715 | - | - | - | - | - | 14,715 | - |
| | 357,817 | 52,903 | 14,668 | 14,271 | 27,842 | 1,803 | 400,327 | 68,977 |
| 合約收入 | | | | | | | | |
| 製造收入 | 357,817 | 52,903 | - | - | - | - | 357,817 | 52,903 |
| 醫院服務收入 | - | - | 14,668 | 14,271 | - | - | 14,668 | 14,271 |
| 經銷及其他收入 | - | - | - | - | 27,842 | 1,803 | 27,842 | 1,803 |
| | 357,817 | 52,903 | 14,668 | 14,271 | 27,842 | 1,803 | 400,327 | 68,977 |
| 轉移商品或服務的時 間 | | | | | | | | |
| 在某個時間點 | 357,817 | 52,903 | - | - | 27,229 | 1,188 | 385,046 | 54,091 |
| 隨時間推移 | - | - | 14,668 | 14,271 | 613 | 615 | 15,281 | 14,886 |
| | 357,817 | 52,903 | 14,668 | 14,271 | 27,842 | 1,803 | 400,327 | 68,977 |

除了以上之收入，截至 2020 年 12 月 31 日 Contex Corporation 賺得租金收入金額為 \$612,501 (2019 年: \$615,257)，請參閱附註 28。

截至 2020 年 12 月 31 日，來自集團製造部門主要客戶的收入約佔集團總收入的 25% (2019 年: 28%)。

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(單位：美金千元)

18. 營業收入(續)

本公司營業收入細分如下：

(單位：美金千元)

| 本公司 | 2020 | 2019 |
|----------------------|----------------|---------------|
| 主要地域市場 | | |
| 北美 | 15,959 | — |
| 亞太地區 | 224,190 | 12,589 |
| 歐洲 | 69,775 | — |
| 澳洲 | 14,715 | — |
| | <u>324,639</u> | <u>12,589</u> |
| 合約收入 | | |
| 經銷及其他收入 | <u>324,639</u> | <u>12,589</u> |
| 轉移商品或服務的時間 在某個時間點 | <u>324,639</u> | <u>12,589</u> |

19. 其他收入-淨額

(單位：美金千元)

| | 本集團 | | 本公司 | |
|----------|------------|------------|-------------|------------|
| | 2020 | 2019 | 2020 | 2019 |
| 匯兌利益(損失) | (42) | 241 | (98) | (11) |
| 處分利益(損失) | 2 | 8 | — | — |
| 報廢收入 | 233 | 155 | — | — |
| 其他 | 186 | 355 | 43 | 250 |
| | <u>379</u> | <u>759</u> | <u>(55)</u> | <u>239</u> |

其他包括便利津貼、管理費、餐廳租金、雜項收入和其他營業收入。

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(單位：美金千元)

20. 員工福利

| | 本集團 | | (單位：美金千元) 本公司 | |
|-------------|---------------|---------------|------------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | 人事費用 | | | |
| 薪資支出 | 36,493 | 25,408 | 1,340 | 1,100 |
| 退休金成本 | 130 | 95 | 31 | 21 |
| | 36,623 | 25,503 | 1,371 | 1,121 |
| | | | | |
| | 本集團 | | 本公司 | |
| | 2020 | 2019 | 2020 | 2019 |
| 人事費用 | | | | |
| 銷貨成本 | 32,408 | 22,501 | 108 | 355 |
| 管理費用 | 3,222 | 2,343 | 1,003 | 545 |
| 銷售費用 | 993 | 659 | 260 | 221 |
| | 36,623 | 25,503 | 1,371 | 1,121 |

退休金計劃

退休金計劃適用於大部份本集團於菲律賓正式聘用之員工。退休金係依據最近一個月薪資的特定比例以及服務年資計算。董事會定期複核其適當性，以確定年底之帳列金額與 SFRS(I) 19 之規定無重大差異。

依目前之法律架構，菲律賓 Republic Act 7641 及 Retirement Pay Law，在集體協議及其他協議之退休福利不少於法律規定之前提下，若私人企業並未訂定退休金計畫，應設置退休給付之準備。惟該法並未規定最低應提撥之金額。

截至 2020 年 12 月 31 日之退休金計劃最新的獨立精算評估，獨立精算師依 SFRS(I)19 並按預計單位精算成本法編製。

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(單位：美金千元)

20. 員工福利(續)

退休金計劃(續)

退休福利費用組成認列於損益表如下列示：

(單位：美金千元)

| | 本集團 | | 本公司 | |
|---------|------|------|------|------|
| | 2020 | 2019 | 2020 | 2019 |
| 當期服務成本 | 82 | 51 | 19 | 11 |
| 利息成本 | 48 | 44 | 12 | 10 |
| 福利金費用淨額 | 130 | 95 | 31 | 21 |

截至 2020 年 12 月 31 日止，本集團及本公司在確定福利計畫下所認列之應計退休金負債分別為 \$120 萬元 (2019 年: \$927,000 元) 及 \$276,000 (2019 年: \$225,000 元)。本集團管理當局仍在規劃關於退休基金之計劃。

應計退休金負債之變動如下：

(單位：美金千元)

| | 未提撥之應計退休金負債 | | | |
|---------|-------------|------|------|------|
| | 本集團 | | 本公司 | |
| | 2020 | 2019 | 2020 | 2019 |
| 1月1日 | 927 | 585 | 225 | 133 |
| 當期服務成本 | 82 | 51 | 19 | 11 |
| 利息成本 | 48 | 44 | 12 | 10 |
| 支付之福利 | (34) | (19) | (5) | (5) |
| 換算調整數 | 50 | 23 | 12 | 6 |
| 再衡量損失淨額 | 148 | 243 | 13 | 70 |
| 12月31日 | 1,221 | 927 | 276 | 225 |

截至 12 月 31 日止退休金福利之主要精算假設為：

| | 本集團 | | 本公司 | |
|-------|---------------|---------------|-------|-------|
| | 2020 | 2019 | 2020 | 2019 |
| 折現率 | 3.53% - 3.76% | 4.87% - 4.99% | 3.76% | 4.96% |
| 薪資成長率 | 5.0% | 5.0% | 5.0% | 5.0% |

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(單位：美金千元)

20. 員工福利(續)

退休金計劃(續)

各年度歷史調整，揭露如下：

(單位：美金千元)

| | 本集團 | | | | |
|----------------|-------|------|-------|------|------|
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| 未提撥之確定福利義務 | 1,221 | 927 | 585 | 721 | 727 |
| 計畫負債精算假設變動之調整數 | 267 | 133 | (150) | (61) | (3) |
| 計畫負債之經驗調整 | (119) | 110 | (26) | (26) | (40) |

(單位：美金千元)

| | 本公司 | | | | |
|----------------|------|------|------|------|------|
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| 未提撥之確定福利義務 | 276 | 225 | 133 | 183 | 175 |
| 計畫負債精算假設變動之調整數 | 42 | 53 | (33) | (11) | - |
| 計畫負債之經驗調整 | 29 | 17 | (30) | (3) | 6 |

2020年12月31日重大假設定量敏感性分析如下：

| 假設 | 敏感程度 | 確定福利義務影響數 |
|--------|-------|-----------|
| | | 增加(減少) |
| 折現率 | +0.5% | (83) |
| | -0.5% | 89 |
| 未來薪資增加 | +2% | 385 |
| | -2% | (283) |

以上敏感性分析係根據報導期間結束日關鍵假設之合理變動推估其對確定福利義務之影響。

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(單位：美金千元)

21. 員工福利(續)

退休金計劃(續)

2020 年底預期未來提撥確定福利計劃義務如下：

(單位：美金千元)

| | |
|--------------------|--------------|
| 未來 12 個月內(次年度報導期間) | 60 |
| 一年以上至五年 | 110 |
| 五年以上至十年 | 424 |
| 十年以上至十五年 | 1,396 |
| 十五年以上至二十年 | 2,294 |
| 二十年以上 | 4,651 |
| | <u>8,935</u> |

報導期間結束日之平均確定福利計劃義務期間為 19.0 年。

台灣勞工退休金條例自 2005 年 7 月 1 日起施行，並採確定提撥制。實施後員工得選擇適用「勞動基準法」有關之退休金規定，或適用該條例之退休金制度並保留適用該條例前之工作年資。對適用該條例之員工，本公司每月負擔之員工退休金提撥率，不得低於員工每月薪資百分之六。

2020 年本集團就確定提撥制度所認列之退休金費用為 \$130,000 美元 (2019 年: \$95,000 美元)。

22. 財務收入

(單位：美金千元)

| | 本集團 | | 本公司 | |
|------------------|------|------|------|------|
| | 2020 | 2019 | 2020 | 2019 |
| 利息收入： | | | | |
| - 定期存款及預付款項-非關係人 | 36 | 209 | 3 | 1 |

23. 財務費用

(單位：美金千元)

| | 本集團 | | 本公司 | |
|---------------|-------|-------|------|------|
| | 2020 | 2019 | 2020 | 2019 |
| 利息費用 | | | | |
| - 向非關係人貸款 | 1,203 | 2,004 | 475 | 957 |
| - 租賃負債(附註 28) | 283 | 283 | 32 | 33 |
| 其他財務成本 | 49 | 199 | 7 | 2 |
| 財務費用合計 | 1,535 | 2,486 | 514 | 992 |

其他財務成本包含：銀行貸款手續費、信託收支、資金調度及其他收支。

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(單位：美金千元)

24. 稅前淨利

稅前淨利(損)係包括下列項目：

(單位：美金千元)

| | 本集團 | | 本公司 | |
|--------------------|---------|--------|---------|-------|
| | 2020 | 2019 | 2020 | 2019 |
| 銷貨成本 | | | | |
| 存貨成本(附註 12) | 189,299 | 27,428 | 231,963 | 8,852 |
| 人事費用(附註 20) | | | | |
| - 薪資 | 32,308 | 22,422 | 96 | 345 |
| - 退休金費用 | 100 | 79 | 12 | 10 |
| 折舊費用(附註 5 及 6) | 3,047 | 2,012 | 8 | 10 |
| 攤銷費用： | | | | |
| 出租資產攤銷(附註 7) | 3,576 | 2,832 | - | - |
| 使用權資產攤銷(附註 28) | 446 | 602 | 2 | 2 |
| 營業租賃費用(附註 28) | 325 | 190 | - | - |
| 銷售費用 | | | | |
| 人事費用(附註 20) | | | | |
| - 薪資 | 989 | 655 | 259 | 219 |
| - 退休金費用 | 4 | 4 | 1 | 2 |
| 運費 | 14,274 | 1,503 | - | - |
| 佣金支出 | 3,315 | - | 1,560 | - |
| 專業費用 | 519 | - | - | - |
| 管理費用 | | | | |
| 人事費用(附註 20) | | | | |
| - 薪資 | 3,196 | 2,331 | 985 | 536 |
| - 退休金費用 | 26 | 12 | 18 | 9 |
| 折舊費用(附註 5 及 6) | 913 | 280 | 12 | 10 |
| 使用權資產攤銷(附註 28) | 89 | 85 | 36 | 40 |
| 營業租賃費用(附註 28) | 21 | - | 20 | 10 |
| 會計師公費 | | | | |
| - 本公司之審計公費 | 251 | 133 | 71 | 41 |
| 本公司之非審計公費 | 19 | - | - | - |
| 文書處理費 | 988 | 98 | 47 | 35 |
| 專業費用 | 855 | 377 | 368 | 198 |
| 財務費用(附註 22) | 1,535 | 2,486 | 514 | 992 |
| 財務收入(附註 21) | (36) | (209) | (3) | (1) |
| 其他費用(收入)淨額(附註 19)) | (379) | (759) | 55 | (239) |

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25. 所得稅

a) 所得稅費用之主要組成項目

截至 2020 年 12 月 31 日所得稅費用之主要組成項目如下：

(單位：美金千元)

| | 本集團 | | 本公司 | |
|--------------------|-------|------|------|------|
| | 2020 | 2019 | 2020 | 2019 |
| 當期所得稅 | 3,418 | 348 | 1 | - |
| 遞延所得稅： 暫時性差異 | (44) | 3 | (3) | - |
| 所得稅費用(收入) 損益之認列 | 3,374 | 351 | (2) | - |

b) 所得稅費用和稅前淨利之關係

截至 2020 年及 2019 年 12 月 31 日之所得稅費用/(收入)與稅前淨利乘以適用稅率後金額之調節如下：

(單位：美金千元)

| | 本集團 | | 本公司 | |
|------------------|---------|-------|--------|-------|
| | 2020 | 2019 | 2020 | 2019 |
| 稅前淨利(損) | 135,090 | 1,517 | 87,325 | (587) |
| 所得稅費用(以當地適用稅率計算) | 2,975 | 136 | (26) | (26) |
| 調整項目： | | | | |
| 不可減除之費用 | 61 | 99 | 21 | 20 |
| 未認列遞延所得稅資產變動 | 455 | 183 | - | (3) |
| 換算調整數 | (117) | (79) | - | (1) |
| 其他 | - | 12 | 3 | 10 |
| 認列於損益項下所得稅費用(收入) | 3,374 | 351 | (2) | - |

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25. 所得稅(續)

c) 遞延所得稅資產及負債

本集團截至 12 月 31 日之遞延所得稅資產如下:

(單位:美金千元)

| | 本集團 | | 本公司 | |
|---------------|-----------|-----------|-----------|-----------|
| | 2020 | 2019 | 2020 | 2019 |
| 估計費用 | 10 | 7 | 10 | 7 |
| 換算調整數 | 16 | 2 | 1 | - |
| 租賃負債超過使用權資產部分 | 7 | 12 | 1 | 7 |
| | 33 | 21 | 12 | 14 |

截至 2020 年 12 月 31 日止,本集團及本公司之遞延所得稅負債,主要係來自匯兌差異,分別為 \$181,000 元(2019 年: \$213,000 元)及 \$0 元(2019 年: \$0 元)。

無因子公司之課稅損失 \$250 萬元(2019 年: \$210 萬元)而產生之暫時性差異而認列之遞延所得稅資產。其可用於 2021 年至 2025 年的未來課稅所得,係預未來無足夠的課稅所得足以扣抵遞延所得稅資產利益。

本集團決定於可預見之未來,不分配子公司之未分配盈餘,因潛在之所得稅影響數無法可靠衡量,故於 2020 年及 2019 年 12 月 31 日未認列遞延所得稅負債。

d) 其他事項

本公司係設立於百慕達之免稅公司,故本公司之收入及資本利得不列入課稅範圍。

集團位於菲律賓之子公司及分支機構,係登記於經濟特區,故享有租稅之優惠,如:以 5% 之優惠稅率課徵菲律賓之所有國稅及地方稅,進口僅在經濟特區內使用之原物料、資本設備、家用及個人物品享免稅之優惠等。該經濟特區於 2010 年,依 Republic Act (RA) No. 9728 轉換為自由港區,原登記於經濟特區之公司,在新法按下,集團位於菲律賓之子公司及分支機構,依 RA No. 7916 均符合直接登記於自由港區之優惠資格。

本集團在菲律賓經營的子公司之一,已修改其註冊營業項目,包括已批准的口罩產能的擴增,其中對擴增項目的銷售提供稅務優惠。

2021 年 2 月 3 日,菲律賓參眾兩院批准了兩院制委員會的擬議中的“企業恢復和稅收激勵公司法”或“創新法案”。該文件已於 2021 年 2 月 24 日提交給菲律賓總統辦公廳進行審查,目前仍在等待總統批准。

以下菲律賓稅法的規定係根據創新法案,這些規定對在菲律賓運營的集團子公司有所影響:

- 自 2020 年 7 月 1 日起,國內企業和外國稅務居民企業的常規公司所得稅(RCIT)稅率從 30% 降低至 25%。對於應稅年度內之淨課稅所得不超過 ₱500 萬比索且總資產不超過 ₱1 億比索(不包括企業的辦公室、廠房及設備所在的土地)的國內公司,RCIT 稅率降至 20%;
- 從 2020 年 7 月 1 日至 2023 年 6 月 30 日,最低公司所得稅稅率從總收入的 2% 降至 1%;
- 合格的出口企業享有 4 至 7 年的所得稅免稅期(ITH)及 10 年的 5% 特殊企業所得稅或額外稅務抵減(ED);
- 合格的內銷企業享有 4 至 7 年的 ITH,及 5 年的 ED;
- 對於在創新法案生效前的投資:

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25. 所得稅(續)

d) 其他事項(續)

- 僅授予 ITH 的註冊企業(RBE) - 可以在 ITH 的剩餘期間內繼續享有 ITH。
- 授予 ITH 的 RBE 享有 5% 的總所得稅(GIT)或目前已享有 5% 的 GIT - 允許在十年內使用 5% 的 GIT。

根據 2018 年 2 月 7 日公佈的所得稅法(ITA)修正案，美德向邦股份有限公司截至 2018 年 12 月 31 日止年度的適用企業所得稅稅率由 17% 變為 20%。未分配盈餘的附加稅從 10% 變為 5%。除上述修訂外，所得稅法還徵收最低稅負，即基本所得按政府訂定 12%~15% 稅率計算最低稅負稅額，當最低稅負高於企業所得稅，依差額課徵。

在東埔寨之子公司，須以課稅所得之百分之二十或總收入之百分之一孰高者，支付所得稅。

本公司支付股利予股東並無所得稅之影響。

25. 每股盈餘

計算本年度基本每股盈餘及完全稀釋每股盈餘之資料列示如下：

(單位：美金千元)

| | 本集團 | |
|----------------|---------------|---------------|
| | 2020 | 2019 |
| 歸屬予本公司普通股股東之淨利 | 131,711 | 1,162 |
| | 股數 (單位：千股) | 股數 (單位：千股) |
| 加權平均流通在外普通股股數： | | |
| -基本每股盈餘 | 549,411 | 549,411 |
| -具稀釋效果之認股權 | - | - |
| 調整後加權平均流通在外股數 | 549,411 | 549,411 |

每股盈餘之計算

基本每股盈餘之計算係以歸屬予本公司普通股股東之淨利除以本公司加權平均流通在外普通股股數。2020 年及 2019 年因該股票選擇權具反稀釋效果，故不作任何調整。自資產負債表日至財務報表完成日，並無任何影響普通股或潛在普通股之其他交易。

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(單位：美金千元)

26. 股利

2020年8月11日，董事會向截至2020年9月11日止之股東名冊記載的股東宣派每股普通股0.0085美元(不適用稅)的現金股利通知。現金股利分別於2020年9月21日和10月15日支付，金額為\$470萬元(2019年：0)。

27. 重大關係人交易

a) 關係人交易

除已於財務報表其他附註說明者外，本集團及本公司與關係人間之重大交易列示如下：

(單位：美金千元)

| | 本公司 | |
|--------|---------|--------|
| | 2020 | 2019 |
| 收入： | | |
| 銷貨-子公司 | 204,397 | 12,589 |
| 費用： | | |
| 進貨-子公司 | 186,782 | 10,605 |

本公司為子公司之銀行借款\$750萬元(2019年：\$600萬元)提供貸款保證，請參閱附註17。

b) 主要管理階層之酬勞

(單位：美金千元)

| | 本集團 | |
|------------|------|------|
| | 2020 | 2019 |
| 董事及執行主管之酬勞 | 207 | 168 |
| 金額包含支付予： | | |
| -本公司之董事 | 199 | 162 |
| -子公司之董事 | 8 | 6 |

主要管理階層人員之酬勞係由薪酬委員會考量個人績效及市場趨勢後予以決定。

本公司於2020年度給與股票選擇權予董事及執行主管之選擇權均為0單位(2019年：0單位)，於2020年度給與董事但失效之選擇權為0單位(2019年：0單位)。

在2020年和2019年沒有向主要管理人員授予解僱福利或其他長期僱員福利。

應付董事款項係無息且無擔保，依約定期間還款，截至2020年12月31日止金額為\$71,000元(2019年：\$47,000元)，請參閱附註16。

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(單位：美金千元)

28. 租賃

集團為出租人

本集團依據合約，出租布服予簽約之醫院。租賃服務契約之期間為 1 至 5 年，且可在雙方同意下予以展期。租賃收入之計價單位係以布服使用數量為主，因此最低租賃收入無法實際衡量。

2020 年 12 月 31 日本集團就建築物及其改良物訂立營業租賃協議。截至 2020 年 12 月 31 日止，本集團帳列損益表中認的營業租賃收入為\$612,501 元(2019 年：\$615,257 元)。若 2020 年 12 月 31 日終止租約時，將退還和/或承租人未付租金的保證金為\$51,195 元(2019 年：\$50,643 元)。在營業租賃起始日，保證金金額超過其公允價值，將其列為“遞延租賃收入”。於 2020 年 12 月 31 日，遞延租賃收入分為流動和非流動部份，列示如下：

| | 本集團 | |
|------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 |
| 遞延租賃收入-流動 | 5 | 5 |
| 遞延租賃收入-非流動 | 37 | 38 |
| | <u>42</u> | <u>43</u> |

報導期間結束止，透過營業租賃於未來可收取之最低租賃收入如下：

(單位：美金千元)

| | 本集團 | |
|------|--------------|--------------|
| | 2020 | 2019 |
| 一年以內 | 603 | 591 |
| 一至五年 | 3,202 | 2,486 |
| 五年以上 | 1,196 | 2,515 |
| | <u>5,001</u> | <u>5,592</u> |

集團為承租人

本集團與本公司已就土地及建築物訂立租賃協議，租賃期為 2 至 50 年。租賃條款不限制本集團在股息、額外債務或其他租賃方面的活動。

本集團亦有若干租期為十二個月或以下且價值較低的租賃。本集團對這些租賃採用“短期租賃”和“低值資產租賃”以認列豁免。

於 2020 年，本集團訂立物業及汽車租賃協議。根據租賃協議的條款，認列使用權資產和租賃負債的金額分別為\$697,000 元和\$491,000 元。

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(單位：美金千元)

28. 租賃(續)

集團為出租人(續)

a) 使用權資產

(單位：美金千元)

| | 本集團 | | 本公司 | |
|--------|-------|-------|------|------|
| | 2020 | 2019 | 2020 | 2019 |
| 1月1日 | 5,441 | 6,128 | 115 | 157 |
| 攤銷 | (535) | (687) | (38) | (42) |
| 新增 | 697 | - | - | - |
| 其他調整 | (30) | - | - | - |
| 12月31日 | 5,573 | 5,441 | 77 | 115 |

b) 租賃負債

(單位：美金千元)
本公司

| | 本集團 | | 本公司 | |
|------------------|-------|-------|------|------|
| | 2020 | 2019 | 2020 | 2019 |
| 1月1日 | 3,563 | 3,495 | 258 | 280 |
| 利息增加(附註 22) | 283 | 283 | 32 | 33 |
| 租賃負債付款 | (763) | (215) | (79) | (55) |
| 新增 | 491 | - | - | - |
| 其他調整 | (30) | - | - | - |
| 12月31日 | 3,544 | 3,563 | 211 | 258 |
| 租賃負債 - 流動(附註 16) | (386) | (480) | - | - |
| 租賃負債 - 流動部位淨額 | 3,158 | 3,083 | 211 | 258 |

租賃負債的到期日分析請詳見附註 31。

c) 利益或損失金額

(單位：美金千元)
本公司

| | 本集團 | | 本公司 | |
|-----------------|-------|-------|------|------|
| | 2020 | 2019 | 2020 | 2019 |
| 使用權資產攤銷(附註 23) | 535 | 687 | 38 | 42 |
| 租賃負債利息費用(附註 22) | 283 | 283 | 32 | 33 |
| 短期租賃費用(附註 23) | 346 | 190 | 20 | 10 |
| 利益或損失金額 | 1,164 | 1,160 | 90 | 85 |

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29. 或有負債

或有事項

本集團之部分子公司，以被告的身分涉及數個不同之訴訟案件中(如：勞工糾紛及稅務爭議)。本集團已依估計之最可能結果提列負債準備，這些可能之成本估計，係徵詢代表本集團之外部以及內部之法律顧問，依據可能結果分析而得。雖然無法確信，但管理階層相信基於目前可得之資訊以及法律專業之意見，最終判決結果對於本集團之營運結果、財務狀況以及流動性應不致於有重大而不利之影響。然而若因先前之估計或因訴訟策略之有效性有所變動，未來的營運結果仍可能會受到重大影響。

保證

截至 2020 年 12 月 31 日，本公司業已提供銀行作為子公司貸款之保證\$790 萬元（2019 年：\$660 萬元）請參閱附註 17。

30. 集團部門資訊

報告格式

因考量本集團之風險和報酬率係受不同之產品和服務所影響，主要部門別報告格式採營運部門別為主。次要的報告格式則為地區別。營運部門分別依據提供產品及服務之性質來組織和管理，因個別部門代表針對不同市場提供不同的產品及服務之策略性營運單位。

營運部門別資訊

製造業務部門製造各種醫療耗材，包括病人布服、拋棄式手術用口罩、鞋套和手術衣、護墊、成人紙尿褲、編織毛毯、床單及醫療繃帶。這些醫療耗材主要銷售給位在美國及歐洲之大型醫療產品經銷商，藥商和醫院集團。

醫院服務部門提供布服洗滌及租賃服務予將非核心業務外包之醫院。

貿易銷售部門主要負責銷售 MEDTECS 品牌之醫療耗材予醫院，藥局及其他亞太地區之使用者。本集團同時利用這些通路，銷售其他品牌之醫療用品和器材，如輪椅、導管、呼吸器及血壓器。

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財務報表附註(續)
(單位：美金千元)

30. 集團部門資訊(續)

地區別資訊

本集團之地區別之分類係根據本集團資產之所在地。銷售予外部客戶則係依客戶所在地之地區來揭露。

分攤基礎及移轉訂價

各部門之營運結果、資產和負債包括可直接歸屬該部門及可依合理比例來分攤之項目。未分攤之項目主要包括總部之資產、所得稅費用、遞延所得稅資產及負債、借款及其相關費用。

各部門之收入、費用和營運結果包含部門間之移轉交易。這些部門間移轉交易將於編製合併報表時予以沖銷。

(a) 集團部門資訊

截至 2020 年及 2019 年 12 月 31 日，本集團部門資訊的收入和績效、其他資訊、資產、負債如下表所示：
(單位：美金千元)

| 2020 | 製造業務 | 醫院服務 | 貿易銷售 | 本集團 |
|----------------|---------|---------|--------|---------|
| 營業收入 | 357,817 | 14,668 | 27,842 | 400,327 |
| 營運結果 | 123,802 | (1,298) | 14,085 | 136,589 |
| 財務費用 | | | | (1,535) |
| 財務收入 | | | | 36 |
| 所得稅費用 | | | | (3,374) |
| 本期淨利 | | | | 131,716 |
| 總資產 | 223,545 | 13,301 | 8,840 | 245,686 |
| 總負債 | 48,584 | 2,553 | 59 | 51,196 |
| <i>其他部門別資訊</i> | | | | |
| 資本支出 | 6,463 | - | - | 6,463 |
| 折舊及攤銷 | 4,384 | 3,576 | 111 | 8,071 |
| 存貨跌價及呆滯損失 | 659 | - | - | 659 |
| 備抵減損損失 | 12 | - | - | 12 |
| 其他非現金支出-淨額 | 283 | - | - | 283 |

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(單位：美金千元)

30. 集團部門資訊(續)

(a) 集團部門資訊(續)

(單位：美金千元)

| 2019 | 製造業務 | 醫院服務 | 貿易銷售 | 本集團 |
|-----------------|--------|--------|-------|---------|
| 營業收入 | 52,903 | 14,271 | 1,803 | 68,977 |
| 營運結果 | 3,370 | 115 | 309 | 3,794 |
| 財務費用 | | | | (2,486) |
| 財務收入 | | | | 209 |
| 所得稅費用 | | | | (351) |
| 本期淨利 | | | | 1,166 |
| 總資產 | 98,108 | 14,194 | 4,301 | 116,603 |
| 總負債 | 50,951 | 828 | 234 | 52,013 |
| <i>其他部門別資訊:</i> | | | | |
| 資本支出 | 1,952 | — | — | 1,952 |
| 折舊及攤銷 | 2,292 | 2,832 | — | 5,124 |
| 存貨跌價及呆滯損失 | 246 | — | — | 246 |
| 其他非現金支出-淨額 | 2,277 | (8) | — | 2,269 |

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(單位：美金千元)

30. 集團部門資訊(續)

(b) 地區別資訊

截至 2020 年及 2019 年 12 月 31 日，本集團部門資訊的收入和資本支出、資產資訊如下表所示：

(單位：美金千元)

| 2020 | 北美 | 亞太地區 | 歐洲 | 澳洲 | 本集團 |
|------------|--------|---------|---------|--------|---------|
| 營業收入 | 49,219 | 217,464 | 118,929 | 14,715 | 400,327 |
| 營運結果 | 16,793 | 74,197 | 40,578 | 5,021 | 136,589 |
| 財務費用 | | | | | (1,535) |
| 財務收入 | | | | | 36 |
| 所得稅費用 | | | | | (3,374) |
| 本期淨利 | | | | | 131,716 |
| 總資產 | 15,074 | 227,808 | 2,804 | — | 245,686 |
| 總負債 | — | 51,196 | — | — | 51,196 |
| 其他部門別資訊： | | | | | |
| 資本支出 | — | 6,463 | — | — | 6,463 |
| 折舊及攤銷 | — | 8,071 | — | — | 8,071 |
| 存貨跌價及呆滯損失 | — | 659 | — | — | 659 |
| 備抵呆帳 | — | 12 | — | — | 12 |
| 其他非現金支出-淨額 | — | 283 | — | — | 283 |

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(單位：美金千元)

31. 集團部門資訊 (續)

(b) 地區別資訊(續)

| 2019 | | | | | (單位：美金千元) |
|-----------------|-------|---------|--------|----|-----------|
| | 北美 | 亞太地區 | 歐洲 | 澳洲 | 本集團 |
| 營業收入 | 7,814 | 28,434 | 32,729 | — | 68,977 |
| 營運結果 | 430 | 1,564 | 1,800 | — | 3,794 |
| 財務費用 | | | | | (2,486) |
| 財務收入 | | | | | 209 |
| 所得稅費用 | | | | | (351) |
| 本期淨利 | | | | | 1,166 |
| 總資產 | 1,140 | 112,572 | 2,891 | — | 116,603 |
| 總負債 | — | 52,013 | — | — | 52,013 |
| <i>其他部門別資訊:</i> | | | | | |
| 資本支出 | — | 1,952 | — | — | 1,952 |
| 折舊及攤銷 | — | 5,811 | — | — | 5,811 |
| 存貨跌價及呆滯損失 | — | 246 | — | — | 246 |
| 其他非現金支出淨額 | — | 2,269 | — | — | 2,269 |

31. 財務風險管理目標及政策

本集團主要之金融工具包含現金及銀行存款、定期存款、銀行借款、長期應收款及長期借款。這些金融工具之主要目的係為了提升本集團營業上之財務操作。本集團因其營運產生各種其他金融資產及負債，如應收/應付帳款、應付承兌匯票、應收聯屬公司及法人股東款、其他流動資產及其他流動負債。

本集團持有之金融工具之主要風險為利率風險(包括公允價值變動風險及現金流量變動風險)、流動性風險、外幣匯兌風險及信用風險。董事會已複核並核准之下列相關風險控制政策：

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(單位：美金千元)

31. 財務風險管理目標及政策 (續)

a) 利率風險

利率風險係本集團及本公司持有之金融工具，因市場利率變動造成其公允價值或未來現金流量波動之風險。

本集團之利率風險主要來自銀行借款。本集團之政策為在不增加外幣匯兌風險之情況下，以不同的固定及浮動利率之借款的組合，達到最優惠之利率。

閒置資金存放於信譽良好之銀行。

有關本集團利率風險資訊亦揭露於本集團財務報表附註中—銀行借款項下，請參閱附註 17。

截至 2020 年 12 月 31 日止，本集團之借款中約有 2% (2019 年: 13%) 係採固定借款利率。

下表係本集團及本公司具利率風險之金融工具之到期情形：

(單位：美金千元)

| 2020 本集團 | 1年以內 | 1~2年 | 2~3年 | 3~4年 | 5年以上 | 合計 |
|-------------|----------|------|------|------|------|----------|
| 固定利率 | | | | | | |
| 定期存款 | 5,178 | - | - | - | - | 5,178 |
| 銀行借款 | (557) | (62) | (67) | (42) | - | (728) |
| 浮動利率 | | | | | | |
| 現金及銀行存款 | 82,161 | - | - | - | - | 82,161 |
| 銀行借款 | (32,353) | - | - | - | - | (32,353) |

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(單位：美金千元)

31. 財務風險管理目標及政策(續)

a) 利率風險(續)

(單位：美金千元)

| 2020 | 1年以內 | 1~2年 | 2~3年 | 3~4年 | 5年以上 | 合計 |
|----------------|----------|---------|---------|------|------|----------|
| 本公司 | | | | | | |
| 固定利率 | | | | | | |
| 定期存款 | - | - | - | - | - | - |
| 浮動利率 | | | | | | |
| 現金及銀行存款 | 20,008 | - | - | - | - | 20,008 |
| 銀行借款 | (1,250) | - | - | - | - | (1,250) |
| 2019 | | | | | | |
| 本集團 | | | | | | |
| 固定利率 | | | | | | |
| 定期存款 | 4,930 | - | - | - | - | 4,930 |
| 預付貨款 | 3,060 | - | - | - | - | 3,060 |
| 銀行借款 | (4,902) | (207) | (99) | (68) | (42) | (5,318) |
| 浮動利率 | | | | | | |
| 現金及銀行存款 | 3,070 | - | - | - | - | 3,070 |
| 銀行借款 | (34,718) | (1,250) | (1,250) | - | - | (37,218) |
| 2019 | | | | | | |
| Company | | | | | | |
| 固定利率 | | | | | | |
| 定期存款 | - | - | - | - | - | - |
| 浮動利率 | | | | | | |
| 現金及銀行存款 | 46 | - | - | - | - | 46 |
| 銀行借款 | (1,250) | (1,250) | (1,250) | - | - | (3,750) |

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(單位：美金千元)

31. 財務風險管理目標及政策(續)

a) 利率風險(續)

利率風險敏感性分析

管理當局評估利率合理可能變動範圍，在其他變數不變下，其變動造成本集團稅前淨利與權益變動，以及造成本公司稅前損失（透過浮動利率借款之利息費用影響）與權益變動之敏感度分析如下：

| | 本集團 | | 本公司 | |
|-------------|----------------------------------|-------------------------|----------------------------------|-------------------------|
| | 增加/(減少) (基點數-basis points) | 對稅前淨利 之影響 (單位：千元) | 增加/(減少) (基點數-basis points) | 對稅前淨利 之影響 (單位：千元) |
| 2020 | | | | |
| 美金 | 41 | (8) | 41 | (3) |
| 人民幣 | 41 | (2) | - | - |
| 新台幣 | 41 | (32) | - | - |
| 美金 | (41) | 8 | (41) | 3 |
| 人民幣 | (41) | 2 | - | - |
| 新台幣 | (41) | 32 | - | - |
| 2019 | | | | |
| 美金 | 23 | (15) | 23 | (5) |
| 人民幣 | 23 | (2) | - | - |
| 新台幣 | 23 | (26) | - | - |
| 美金 | (23) | 15 | (23) | 5 |
| 人民幣 | (23) | 2 | - | - |
| 新台幣 | (23) | 26 | - | - |

除已影響損益者外，並無其他因素影響本集團與本公司之股東權益。

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(單位：美金千元)

31. 財務風險管理目標及政策 (續)

b) 流動性風險

流動性風險係本集團或本公司因資金短缺致使債務償付困難之風險。本集團及公司暴露於流動性風險之主因係金融資產與金融負債配置之不一致。

在管理流動性風險方面，本集團之管理階層監控並維持營運所需之現金及約當現金在適當水準，以降低現金流量發生巨大變動之影響。本集團之目的係維持銀行借款暨資金運用之持續性及靈活性。額外的短期資金需求，則透過短期銀行借款支應。截至 2020 年 12 月 31 日止，本集團負債中約 99.3% (2019 年：94.3%) 屬一年內到期。

截至報表日止，本集團及本公司依據合約所載之金融資產與金融負債之到期情形如下：

(單位：美金千元)

2020

本集團

| | 總帳面價值 | 合計 | 已到期 | 1 年以下 | 1 至 5 年 | 5 年以上 |
|------------------|---------|---------|--------|---------|---------|----------|
| 未折現之金融資產： | | | | | | |
| 現金 | 82,161 | 82,161 | 82,161 | - | - | - |
| 定期存款 | 5,178 | 5,178 | - | 5,178 | - | - |
| 應收帳款-淨額 | 49,308 | 49,308 | 16,469 | 32,839 | - | - |
| 其他流動資產 | 528 | 528 | - | 528 | - | - |
| 未折現金金融資產合計 | 137,175 | 137,175 | 98,630 | 38,545 | - | - |
| 未折現金金融負債： | | | | | | |
| 銀行借款 | 31,603 | 32,172 | - | 32,172 | - | - |
| 應付帳款及其他流動負債 | 10,162 | 10,162 | - | 10,162 | - | - |
| 租賃負債 | 3,544 | 16,742 | - | 1,113 | 3,150 | 12,479 |
| 長期借款 | 1,478 | 1,421 | - | 1,421 | - | - |
| 未折現金金融負債合計 | 46,787 | 60,497 | - | 44,868 | 3,150 | 12,479 |
| 未折現金金融資產(負債)淨額 | 90,388 | 76,678 | 98,630 | (6,323) | (3,150) | (12,479) |

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(單位：美金千元)

31. 財務風險管理目標及政策(續)

b) 流動性風險(續)

(單位：美金千元)

2010
本公司

| | 總帳面價值 | 合計 | 已到期 | 1年以下 | 1至5年 | 5年以上 |
|-----------------|--------|--------|--------|--------|-------|-------|
| 未折現金融資產： | | | | | | |
| 現金 | 20,008 | 20,008 | 20,008 | - | - | - |
| 定期存款 | - | - | - | - | - | - |
| 應收帳款 | 17,442 | 17,442 | 9,111 | 8,331 | - | - |
| 其他流動資產 | 2,666 | 2,666 | - | 2,666 | - | - |
| 應收帳款-子公司 | 30,780 | 30,780 | 30,780 | - | - | - |
| 未折現金融資產合計 | 70,896 | 70,896 | 59,899 | 10,997 | - | - |
| 未折現金融負債： | | | | | | |
| 應付帳款及其他流動負債 | 3,276 | 3,276 | - | 3,276 | - | - |
| 長期借款 | 1,250 | 1,250 | - | 1,250 | - | - |
| 租賃負債 | 211 | 1,054 | - | 48 | 111 | 895 |
| 應付帳款-子公司 | - | - | - | - | - | - |
| 未折現金融負債合計 | 4,737 | 5,580 | - | 4,574 | 111 | 895 |
| 未折現金融負債淨額 | 66,159 | 65,316 | 59,899 | 6,423 | (111) | (895) |

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(單位：美金千元)

31. 財務風險管理目標及政策(續)

b) 流動性風險(續)

(單位：美金千元)

2019
本集團

| | 總帳面價值 | 合計 | 已到期 | 1年以下 | 1至5年 | 5年以上 |
|-----------------|----------|----------|-------|----------|---------|----------|
| 未折現金融資產： | | | | | | |
| 現金 | 3,070 | 3,070 | 3,070 | - | - | - |
| 定期存款 | 4,930 | 4,930 | - | 4,930 | - | - |
| 應收帳款 | 13,344 | 13,344 | 2,589 | 10,755 | - | - |
| 其他流動資產 | 2,447 | 2,447 | - | 2,447 | - | - |
| 未折現金融資產合計 | 23,791 | 23,791 | 5,659 | 18,132 | - | - |
| 未折現金融負債： | | | | | | |
| 銀行借款 | 36,279 | 37,436 | - | 37,436 | - | - |
| 應付帳款及其他流動負債 | 3,618 | 3,618 | 3,618 | - | - | - |
| 租賃負債 | 3,563 | 14,889 | - | 700 | 1,968 | 12,221 |
| 長期借款 | 6,257 | 6,517 | - | 4,017 | 2,500 | - |
| 未折現金融負債合計 | 49,717 | 62,460 | 3,618 | 42,153 | 4,468 | 12,221 |
| 未折現金融資產/(負債)淨額 | (25,926) | (38,669) | 2,041 | (24,021) | (4,468) | (12,221) |

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(單位：美金千元)

31. 財務風險管理目標及政策(續)

b) 流動性風險(續)

(單位：美金千元)

2019
本公司

| | 總帳面價值 | 合計 | 已到期 | 1年以下 | 1至5年 | 5年以上 |
|-----------------|----------|----------|----------|-------|---------|-------|
| 未折現金融資產： | | | | | | |
| 現金 | 46 | 46 | 46 | - | - | - |
| 受限制資產 | - | - | - | - | - | - |
| 應收帳款 | 5,749 | 5,749 | - | 5,749 | - | - |
| 其他流動資產 | 376 | 376 | - | 376 | - | - |
| 應收帳款-子公司 | - | - | - | - | - | - |
| 未折現金融資產合計 | 6,171 | 6,171 | 46 | 6,125 | - | - |
| 未折現金融負債： | | | | | | |
| 應付帳款及其他流動負債 | 327 | 327 | 327 | - | - | - |
| 長期借款 | 3,750 | 3,750 | - | 1,250 | 2,500 | - |
| 租賃負債 | 258 | 1,057 | - | 58 | 127 | 872 |
| 應付帳款-子公司 | 18,045 | 18,045 | 18,045 | - | - | - |
| 未折現金融負債合計 | 22,380 | 23,179 | 18,372 | 1,308 | 2,627 | 872 |
| 未折現金融負債淨額 | (16,209) | (17,008) | (18,326) | 4,817 | (2,627) | (872) |

下表列示本公司依據合約到期日之或有負債及承諾。財務保證合約則以保證最早可使用日之最大額度列示：

(單位：美金千元)

| | 2020 | | | | 2019 | | | |
|------|-------|------|------|-------|-------|------|------|-------|
| | 一年以下 | 一至五年 | 五年以上 | 合計 | 一年以下 | 一至五年 | 五年以上 | 合計 |
| 財務保證 | 1,250 | - | - | 1,250 | 6,010 | - | - | 6,010 |

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31. 財務風險管理目標及政策 (續)

c) 外幣匯兌風險

本集團之外幣匯兌曝顯主因銷貨及採購以其他非本集團功能性貨幣 (主要係菲律賓披索、新台幣、人民幣、新加坡幣以及歐元) 之外幣交易。外幣交易主要以美金為主。本集團約 31% (2019 年:28%) 之銷貨係為外幣交易貨幣，而 50% (2019 年:31%) 之成本係以本集團內各子公司個別之功能性貨幣為交易貨幣。本集團應收帳款和應付款項之外幣部位接近。

本集團和本公司為保留營運資金目的，持有外幣現金和外幣定期存款。在報表日，外幣現金及存款係以新台幣、新加坡幣及歐元為主。

本集團於國外營運機構的淨投資也暴露在外幣匯兌之風險，包含台灣與中國大陸。

外幣風險敏感性分析

管理當局評估外幣合理可能變動範圍，在其他變數不變下，菲律賓披索、人民幣、新台幣、新加坡幣以及歐元匯率變動 (相對於美元) 造成本集團稅前淨利及本公司稅前損失，與權益變動之敏感度分析如下：

(單位：美金千元)

| | 本集團 | |
|----------------------|--------------|--------------|
| | 2020 | 2019 |
| | 對稅前淨損 之影響 | 對稅前淨損 之影響 |
| 菲律賓披索 | | |
| 升值 5.2% (2019: 3.7%) | (148) | 16 |
| 貶值 5.2% (2019: 3.7%) | 164 | (17) |
| 人民幣 | | |
| 升值 6.3% (2019: 0.3%) | (32) | (4) |
| 貶值 6.3% (2019: 0.3%) | 36 | 4 |
| 新台幣 | | |
| 升值 6.3% (2019: 2.0%) | 1,643 | (176) |
| 貶值 6.3% (2019: 2.0%) | (1,863) | 183 |
| 新加坡幣 | | |
| 升值 1.2% (2019: 無) | (770) | - |
| 貶值 1.2% (2019: 無) | 789 | - |
| 歐元 | | |
| 升值 8.5% (2019: 無) | (197) | - |
| 貶值 8.5% (2019: 無) | 234 | - |

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31. 財務風險管理目標及政策 (續)

d) 信用風險

信用風險係金融商品之交易對方未履行合約義務而導致損失之風險。

本集團的目標係追求持續性的收入成長，並同時最小化因信用風險導致之損失。本集團僅與被認可且具有良好信用之第三者交易。根據本集團之規定，所有要求以信用條件來交易之客戶，皆須經過信用審核。另外，應收帳款之餘額須定期監控，故本集團之壞帳比例並不重大。以外幣作為交易幣別之交易，除了執行長之特別核准外，皆不得以信用條件來交易。

至於其他金融資產如現金及約當現金及其他應收款(含關係人交易)之信用風險，主要來自於交易對手無法履行合約義務之風險，其最大的信用風險等於各金融資產之帳面價值。

由於本集團僅與被認可且有良好信用之第三者交易，並無抵押之需要。

應收帳款

本集團按規定模組為所有貿易應收款項提供存續期間的預期信用損失。規定的利率按本集團歷史觀察的逾期天數分析決定。截至2020年及2019年12月31日的備抵損失準備決定如下，預期信用損失還包括前瞻性信息，如預測下一年國內生產總值將惡化的經濟狀況，導致違約數量增加。以下概述有關本集團貿易應收款項的信用風險的資訊。

(單位：美金千元)

2020 本集團

| | 當期 | 超過 30 天 | 超過 60 天 | 超過 90 天 | 超過 120 天 | 合計 |
|---------|--------|---------|---------|---------|----------|--------|
| 預期信用損失% | 0.33% | 0.52% | 0.94% | 2.10% | 5.92% | |
| 帳面價值總額 | 35,626 | 2,361 | 3,906 | 3,675 | 3,960 | 49,528 |
| 備抵損失準備 | - | - | - | - | (220) | (220) |
| | 35,626 | 2,361 | 3,906 | 3,675 | 3,740 | 49,308 |

2019 本集團

| | 當期 | 超過 30 天 | 超過 60 天 | 超過 90 天 | 超過 120 天 | 合計 |
|---------|-------|---------|---------|---------|----------|--------|
| 預期信用損失% | 0.20% | 0.62% | 2.60% | 9.52% | 35.61% | |
| 帳面價值總額 | 7,833 | 1,185 | 465 | 377 | 3,713 | 13,573 |
| 備抵損失準備 | - | - | - | - | (229) | (229) |
| | 7,833 | 1,185 | 465 | 377 | 3,484 | 13,344 |

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31. 財務風險管理目標及政策 (續)

d) 信用風險(續)

信用風險之暴露

本集團與本公司於資產負債表日之最大信用風險為各金融資產之帳面價值，本公司為子公司提供銀行借款之保證金額於2020年12月31日為\$130萬元(2019年: \$600萬元)。

有關應收帳款及其他應該收款提供信用擔保之資訊請參閱附註13。

信用風險集中之資訊

本集團持續監控對各國家與各產業之應收帳款組合以決定信用風險之集中程度。本集團之應收帳款於資產負債表日之信用風險集中之程度列於下表:

(單位：美金千元)

| | 本集團 | | | |
|-------------|---------------|-------------|---------------|-------------|
| | 2020 | | 2019 | |
| | 金額 | 占總額之比率 | 金額 | 占總額之比率 |
| 按國家別 | | | | |
| 北美 | 15,074 | 30% | 1,163 | 9% |
| 歐洲 | 2,804 | 6% | 2,891 | 21% |
| 亞太地區 | 31,430 | 64% | 9,290 | 70% |
| 澳洲 | - | - | - | - |
| | 49,308 | 100% | 13,344 | 100% |
| 按產業別 | | | | |
| 製造 | 41,265 | 84% | 10,641 | 80% |
| 醫療服務 | 1,995 | 4% | 1,352 | 10% |
| 買賣 | 6,048 | 12% | 1,351 | 10% |
| | 49,308 | 100% | 13,344 | 100% |

除 36%之應收帳款 (2019 年: 16%) 集中於本集團之三大主要客戶外，並無其他重大之信用風險集中之情況。該三大客戶之營收占本集團營收之 49% (2019 年: 42%)。

於資產負債表日：

- ◆ 本集團之應收帳款中，\$1,780 萬元 (2019 年: \$210 萬元) 來自位於亞太地區及歐洲之三大主要客戶。
- ◆ 本集團及本公司之應收帳款及其他應收款中，來自於集團外之關係人餘額為\$0 元 (2019 年: \$0 元)。

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(單位：美金千元)

31. 財務風險管理目標及政策(續)

d) 信用風險(續)

信用品質

本集團之未逾期且未減損之金融資產經評估其品質良好，可回收且無信用損失。高品質之金融資產係指其可實現性是可確保的。

未逾期亦未減損之金融資產(包括各種債務及保證金)係來自信用良好之債務人。現金及銀行存款及定期存款存放於經董事會核准且有信譽之金融機構。

已逾期或已減損之金融資產之資訊，請參閱附註 13。

32. 金融商品

a) 分類

(單位：美金千元)

| 2020 本集團 | 金融資產 | 其他金融負債 | 合計 |
|---------------|----------------|-----------------|-----------------|
| 金融資產: | | | |
| 現金、銀行存款及定期存款 | 87,339 | — | 87,339 |
| 應收帳款 | 49,308 | — | 49,308 |
| 其他流動資產* | 528 | — | 528 |
| | <u>137,175</u> | <u>—</u> | <u>137,175</u> |
| 金融負債: | | | |
| 銀行借款 | — | (31,603) | (31,603) |
| 應付帳款及其他流動負債** | — | (10,162) | (10,162) |
| 長期借款 | — | (1,478) | (1,478) |
| 租賃負債 | — | (3,544) | (3,544) |
| | <u>—</u> | <u>(46,787)</u> | <u>(46,787)</u> |
| | <u>137,175</u> | <u>(46,787)</u> | <u>90,388</u> |

*不包含非金融資產

**不包含非金融負債

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(單位：美金千元)

32. 金融商品(續)

a) 分類(續)

(單位：美金千元)

| 2020 本公司 | 金融資產 | 其他金融負債 | 合計 |
|---------------|---------------|----------------|----------------|
| 金融資產: | | | |
| 現金、銀行存款及定期存款 | 20,008 | - | 20,008 |
| 應收帳款 | 17,442 | - | 17,442 |
| 其他流動資產* | 2,666 | - | 2,666 |
| 應收帳款-子公司 | 30,780 | - | 30,780 |
| | <u>70,896</u> | <u>-</u> | <u>70,896</u> |
| 金融負債: | | | |
| 應付帳款及其他流動負債** | - | (3,276) | (3,276) |
| 長期借款 | - | (211) | (211) |
| 租賃負債 | - | (1,250) | (1,250) |
| | <u>-</u> | <u>(4,737)</u> | <u>(4,737)</u> |
| | <u>70,896</u> | <u>(4,737)</u> | <u>66,159</u> |

*不包含非金融資產

**不包含非金融負債

(單位：美金千元)

| 2019 本集團 | 金融資產 | 其他金融負債 | 合計 |
|---------------|---------------|-----------------|-----------------|
| 金融資產: | | | |
| 現金、銀行存款及定期存款 | 8,000 | - | 8,000 |
| 應收帳款 | 13,344 | - | 13,344 |
| 其他流動資產* | 2,447 | - | 2,447 |
| | <u>23,791</u> | <u>-</u> | <u>23,791</u> |
| 金融負債: | | | |
| 銀行借款 | - | (36,279) | (36,279) |
| 應付帳款及其他流動負債** | - | (3,618) | (3,618) |
| 長期借款 | - | (6,257) | (6,257) |
| 租賃負債 | - | (3,563) | (3,563) |
| | <u>-</u> | <u>(49,717)</u> | <u>(49,717)</u> |
| | <u>23,791</u> | <u>(49,717)</u> | <u>(25,926)</u> |

*不包含非金融資產

**不包含非金融負債

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(單位：美金千元)

32. 金融商品(續)

a) 分類(續)

(單位：美金千元)

| 2019 本公司 | 金融資產 | 其他金融負債 | 合計 |
|---------------|--------------|-----------------|-----------------|
| 金融資產： | | | |
| 現金、銀行存款及定期存款 | 46 | - | 46 |
| 應收帳款 | 5,749 | - | 5,749 |
| 其他流動資產* | 376 | - | 376 |
| | <u>6,171</u> | <u>-</u> | <u>6,171</u> |
| 金融負債： | | | |
| 應付帳款及其他流動負債** | - | (327) | (327) |
| 應付帳款-子公司 | - | (18,045) | (18,045) |
| 應計退休金負債 | - | (3,750) | (3,750) |
| 租賃負債 | - | (258) | (258) |
| | <u>-</u> | <u>(22,380)</u> | <u>(22,380)</u> |
| | <u>6,171</u> | <u>(22,380)</u> | <u>(16,209)</u> |

*不包含非金融資產

**不包含非金融負債

b) 公允價值

金融商品之公允價值係指買賣雙方在非強迫或清算交易情形，對交易事項已充分瞭解並有成交意願，在正常交易下據以達成資產交換或負債清償之金額。

金融工具之帳面價值接近公允價值

管理當局決定以資產負債表上之帳面價值估計短期金融工具之公允價值，因為短期金融工具之到期日甚近且經常被重評估，故其帳面價值應屬估計公允價值之合理基礎，包括現金及銀行存款、定期存款、應收款-聯屬公司、應收款-法人股東、應收款-子公司、應收帳款、其他流動資產、應付帳款、其他流動負債、短期銀行借款、一年內到期長期負債及應付承兌匯票。

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(單位：美金千元)

32. 金融商品(續)

b) 公允價值(續)

非公允價值衡量之金融工具

非以公允價值衡量之非流動金融商工具於2020年及2019年12月31日之帳面價值及公允價值之比較，分類列示如下：

(單位：美金千元)

| | 本集團 | | | | 本公司 | | | |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 帳面價值 | | 公允價值 | | 帳面價值 | | 公允價值 | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| 金融負債： | | | | | | | | |
| 長期借款 | 1,478 | 6,257 | 1,421 | 5,933 | 1,250 | 3,750 | 1,250 | 3,750 |

決定公允價值之方法及假設

管理階層用以下方法及假設主張決定非公允價值衡量之金融工具之公允價值：

| 金融資產及負債 | 方法及假設 |
|--|---|
| <ul style="list-style-type: none"> • 定期貸款 • 長期借款 | 公允價值之決定係依據預估之現金流量來折算現值。當無固定之付款條件時，則根據最適當的管理當局預估未來現金流量。使用之折現率係以目前市場上相似之增額借款或租賃合約利率。公允價值依據淨現金流折算現值之有效折現率為(2020年：2.5%至8.5%)(2019年：3.0%至8.5%) |

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(單位：美金千元)

33. 資本管理

本集團資本管理之主要目標係為維持良好之信用評等及健全之資本比率以支持營運活動並追求股東權益極大化。

本集團管理並調整其資本結構以因應經濟情況之改變。本集團藉由支付股東股利、償還股本及發行新股之方式維持及調整資本結構。本集團資本結構之目的、政策及程序於 2020 年度及 2019 年度並未有改變。

本集團透過槓桿比率(即負債淨額除以資本總額加上負債淨額)監控資本。本集團之政策係為維持該比率低於 60%。負債淨額為借款、應付帳款及其他流動負債減除現金、銀行存款及定期存款。資本則為歸屬於母公司股東之權益。

(單位：美金千元)

| | 本集團 | |
|----------------|----------|---------|
| | 2020 | 2019 |
| 借款及貸款 | 33,081 | 42,536 |
| 應付帳款及其他流動負債 | 10,357 | 3,836 |
| 減：現金、銀行存款及定期存款 | (87,339) | (8,000) |
| | (43,901) | 38,372 |
| 歸屬本公司股東之權益 | 193,465 | 63,570 |
| 股本及負債淨額 | 149,564 | 101,942 |
| 槓桿比率 | (29.4%) | 37.6% |

34. 授權財務報表之發布

2020 年度之財務報告於 2021 年 3 月 25 日經董事會同意通過後發佈。



International Corporation Limited

台北辦公室

美德向邦股份有限公司

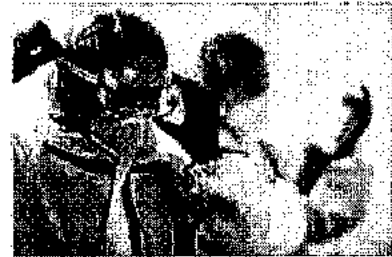
11F, No.9, SongGao Rd., Xinyi Dist., Taipei City 110, Taiwan
TEL : +886-2-2739-2222



柬埔寨辦公室

Medtecs (Cambodia) Corporation Limited

NR#7, 117 Km, Phum Ampel Leu Khum Ampel,
Srok Kampong Steam Kampong Cham Province, Cambodia
TEL : +855-23-866659



菲律賓辦公室

Medtecs International Corporation Limited - Philippine Branch

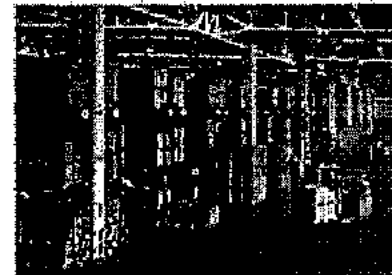
7B Country Space 1 Bldg. 133 H.V Dela Costa St. Makati City 1227
TEL : +63-2-8817-9000



新加坡辦公室

Medtecs (Asia Pacific) Pte. Ltd.

4F, 21 Merchant Road, Singapore 058267
TEL : +65-6534-9293



中國杭州辦公室

杭州津誠醫用紡織有限公司

中國杭州市余杭區仁和鎮獅山路202號
TEL : +86-571-8639-6888



www.medtecs.com

2020 美德醫療集團年報

如欲索取本公司的紙本年報，請載明姓名、收件地址發送電子郵件至 investor.relations@medtecs.com

To request a physical copy of the annual report, please submit a request via email to investor.relations@medtecs.com with your full name, contact number and delivery address.

附 件 五

外國會計師之查核報告暨

財務報表及其相關附註或附表(原文)

Medtecs International Corporation Limited

20 20

Annual
Report



A Corporation listed on the Catalist Board of the Singapore Exchange Securities Trading Limited

This document 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 document including the accuracy or completeness of any of the figures used, statements, opinions or other information made or disclosed.

This document has not been examined or approved by the Exchange. The Sponsor and the Exchange assume no responsibility for the contents of this document including the correctness of any of the statements or opinions made or reports contained in this document.

The contact persons for the Sponsor are Ms Evelyn Wee (Telephone Number: +65 6535 3600) and Mr Howard Cheam Heng Haw (Telephone Number: +65 6535 3600), R & T Corporate Services Pte. Ltd., at 9 Straits View #06-07, Marina One West Tower, Singapore 018937.



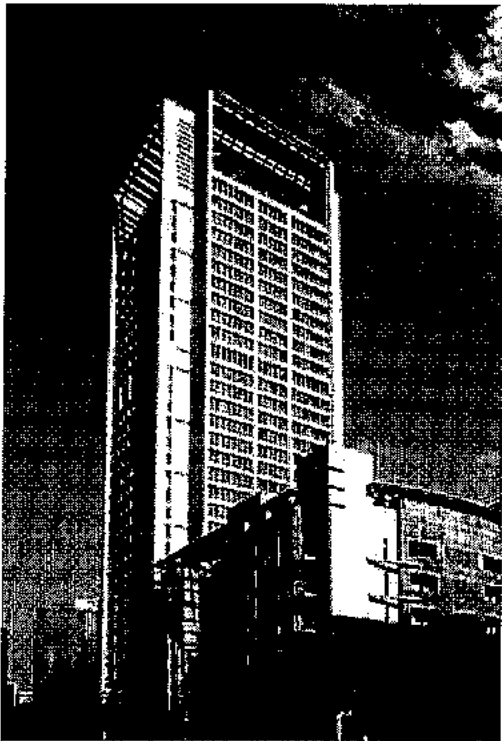
MEDTECS

INTERNATIONAL CORPORATION LIMITED

Annual Report 2020

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Corporate Profile



Taiwan Taipei Office

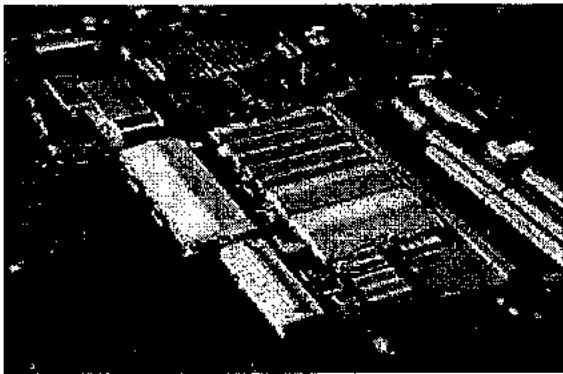
Medtecs International Corporation Limited (the “Company” or “Medtecs”) is the world’s leading supplier and distributor of personal protective equipment (“PPE”) and provider of logistics services to healthcare institutions with over 30 years of experience in the manufacturing of PPE and workwear. The Company and its subsidiaries (collectively, the “Group”) commenced operations in 1989 and has since established a strong presence in the United States, Europe and Asia Pacific. The Group has offices and facilities spanning across Asia including Singapore, Taiwan, the Philippines, the People’s Republic of China (“China”), Cambodia and the United States of America. The Company was listed on the Singapore Dealing and Automated Quotation System (SESDAQ) of

the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 6 October 1999 and transitioned to sponsor-supervised regime on Catalist with R & T Corporate Services Pte. Ltd. as its continuing sponsor on 26 February 2010. The Group’s Taiwan Depository Receipts (“TDR”) have been listed on the Taiwan Stock Exchange (TWSE) since 13 December 2002.

The Group’s main lines of business include manufacturing, trading and distribution, and providing integrated hospital services. As a manufacturer of a wide range of PPE, workwear apparels and protective coverings for hospitals and manufacturing industries, the Group maintains diversified manufacturing facilities and production lines in the Philippines, Cambodia, Taiwan and China and the United States to reduce supply chain disruptions. For our trading and distribution business, the Group has logistics and warehousing centers in Canada, Europe, Japan and the United States and is working with Amazon, DHL and other e-commerce and logistics services providers to optimize our distribution efficiency. As a hospital services provider, the Group provides hospitals in Taiwan and the Philippines with integrated services which include rental and laundry of linens, man-

agement of laundry facilities, hospital automation, as well as procurement solutions for the hospital's PPE and medical devices needs. In Taiwan, the Group is currently the dominant total solutions provider for such hospital services, with a customer base of 24 hospitals. The Group has also successfully expanded its hospital service in the Philippines, covering 34 hospitals.

The Group is dedicated to safeguarding the health and safety of people worldwide.



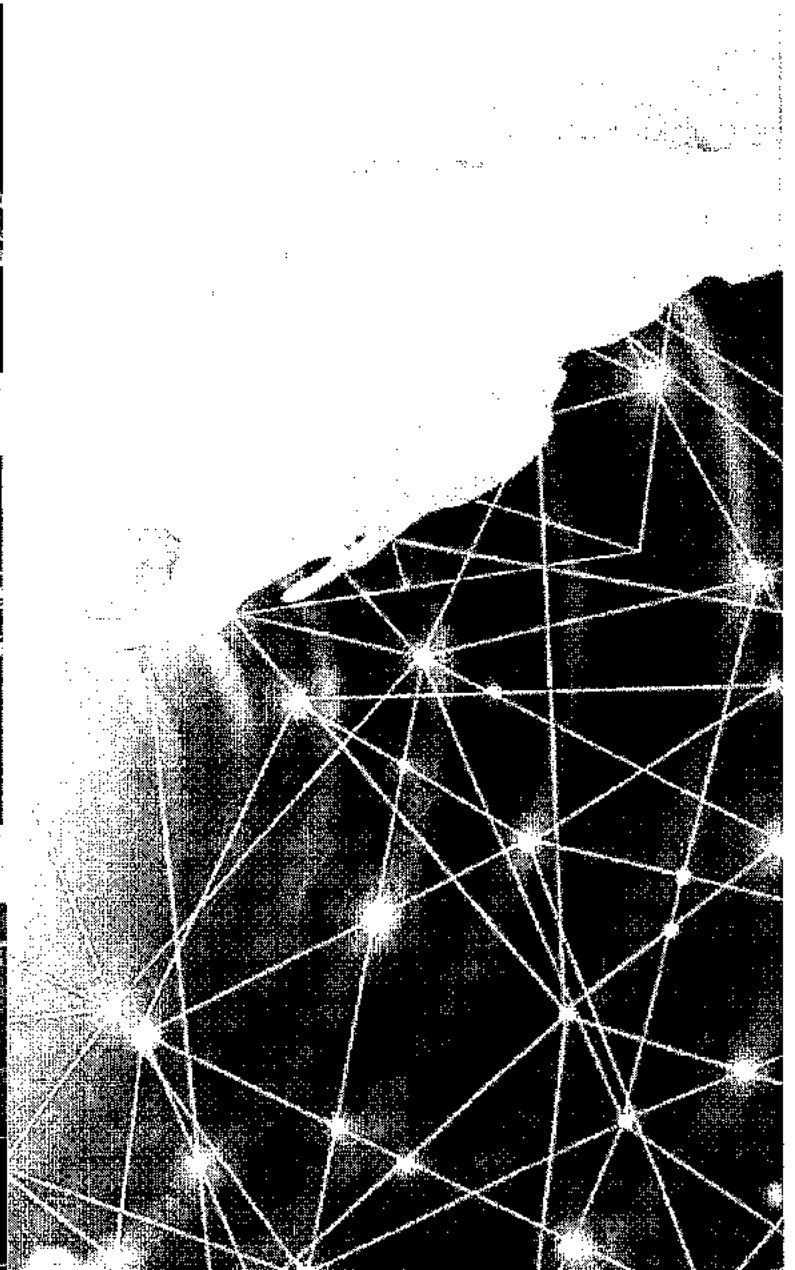
Cambodia Factory



Philippines Factory

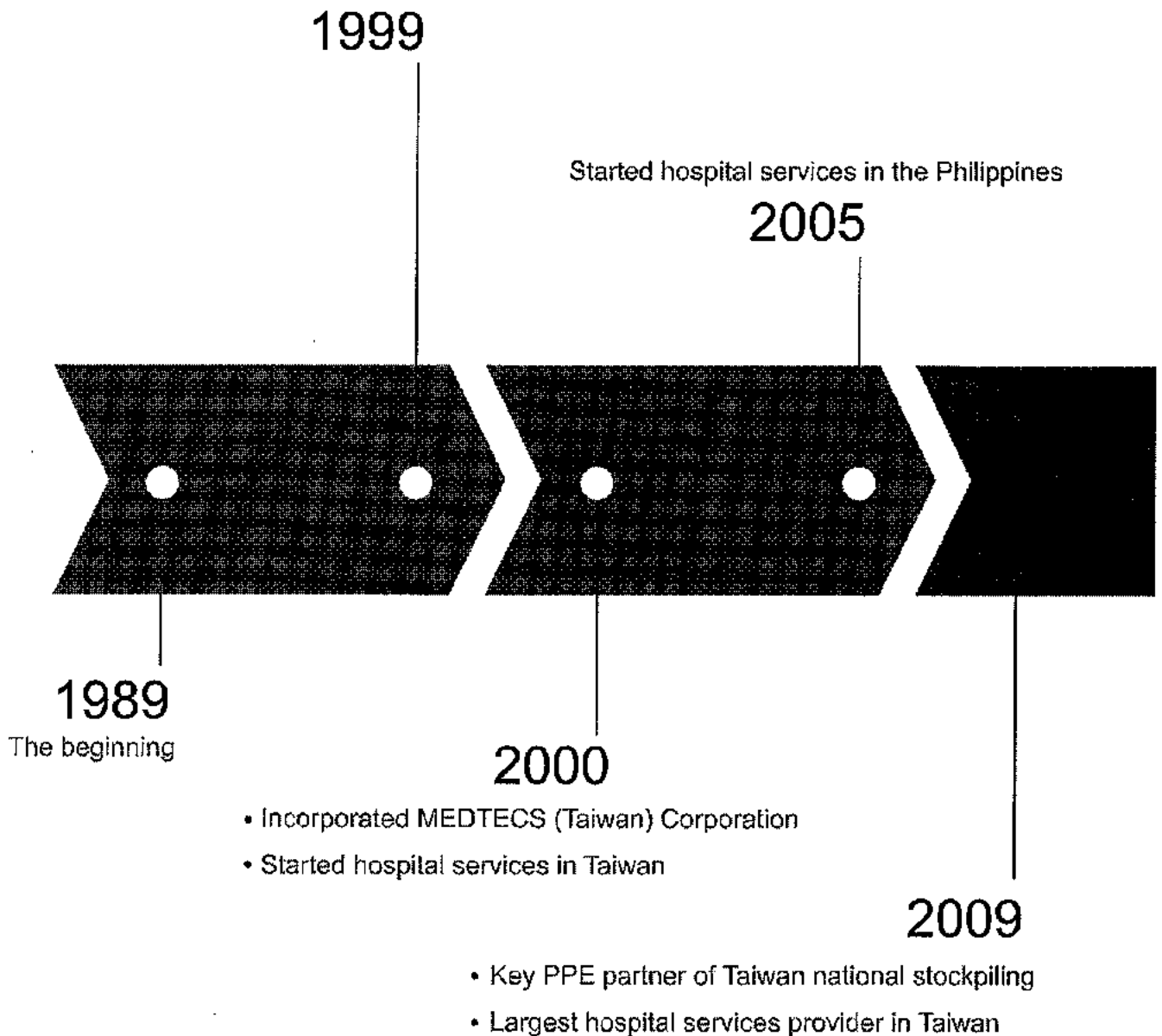


China Factory



Corporate Milestone

- Listed on Singapore Stock Exchange (SGX)
- Incorporated MEDTECS (Cambodia) Corporation
- Incorporated MEDTECS (Asia Pacific) Pte. Ltd.



Largest hospital service provider in the Philippines

2013

- Commenced B2B e-commerce business
- Source and sell globally

2018

2015

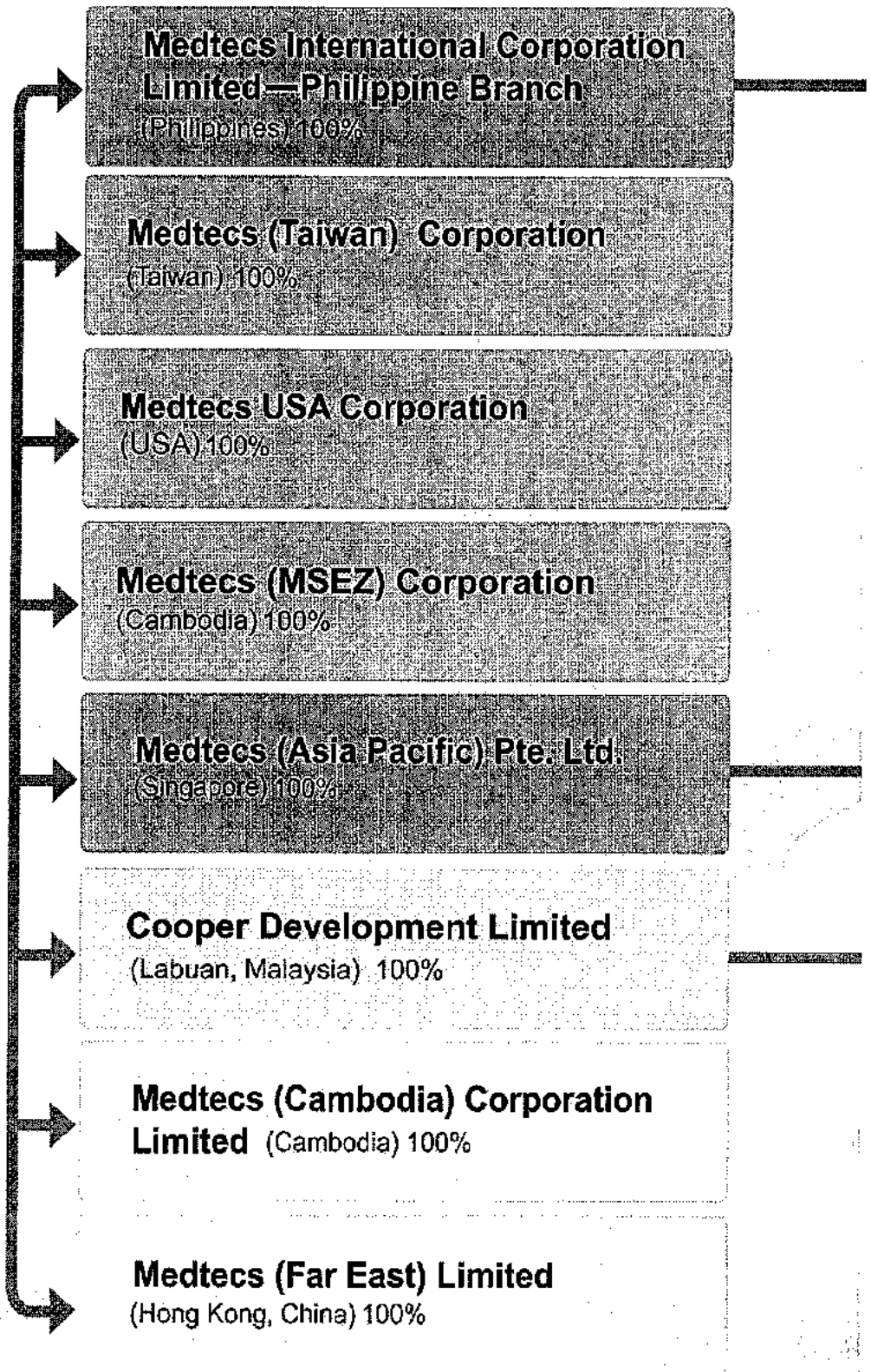
Incorporated MMSEZ in Cambodia

2020

- One-stop shop for PPE
- Commence B2C e-commerce trading
- Expand online and offline sales and distribution network

2021-

Corporate Structure



Contex Corporation
(Subic, Philippines) 98.8%

Medtecs Materials Technology Corporation
(Bataan, Philippines) 100%

Medtex Corporation
(Bataan, Philippines) 100%

Universal Weavers Corporation
(Bataan, Philippines) 100%

Resilient Medical Pte. Ltd.
(Singapore) 100%

Hangzhou Jinchun Medical Supplies Manufacture Co., Ltd.
(Zhejiang, China) 100%

Zibo Liancheng Textiles Co., Ltd.
(Shandong, China) 51.1%

Zibo Liancheng Textiles and Garments Co., Ltd.
(Shandong, China) 100%

Chairman's message



Clement, Yang Ker-Cheng
Chairman

Dear Shareholders

I am pleased to present to you the operational and financial results of the Group for the financial year ended 31 December 2020 (FY2020), as well the Group's 2021 outlook.

The Year 2020 in Review

Quick Response to the Pandemic Yields Remarkable Results

FY2020 was a year of transformation for the Group. Following the outbreak of the Coronavirus Disease 2019 ("COVID-19"), global demand for PPE increased rapidly. The Group quickly adopted various countermeasures to meet the rapid increased demand and to assist business sectors in combating COVID-19. The Group delivered record results thanks to the resiliency of the Group's operations and strong relationships with our suppliers and customers.

A. Financial Performance

1. Monumental Growth in Revenue and Profit

The Group's financial performance for FY2020 was record-breaking compared to the Group's financial performance in previous years. The Group's revenue and net profit increased by 480% and 1,120% from US\$ 69.0 million and US\$ 1.2 million in FY2019 to US\$ 400.3 million and US\$131.7 million.

2. Medtecs Shares Included in Major Stock Indices

In line with the surge in our revenue and profit, Medtecs share prices and trading volume increased on the SGX-ST. The Company also became a constituent stock in the MSCI Singapore Small Cap Index and the S&P Global Broad Market Index in 2020.

3. Medtecs' Share Price Soared 2,603%

Reflecting the Group's record revenue and profit in FY2020, Medtecs share prices soared. At the

end of FY2020, Medtecs was the best performing stock on the Strait Times Index with a stellar share price gain of 2,603% compared to last year. During that same period, prices of the Company's TDRs listed on the Taiwan Stock Exchange also jumped by 2,314%.

As a result, Medtecs market capitalization in Singapore was S\$549.4 million as at the end of FY2020. On 18 November 2020, the Company announced its intention to submit an application to the SGX-ST for a transfer of listing from Catalist to Mainboard of the SGX-ST. Further updates on the outcome of the proposed transfer of listing to the Mainboard of the SGX-ST will be provided to shareholders of the Company ("Shareholders") in due course.

B. Sales Performance

1. Sales of Medtecs Branded Products Increased Significantly

For over 30 years, the Group was known as a trusted supplier in the medical textile and PPE industry. It has always been our goal to one day start selling Medtecs-branded products. The COVID-19 outbreak in FY2020 provided the impetus and the opportunity for us to do exactly that. In addition to Medtecs-branded products, we also launched "CoverU", a new collection providing specialised head-to-toe protection against viruses and other pathogens. In FY2020, manufacture of the Group's own branded products accounted for 60% of our manufacturing revenue, a considerable increase from last year's record of less than 5%. We've come a long way.

2. Use of E-Commerce Platforms to Meet Customer Demand Quickly

With years of experience in the medical textile and PPE industry and the "Source and Sell Globally" strategy, we were able to provide a one-stop shop service to our customers with the help of e-commerce platforms and marketing channels. We were able to source and secure raw materials, products, and even customers from all over the world to meet the surge in demand for PPE and to drive customer engagement. With these strategies, we were able to seize new growth opportunities, respond to requests and fulfill customer needs efficiently. In FY2020, Medtecs was the biggest vendor on Alibaba.com Taiwan and was the only vendor to be recognised as a Five-Star Service Provider.

3. Set Up of Distribution Centers in Different Continents to Keep the Supply Chains Close to Home

In response to the recent shift from globalisation to localisation, the Company has set up distribution centers in Japan, United States of America, Canada, and Europe. We also incorporate Medtecs USA Corporation in the United States to supply directly to the local market as part of our US expansion plan.

4. Medtecs Express Gains Popularity Worldwide

We launched Medtecs Express service in FY2020 to provide customers around the world the ability to bypass all the middlemen and to purchase PPE directly from the manufacturer-cum-brand owner. No matter the size of the orders, we are able to deliver the products anywhere in the world in the most cost-effective and efficient way through partnership with well-known logistics providers. The service has proven to be popular with retail customers.

5. Integration of Foreign and Domestic Online and Offline Sales and Distribution Network to Expand B2C Sales

The Group used to focus primarily on business to business (B2B) sales. In FY2020, we leveraged the surge in global demand for PPE to integrate online-to-offline (O2O) marketing strategies and sales channels to sell and distribute Medtecs-branded products through large drug store retailers and convenience stores in Taiwan and the Philippines. In addition to these physical stores, we actively made use of various e-commerce platforms such as Amazon and Alibaba.com to further expand our reach and generate business to consumer (B2C) sales.

C. Management Aspect

1. Established Dedicated Departments to Optimize Company Operation and Governance

Our Management team understood that apart from increasing profit margins and bolstering the order book, to sustain the Group's growth momentum, it is necessary to have well-defined strategies and the appropriate corporate culture. To that end, we restructured the Company's business units and added a governance department and an IT department responsible for the Group's overall corporate governance, risk control, and information security practices. At the same time, we also optimised our corporate infrastructures including our enterprise resource planning (ERP) system and customer relationship management (CRM) system.

2. Restated Vision and Mission to Highlight Corporate Value

Medtecs Group has become synonymous with quality PPE and medical products. We updated the Group's vision from "Providing world-class medical products, services and protective wear to ensure that every worker returns home safe" to "To Better the World's Health for Everyone, Everywhere" to highlight our core value to protect all the people around the world. We also changed our mission statement from "Providing safe, comfortable and stylish protective clothing and equip-

ment for workers; providing support services with speed and soul to hospitals” to “Providing Safe and Effective Products with Speed, Warmth, and Care” to show our renewed commitment to providing quality services and products.

3. Developed Business Strategies to Create Resilient Capability

To adapt to the rapid changes in the business environment, we adopted clear strategies in FY2020 as basis for our operation. Key points include

- a) All customer needs are first met by our own production capacity with the option to scale up by outsourcing to avoid imprudent expansion plans and unnecessary capital expenditure. We stick to the principle of keeping assets light while maintaining flexibility to ramp up capacity whenever needed.
- b) Multiple sources for raw materials and products to reduce supply concentration risks.
- c) Newly added Marketing department to strengthen sales capacity, cultivate our brand, and optimise trading strategies.

4. Giving Back & COVID-19 Response

The Group has always strived to create a positive impact wherever we have operations through partnership with charities and via in-kind and cash donations. Amidst the coronavirus crisis, the Group help with the fight against the virus by donating our own PPE and other much needed pandemic prevention supplies to Taiwan, Cambodia, Philippines, Japan, United States, France, Italy, Germany, Indonesia, and other countries impacted by the outbreak. We are humbled by the gratitude we have received from all over the world.

5. Focus on ESG Factors to Promote Sustainability

Since 2016 we had set goals, action plans, and assessment mechanisms in place to address material environmental, social, and corporate governance (ESG) factors that could impact the long-term success of Medtecs Group and its stakeholders. As at the end of FY2020, we had seen significant progress in procurement policies, supplier management and energy reduction. Through engagement with our stakeholders and materiality assessment, we also identified and focused on other emerging ESG factors such as product innovation, waste management, training and development of our talents. Please refer to the Company’s 2020 Sustainability Report which will be released on or before 31 May 2021 for more on our FY2020 ESG factors and actions taken for their management.

Outlook for 2021

According to multiple international research institutions, the global PPE market is forecasted to grow at a compound annual growth rate of 6-12% from 2020 to 2025. From this perspective, the Group's business still has ample room to grow.

Going forward in 2021, the Group plans to take advantage of the strong foundation laid down in FY2020 to continue our growth momentum by executing specific strategies developed by the Management, which will be further elaborated in the CEO Statement section of this Report. I have no doubt that the strategies will take the Group to the next level.

Acknowledgement

In 2020, Medtecs achieved phenomenal results. Apart from thanking our board of directors for their long-term guidance and support, I would also like to thank our Management team for their well-thought-out business decisions. From sourcing raw materials to the arrangement of production capacity, product mix, sales strategy as well as product and platform innovation, the Management team's dedication and hard work contributed greatly to our success today. I sincerely appreciate all the hard work put in by our employees. And of course, my utmost thanks to our shareholders for their continued trust in our Group. Without all your support, we wouldn't have borne such sweet fruits in 2020. Thank you!



Clement, Yang Ker-Cheng
Chairman

CEO Statement

Dear Shareholders

What a year 2020 turned out to be. The COVID-19 pandemic has led to dramatic social and economic disruptions on a global scale. And it has been a year of transformation for the Group, which has firmly established itself as the world's leading PPE and PPE stockpiling solutions provider.

It is my pleasure to walk you through what we had achieved for the financial year ended FY2020 in terms of operational performance and financial results, as well as to share with you our strategies to sustain the Group's growth momentum in the coming years.



Willian Yang Weiyuan
Deputy Chairman /
Chief Executive Officer

The Year 2020 in Review

FY2020 was a record-breaking year in terms of the Group's revenues and profitability. The Group's revenue increased by 480.4% to US\$400.3 million in FY2020.

Manufacturing division remained the dominant segment accounting to 89% of the Group's Revenues in FY2020. Trading and distribution also had a 7% share of the Group's Revenues coming from higher demand for healthcare items in FY2020. Hospital services division was at 4% of Group's Revenues with steady revenue stream in Taiwan and in the Philippines.

The Group's net profit increased significantly to US\$131.7million in FY2020 from US\$1.2 million in FY2019.

COVID-19 Challenge

2020 was an exceptional year with unprecedented challenges and opportunities. The COVID-19 pandemic created a host of challenges for businesses, with global and regional lockdowns, logistics and supply chain disruptions and soaring raw material prices. Nevertheless, the Group rose to the occasion to tackle these challenges quickly and to seize growth opportunities while meeting our commitment to our customers.

We innovated our processes by tapping available e-commerce platforms to enlarge our pool of trusted suppliers for raw materials and quality products, and working with well-known retail chains, logistics and warehousing partners to set up distributions centers in different continents to enhance our distribution capacity. We were therefore able to transform into a leading PPE supplier and PPE stockpile solutions provider and to launch our Business to Consumer (B2C) services and Medtecs's own branded products.

Supporting Communities Through the Pandemic & Other Natural Disasters

In addition to maintaining our production output and commitment to customers, I am proud to share the Group's coordinated COVID-19 response across all business units and products sites. In line with our vision to safeguard the health and safety of humanity, the Group donated facemasks, isolation gowns, coveralls, shoe covers, bouffant caps, face shields as well as other PPE and medical devices to front-line medical workers, school children, the elderly and other at risk and vulnerable communities in Taiwan, Philippines, Cambodia, Japan, Germany, France, Italy and the United States to ensure these groups have adequate protection during these difficult times. Concurrently, the Group worked with the Asia Development Bank, the World Health Organization, the Red Cross societies in different countries as well as local charities in various relief efforts to help those impacted by the pandemic and other natural disasters. For more on those, please refer to the Corporate Social Responsibility section in this Report.

Looking Ahead

In the wake of the COVID-19 outbreak, governments and all social and economic sectors were made keenly aware of the importance of managing supply chain risks and disruptions. As a major player in the global PPE market, the Group is well positioned to address the supply chain issues uncovered during the pandemic.

The Group has great sourcing ability to secure raw materials, PPE and other health products from a trusted network of suppliers, manufacturing facilities in different countries, and a reliable outsourcing base so that the Group can easily scale up production output when needed. At the same time, we have a considerable number of long-term recurring orders from our clients as well as warehouses and distribution centers around the world, so that our products are consumed and replenished on a regular basis and can be distributed in a cost-effective and efficient manner worldwide.

With a resilient supply chain, the Group can move towards our goal of becoming the first multi-national group purchasing platform of PPE, medical devices, and health products in Asia with one-stop-shop capability. We are in talks with key industry players to broaden our product range to include items such as gloves, syringes, rapid test kits, and medical devices such as ventilators and nebulizers. The Group will leverage on the increased awareness of Medtecs and CoverU branded items through B2C and B2B marketing channels to enhance brand awareness and to help franchise our brand.

The Group also aspires to be a key PPE stockpiling partner for governments and businesses worldwide. With the pandemic highlighting the need for a reliable emergency reserve of PPE and related medical supplies, we will continue to engage with state and government agencies, medical institutions and purchasing groups on providing PPE stockpiling solutions to suit different needs.

In Appreciation

I am proud of the Group's transformation and of the spectacular growth we achieved in FY2020, and would like to extend my sincerest appreciation to Medtecs employees, partners and customers as well as our shareholders for their continued support. I look forward to working with them in 2021 and beyond to execute growth strategies for the long-term success of Medtecs.

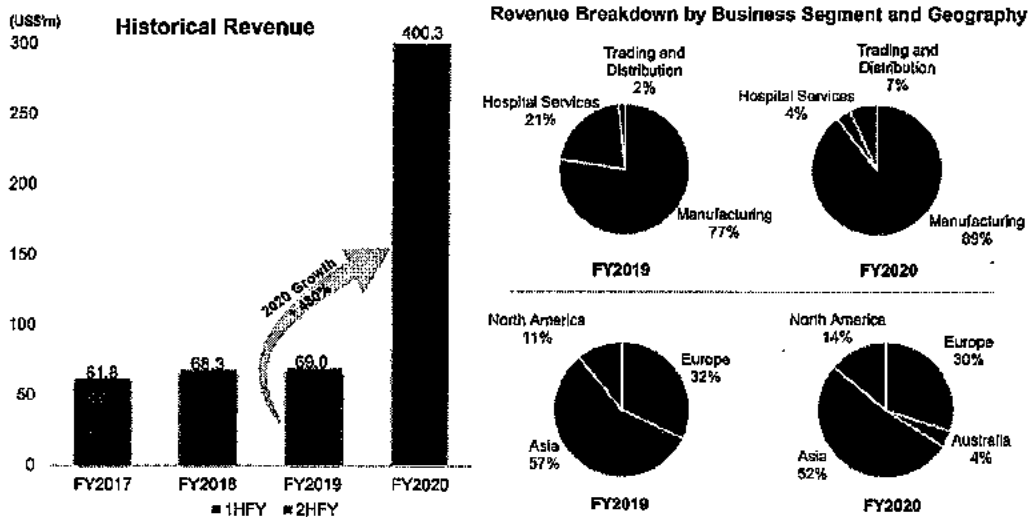
To all the health and essential workers that selflessly give themselves day after day, thank you.



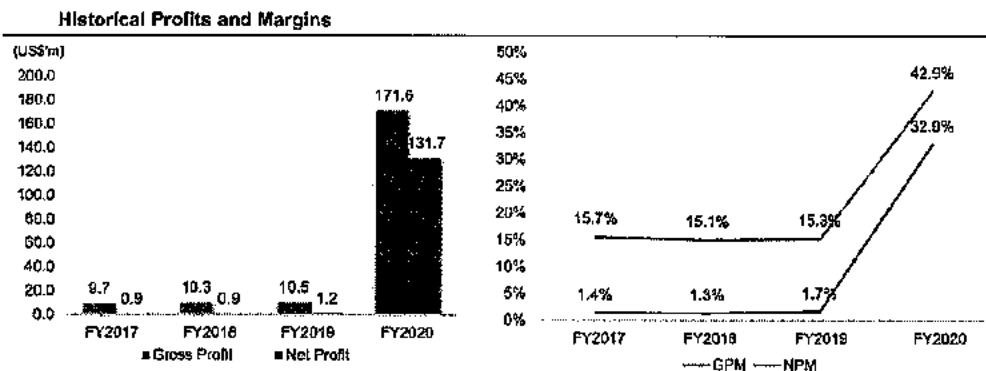
William Yang
Chief Executive Officer

Financial Highlights

Revenue surged in FY2020 following increased demand of PPE and disposable surgical masks



FY2020 marked significant profit spikes and margin expansions



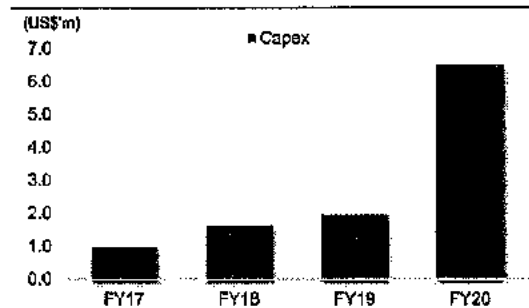
- Expanded profit margins in 2020 arising from economies of scale, higher proportion of sales of Medlecs-branded products, and higher average selling prices of PPE.
- There has been and increase in long term and recurring orders with average selling prices (ASP) of PPE peaking in April 2020 in light of global shortages. While ASPs have come down from the peak, profit margins are expected to remain high (compared to previous years) given the increased sales of our own branded products which enjoy higher margins.
- 46% of OPM 2020 revenue was contributed by new customers.
- The supply of raw materials has also stabilized in 2020, which resulted in a lower and more stable cost for production.

Financial Position

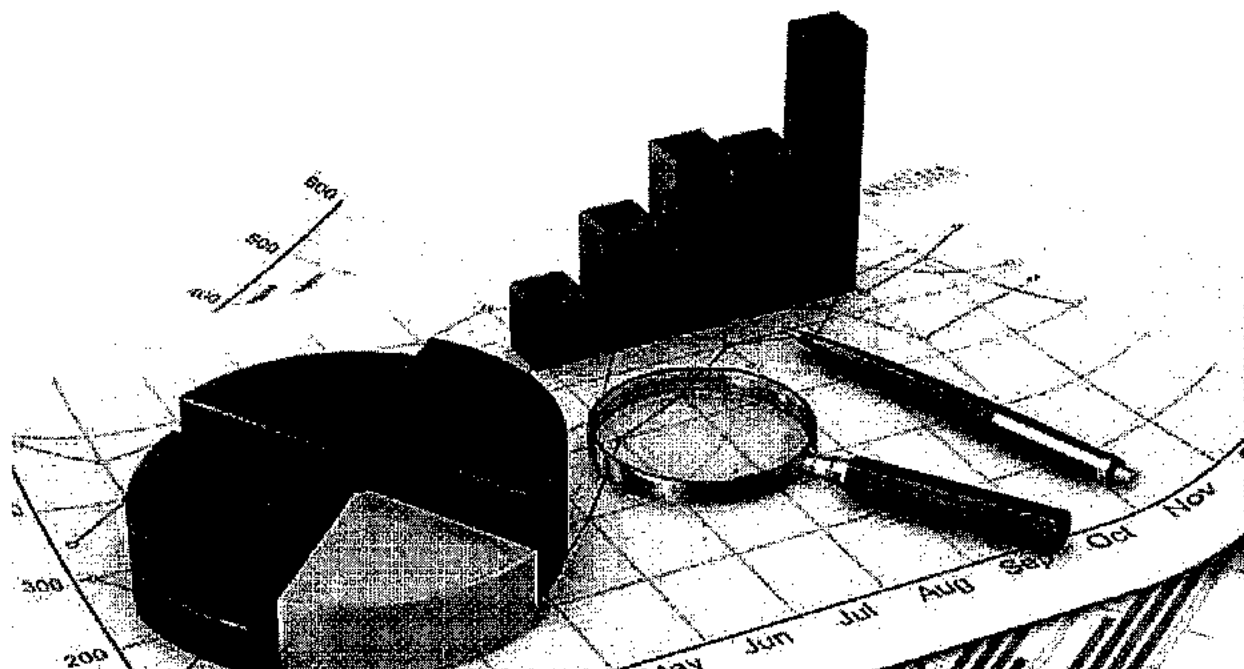
Balance Sheet Highlights

| (US\$m) | As at 31 Dec 20 | As at 31 Dec 19 |
|------------------------|--------------------|--------------------|
| Cash and bank balances | 82.2 | 3.1 |
| Inventory | 53.7 | 37.8 |
| - Inventory days | 86 | 237 |
| Account Receivables | 48.3 | 13.3 |
| - AR days | 45 | 71 |
| Account Payables | 10.4 | 3.8 |
| - AP days | 17 | 24 |
| Key Ratios | | |
| Debt / Equity (x) | 0.2x | 0.7x |
| Net Debt / Equity (x) | n.m. | 0.7x |

Capex Increase – To ramp up capacity to meet surging demand



| (US\$'000) | FY2020 | FY2019 |
|------------------------------------|----------|---------|
| Cashflow from operating activities | 101,590 | 4,370 |
| Cashflow from investing activities | (6,184) | (4,649) |
| Cashflow from financing activities | (16,315) | (1,172) |
| Net cash (outflow)/inflow | 79,091 | (1,451) |



Financial Review

Business Overview

The Group's revenue increased significantly by 480.4% to US\$400.3 million in the FY2020 from US\$69.0 million in FY2019 due to the global surge in demand for PPE arising from the COVID-19 pandemic which led to an increase in sales from our customers. Net profit increased significantly by 11,196.4% to US\$131.7 million in FY2020 from US\$1.2 million in FY2019 due to improved economies of scale and higher proportion of sales of Medtecs-branded product and PPEs.

Revenue

Revenue from the Manufacturing division increased significantly by 576.4% to US\$357.8 million in FY2020 from US\$52.9 million in FY2019 mainly due to global surge in demand for PPE.

Revenues from Hospital Services division marginally improved by 2.8% to US\$14.7 million in FY2020 from US\$14.3 million in FY2019, which was attributable to higher linen consumption in Taiwan and Philippines. Revenues from Trading, Distribution and others increased significantly by 1,444.2% to US\$27.8 million in FY2020 from US\$1.8 million in FY2019 due to higher customer demand on health-care items.

Profitability

The Group's gross profit increased significantly by 1,529.7% to US\$171.6 million in FY2020 from

US\$10.5 million in FY2019 arising from higher revenues and higher margined sales. This led to an increase in the Group's gross profit margins to 42.9% in FY2020 from 15.3% in FY2019.

Gross Profit from the Manufacturing division increased significantly by 1,581.6% to US\$157.6 million in FY2020 from US\$9.4 million in FY2019 attributable to higher margined sales. Manufacturing Gross profits margins improved significantly by 26.3% to 44.1% in FY2020 from 17.7% in FY2019 from higher economies of scales and higher margined product line.

Hospital Services division gross profit decreased by 243.1% to a loss of US\$1.0 million in FY2020 from a profit of US\$0.7 million in FY2019 from higher labor and linen-amortization cost.

Gross Profit from Trading, Distribution and others division increased significantly by 2,975.0% to US\$14.9 million in FY2020 from US\$0.5 million in FY2019 due to higher-margined sales and higher customer demand.

Other operating income net decreased by 50.1% to US\$0.4 million in FY2020 from US\$0.8 million in FY2019 from lower foreign exchange gains.

Distribution, Selling and administrative expenses increased by 372.4% to US\$35.4 million in FY2020 from US\$7.5 million in FY2019 from higher selling and operating expenses from expanded operations and revenues.

Financial Expenses decreased by 38.3% to US\$1.5



“Sales and Profits improved to US\$400.3 million and US\$131.7 million in FY20, respectively.”

million in FY2020 from US\$2.5 million in FY2019 due to lower bank borrowings.

Income tax expenses increased by 861.3% to US\$3.4 million in FY2020 from US\$0.4 million in FY2019 due to the higher profitability of the Group.

Net profit increased significantly by 11,196.4% to US\$131.7 million in FY2020 from US\$1.2 million in FY2019 due to improved economies of scale and higher proportion of Medtecs-branded product and PPEs.

Cash Flows and Balance Sheet

Total assets of the Group increased by US\$129.1 million to US\$245.7 million in FY2020 from US\$116.6 million in FY2019. Due to the excellent operating results, the balance of cash and bank increased to US\$82 million in FY2020 from US\$3.1 million in FY2019. The increase in sales and customer demand also resulted to an increase in trade receivables and inventories.

The Group generated an operating cash flow of US\$101.6 million in FY2020 from the operating cash flow of US\$4.4 million in FY2019, which was attributable to increases in revenue and profitability. Cash outflow for investing activities increased to US\$6.2 million in FY2020 from US\$4.6 million in FY2019, mainly attributable to additional plant machineries and new equipment in the Philippines and in Cambodia for our mask and PPE product line. Cash outflow from financing activities of US\$16.3 million due to payments of loans and cash dividends.



Business Outlook and Prospects



“The Company to grow e-commerce, Medfecs and CoverU brands to expand revenues”

Business Outlook

Looking ahead to 2021, the world is still reeling from the effects of COVID-19 and PPE and health-care products continue to be in high demand globally. Various studies have shown that the global PPE market size is expected to grow at a compound annual growth rate of between 6 to 12% between 2020 to 2025.

Barring unforeseen circumstances, the Group is expected to remain profitable.

The Company has expanded its production capacity in Cambodia and the Philippines for key products such as facemasks, isolation gowns, and other protective apparels in 2020. The Company will leverage on the post-COVID 19 change in the

overall awareness of the importance of PPE and best practices for future pandemic planning to broaden product offering and expand its market share.

Concurrently, the Group will make full use of e-commerce platforms through the business model of “Source and Sell Globally”, which will drive customer engagement and help the Group source for quality raw materials as well as diversify our pool of trusted PPE suppliers to minimize the impact of supply chain disruption.

The Group has expanded into business to consumer services in 2020 and will leverage on the increased consumer awareness for its Medfecs brand and seek collaboration and franchising opportunities. The Group’s CoverU branded protective equipment and disease prevention products, which was launched in 2020, made a successful entry into European and American mar-

kets in 2020 and has been in high demand since then as the COVID-19 crisis shows little sign of abating in these two regions.

The Group continues to engage with state and government agencies globally on providing PPE stockpiling solutions. The Company's ongoing research and development efforts had led to new product launches, such as the Medtecs Shield collection, the nanotechnology-inspired anti-viral product line which protects against the spread of pathogens which is both environmentally friendly and cost-effective.

The Company announced multiple strategic alliances in 2020 and will continue to explore these options as well as seek out other joint venture and/or acquisition opportunities in 2021 to broaden the Group's product range and to build a fully integrated product development, manufacturing, sales and distribution platform in line with the Company's mission to supply and deliver reliable and high-quality PPE and healthcare products.

The COVID-19 pandemic has increased awareness of the Group's brand and demand for the Group's products. With the above-mentioned sales and operational strategies, the Group will continue to promote organic growth by building awareness for its own brand, develop new products, and expand sales channels to gradually decrease the Group's reliance on manufacturing revenues. In addition, the Group will continue to build strategic partnerships and seek joint venture and/or acquisition opportunities to enhance competitiveness and sustain the growth of the Group.

"Manufacturing division has expanded its capacity to meet the global demands"

Manufacturing

Manufacturing remains the dominant segment in the Group in terms of revenue and profitability.

The Group has successfully expanded its Philippine and Cambodia production base for facemask and PPE at the onset of COVID-19. The current pandemic has also brought in a heightened awareness on our other healthcare and safety products adding to the growth of our existing European, North American and Asia Pacific customer base. The Group is entering strategic partnership and alliances with suppliers and other healthcare companies to ramp up the technology and to have a more vertically integrated production line.

We have also developed the "Medtecs" and "CoverU" brands for both facemasks and PPEs and will leverage on the brand to further boost our revenues.

We have tapped the B2B and B2C business models to channel the growth in our operations and is working to expand our presence in more e-commerce platforms. We are working on having long-term PPE and facemask stockpiling arrangement with governments to provide stability in demand and be the lead partner in abating infectious diseases globally.

“Expand market share in Taiwan and Philippines”

Hospital Services

Our Hospital Services division provides us with a stable source of income. We are looking to strengthen our market presence and grow our market share in both Philippines and Taiwan with more hospitals outsourcing trend for non-core hospital operations over the region. We are also undertaking cost-reduction procedures to optimize margins on this segment.

“Heightened awareness over healthcare has boosted the trading and distribution division.”

Trading and Distribution and Others

Our trading and distribution business is critical to the Group not only as a stand-alone profit center but also provides auxiliary support to our other divisions. The Group aims to be one-stop total solutions healthcare provider and the heightened awareness on the healthcare industry has boosted this division.

Research and Development

The COVID-19 pandemic has made disease control and prevention an utmost priority not only for the Group but globally as well. Armed with our manufacturing strength and decades of experience in the healthcare industry, we have channeled our Research and Development efforts to accelerate new product development and disease-prevention solutions for the post-COVID-19 world.

In 2020, the Group unveiled its first product from its Medtecs Shield Collection. The products in the Collection are all treated with a special nano-composite material which is environmentally friendly and non-toxic and which forms highly reactive hydroxyl radicals to suppress growth of viruses and bacteria. The material can be applied to a variety of disease-prevention products. For example, the Collection’s Anti-Viral Weekly Disposable Masks remain odor-free and provide effective protection against viruses and germs for up to 7 days. The Masks’ reusable nature means they help reduce environmental impact too. The Company is expected to add new products to the Medtecs Shield Collection in 2021.

**Medtecs Shield
Anti-Viral
Collection**



Corporate Social Responsibility

Medtecs has long been committed to creating value for our shareholders and all the communities where we have established a business presence. We are also proud that our products have had a positive impact on the daily lives of our customers. In 2020, we worked side-by-side with government agencies and well-known charitable organisations to donate Medtecs's PPE and related health products at an international level.

We continued to contribute to various relief efforts organized by the global Red Cross network in different countries while being at the forefront of COVID-19 response. Since the onset of the COVID-19 pandemic in early 2020, Medtecs had ramped up production to meet the global surge in demand for PPE, and at the same time mobilized our resources and distribution centers around the world to address PPE shortages and provide protection to frontline workers, first responders, and under-served communities.

In Taiwan

- In February, we distributed over 300,000 pieces of facemasks via 3 well-known local charities with an emphasis on family welfare so that underprivileged school children could safely attend school.
- In November we collaborated with 12 local charities with different mandates and priorities to distribute 1 million pieces of facemask in 12 different colors, with the goal of helping disadvantaged groups stay healthy and inspired.



<https://www.youtube.com/watch?v=b7X7RJ2TYFA>



In Cambodia

- In March, the Group offered its complete PPE solutions in rounds of donations to the Government of Cambodia comprising 100,000 surgical masks, 20,000 coveralls, 20,000 high-risk isolation gowns, 50,000 PE isolation gowns, 10,000 goggles, 50,000 bouffant caps, and 100,000 pieces of shoe covers.
- We supported via cash contributions the Cambodian Red Cross's various causes to reduce poverty and promote humanity's general welfare and dignity.
- In October 2020 we helped fund the construction of fences of a police station for the municipal government to provide a better and more secure working environment for the local law enforcement.
- In October 2020, buildings, roads and bridges across 19 provinces and municipalities were damaged by floods. In addition to cash donations to the Cambodian local government and troops to support disaster relief, we also donated 2,000 blankets to the local special forces assisting in the relief efforts.

In the Philippines

The Group donated a total of 1.8 million pieces of facemasks and 5,000 plus pieces of N95 respirators, 2,000 pieces of coveralls, 100 pieces of isolation gowns to various government agencies and local charities, such as the Philippine Red Cross, Philippine Air Force, Philippine Army, provincial governments and city health offices, to help those affected by Taal volcano eruptions, typhoons and the COVID-19 pandemic.

We also provided support to countries hard hit by the viral outbreak such as Italy, United States, Germany, Japan, Indonesia and France.

- In April 2020, we donated 140,000 pieces facemasks to La Fondazione Opera S. Camillo of Italy.
- In July 2020, we donated 10,000 pieces of coveralls and 100,000 shoe covers to the City Government of San Francisco, USA.
- In September 2020, we donated 20,000 coveralls to Germany via to the German representative office.
- In December 2020, we donated 1 million pieces of masks to the French Red Cross through the French Office in Taipei, to be disbursed to the local medical institutions.

A detailed summary of the Group's in-kind and cash donations as well as community outreach activities can be found in our FY2020 Sustainability Report to be issued in due course.



Medtecs worked with Cambodian Red Cross to assist with flood relief efforts



Medtecs donated facemasks to Philippine Airforce relief operations



Medtecs distributed over 300,000 pieces of facemasks to underprivileged school children in Taiwan



Medtecs donated facemasks to Marikina city as part of the Typhoon Ulysses Relief Operations



Medtecs donated much needed PPE to front-line health workers in San Francisco



Medtecs donated head-to-toe protection to the Government of Cambodia

Investor Relations

Medtecs recognises the importance of building and maintaining long-term relationships with all stakeholders and shareholders through timely meetings with the investment community, to foster sustained and effective communication flow. The Group accomplishes this while keeping to our commitment of adhering to corporate governance and transparency standards, to instill investor confidence and achieve long-term sustainable business performance while enhancing shareholder value.

In 2020, the global economy and equity markets were rocked by much volatility and unprecedented uncertainties against the backdrop of the COVID-19 pandemic. Against such unprecedented challenges come exceptional opportunities. Medtecs benefitted from the paradigm shift in global PPE demand while capitalising on our niche positioning which resulted in a strong financial performance and share price gain during the year as investors come to appreciate the Group's fundamentals and growth story. The stock received strong affirmation on its performance, having been included in the MSCI Singapore Small Cap Index in November 2020. In addition, Medtecs is also a constituent of the iEdge SG All Healthcare Index and the S&P Global BMI Index.

During the year, the Group focused on expanding its outreach efforts to help investors understand the Group's sustainable competitive advantages and strategy moving forward. Medtecs' management work diligently to engage with the investment community in virtual meetings and briefings with both institutional and retail investors as well as remisiers and analysts. The Group recorded a total of 51 such engagements, averaging more than four meetings each month. During the financial year, Medtecs secured coverage by one research house, as well as one unrated report.

Additionally, the Group's internal and external investor relations teams strive to keep the investment community and members of the media updated on Medtecs' latest developments through media interviews as well as announcements, presentation skudes and news releases uploaded on the SGXnet. All disclosures submitted to the Singapore Exchange can be linked from Medtecs' corporate website <http://www.medtecs.com/en/about/investor-relations>. Moving forward, the Group endeavours to continue with open and prompt communication to keep the market abreast of its latest development, in its efforts to enhance the market's recognition.





Corporate Directory

Board of Directors

- ▲ Clement Yang Ker-Cheng
Chairman
- ▲ William Yang Weiyuan
*Executive Director / Chief Executive Officer
/ Deputy Chairman*
- ▲ Lim Tai Toon
Lead Independent Director
- ▲ Carol Yang Xiao-Qing
Independent Director
- ▲ Nieh Chien-Chung
Independent Director

Audit Committee

- ▲ Lim Tai Toon
Chairman
- ▲ Carol Yang Xiao-Qing
Member
- ▲ Nieh Chien-Chung
Member

Remuneration Committee

- ▲ Nieh Chien-Chung
Chairman
- ▲ Carol Yang Xiao-Qing
Member
- ▲ Lim Tai Toon
Member

Nominating Committee

- ▲ Carol Yang Xiao-Qing
Chairman
- ▲ Lim Tai Toon
Member
- ▲ Nieh Chien-Chung
Member
- ▲ Clement Yang Ker-Cheng
Member
- ▲ William Yang Weiyuan
Member

Company Secretaries

- ▲ Abdul Jabbar Bin Karam Din
(Company Secretary)
- ▲ Codan Services Limited
(Assistant Company Secretary)

Share Transfer Agent

- ▲ Boardroom Corporate & Advisory
Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

Sponsor

- ▲ R & T Corporate Services Pte. Ltd.
9 Straits View #06-07 Marina One
West Tower
Singapore 018937
- ▲ Registered Professionals
Evelyn Wee Kim Lin
Howard Cheam Heng Haw

Registered office in Bermuda

- ▲ Medtecs International Corp. Ltd.
TEL: +632-817-9000
Clarendon House 2 Church Street
Hamilton
HM11 Bermuda

Auditors

- ▲ SyCip Gorres Velayo & Co.
(A Member Firm of
Ernst & Young Global Limited)
6760 Ayala Avenue
1226 Makati City
Philippines

Partner in Charge:
Alvin M. Pinpin
(From 15 November 2020)

Principal Bankers

- ▲ Taiwan Cooperative Bank
No.225, Sec. 2 Chang'an E. Rd.
Songshan District Taipei City 105, Taiwan
- ▲ Land Bank of Taiwan
No.46, Guancian Rd., Jhongjheng District
Taipei City 100, Taiwan
- ▲ Far Eastern International Bank
27F, No.207 Dunhua S. Road, Sec.2 Daan
District Taipei City 106, Taiwan
- ▲ Entie Commercial Bank
40F, Taipei 101 Tower, No 7,
Hsinyi Road Sec.5, Taipei 110
- ▲ Bank of Taiwan
2F-2, No. 66, Sachong Rd.m Nangang Dist.,
Taipei Taiwan

Investor Relations

- ▲ Citigate Dewe Rogerson Singapore Pte Ltd
105, Cecil St., #09-01
Singapore, 069534

Profile of the Board of Directors

Mr Clement Yang Ker-Cheng | Executive Chairman

(Appointed as Director in 1997, subject to re-election in 2021)

Mr Clement Yang Ker-Cheng is the Chairman of the Company. He oversees the overall management, strategic planning, product development and marketing of the Group. He was the Chief Executive Officer of the Group's operations since 1990 until 2 May 2018 when Mr William Yang Weiyuan took over as the Company's Chief Executive Officer. Mr Yang is a member of the Nominating Committee. Under his leadership, the Medtecs Group has grown into an integrated healthcare services provider and original product manufacturer of a wide range of medical consumables for large multinational healthcare distributors, pharmaceutical companies and hospital groups around the globe.

Prior to founding the Medtecs Group, Mr Yang served as senior vice president of the Fu-I Industrial Group of companies, and the chief executive officer of Shentex Corporation. From 1986 to 1989, he was director of Taiwan Cotton Weavers Association. Mr Yang was president of the Taiwanese Business Association of Subic Bay and now serves as Chairman of the Cambodia and Philippines committees of the Chinese-Philippine Business Council as well as the Founding Chairman of the Confederation of Philippine Manufacturers of PPE.

Mr Yang has more than thirty years of experience in the textile manufacturing industry, with majority of those years devoted to the development of medical consumables for the healthcare industry.

Mr William Yang Weiyuan | Deputy Chairman / Executive Director / Chief Executive Officer

(Appointed as Director in 2013, and subject to re-election in 2021)

Mr William Yang Weiyuan was appointed as an Executive Director on 2 September 2013.

Mr William Yang graduated from New York Institute of Technology with a degree in Electrical and Computer Engineering in 2005. He is the General Manager of the Company's wholly-owned subsidiaries, namely Medtecs (Taiwan) Corporation since 1 July 2010 and Hangzhou Jincheng Medical Supplies & Manufacture Co., Ltd since 2008. As General Manager of two subsidiaries, he takes an active role in the marketing, production, human resources and finance departments.

Mr William Yang was appointed as the Company's Chief Executive Officer, in place of Mr Clement Yang, on 2 May 2018 and was subsequently appointed as the Company's Deputy Chairman on 26 February 2021.

Mr William Yang has over 10 years of experience in the textile industry, with majority of those years devoted to developments of medical textile products, personal protective equipment, and Hospital Service for the healthcare industry.



Mr Lim Tai Toon | Lead Independent Director, Chairman of Audit Committee, member of Nominating Committee/Remuneration Committee

(Appointed as Director in 2010 and subject to re-election in 2021)

Mr Lim Tai Toon was appointed as an Independent Director of the Company on 29 October 2010 and Chairman of the Audit Committee and Lead Independent Director on 4 May 2012. He is also a member of the Nominating and Remuneration Committees.

Mr Lim Tai Toon spent the earlier part of his career with the Singapore Armed Forces before embarking on a broad and varied financial and business career. Since 1994, Mr Lim has worked in a number of SGX listed companies; as financial advisor of REA Ltd (formerly known as Superior Fastening Ltd) and previously as executive director of Eastgate Technology Limited (2006 to 2009), managing director of Vashion Group Limited (formerly known as Startech Electronics Limited) from 2003 to 2006 and vice-president (corporate affairs) of Ipco International Limited (1995 to 1996). Between those years, Mr Lim also founded a software development company in 2003 and was based in China as Country chief executive officer for an Asian company from 1996 to 2000. Mr Lim has been an independent director and AC Chairman of Medinex Ltd Since 2018.

Mr Lim served as adjunct lecturer with Loughborough University for 17 years till 2020.

In recent years, Mr Lim was founding CEO of a group of companies with focus on social impact and farm-to-table initiatives. He is also a Council Member of BGST. He is currently the General Manager of Student Castle Property Management Service with Singapore Press Holdings Ltd.

Mr Lim holds a Master of Business (Information Technology) from Curtin University of Technology (Australia), Master of Business Administration from Henly Management College (United Kingdom) and Bachelor of Accountancy from National University of Singapore (Singapore). He is a Fellow Chartered Accountant of The Institute of Singapore Chartered Accountants.

Ms Carol Yang Xiao-Qing | Independent Director

(Appointed as Director in 2005 and subject to re-election in 2021)

Ms. Carol Xiao Qing Yang was appointed as Independent Director of the Company on 1 May 2005 and Chairman of the Nominating Committee on 14 August 2012. She is a member of the Audit and Remuneration Committees.

Ms. Carol Xiao Qing Yang is vice president and China Chief Representative of Give2Asia. She is the co-founder of Galaxaco China Group LLC., which is an International Investment Advisory and Develop-

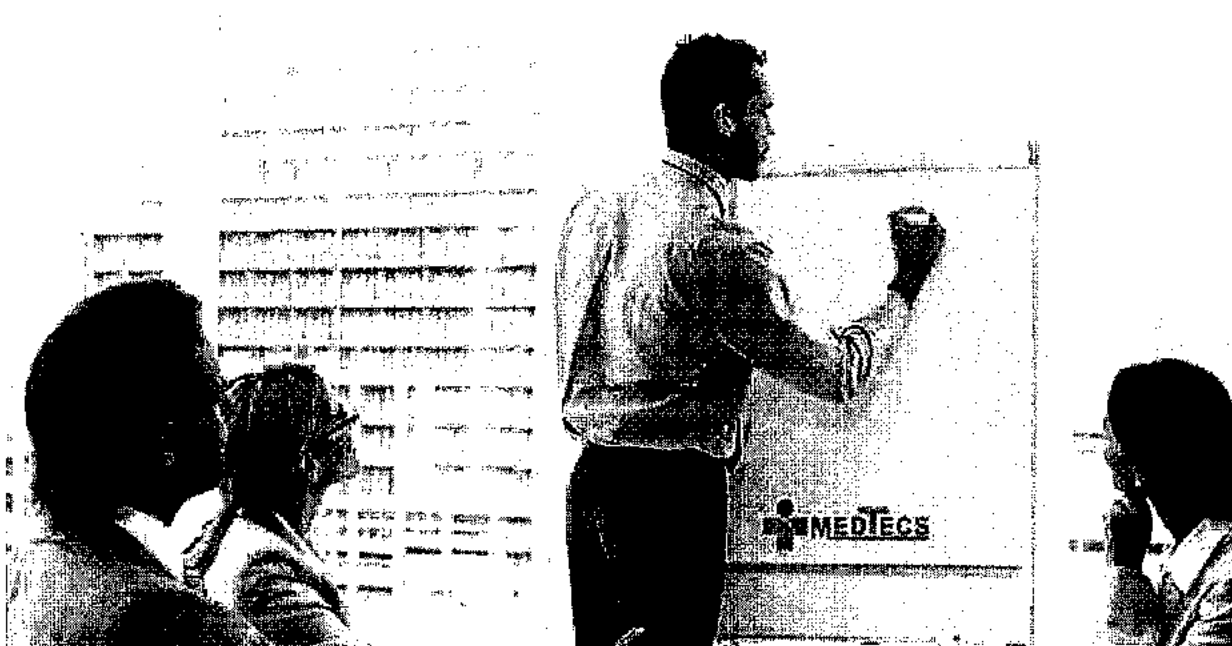
ment Firm. Ms. Yang has been working to support International corporations investing in China. Ms. Yang has extensive experience in inbound investments, international business developments, and state regulatory matters. She has been engaged in hands-on project development in China and has served as senior advisor to multi-national companies. Ms. Yang was once employed as a foreign expert by the State Council of China. She held directorships in Schauenburg Truplast Hose Technology Ltd, Guangzhou GISE Gas Ltd., Asian Light Group Limited and Shanghai AKA Mechanical and Electric Co., Ltd. for the last five years. For three years in a row from 2007 to 2009, Ms. Yang received the award for Best Foreign Investment Advisor from the City of Guangzhou. Ms. Yang joined Give2Asia in 2018. In 2020, she led the China team to actively support China's efforts to respond to the COVID-19 outbreak and completed donations worth more than 10 million U.S Dollars.

Ms Yang holds a Bachelor of Arts in Journalism from Jinan University, People's Republic of China. She also attended Stanford University on a Communications Fellowship in 1985. Subsequently, Ms. Yang received her Master of Arts in Communications Management & Investor Relations from Simmons College in Massachusetts.

Dr. Nieh Chien-Chung | Independent Director *(Appointed as Director in 8 August 2019 and re-elected in 2020)*

Dr. Nieh Chien-Ching was appointed as an Independent Director of the Company on 8 August 2019 and Chairman of the Remuneration Committee on 8 August 2019. He is a member of the Audit and Nominating Committees.

Dr. Nieh is currently a professor of Tamkang University and National Taipei University. He was also formerly a professor in National Cheng-Chi University. Dr Nieh holds an MBA in Finance in Baruch College, New York, USA. He also holds an MSc in Industrial Engineering, an MA in Economics and a PhD in Economics in Rutgers University, New Jersey, USA.



Financial Calendar

▼ FY 31 December 2020

Announcement of Full Year Results

1 March 2021

Annual General Meeting

On 28 April 2021

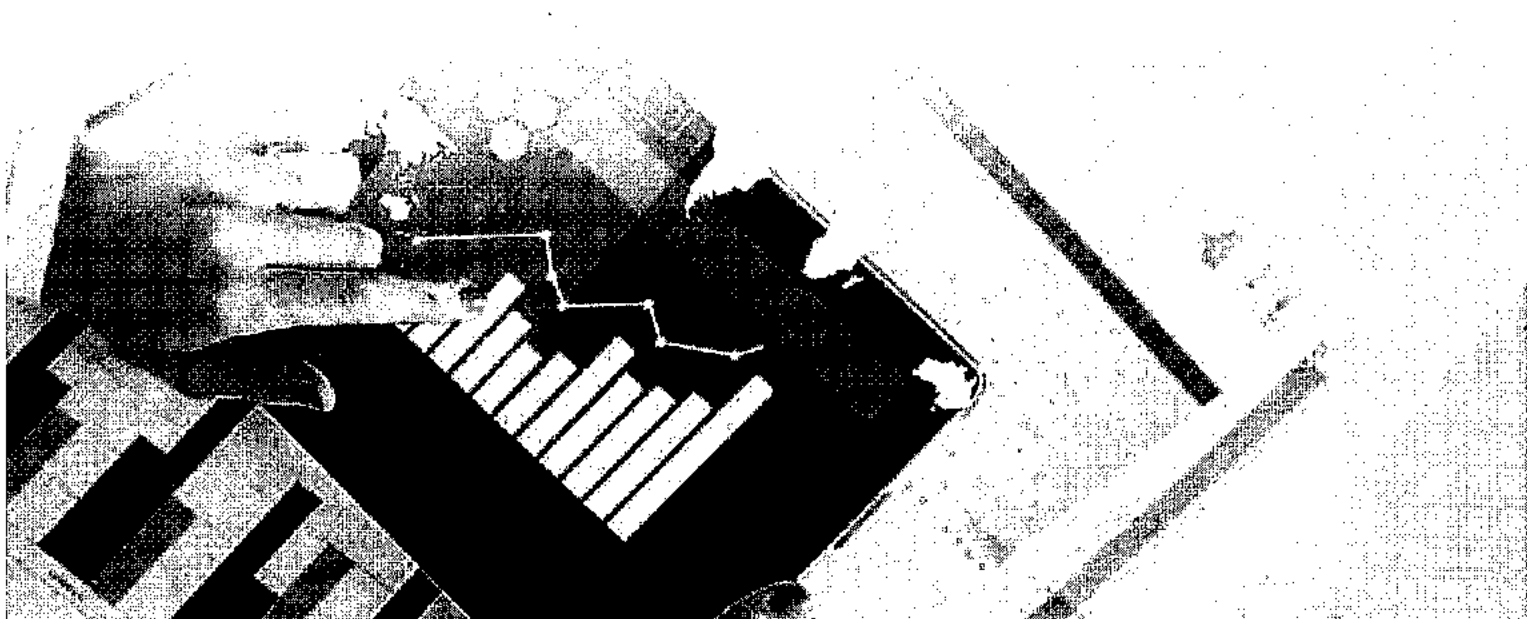
▼ FY 31 December 2021

Announcement of Half Year Results

Middle of August 2021

Announcement of Full Year Results

Last week of February 2022



Report on Corporate Governance

The Company is committed to achieving and maintaining a high standard of corporate governance within the Company and its subsidiaries (the "Group") by embracing the tenets of good governance, including accountability, transparency and sustainability, which will engender investor confidence and achieve long-term sustainable business performance. Good corporate governance establishes and maintains an appropriate culture, values and ethical standards of conduct at all levels of the Company, which helps to enhance long-term shareholder value whilst taking into account the interests of other stakeholders.

The Company will also be publishing the Company's Sustainability Report later this year which will be in line with the requirements on sustainability reporting introduced by the SGX-ST.

This report describes the corporate governance framework and practices of the Company that were in place during FY2020 with specific reference made to the principles and provisions of the revised Code of Corporate Governance (the "2018 Code") issued in August 2018, which forms part of the continuing obligations of the Company under the listing rules of the SGX-ST.

This Report should be read as a whole, instead of being read separately under the different principles of the 2018 Code.

The Company has complied in all material aspects with the principles and provisions of the 2018 Code. When there are variations from the provisions under the 2018 Code, we have provided our explanations in relation to the Company's practices as to how our practices are consistent with the aim and philosophy of the principles in question, when appropriate.

(A) BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

© Role of the Board of Directors (the "Board")

The Board has the dual role of setting strategic direction, and of setting the company's approach to governance. This includes establishing an appropriate culture, values and ethical standards of conduct at all levels of the Company. The role of the Board is broader than that of providing oversight as a well-constituted Board would foster more complete discussions, leading to better decisions and enhanced business performance. The Board also sets the tone for the Group in respect of ethics, values and desired organisation culture, and ensure proper accountability within the Group. The Board is responsible for the overall corporate governance of the Company.

The Board assumes responsibility for stewardship of the Group and is primarily responsible for the protection and enhancement of long-term value and returns for the shareholders. Through the Board's supervision of the management of the business and affairs of the Group, the Board is able to set the appropriate and desired organizational culture and ensures proper accountability within

the Company. The Board is also responsible for providing corporate direction, monitors managerial performance and reviews financial results of the Group. In addition, the Board is directly responsible for decision making in respect of the following matters:

- a. approve the business strategies including significant acquisition and disposal of subsidiaries or assets and liabilities;
- b. approve the annual budgets, major funding proposals, significant capital expenditures and investment and divestment proposals;
- c. approve the release of the Group's half year and full year financial results and interested person transactions;
- d. oversee the processes for risk management, financial reporting and compliance, and evaluate the adequacy and effectiveness of internal controls, as may be recommended by the Audit Committee ("AC");
- e. review the performance of management, approve the nomination to the Board and appointment of key management personnel ("KMP"), as may be recommended by the Nominating Committee ("NC");
- f. review and endorse the framework of remuneration for the Board and KMP, as may be recommended by the Remuneration Committee ("RC");
- g. corporate policies in keeping with good corporate governance and business practice; and
- h. consider sustainability issues, e.g. environmental, social and governance factors, as part of the strategic formulation.

The Board provides shareholders with a balanced and understandable assessment of the Group's performance, position and prospects on a half yearly basis.

The Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Directors are of the view that they have objectively discharged their duties and responsibilities at all times as fiduciaries in the interest of the Company for FY2020. Directors are entitled to request from Management and should be provided with additional information as needed to make informed decisions. The Directors further understand that they must avoid situations in which their own personal or business interests directly or indirectly conflict or potentially conflict, with the interest of the Group. Where a Director has a conflict or potential conflict of interest in relation to any matter, he will immediately declare his interest at the meeting of the Directors or send a written notice to the Chairman and/or Company Secretary, setting out the details of his interest and the conflict and recuse himself from any discussions on the matter and abstain from participating in any Board decision.

Other matters which specifically require the full Board's decision are those involving, inter alia:

- conflict of interests for a substantial shareholder or a Director;
- material acquisitions and disposals of assets;
- corporate or financial restructuring and share issuances;
- dividends and other returns to shareholders;
- matters which require the Board's approval as specified under the Company's interested person transactions policy; and
- the appointment and removal of the company secretary.

The Board will oversee the Group's sustainability reporting framework by monitoring the environment, social and governance issues that impact the Group's sustainability of its business.

◎ Board Committees

To assist the Board in the execution of its responsibilities, the Board has established Board committees, namely the AC, the RC and the NC (collectively, the "**Board Committees**"), each of which functions within clearly defined terms of reference and operating procedures which are reviewed on a regular basis. Each Board Committee is formed by clear written terms of reference, setting out the composition, duties, authority and accountabilities of each committee, which have also been detailed in this report on pages 38 to 54.

◎ Board Meetings and Attendance

The Board meets on a quarterly basis and whenever necessary for the discharge of their duties. Dates of the Board meetings are normally set by the Directors well in advance. Telephone attendance and conference audio-visual communication at Board and Board Committee meetings are allowed under the Company's Bye-Laws. Decisions of the Board and Board Committees may also be obtained through circular resolution in writing. The Board with the concurrence of the NC is of the view that the Directors have actively participated in Board and committee meetings, and that each Director has dedicated sufficient time and attention to the affairs of the Group for FY2020, regardless of their other board representations.

The number of meetings held by the Board and Board Committees and attendance thereat during the past financial year are as follows:

| DIRECTORS | AGM | | SGM | | BOARD | | AC | | RC | | NC | |
|--|-----------------|----------|-----------------|----------|-----------------|----------|-----------------|----------|-----------------|----------|-----------------|----------|
| | No. of Meetings | Attended | No. of Meetings | Attended | No. of Meetings | Attended | No. of Meetings | Attended | No. of Meetings | Attended | No. of Meetings | Attended |
| Clement Yang Ker-Cheng | 1 | 1 | 1 | 1 | 4 | 4 | - | - | - | - | 4 | 4 |
| Xia Junwei ^(a) | 1 | - | 1 | - | 4 | - | - | - | - | - | 4 | - |
| William Yang Welyuan | 1 | 1 | 1 | 1 | 4 | 4 | - | - | - | - | 4 | 4 |
| Wilfrido Candelaria Rodriguez ^(b) | 1 | 1 | 1 | 1 | 4 | 3 | - | - | - | - | - | - |
| Lim Tai Toon | 1 | 1 | 1 | 1 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Carol Yang Xiao-Qing | 1 | 1 | 1 | 1 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Dr Nieh Chien-Chung | 1 | 1 | 1 | 1 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |

(a) Mr Xia Junwei resigned as a Non-Executive and Non-Independent Director with effect from 19 June 2020.

(b) Mr Wilfrido Candelaria Rodriguez resigned as an Executive Director with effect from 11 August 2020.

◎ Induction and Training of Directors

The Board will constantly examine its size and, with a view to determining the impact of its number upon effectiveness, decide on what it considers an appropriate size for the Board. The composition of the Board will be reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience.

The NC ensures that new Directors are aware of their duties and obligations, and is tasked with deliberating whether a Director is able to and has been adequately carrying out his/her duties as a Director. At the time of their appointment, Directors are provided with formal letters setting out their duties and obligations. Newly appointed Directors will be interviewed by the Sponsor and be given briefings by the Executive Chairman and/or the CEO and/or Management of the Company on the business activities of the Group and its strategic directions and corporate governance practices.

The Board recognises that it is important that all Directors remain updated with the business and legal developments so as to be able to serve effectively on, and contribute to, the Board. All Directors have many years of corporate experience and are familiar with their duties and responsibilities as Directors (including their respective roles as executive, non-executive and independent directors). In addition, the Directors understand the Group's business and are provided with opportunities to develop and maintain their skills and knowledge as Directors, including visits to the Group's operational facilities and to meet with management in order to gain a better understanding of the Group's business operations.

The Directors are provided with continuing briefings and updates in areas such as Directors' duties and responsibilities, corporate governance, changes in financial reporting standards and issues which have a direct impact on financial statements, so as to enable them to properly discharge their duties as Board or Board Committee members. The scope of such continuous briefings and updates includes overview of industry trends and developments, governance practices and developing trends, and changes in trends in governance practices and regulatory requirements pertaining to the business.

© Access to Information

To assist the Board in fulfilling its responsibilities, the management provides the Board with a management report containing complete, adequate and timely information prior to the Board meetings. The management welcomes Directors to seek explanations or clarifications from and/or convene informal discussions with the management on any aspect of the Group's operations or business. Necessary arrangements will be made for the informal discussions or explanations as and when required.

All Directors have separate and independent access to the management, the Company Secretary and external advisers (where necessary) at all times, at the Company's expense. The Company Secretary attends all Board meetings and ensures that Board procedures and all other rules and regulations applicable to the Company are complied with. The appointment and removal of the Company Secretary are subject to the Board's approval.

Changes to regulations are closely monitored by management and for changes which have an important bearing on the Company or the Directors' disclosure obligations, the Directors are briefed during Board meetings.

The Directors and the chairmen of the respective committees, whether as a group or individually are able to seek independent professional advice as and when necessary, in furtherance of their duties at the Company's expense. The appointment of such professional advisor is subject to approval by the Board.



Board Composition and Balance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The Board consists of five (5) Directors, of whom three (3) are independent. The list of Directors is as follows:

Executive Directors

Clement Yang Ker-Cheng
(Executive Chairman)

William Yang Weiyuan
(Deputy Chairman with effect from 26 February
2021, Executive Director, and CEO)

Independent Directors

Lim Tai Toon (Lead Independent Director)

Carol Yang Xiao-Qing (Independent Director)

Dr Nieh Chien-Chung (Independent Director with
effect from 8 August 2019)

The size and composition of the Board and the Board committees are reviewed from time to time by the NC to ensure that they are of an appropriate size and comprise Directors who as a group provide the appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as gender and age so as to foster effective discussions and decision making. The NC is of the view that the current Board size of five (5) Directors, of whom three (3) are Independent Directors, is appropriate and effective for the time being, taking into account the nature and scope of the Company's operations.

The current Board comprises persons with diverse expertise and experience in accounting, business and management, finance and risk management who as a group provide core competencies necessary to meet the Company's requirements. The Directors' objective judgment on corporate affairs and collective experience and knowledge are invaluable to the Group and allows for the useful exchange of ideas and views.

Pursuant to provision 2.4 of the Code, the Board has also adopted the Board Diversity Policy. Under the Board Diversity Policy, the NC will, in reviewing the Board's composition, rotation and retirement of Directors and succession planning, consider a number of aspects, including but not limited to gender, age, nationalities, ethnicity, cultural background, educational background, experience, skills, knowledge, independence and length of service. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

© Independence of Directors

The NC reviews the independence of each Director on an annual basis based on the Code's definition of what constitutes an independent director. Each Director is required to declare their relationships with the Company, its related corporations, its substantial shareholders or its officers (if any) which may affect his/her independence through the completion and submission of a confirmation of independence form. Such relationships include business relationships which the Director, his/her immediate family member, or an organization in which the Director and/or his/her immediate family member is a director, substantial shareholder, partner (with 5% or more stake) or executive officer has with the Company or any of its related corporations and the director's direct association with a substantial shareholder of the company, in the current and immediate past financial year. The

said form, which is drawn up based on the definitions and guidelines set forth in Principle 2 of the Code and the Guidebook for Audit Committees in Singapore (Second Edition) issued by the Monetary Authority of Singapore, the Accounting and Corporate Regulatory Authority and the Singapore Exchange in August 2014 ("Guidebook"), requires each Director to assess whether he/she considers himself/herself independent despite not having any relationships identified in the Code.

The NC is of the view that the three (3) Independent Directors (who represent more than half of the Board) are independent under Rule 406(3)(d) of the Listing Manual Section B: Catalyst Rules of the SGX-ST (the "**Catalist Rules**"), which came into effect on 1 January 2019, and there is a strong and independent element on the Board which is able to exercise objective judgment on corporate matters independently, in particular, from management, and that no individual or small group of individuals dominate the Board's decision-making process.

The 2018 Code requires the independence of any Director who has served on the Board for more than nine years to be rigorously reviewed. Effective from 1 January 2022, a director will not be independent if he has been a director for an aggregate period of more than 9 years (whether before or after listing) and whose continued appointment as an independent director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) all shareholders, excluding shareholders who also serve as the directors or the chief executive officer of the company, and associates of such directors and chief executive officers. In respect of Ms. Carol Yang Xiao-Qing and Mr Lim Tai Toon, who have served on the Board for more than nine years from the date of their first appointment on 1 May 2005 and 29 October 2010 respectively, the NC has reviewed based on, amongst others, their attendance and contributions at meetings of the Board and Board Committees and confirmed that Ms. Carol Yang Xiao-Qing and Mr Lim Tai Toon are independent. Taking into account the views of the NC, the Board concurs that Ms Carol Yang Xiao-Qing and Mr Lim Tai Toon continue to demonstrate strong independence in character and judgment in the discharge of their responsibilities as the Directors of the Company. Ms Carol Yang Xiao-Qing and Mr Lim Tai Toon have continued to express their individual viewpoints, debated issues and objectively scrutinised and challenged the management. Ms Carol Yang Xiao-Qing and Mr Lim Tai Toon have sought clarification and amplification as they deemed required, including through direct access to the Group's employees. The Board as a whole has also considered and determined that Ms. Carol Yang Xiao-Qing and Mr Lim Tai Toon have, over time, developed significant insights into the Group's business and operations and provided valuable contributions to the Board through their integrity, objectivity and professionalism notwithstanding their years of service. Further, having gained in-depth understanding of the business and operating environment of the Group, Ms Carol Yang Xiao-Qing and Mr Lim Tai Toon provide the Company with much needed experience and knowledge of the industry. Based on the declaration of independence from Ms Carol Yang Xiao-Qing and Mr Lim Tai Toon, they have no association with the management that could compromise their independence. The NC and the Board have concluded that Ms. Carol Yang Xiao-Qing and Mr Lim Tai Toon continue to be considered as an Independent Director. Ms. Carol Yang Xiao-Qing and Mr Lim Tai Toon have abstained from participating in the deliberation and decision on their independence.

The Board, after taking into account the NC's views, is satisfied that Ms Carol Yang Xiao-Qing, Mr Lim Tai Toon and Dr Nieh Chien-Chung remain as Independent Directors as there are no relationships or circumstances which could interfere, or could reasonably be perceived to interfere with the exercise of independent business judgment of each Independent Director. Both Ms Carol Yang Xiao-Qing and Mr Lim Tai Toon will be seeking re-election at the forthcoming annual general meeting of the Company ("**AGM**").

Mr Lim Tai Toon is resident in Singapore. Hence, the Company is in compliance with the Catalist Rules which requires that there should at least be one (1) independent director who is residing in Singapore.

The Non-Executive Directors ("**NEDs**") and/or the independent directors ("**IDs**") participate actively in Board and Board Committees meetings. With their professional expertise, experience and knowledge, they provide constructive advice and guidance for effective discharge by the Board of its principal functions over the Group's strategies, businesses and other affairs. The NEDs and/or IDs also constructively challenge and aid the development of directions on strategy as well as review the performance of the management in achieving agreed goals and objectives. In addition, they also monitor the reporting of the Group's performance. To facilitate a more effective check on the management, the NEDs and/or IDs meet and discuss on the Group's affairs without the presence of the management where necessary, and the chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

Chairman and CEO

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Group's Chairman is Mr Clement Yang Ker-Cheng, who was also the CEO of the Company until 2 May 2018, and who plays an instrumental role in developing the business of the Group and has also provided the Group with strong leadership vision.

As part of the Group's management succession plan, Mr William Yang Weiyuan, son to the Chairman, Mr. Clement Yang Ker-Cheng, was appointed as the CEO of the Company with effect from 2 May 2018, and subsequently as the Deputy Chairman on 26 February 2021 to comply with the requirement under Bye-Law 126 that a Deputy Chairman be appointed. Mr. William Yang Weiyuan is mainly responsible for the day-to-day operations of the Group.

Given the centrality of the Board to good corporate governance, it is fundamental that the Chairman sets the right tone. The Chairman, in consultation with Management, sets the agenda for Board meetings and ensures that meetings are held when necessary, and during such meetings encourages a full and frank exchange of views from all Directors so that debates benefit from the full diversity of views.

The CEO is responsible for the management of the overall business and development of the Group. The CEO together with senior Management execute plans which are in line with the strategic decisions and goals set out by the Board and ensures that the remaining Directors are kept updated and informed of the Group's business operations and financial position.

Both the Chairman and the CEO exercise control over the quality, quantity and timelines of information flow between the Board and the management. They ensure that Board meetings are held when necessary and set the Board meeting agenda in consultation with the Directors. The Chairman and the CEO review the Board papers before they are presented to the Board, and they ensure that Board members are provided with complete, adequate and timely information. Management staff who prepared the papers, or who can provide additional insight into the matters to be discussed, are invited to present the papers or participate in the Board meeting at the relevant time. The Chairman and the CEO are responsible for ensuring effective communication with shareholders and the Company's compliance with the Code.

To ensure an appropriate balance of power and authority, increased accountability and greater capacity of the Board for independent decision making, Mr Lim Tai Toon was appointed as Lead Independent Director of the Company with effect from 4 May 2012. Shareholders with concerns may contact him directly, when contact through the normal channels via the Chairman, the CEO or the Chief Financial Officer ("CFO") has failed to provide satisfactory resolution, or when such contact is inappropriate. All the Independent Directors, including the Lead Independent Director, meet annually without the presence of other Executive and Non-Independent Directors to discuss matters of significance which are then reported to the Chairman and the CEO accordingly.

All the Board committees are chaired by the Independent Directors. The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.

The NC comprises the following five (5) members:

Carol Yang Xiao-Qing (Chairman)

Lim Tai Toon

Dr Nieh Chien-Chung

Clement Yang Ker-Cheng

William Yang Weiyuan

The existing NC comprises two (2) Executive Directors and three (3) Non-Executive Independent Directors, and as such the the composition of the NC is compliant with the requirements of provision 4.2 of the 2018 Code. The NC is cognizant of and ensures that (i) each member of the NC abstains from voting on any resolutions if there is any conflict of interest and/or prior relationship (ii) rigorous interviews are conducted with incoming/ re-appointed Directors to ensure they are aware of their obligations as a Director and/or and (iii) it progressively reviews the criteria for candidacy. In view of the above, the Board is of the view that there is a sufficiently formal and transparent process for the appointment and re-appointment of the Directors.

The NC, which has written terms of reference, is responsible for making recommendations to the Board on all Board appointments and re-appointments. The key terms of reference of the NC are as follows:

- ◆ to identify candidates and review all nominations for the appointment or re-appointment of members of the Board, the managing director of the Group, and to determine the selection criteria;
- ◆ to ensure that all Board appointees undergo an appropriate induction programme;
- ◆ to regularly review the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- ◆ to identify gaps in the mix of skills, experience and other qualities required in an effective Board and to nominate or recommend suitable candidates to fill these gaps;



- ◆ to decide whether a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly where the Director has multiple board representations;
- ◆ to review the independence of each Director annually, having regard to the circumstances set forth in the 2018 Code;
- ◆ to decide how the Board's performance may be evaluated and propose objective performance criteria for the Board's approval; and
- ◆ to evaluate the effectiveness of the Board as a whole and assess the contribution by each individual Director, to the effectiveness of the Board.

In FY2020, the NC held four (4) meetings.

When deciding on the appointment of new Directors to the Board, the NC and the Board consider a variety of factors, including the core competencies, skills and experience that are required on the Board and Board Committees, diversity, independence, conflicts of interest and time commitments.

The NC is responsible for re-appointment of Directors. In its deliberations on the re-appointment of existing Directors, the NC takes into consideration the Directors' contribution and performance. The assessment parameters include attendance as well as the quality of intervention and special contribution.

Pursuant to Bye-Law 86 of the Company's Bye-Laws, one-third (1/3) of the Directors shall retire from office by rotation at each AGM provided that the Chairman and the CEO shall not, while holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire each year. Notwithstanding this, Rule 720(4) of the Catalist Rules which came into effect on 1 January 2019 requires that all directors must submit themselves for re-nomination and re-appointment at least once every three years. In addition, Bye-Law 85 of the Company's Bye-Laws provides that a newly appointed Director shall hold office until the next following AGM and shall be eligible for re-election at that AGM.

In this respect, the NC has recommended that the following Directors, pursuant to the Company's Constitution, who are retiring and/or up for re-election at the forthcoming AGM, be re-elected as Directors:

- Mr Clement Yang Ker-Cheng
- Mr William Yang Weiyuan
- Lim Tai Toon
- Carol Yang Xiao-Qing

Each member of the NC abstains from making any recommendations and/or participating in any deliberation of the NC and from voting on any resolution, in respect of the assessment of his own performance or re-nomination as a Director.

The NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company and Group, notwithstanding that some of the Directors have multiple board representations. The NC is of the view that it would not be necessary to put a maximum limit on the number of listed company board representations and other principal commitments of each Director. In its search and nomination process for new Directors, the NC has, at its disposal, search companies, personal contacts and recommendations, to cast its net as wide as possible for the right candidates.

Key information on the Directors is set out below:

| Name of Directors | Position | Date of first appointment as a Director | Date of last re-appointment as a Director | Present Directorships or chairmanships in other listed companies | Directorships or chairmanships held over the preceding three years in other listed companies | Other principal commitments | Due for re-appointment at the AGM |
|------------------------|--|---|---|---|--|---|---|
| Clement Yang Ker-Cheng | Chairman | 19 November 1997 | 26 April 2019 | None | None | <ul style="list-style-type: none"> - Universal Weavers Corporation - Contex Corporation - Medtex Corporation - Medtecs (Asia Pacific) Pte Ltd - Medtecs (Far East) Ltd - Medtecs (Taiwan) Corporation - Medtecs Materials Technology Corporation - Cooper Development Ltd - Medtecs (Cambodia) Corporation | Retirement by rotation (Bye-Law 86) |
| William Yang Weiyuan | Executive Director and Chief Executive Officer | 2 September 2013 | 26 April 2019 | None | None | <ul style="list-style-type: none"> - Medtecs (Taiwan) Corporation - Medtecs MSE2 Corp., Ltd - Cooper Development Ltd - Hangzhou Jinchun Medical Supplies Manufacture Co., Ltd - World Join International Ltd. | Retirement by rotation (Bye-Law 86) |
| Carol Yang Xiao-Qing | Independent Director | 1 May 2005 | 19 June 2020 | None | None | <ul style="list-style-type: none"> - Galaxaco China Group LLC - Give2Asia | Retirement Under Rule 406 (3) (d) (ii) of the Listing Rule |
| Lim Tai Toon | Lead Independent Director | 29 October 2010 | 19 June 2020 | Medinex Ltd | None | <ul style="list-style-type: none"> - Student Castle Property Management Service | Retirement under Rule 406 (3) (d) (iii) of the Listing Rule |
| Dr Nieh Chien-Chung | Independent Director | 8 August 2019 | 19 June 2020 | <ul style="list-style-type: none"> - MicroTips Technology Inc. - FullTech Fiber Glass Corp. - GloLiv Asset Management Ltd. | None | None | N.A. |

Note:

The details of Directors' credentials including working experience, academic and professional qualifications, shareholding in the Company and its related corporations and directorships can be found in the Board of Directors and Directors' report sections of the annual report.

The information required under Rule 720(5) of the Rules of Catalist is set out below:

| Name of person | Clement Yang Ker-Cheng | William Yang Weiyuan | Carol Yang Xiao-Qing | Lim Tai Toon |
|---|---|---|---|--|
| Date Of Appointment | 19 November 1997 | 2 September 2013 | 1 May 2005 | 29 October 2010 |
| Date of last re-appointment (if applicable) | 26 April 2019 | 26 April 2019 | 19 June 2020 | 19 June 2020 |
| Age | 67 years old | 38 years old | 66 years old | 60 years old |
| Country Of Principal Residence | Taiwan | Taiwan | China | Singapore |
| The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process) | After assessing Mr Clement Yang's contribution and performance, the NC has recommended that Mr Clement Yang be re-elected as Director of the Company. | After assessing Mr William Yang's contribution and performance, the NC has recommended that Mr William Yang be re-elected as Director of the Company. | After assessing Ms Carol Yang's contribution and performance, the NC has recommended that Ms Carol Yang be re-elected as Director of the Company. | After assessing Mr Lim Tai Toon's contribution and performance, the NC has recommended that Mr Lim be re-elected as Director of the Company. |



| Name of person | Clement Yang Ker-Cheng | William Yang Weiyuan | Carol Yang Xiao-Qing | Lim Tai Toon |
|--|--|---|--|--|
| Whether appointment is executive, and if so, the area of responsibility | Executive, Overall business strategy and development of the Group. | Executive, Responsible for day-to day operations of the Group. | Non-Executive. | Non-Executive. |
| Job Title (e.g. Lead ID, AC Chairman, AC Member etc.) | Executive Chairman | Chief Executive Officer | Chairman of NC, A Member of AC and RC. | Chairman of AC, A Member of NC and RC. |
| Professional Qualifications | Bachelor's Degree | Bachelor's Degree | Bachelor of Arts in Journalism from Jinan University, People's Republic of China. Master of Arts in Communications Management & Investor Relations from Simmons College in Massachusetts. | Master of Business (Information Technology) from Curtin University of Technology (Australia). Master of Business Administration from Henly Management College (United Kingdom). Bachelor of Accountancy from National University of Singapore (Singapore). |
| Working experience and occupation(s) during the past 10 years | CEO of Medtecs Group until 2018 Chairman Chinese Philippine Business Council | GM of Medtecs Taiwan since 2010 CEO of Medtecs Group since 2018. | Galaxaco China Group LLC, Chief Executive Officer | REA Ltd, Financial Advisor Student Castle Property Management Service, General Manager |
| Shareholding interest in the listed issuer and its subsidiaries | 24,673,285 (Direct Interest) 33,075,198 (Deemed Interest) | 1,500,000 (Deemed Interest) | Nil | 20,000 (Deemed Interest) |
| Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries | Father to Mr William Yang Weiyuan, CEO of the Company, and Ms Wan Chien Yang, general counsel of the Company, a director of Medtecs USA Corporation and Medtecs MSEZ Corp Ltd (Cambodia) and supervisor and director of Medtecs (Taiwan) Corporation; spouse to Ms Sherry Chen Su-Tien, Non-Executive Chairman of Medtecs (Taiwan) Corporation, a principal subsidiary of the Company. | Son to Mr. Clement Yang Ker-Cheng, Executive Chairman of the Company and Ms Sherry Chen Su-Tien, Non-Executive Chairman of Medtecs (Taiwan) Corporation, a principal subsidiary of the Company; and brother to Ms Wan Chien Yang, general counsel of the Company, a director of Medtecs USA Corporation and Medtecs MSEZ Corp Ltd (Cambodia) and supervisor and director of Medtecs (Taiwan) Corporation. | Nil | Nil |

| Name of person | Clement Yang Ker-Cheng | William Yang Weiyuan | Carol Yang Xiao-Qing | Lim Tai Toon |
|---|---|--|---|---|
| Conflict of interest (including any competing business) | Nil | Nil | Nil | Nil |
| Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer | Yes | Yes | Yes | Yes |
| Other Principal Commitments* including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8) (for the past 5 years) | <ul style="list-style-type: none"> • Universal Weavers Corporation • Contex Corporation • Medtex Corporation • Medtecs (Asia Pacific) Pte Ltd • Medtecs (Far East) Ltd • Medtecs (Taiwan) Corporation • Medtecs Materials Technology Corporation • Cooper Development Ltd • Medtecs (Cambodia) Corporation | <ul style="list-style-type: none"> • Medtecs (Taiwan) Corporation • Medtecs MSEZ Corp., Ltd • Cooper Development Ltd • Hangzhou Jinchun Medical Supplies Manufacture Co., Ltd • World Join International Ltd. | <ul style="list-style-type: none"> • Galaxaco China Group LLC • Give2Asia | <ul style="list-style-type: none"> • Medinex Ltd • Student Castle Property Management Service |
| Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given. | | | | |
| (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner? | No | No | No | No |
| (b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed | No | No | No | No |



| Name of person | Clement Yang Ker-Cheng | William Yang Welyuan | Carol Yang Xiao-Qing | Lim Tai Toon |
|--|-------------------------------|-----------------------------|-----------------------------|---------------------|
| against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? | | | | |
| (c) Whether there is any unsatisfied judgment against him? | No | No | No | No |
| (d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? | No | No | No | No |
| (e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? | No | No | No | No |
| (f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of | No | No | No | No |

| Name of person | Clement Yang Ker-Cheng | William Yang Weiyuan | Carol Yang Xiao-Qing | Lim Tai Toon |
|---|------------------------|----------------------|----------------------|--------------|
| any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? | | | | |
| (g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? | No | No | No | No |
| (h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? | No | No | No | No |
| (i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? | No | No | No | No |
| (j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- | | | | |
| (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or | No | No | No | No |



| Name of person | Clement Yang Ker-Cheng | William Yang Welyuan | Carol Yang Xiao-Qing | Lim Tai Toon |
|---|-------------------------------|-----------------------------|-----------------------------|---------------------|
| (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or | No | No | No | No |
| (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or | No | No | No | No |
| (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust? | No | No | No | No |
| (k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere? | No | No | No | No |
| Disclosure applicable to the appointment of Director only. | | | | |

| Name of person | Clement Yang Ker-Cheng | William Yang Welyuan | Carol Yang Xiao-Qing | Lim Tai Toon |
|--|------------------------|----------------------|----------------------|--------------|
| Any prior experience as a director of an issuer listed on the Exchange? | N.A. | N.A. | N.A. | N.A. |
| If Yes, please provide details of prior experience. | N.A. | N.A. | N.A. | N.A. |
| If No, Please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable). | N.A. | N.A. | N.A. | N.A. |

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC reviews the criteria for evaluating the Board's performance and recommends to the Board a set of objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, each Board committee separately as well as the contribution by the Chairman and each individual Director to the Board with a view to enhancing effectiveness to promote long-term shareholders' value. Based on the recommendations of the NC, the Board has established processes for evaluating the effectiveness of the Board as a whole and of each Board committee separately.

The performance criteria for the evaluation includes an evaluation of the size and composition of the Board and the respective Board committees, the Board/committee/Directors' access to information, accountability, Board/committee processes, Board/committee performance in relation to discharging its principal responsibilities, communication with management and standards of conduct of the Directors thereto. The Chairman and the CEO would then act on the results of the performance evaluation, and where appropriate, propose new members to be appointed to the Board or seek the resignation of Directors, in consultation with the NC.

In the course of the year, the NC has assessed the performance of individual Directors by preparing a questionnaire to be completed by each Director, which were then collated and the findings were analyzed and discussed with a view to implementing certain recommendations to further enhance the effectiveness of the Board.

The Board, with the concurrence of the NC, is of the view that the performance of the Board as a whole is satisfactory, the Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board. No external facilitator was used in the evaluation process for the financial year under review.



(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC reviews and makes recommendations to the Board on a framework of remuneration as well as specific remuneration packages for each Director and KMP to and considers all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, options, benefits-in-kind and termination terms, to ensure they are fair.

The RC comprises the following three (3) members, all of whom, including the RC Chairman are Independent Directors:

Dr Nieh Chien-Chung (Chairman) (Appointed on 8 August 2019)

Lim Tai Toon

Carol Yang Xiao-Qing

The members of the RC have many years of corporate experience. In addition, the RC has access to expert professional advice on remuneration matters as and when necessary.

The members of the RC carry out their duties in accordance with the terms of reference which include, amongst others, the following:

- ◆ to review Directors' fees to ensure that they are at sufficiently competitive levels;
- ◆ to review and administer Medtecs Share Option Scheme ("ESOS") for Directors of the Company and employees of the Group, details of which can be found in the Directors' report in the annual report;
- ◆ to review and advise the Board on the terms of appointment and remuneration of its members, CEO, KMP of the Group and all managerial staff who are related to any of the Directors or the CEO;
- ◆ to review the terms of the employment arrangements with management so as to develop consistent group wide employment practices subject to regional differences;
- ◆ to review the Group's obligations arising in the event of termination of the Executive Directors' and KMP's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous;
- ◆ to recommend to the Board in consultation with senior management and the Chairman of the Board, any long term incentive scheme; and
- ◆ to review and approve any proposals or recommendations relating to KMPs' remuneration.

In FY2020, the RC held four (4) meetings.

There being no specific necessity, the RC did not seek the service of an external remuneration consultant in FY 2020.



Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The Company adopts a formal procedure for the fixing of the remuneration packages of individual Directors. No Director is involved in deciding his own remuneration. In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors.

Each of the two (2) Executive Directors has signed a service contract and the compensation framework for the KMP and the Executive Directors comprises monthly salaries, annual bonuses and allowances. The Company has in place an employee share option scheme which aims to provide long-term incentive for Directors and KMP to encourage loyalty and align the interest of the Directors and KMP with those of the shareholders. None of the service contracts has onerous removal clauses. Each of the Chairman's and the CEO's service contracts has a fixed appointment period.

Annual review of the remuneration of Executive Directors and KMP is also carried out by the RC to ensure that the remuneration of the Executive Directors and KMP is appropriate to attract, retain and motivate the directors to provide good stewardship of the Company and KMP to successfully manage the Company for the long term, and that such remuneration are commensurate with their performance and value-add to the Group, giving due regard to the financial and commercial health and business needs of the Group. The performance of the Chairman and the CEO (along with that of other KMP) is reviewed periodically by the RC.

The Company has an ESOS which aims to provide long-term incentive for Directors and KMP to encourage loyalty and align the interest of the Directors and KMP with those of the shareholders.

The NEDs have no service contracts with the Company and their terms are specified in the Bye-Laws. NEDs are paid a basic fee for serving as a Director and an additional fee for serving on any of the Board Committees. In determining the quantum of such fees, factors such as frequency of meetings, time spent and responsibilities of Directors are taken into account. Such fees are subject to the approval of the shareholders as a lump sum payment at the AGM. The Board is of the view that the remuneration of the NEDs for FY2020 is appropriate to the level of contribution based on the factors above.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The breakdown of remuneration of the Directors, the top KMPs (who are not also Directors or the CEO) and employees who are immediate family members of a Director/CEO is set out below:

◎ Remuneration of Directors

| Names of Directors | Base/fixed salary ⁽¹⁾ % | Variable or performance related income/bonus ⁽²⁾ % | Director's fee ⁽³⁾ % | Total % | Remuneration Bands S\$'000 |
|-------------------------------|------------------------------------|---|---------------------------------|---------|----------------------------|
| Executive Directors | | | | | |
| Clement Yang Ker-Cheng | 72% | — | 28% | 100% | Below S\$250,000 |
| Xia Junwei | — | — | 100% | 100% | Below S\$250,000 |
| William Yang Weiyuan | 91% | — | 9% | 100% | Below S\$250,000 |
| Wilfrido Candelaria Rodriguez | 91% | — | 9% | 100% | Below S\$250,000 |
| Independent Directors | | | | | |
| Lim Tai Toon | — | — | 100% | 100% | Below S\$250,000 |
| Carol Yang Xiao-Qing | — | — | 100% | 100% | Below S\$250,000 |
| Dr Nieh Chien-Chung | — | — | 100% | 100% | Below S\$250,000 |

(1) Base salary includes contractual bonus.

(2) Variable payment includes performance bonus and profit sharing.

(3) Approved by shareholders of the Company as a lump sum at the AGM held on 19 June 2020.

(4) Mr Xia Junwei resigned as a Non-Executive and Non-Independent Director with effect from 19 June 2020.

(5) Mr Wilfrido Candelaria Rodriguez resigned as an Executive Director with effect from 11 August 2020

The Code requires companies to fully disclose the remuneration of each individual Director and the CEO on a named basis in exact quantum. In the event of non-disclosure, the Company is required to provide reasons for such non-disclosure and how the Company's practices confirm to the principle.

After much deliberation, the Board is of the view that full disclosure of the specific remuneration of each individual Director and the CEO is not in the best interests of the Company or its stakeholders. In arriving at this decision, the Board had taken into consideration, inter alia, the commercial sensitivity and confidential nature of remuneration matters, the relative size of the Group, the competitive business environment in which the Group operates in, and the negative impact such disclosure may have on the Group in attracting and retaining talent at the Board level on a long-term basis. The Board is of the view that the remuneration of the Non-Executive Directors and the Executive Director, being the CEO, is in line with industry practice. As an alternative, the Company has disclosed the name and remuneration of each individual Director and the CEO within bands of S\$250,000.

◎ FY2020 Remuneration of Top Key Management Personnel who are not Directors or the CEO

| Names of key executives (who are not directors) | Base/fixed salary ⁽¹⁾ % | Variable or performance related income/bonus ⁽²⁾ % | Total % | Remuneration Bands S\$'000 |
|---|------------------------------------|---|---------|----------------------------|
| Kao Vreang | — | — | 100% | Below S\$250,000 |
| Chen Liang | — | — | 100% | Below S\$250,000 |

(1) Base salary includes contractual bonus.

(2) Variable payment includes performance bonus and profit sharing.

The aggregate of total remuneration paid to the top two KMP (who are not Directors or the CEO) for the financial year ended 31 December 2020 was S\$84,000.

There was no employee who is a substantial shareholder of the Company or an immediate family member of a Director or the CEO or a substantial shareholder and whose remuneration exceeded S\$100,000 during the FY2020.

There are no termination, retirement and post-employment benefits that may be granted to Directors and KMP (who are not Directors or the CEO) that may be granted over and above what has been disclosed.

© Approval of Shareholders

Shareholders' approval was previously obtained for the ESOS. Directors' fees were also approved by shareholders at the AGM. The remuneration framework for Executive Directors and KMP has been approved by the RC and endorsed by the Board. The Board considers that the remuneration framework need not be approved by the shareholders. Details of the ESOS are set out under the Directors' report.

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board, with the assistance from the AC, is responsible for the overall governance of risk by ensuring that the management maintains sound systems of risk management and internal controls to safeguard shareholders' interest and the Group's assets, and for determining the nature and extent of the significant risks which the Company is willing to take in achieving strategic objectives and value creation.

The AC is responsible for making the necessary recommendations to the Board such that an opinion regarding the adequacy and effectiveness of the risk management and internal control systems of the Group can be made by the Board in the annual report of the Company according to requirements in the Catalist Rules and the Code.

On an annual basis, the Group's internal audit function prepares an audit plan taking into consideration risks identified and assessed from the risk management system. This risk-based audit plan is approved by the AC and audits are conducted to assess the adequacy and effectiveness of the Group's internal control systems in addressing financial, operational, compliance and information technology controls, and risk management system. In addition, material control weaknesses over financial reporting, if any, are highlighted by the external auditors in the course of the statutory audit.

All audit findings and recommendations made by the internal and external auditors are reported to the AC and significant findings are discussed at the AC meetings. The Group's internal audit function follows up on all recommendations to ensure timely remediation of audit issues and reports the status to the AC every quarter.

© Assurance from the CEO and the CFO

The Board has received written assurance from the CEO and CFO who are responsible regarding the adequacy and effectiveness of the Company's risk management and internal control systems that:

- a. the financial records of the Group have been properly maintained and the financial statements for the financial year ended 31 December 2020 give a true and fair view of the Group's operations and finances; and
- b. the risk management and internal control systems in place within the Group are adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

Based on the reviews conducted by the management and both the internal and external auditors throughout the financial year, as well as the assurance from the CEO and the CFO, the Board with the concurrence of the AC, is of opinion that the Group's internal controls in addressing financial, operational, compliance and information technology risks as well as the Group's risk management system which the Group considers relevant and material to its operations were adequate and effective as at 31 December 2020.

The Board notes that the systems of internal controls and risk management provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen. Furthermore, the Board also acknowledges that no systems of internal controls and risks management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors, losses, fraud or other irregularities.

Financial risks relating to the Group are set out in Note 31 to the Financial Statements of this annual report.

Audit Committee

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

The AC comprises the following three (3) members, all of whom are Independent Directors:

Lim Tai Toon (Chairman)

Carol Yang Xiao-Qing

Dr Nieh Chien-Chung

All members of the AC have many years of experience in senior management positions in both financial and industrial sectors, and at least two members, namely Lim Tai Toon and Carol Yang Xiao-Qing have recent and relevant accounting or related financial management expertise or experience, and none of the members of the AC are former partners or directors of the Company's existing auditing firm or auditing corporation. The Board is of the view that the AC members, having recent and relevant accounting and related financial management expertise or experience, are appropriately qualified to discharge their responsibilities.

The primary reporting line of the internal audit function is to the AC, which also oversees the quality and integrity of the accounting, auditing, internal controls and financial practices of the Group as well as determines the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has full access to the Company's documents, records, properties and personnel, including the AC.

The Audit Committee performs the following delegated functions in accordance with its terms of reference:

- ◆ reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;
- ◆ reviews the half-yearly and annual financial statements and the auditors' report on the annual financial statements of the Group before they are presented to the Board, focusing on:
 - significant changes in accounting policies and issues which have a direct impact on financial statements and presentation of the financial statements;
 - compliance with accounting standards, legal and the SGX-ST requirements;
 - management judgments and estimates that may have a material impact on the Group; and
 - findings of the external auditors, including significant audit adjustments and any other matters which the external auditors would like to bring to the attention of the AC;
- ◆ reviews the audit plans and scope of audit examination of the external auditors;
- ◆ evaluates the cost effectiveness, independence and objectivity of external auditors;
- ◆ reviews the adequacy of the internal audit function (including the internal accounting controls) and the scope and results of the internal audit procedures;
- ◆ ensures the adequacy of the co-operation given by management to the internal and external auditors;
- ◆ evaluates the adequacy and effectiveness of the internal control systems including financial, operational, compliance and information technology controls, and risk management of the Group by reviewing written reports from the internal and external auditors, and the management's responses and actions to correct any deficiencies;
- ◆ reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
- ◆ reviews interested person transactions in accordance with the requirements of the Catalist Rules
- ◆ meets with the internal and external auditors, other committees, and the management to discuss any matters that these groups believe should be discussed privately with the AC;
- ◆ reviews legal and regulatory matters that may have a material impact or a possible impropriety on the financial statements, related compliance policies and programmes and any reports received from regulators;
- ◆ reviews the independence, effectiveness and adequacy of the internal audit function;
- ◆ reviews the nature and extent of non-audit services provided by external auditors; reports actions and minutes of the AC to the Board of Directors with such recommendations as the AC considers appropriate;

-
- ◆ making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
 - ◆ reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately follows up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns; and
 - ◆ considers other matters as requested by the Board.

The "whistle-blowing" framework was put in place, where all the employees of the Group may, in confidence raise concerns about possible improprieties in matters of financial reporting or other matters. The AC reviews the "whistle-blowing" framework to ensure that arrangements are in place for independent investigation of such matters and for appropriate follow-up action.

The AC also monitors proposed changes in accounting policies, standards and issues which have a direct impact on financial statements and discusses the accounting implications of major transactions. In addition, the AC advises the Board on the adequacy and effectiveness of the Group's internal controls and risk management systems, and the contents and presentation of its reports.

The AC is authorised to investigate any matter within its terms of reference, and has full access to the management and also full discretion to invite any Executive Director or KMP to attend its meetings, as well as reasonable resources to enable it to discharge its function properly. The AC has also conducted a review of interested person transactions.

Each member of the AC shall abstain from voting any resolutions in respect of matters he/she is interested in.

The AC reviews the independence of the external auditors. During this process, the AC also reviews all non-audit services provided by the external auditors to satisfy itself that the nature and extent of such non-audit services would not affect their independence. The external auditors performed non-audit services of US\$19,000 during FY2020. The AC has recommended to the Board that the external auditors be re-appointed for the ensuing year subject to shareholders' approval at the forthcoming AGM.

Annually, the AC meets with the internal auditors and the external auditors separately in the absence of the management to review the adequacy of audit arrangements, with particular emphasis on the scope and quality of their audits, the independence and objectivity of the external auditors and the observations of the auditors.

The AC is satisfied that the Company has complied with the requirements of Rules 712, 715 and 716 of the Catalist Rules in relation to the appointment of SyCip Gorres Velayo & Co., Ernst & Young Taiwan and Ernst & Young LLP Singapore as its auditing firms. The AC has accordingly recommended to the Board the nomination of the external auditors, SyCip Gorres Velayo & Co., Ernst & Young Taiwan and Ernst & Young LLP Singapore, for reappointment at the forthcoming AGM.

Fees paid to external auditors may be found in Note 23 of the financial statements of the annual report. Non-audit service fees of US\$19,000 were recognized for FY2020.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

© Shareholder rights and Shareholder meetings

General meetings (including AGMs) are important forums for dialogue and interaction with shareholders. All shareholders are treated fairly and equitably by the Company and all shareholders will receive the notice of the general meeting and the accompanying documents in order to enable them to exercise their rights at the relevant meeting. All shareholders will be informed in the relevant notice or accompanying documents the rules governing voting at such meeting.

Further, the Company welcomes the views of the shareholders on matters concerning the Company and encourages shareholders' participation at the AGM. The chairmen of the AC, NC and RC of the Company are present at the general meetings to answer questions from the shareholders. The external auditors are also present to assist the Directors in addressing any relevant queries by shareholders. Although only majority of the Directors attended the general meetings last year, they had discussed with all the Directors on the issues that may be raised by the shareholders prior to the meeting and also post meeting and provided their inputs to address the shareholders' queries.

Under the Bye-Laws of the Company, shareholders can vote in person or by proxy through the appointment of not more than two (2) proxies to attend and vote on their behalf at general meetings of shareholders. There is no limit on the number of proxies for that can be appointed nominee companies.

Separate resolutions are proposed for substantially separate issues at the meeting, unless the issues are interdependent and linked so as to form one significant proposal, in which case the Company will explain the reasons for bundling the resolutions and disclose the material implications in the notice of the general meeting. Each item of special business included in the notice of the general meeting is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting. All resolutions are voted by poll, following which the detailed results showing, inter alia, the number of votes cast for and against each resolution and the respective percentages will be announced.

The Company Secretary, with the assistance of his representative, prepares minutes of shareholders' meetings. These minutes are available to shareholders upon request, and such minutes which record substantial comments or queries from shareholders and responses from the Board and the management are released via SGXNET within one (1) month from the date of the general meeting and will be published on the Company's corporate website in as soon as practicable after such meetings.

In line with the continuing disclosure obligations of the Company under the Catalist Rules, the Board's policy is that all shareholders should be informed in a comprehensive manner and on a timely basis of all material developments that would be likely to materially affect the price or value of the Company's shares. The Board is of the view that the Company has been compliant with the continuing disclosure obligations under the Catalist Rules in ensuring that price and/or trade sensitive information is publicly released on a timely basis, and financial results and annual reports are announced or issued within the period stipulated under the Catalist Rules and applicable laws. All shareholders of the Company receive the annual report and notice of AGM. The notice of AGM is also advertised in the newspapers.

The Company is committed to achieving sustainable income and growth to enhance long-term shareholder return. The Company does not have a fixed policy on the payment of dividends. The form, frequency and amount of future dividends declared will depend on earnings, general financial position, results of operation, capital requirements, cash flow, general business condition, or development plans and other factors as the Directors may, in their absolute discretion, deem appropriate. The Board has proposed a final dividend of US\$0.0418 per share, to be approved by the shareholders at the forthcoming AGM.



◎ Engagement with shareholders

The Company believes that a high standard of disclosure is key to raising the level of corporate governance. Apart from releasing SGXNET announcements on half and full year results and news releases and its annual report and minutes of its general meetings of shareholders,, the Company updates shareholders on its corporate developments and new initiatives through its corporate website at <http://www.medtecs.com/en/>. The Company currently does not have an investor relations policy. However, the shareholders can contact the Company with questions via investor.relations@medtecs.com, which has been made available on the Company's corporate website.

The Company values dialogue sessions with its shareholders. The Company believes in regular, effective and fair communication with shareholders and is committed to hearing shareholders' views and addressing their concerns.

◎ Engagement with stakeholders

The Company has identified material stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the success of the Group's business and operations. Such stakeholders include shareholders (including institutional and individual investors), customers, employees, government and policy-makers, local communities, suppliers, and financial institutions. The Company considers that addressing the feedback and needs of the material stakeholders is essential to the success of the Group's business as well as integral to achieving sustainable growth. The Company engages its stakeholders through various channels to ensure that the best business interests of the Group are balanced against the needs and interests of its stakeholders.

The Group engages with their different stakeholders through their website at <http://www.medtecs.com/en/> (which provides for the various communication channels to the Company and its subsidiaries), at the Company's annual general meeting, through corporate publications and announcements, trade shows, charities and donations among others. Detailed explanation on this engagement process will be provided in the Sustainability Report to be issued by 31 May 2021.

(E) MATERIAL CONTRACTS

There were no material contracts entered into by the Company or any of its subsidiaries involving the interests of the CEO, each of the Directors or controlling shareholders, which are either still subsisting at the end of the financial year ended FY2020 or if not subsisting, entered into since the end of the previous financial year ended 31 December 2019.

(F) DEALING IN SECURITIES

In line with the Catalist Rules, the Company has adopted and implemented its own internal compliance code on dealing in securities. This has been made known to Directors, officers and staff of the Company and of the Group. In particular, it has been highlighted that it is an offence to deal in the Company's securities when the officers (including Directors and employees) are in possession of unpublished material price sensitive information in relation to those securities. Dealings in the Company's securities are prohibited one month prior to the announcement of the Company's half year and full year results. The officers are also discouraged from dealing in the Company's securities based on short-term considerations. The Company provides the window periods for dealing in the Company's securities and issues reminders that the law on insider trading is applicable at all times.

The Board confirms that for FY 2020, the Company has complied with Rule 1204(19) of Catalist Rules on dealing with securities.

(G) CATALIST SPONSOR

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The continuing sponsor of the Company is R & T Corporate Services Pte. Ltd. (the "Sponsor"). There was no non-sponsor fee paid by the Company to the Sponsor during FY2020. The amount of fees paid to Rajah & Tann Singapore LLP, an affiliate of R & T Corporate Services Pte. Ltd., for work done in FY2020, was approximately S\$71,135.

(H) USE OF PLACEMENT PROCEEDS

The Company will make periodic announcements on the utilisation of the remaining US\$1.4 million, representing 35.9% of the net proceeds of US\$3.9 million from the private placement which was completed on 15 October 2015, as and when such remaining proceeds are materially disbursed pursuant to Rule 704(30).



LIST OF PROPERTIES

| <u>DESCRIPTION</u> | <u>LOCATION</u> | <u>AREA (in sq m)</u> | <u>TENURE OF LEASE (yrs)</u> |
|-------------------------------|---|-----------------------|------------------------------|
| Land | Srok Kampong Siam Kampong Cham Province, Cambodia | 183,267 | 70 years |
| Factory Building | Srok Kampong Siam Kampong Cham Province, Cambodia | 40,064 | 70 years |
| Factory Building | Manhattan Special Economic Zone, Corner Public Road, Thanh Village, Sangkat, Bavet City, Svay Reang Province, Kingdom of Cambodia | 13,146 | 50 years |
| Office space | Khan Toul Kork, Phnom Penh Cambodia | 960 | 2 years |
| Industrial lot | 7th Street, Phase II Mariveles Bataan, Philippines | 17,856 | 25 years |
| Industrial lot ⁽¹⁾ | SBMA, Olongapo City, Zambales, Philippines | 13,124 | 25 years |
| Industrial lot | 7th Street, Phase II Mariveles Bataan, Philippines | 2,756 | 50 years |
| Industrial lot | 7th Street, Phase II Mariveles Bataan, Philippines | 4,248 | 50 years |
| Industrial lot | 7th Street, Phase II Mariveles Bataan, Philippines | 5,000 | 50 years |
| Office space | 7B Country Space Building 133 HV Dela Costa Street Makati City, Philippines | 245 | 2 years |
| Land | 0018-0001 KuanYuan Section, Zhunan Township, Miaoli County, Taiwan | 319 | 10 years |
| Office space | 11F., No. 9, Songgao Rd., Xinyi Dist., Taipei City, Taiwan | 1,108 | 8 years |
| Land | 202 Zhangshan Road, Renhe Town Yuhang District, Hangzhou, China | 15,333 | 50 years |
| Office space | 4F., 21 Merchant Road, Singapore 058267 | 5 | 1 year |

(1) This property is held for investment purposes. The property has been revalued as of valuation date, 5 March 2021, amounting to US\$4.3 million. The aggregate value of these properties do not represent more than 15% of the consolidated net tangible assets nor it contributes more than 15% of the consolidated pre-tax operating profit of the Group. Further information related to the investment property is disclosed in Note 6 of the financial statements of the annual report.

MEDTECS INTERNATIONAL CORPORATION LIMITED
STATISTICS OF SHAREHOLDINGS
AS AT 19 MARCH 2021

Number of shares issued: 549,411,240
Class of shares: Ordinary shares
Voting Rights: On a show of hands, 1 vote for each member
On a poll, 1 vote for each ordinary share
No. of treasury shares: 3,000,000

| <u>SIZE OF SHAREHOLDINGS</u> | <u>SHAREHOLDERS</u> | <u>%</u> | <u>NO. OF SHARES</u> |
|------------------------------|---------------------|---------------|----------------------|
| 1 - 99 | 8 | 0.10 | 323 |
| 100 - 1,000 | 639 | 7.61 | 413,492 |
| 1,001 - 10,000 | 5,213 | 62.04 | 22,662,781 |
| 10,001 - 1,000,000 | 2,520 | 29.99 | 121,423,648 |
| 1,000,001 AND ABOVE | 22 | 0.26 | 401,910,996 |
| TOTAL | 8,402 | 100.00 | 546,411,240 |

AS AT 19 MARCH 2021

| | <u>Direct Interest</u> | <u>%</u> | <u>Deemed interest</u> | <u>%</u> |
|---------------------------------------|------------------------|----------|------------------------|----------|
| Clement Yang Ker-Cheng ^(a) | 24,673,285 | 4.52 | 33,075,198 | 6.05 |
| William Yang Weyuan ^(b) | - | - | 1,500,000 | 0.27 |
| Lim Tai Toon ^(c) | - | - | 20,000 | 0.004 |

Note:

- (a) Clement Yang Ker-Cheng is deemed to be interested in 18,506,621 shares and 14,568,577 shares held by South World Investment Ltd. and Maybank Kim Eng Securities Pte. Ltd., respectively.
- (b) William Yang Weyuan is deemed to be interested in 1,500,000 shares acquired through his sub-brokerage account maintained with a Taiwan brokerage house.
- (c) Lim Tai Toon is deemed to be interested in 20,000 shares held by his wife, Mdm Wong Lai Kwan.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

51.54% of the Company's shares are held in the hand of the public as defined in the Rules of Catalyst, excluding the holders of Company's Taiwan Depository Receipts (further details of which are set out below) Accordingly, the Company has complied with Rule 723 of the Rules of Catalyst.

TWENTY LARGEST SHAREHOLDERS

AS AT 19 MARCH 2021

| <u>NO.</u> | <u>NAME</u> | <u>NO. OF SHARES</u> | <u>%</u> |
|------------|--|----------------------|--------------|
| 1 | CITIBANK NOMINEES SINGAPORE PTE LTD | 218,733,400 | 40.03 |
| 2 | RAFFLES NOMINEES (PTE.) LIMITED | 26,431,135 | 4.84 |
| 3 | DBS NOMINEES (PRIVATE) LIMITED | 25,759,865 | 4.71 |
| 4 | YANG CLEMENT K C | 24,673,285 | 4.52 |
| 5 | MAYBANK KIM ENG SECURITIES PTE. LTD. | 23,592,477 | 4.32 |
| 6 | SOUTH WORLD INVESTMENTS LIMITED | 18,506,621 | 3.39 |
| 7 | HOLDRICH INTERNATIONAL LTD | 12,643,260 | 2.31 |
| 8 | IFAST FINANCIAL PTE. LTD. | 12,120,400 | 2.22 |
| 9 | CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. | 7,910,723 | 1.45 |
| 10 | LEOW SIEW CHOO | 4,841,900 | 0.89 |
| 11 | OCBC SECURITIES PRIVATE LIMITED | 4,591,200 | 0.84 |
| 12 | DBS VICKERS SECURITIES (SINGAPORE) PTE LTD | 4,480,214 | 0.82 |
| 13 | PHILLIP SECURITIES PTE LTD | 4,319,203 | 0.79 |
| 14 | DBSN SERVICES PTE. LTD. | 3,307,313 | 0.61 |
| 15 | HSBC (SINGAPORE) NOMINEES PTE LTD | 3,084,900 | 0.56 |
| 16 | UOB KAY HIAN PRIVATE LIMITED | 2,742,800 | 0.50 |
| 17 | TAN CHIN HUA (CHEN ZHENHE) | 1,655,000 | 0.30 |
| 18 | SIEOW TEAK HWA | 1,200,900 | 0.22 |
| 19 | ANTHONY TAN NAM HONG | 1,100,000 | 0.20 |
| 20 | WONG CHONG KUM RYAN (HUANG ZHONGJIN) | 1,100,000 | 0.20 |
| | TOTAL | 402,794,596 | 73.72 |

The Group's Taiwan Depository Receipts ("TDRs") were listed on the Taiwan Stock Exchange on 13 December 2002. The number of TDRs issued at that time was 22,000,000.

In May 2004, an additional 4,382,875 TDRs were issued because of a stock split. In October 2009, an additional tranche of 100,000,000 TDRs was issued and traded on the Taiwan Stock Exchange.

As at 19 March 2021, the total number of TDR issued by the Company is 205,531,500, representing for 37.61% of the total number of shares in the capital of the Company.

INTERESTED PERSON TRANSACTIONS

For the financial year ended 31 December 2020, there were no interested person transactions exceeding S\$100,000 in aggregate.

NOTICE OF ANNUAL GENERAL MEETING

Due to the COVID-19-related control and safe distancing measures put in place in Singapore, members of the Company will not be able to attend the AGM in person. Please refer to the explanatory notes to this Notice of AGM for further details.

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of Medtecs International Corporation Limited (the "Company") will be held at Seletar Room, Holiday Inn Atrium, 317 Outram Road, Singapore 169075 on Wednesday, 28 April 2021 at 3.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2020 together with the Auditors' Report thereon. **(Resolution 1)**
2. To re-elect Mr Clement Yang Ker-Cheng, a Director retiring by rotation pursuant to Bye-Law 86 of the Company's Bye-Laws. [See Explanatory Note (i)] **(Resolution 2)**
3. To re-elect Mr William Yang Weiyuan, a Director retiring by rotation pursuant to Bye-Law 86 of the Company's Bye-Laws. [See Explanatory Note (ii)] **(Resolution 3)**
4. To re-elect Mr Lim Tai Toon as a Director of the Company. [See Explanatory Note (iii)] **(Resolution 4)**
5. To re-elect Ms Carol Yang Xiao-Qing as a Director of the Company. [See Explanatory Note (iv)] **(Resolution 5)**
6. That contingent upon passing of Ordinary Resolution 4 above, members to approve the continued appointment of Mr Lim Tai Toon as an independent director pursuant to Rule 406(3)(d)(iii) of the Singapore Exchange Securities Trading Limited's ("SGX-ST") Listing Manual Section B: Rules of Catalist ("Catalist Rules"), that will take effect on 1 January 2022. [See Explanatory Note (v)] **(Resolution 6)**
7. That contingent upon the passing of Resolution 6 above, members (excluding the Directors, the chief executive officer and their associates) to approve Mr Lim Tai Toon's continued appointment as an independent director, pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, that will take effect on 1 January 2022. [See Explanatory Note (v)] **(Resolution 7)**
8. That contingent upon passing of Ordinary Resolution 5 above, members to approve the continued appointment of Ms Carol Yang Xiao-Qing as an independent director pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, that will take effect on 1 January 2022. [See Explanatory Note (v)] **(Resolution 8)**
9. That contingent upon the passing of Resolution 8 above, members (excluding the Directors and the chief executive officer and their associates) to approve Ms Carol Yang Xiao-Qing's continued appointment as an independent director, pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, that will take effect on 1 January 2022. [See Explanatory Note (v)] **(Resolution 9)**

10. To approve the payment of Directors' fees of S\$284,000 for the financial year ending 31 December 2021, to be paid quarterly in arrears. (2020: S\$194,000) **(Resolution 10)**
11. To declare a Tax Exempt One-Tier Final Dividend of US\$0.0418 per ordinary share for the financial year ended 31 December 2020. **(Resolution 11)**
12. To re-appoint Messrs SyCipGorresVelayo & Co. as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 12)**
13. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

SHARE ISSUE MANDATE

14. "That pursuant to Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors of the Company to:

- (i) allot and issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or
- (ii) make or grant offers, agreements or options that may or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares (collectively, the "Instruments"),

(notwithstanding that the authority conferred by paragraph 1 of this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

at any time and from time to time upon such terms and conditions, whether for cash or otherwise, and for such purposes and to such persons as the Directors may think fit for the benefit of the Company, provided that:

- a. the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent. (100%) of the total number of issued shares excluding subsidiary holdings (as defined in the Catalist Rules) and treasury shares of the Company (as calculated in accordance with sub-paragraph b. below), of which the aggregate number of shares to be offered other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued shares excluding subsidiary holdings (as defined in the Catalist Rules) and treasury shares of the Company (as calculated in accordance with sub-paragraph b. below);
- b. for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph a. above, the percentage of the total number of issued

shares excluding subsidiary holdings (as defined in the Catalist Rules) and treasury shares shall be calculated based on the total number of issued shares excluding treasury shares of the Company at the time of the passing of this Resolution, after adjusting for:

- (i) new shares arising from the conversion or exercise of any convertible securities;
- (ii) new shares arising from exercise of share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
- (iii) any subsequent bonus issue, consolidation or subdivision of shares;

provided that adjustments in accordance with sub-paragraphs (1) and (2) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- c. in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-laws for the time being of the Company; and
- d. unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held, whichever is the earlier, except that the Directors shall be authorised to allot and issue shares pursuant to any Instrument made or granted by the Directors while this Resolution was in force notwithstanding that such authority has ceased to be in force at the time of issue of such shares."

[See Explanatory Note (vi)]

(Resolution 13)

AUTHORITY TO OFFER AND GRANT AWARDS AND ALLOT AND ISSUE SHARES UNDER THE MEDTECS SHARE OPTION SCHEME

15. "That the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the provisions of the Medtecs Share Option Scheme ("Scheme") and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the Scheme provided always that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed fifteen per cent. (15%) of the total number of issued shares excluding subsidiary holdings (as defined in the Catalist Rules) and treasury shares of the Company from time to time."

[See Explanatory Note (vii)]

(Resolution 14)

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

16. That:

- (a) for the purposes of the Bermuda Companies Act and otherwise in accordance with the rules and regulations of the SGX-ST, the exercise by the Directors of all the powers of the Company to

purchase or otherwise acquire issued ordinary shares in the capital of the Company (the "Shares") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) on-market purchases through the SGX-ST's ready market, or as the case may be, on any other stock exchange on which the Shares may for the time being be listed and quoted (the "Other Exchange"), through one or more duly licensed stockbrokers appointed by the Company for the purpose ("Market Purchases"); and/or
- (ii) off-market purchases in accordance with an equal access scheme or schemes as may be determined or formulated by the Directors as they consider fit as defined in Section 76C of the Companies Act ("Off-Market Purchases"),

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

- (b) unless varied or revoked by the Company in general meeting prior to the next AGM, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

- (i) the date on which the next annual general meeting of the Company is held;
- (ii) the date on which the next annual general meeting of the Company is required by law to be held; and
- (iii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; and

- (c) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution. [See Explanatory Note (viii)]

(Resolution 15)

In this Resolution:

"Average Closing Price" means:

- (i) in the case of a Market Purchase, the average of the Closing Market Prices (as defined below) of a Share over the last five Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, the Other Exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company; or
- (ii) in the case of an Off-Market Purchase, the average of the Closing Market Prices (as defined below) of a Share over the last five Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, the Other Exchange, immediately preceding the date of the making of the offer pursuant to the Off-Market Purchase,

and deemed to be adjusted, in accordance with the Catalist Rules, for any corporate action that occurs during such five Market Day period and the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

"Closing Market Price" means the last dealt price for a Share transacted through the SGX-ST's trading system as shown in any publication of the SGX-ST or other sources;

"date of the making of the offer" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"Market Day" means a day on which the SGX-ST is open for trading in securities;

"Maximum Percentage" means that number of issued Shares representing 10.0% of the issued Shares as at the date of the passing of this Resolution, unless the Company has, at any time during the Relevant Period, effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Bermuda Companies Act, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares as altered by the capital reduction. Any Shares which are held as Treasury Shares will be disregarded for purposes of computing the 10.0% limit;

"Maximum Price" in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, goods and services tax, stamp duties, clearance fees and other related expenses (where applicable)) which shall not exceed:

- (i) in the case of a Market Purchase, 105.0% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120.0% of the Average Closing Price of the Shares; and

"Relevant Period" means the period commencing from the date on which the last annual general meeting of the Company was held and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier, after the date of this Resolution.

By Order of the Board

Abdul Jabbar Bin Karam Din
Company Secretary

Singapore, 13 April 2021

Explanatory Notes:

- (i) Mr Clement Yang Ker-Cheng, upon re-election as a Director of the Company, will remain as the Chairman and Executive Director of the Board. The profile of Mr Clement Yang Ker-Cheng can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-election" in the Annual Report 2020.
- (ii) Mr William Yang Weiyuan, upon re-election as a Director of the Company, will remain as the Deputy Chairman and Executive Director of the Board. The profile of Mr William Yang Weiyuan can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-election" in the Annual Report 2020.

- (iii) Mr Lim Tai Toon, upon re-election as a Director of the Company, will remain as an Independent Director, the Chairman of the Audit Committee and a member of the Remuneration Committee and the Nominating Committee of the Company. The profile of Mr Lim Tai Toon can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-election" in the Annual Report 2020. He will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.
- (iv) Ms Carol Yang Xiao-Qing, upon re-election as a Director of the Company, will remain as an Independent Director, the Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee of the Company. The profile of Ms Carol Yang Xiao-Qing can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-election" in the Annual Report 2020. She will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist.
- (v) Pursuant to Rule 406(3)(d)(iii) of the Catalist Rules and the Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore on 6 August 2018, the continued appointment of an independent director serving an aggregate period of more than 9 years as at and from 1 January 2022 must be sought and approved in separate resolutions by (a) all members of the Company, and (b) all members of the Company excluding Directors, the chief executive officer of the Company, and their associates. Consequently, upon the passing of Ordinary Resolutions 4 and 5 for Mr Lim Tai Toon and Ms Carol Yang respectively and subject to the passing of Ordinary Resolutions 6 and 7 (for Mr Lim Tai Toon) and Ordinary Resolutions 8 and 9 (for Ms Carol Yang), they will continue to serve as Independent Directors, until the earlier of their retirement or resignation; or the conclusion of the next annual general meeting following the passing of Ordinary Resolutions 6 to 9.
- (vi) Ordinary Resolution 13 proposed in item 14 above, if passed, is to empower the Directors to allot and issue shares in the capital of the Company and/or Instruments (as defined above). The aggregate number of shares to be issued pursuant to Resolution 13 (including shares to be issued in pursuance of Instruments made or granted) shall not exceed one hundred per cent. (100%) of the total number of issued shares excluding subsidiary holdings (as defined in the Catalist Rules) and treasury shares of the Company, with a sub-limit of fifty per cent. (50%) for shares issued other than on a pro-rata basis (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares excluding subsidiary holdings (as defined in the Catalist Rules) and treasury shares of the Company will be calculated based on the total number of issued shares excluding subsidiary holdings (as defined in the Catalist Rules) and treasury shares of the Company at the time of the passing of Resolution 13, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities; (ii) new shares arising from exercise of share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and (iii) any subsequent bonus issue, consolidation or subdivision of shares. The adjustments in accordance with (i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of Resolution 13.
- (vii) Ordinary Resolution 14 proposed in Item 15 above, if passed, is to authorise the Directors to offer and grant options in accordance with the provisions of the Scheme and to allot and issue shares under the Scheme.
- (viii) Ordinary Resolution 15 proposed in item 16 above, if passed, is to renew the Share Purchase Mandate which was approved by shareholders on 18 December 2020. Please refer to the Appendix to this Notice of Annual General Meeting for more details.

Notes:

1. In respect of the AGM of the Company to be held on Wednesday, 28 April 2021 at 3.00 p.m. (Singapore time) at Seletar Room, Holiday Inn Atrium, 317 Outram Rd, Singapore 169075 (and any adjournment thereof), notwithstanding the place in which the AGM is to be physically held, other than in respect of the Chairman, Directors and/or representatives of the Company present at such location, the AGM may be attended via electronic means pursuant to the Additional Guidance on the Conduct of General Meetings During Elevated Safe Distancing Period and checklist jointly issued by the Accounting and Corporate Regulatory Authority, the

Monetary Authority of Singapore and Singapore Exchange Regulation on 13 April 2020 and last updated on 1 October 2020, which is based on the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Depositor Proxy Form will be sent to Depositors, but **printed copies of this Notice of AGM and the Proxy Form will not be sent to members**. Instead, this Notice of AGM and the Proxy Form, along with the CDP and/or Depositor Proxy Form(s), will be sent to members by electronic means via publication on the Company's website at URL <http://www.medtecs.com/en/about/investor-relations> and the SGXNet.

2. The proceedings of the AGM will be broadcasted "live" through an audio-and-video webcast and an audio-only feed. Members and investors holding shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)) ("Investors") (including investors holding shares through the Supplementary Retirement Scheme ("SRS") ("SRS investors") who wish to follow the proceedings through a "live" webcast via their mobile phones, tablets or computers or listen to the proceedings through a "live" audio feed via telephone must pre-register at <http://smartagm.sg/MedtecsAGM2021> no later than 3.00 p.m. on 25 April 2021 ("Registration Cut-Off Time"). Following verification, an email containing instructions on how to access the "live" webcast and audio feed of the proceedings of the AGM will be sent to authenticated members and /SRS Investors by 27 April 2021. Members and /SRS investors who do not receive any email by 3.00 p.m. on 27 April 2021, but have registered by the Registration Cut-Off Time, should contact the Company at bcasmeetings@boardroomlimited.com.
3. **Due to the various control and safe distancing measures put in place in Singapore to prevent the spread of COVID- 19, all members (including SRS investors) will not be able to attend the AGM in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must submit his/her/its proxy form appointing the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying Proxy Form will be released together with this Notice and may be accessed at the Company's website at the URL <http://www.medtecs.com/en/about/investor-relations> and on SGXNET.**

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. The proxy form is not valid for use by investors and shall be ineffective for all intents and purposes if used or purported to be used by them. An investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. A SRS investor who wishes to vote should approach his/her SRS Operator at least 7 working days before the date of the AGM to submit his/her voting instructions. This is so as to allow sufficient time for the respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman to vote on their behalf by 3.00 p.m. on 26 April 2021.
6. **The proxy form must be submitted to the Company by post and lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 by no later than 3.00 p.m. on 26 April 2021, being not less than 48 hours before the time fixed for the AGM.**

A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above.

7. In the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any Proxy Form lodged if such members are not shown to have Shares entered against their names in the Depository Register (as defined in Part IIIA of the Securities and Futures Act, Chapter 289 of Singapore), as at 72 hours before the time appointed for holding this AGM as certified by The Central Depository (Pte) Limited to the Company.
8. All documents (including the Annual Report 2020, the Appendix to this Notice of AGM, this Notice of AGM and the Proxy Form(s)) or information relating to the AGM have been or will be published on the SGXNET and/or the Company's website at the URL <http://www.medtecs.com/en/about/investor-relations>. **Printed**

copies of all documents, save for the Depositor Proxy Form which will be sent to Depositors, will not be despatched to any members and investors.

9. Members will not be able to ask questions during the live audio-visual webcast or audio-only stream of the AGM. Members who wish to ask questions relating to the resolutions to be tabled at the AGM must complete and submit the questions form for the AGM through the e-AGM Webcast Registration by clicking on the URL <http://smartagm.sg/MedtecsAGM2021> by no later than 3.00 p.m. Singapore time on 25 April 2021, being at least 72 hours before the AGM.

10. The Management and the Board of Directors of the Company will endeavour to address all substantial and relevant questions received from members during the AGM through live audio-visual webcast and live audio-only stream, having regard to the limited time available at the AGM.

Where substantial and relevant questions submitted by members are unable to be addressed at the AGM due to the limited time available at the AGM to address all such questions, the Company will publish the responses to those questions which we are unable to address during the AGM on SGXNET and on the Company's website at the URL <http://www.medtecs.com/en/about/investor-relations> prior to the AGM.

11. A Depositor (who is not a natural person) whose name appears in the Depository Register and who wishes to vote at the Annual General Meeting, should complete the Depositor Proxy Form and deposit the duly completed Depositor Proxy Form at the office of the Singapore Share Transfer Agent, Boardroom Corporate and Advisory Services Pte Ltd, at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 by 3.00 p.m./on 26 April 2021, being not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

12. Shareholders should note that the Company may make further changes to its AGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the COVID-19 Act and any regulations promulgated thereunder (including the COVID-19 Order) as well as other guidelines issued by the relevant authorities) as the COVID-19 situation evolves. Members and investors are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNET or on the Company's website at the URL <http://www.medtecs.com/en/about/investor-relations>.

Personal data privacy:

By submitting the proxy form appointing the Chairman to attend, speak and vote at the AGM and/or any adjournment thereof, a Depositor or a member of the Company consents to the collection, use and disclosure of the Depositor's or the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

This document 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 document including the accuracy or completeness of any of the figures used, statements, opinions or other information made or disclosed.

This document has not been examined or approved by the Exchange. The Exchange assumes no responsibility for the contents of this document including the correctness of any of the statements or opinions made or reports contained in this document.

The contact persons for the Sponsor are Ms Evelyn Wee (Telephone Number: +65 6232 0724) and Mr. Howard Cheam Heng Haw (Telephone Number: +65 6232 0885), R & T Corporate Services Pte. Ltd., at 9 Straits View, Marina One West Tower, #06-07 Singapore 018937.

Financial Statements

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Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts in United States dollars unless otherwise stated)

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Medtecs International Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet, profit and loss accounts, statement of comprehensive income and statement of changes in equity of the Company for the financial year ended 31 December 2020.

1. Directors

The directors of the Company in office at the date of this report are:

Clement Yang Ker-Cheng (Chairman)
William Yang Weiyuan (Chief Executive Officer)
Carol Yang Xiao-Qing
Lim Tai Toon
Nieh Chien-Chung

Pursuant to Rule 720(4) of the Catalist Rules, Clement Yang Ker-Cheng retires and being eligible, offers himself for re-election.

In accordance with Bye-Law 86 of the Company's Bye-Laws, William Yang Weiyuan and Clement Yang Ker-Cheng retire by rotation and, being eligible, offer themselves for re-election.

In accordance with 2018 Code under Catalist Rule 406(3)(c), Lim Tai Toon and Carol Yang Xiao-Qing, offer themselves for re-election

2. Arrangements to enable directors to acquire shares and debentures

Except as described in paragraph 6, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

MEDTECS INTERNATIONAL CORPORATION LIMITED
(Incorporated in Bermuda)
AND ITS SUBSIDIARIES

Directors' Report (continued)

(Amounts in United States dollars unless otherwise stated)

3. Directors' interests in shares or debentures

According to the register of directors' shareholdings, the following directors, who held office at the end of the financial year, had interests in the share capital and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

| Name of directors | Direct interest | | | Deemed interest | | |
|--|-----------------|------------------|-----------------|-----------------|------------------|-----------------|
| | At 1 | At 31 | At 21 | At 1 | At 31 | At 21 |
| | January 2020 | December 2020 | January 2021 | January 2020 | December 2020 | January 2021 |
| <i>Ordinary shares of the Company at \$0.05 each</i> | | | | | | |
| Clement Yang Ker-Cheng | 24,673,285 | 24,673,285 | 24,873,285 | 33,075,198 | 33,075,198 | 33,075,198 |
| William Yang Weiyuan | - | - | - | - | 1,500,000 | 1,500,000 |
| Lim Tai Toon | - | - | - | - | 20,000 | 20,000 |

Clement Yang Ker-Cheng is deemed to be interested in 18,506,621 shares, and 14,568,577 shares, held by South World Investment Ltd. and Maybank Kim Eng Securities Pte. Ltd., respectively, as at 31 December 2020 and 21 January 2021.

William Yang Weiyuan is deemed to be interested in 1,500,000 Shares acquired through his sub-brokerage account maintained with a Taiwan brokerage house.

Lim Tai Toon is deemed to be interested in 20,000 Shares held by his wife, Mdm. Wong Lai Kwan.

MEDTECS INTERNATIONAL CORPORATION LIMITED
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Directors' Report (continued)
(Amounts in United States dollars unless otherwise stated)

3. Directors' interests in shares or debentures (continued)

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

4. Other information required by the SGX-ST

No material contracts to which the Company or any subsidiary is a party and which involve the interests of the Chief Executive Officer, each director or controlling shareholder, subsisted at the end of the financial year or have been entered into since the end of the previous financial year.

5. Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

6. Share options

Only confirmed full-time employees as well as directors of the Company (other than Clement Yang Ker-Cheng and William Yang Weiyuan) who are not controlling shareholders and their associates are eligible to receive options granted under the Medtecs Share Option Scheme (the "Scheme") renewed and amended on 30 April 2012. The Remuneration Committee administering the Scheme consists of:

Nieh Chien-Chung (Chairman)
Carol Yang Xiao-Qing
Clement Yang Ker-Cheng
Lim Tai Toon
William Yang Weiyuan

The aggregate number of ordinary shares subject to outstanding options granted under the Scheme shall not at any time exceed 15% of the issued share capital of the Company. The exercise price of the options shall be determined by the Committee and fixed at:

- (i) a price (the "Market Price") equal to the average of the last dealt prices of the Company's shares, as determined by reference to the Financial News or other publication published by the SGX-ST for the 5 consecutive trading days immediately preceding the date of grant; or

MEDTECS INTERNATIONAL CORPORATION LIMITED
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AND ITS SUBSIDIARIES

Directors' Report (continued)
(Amounts in United States dollars unless otherwise stated)

6. Share options (continued)

- (ii) a price which is set at a discount to the Market Price, provided that:
- (a) the maximum discount shall be 20% of the Market Price as at the date of grant of the options; and
 - (b) any discount to be granted to Controlling Shareholders will have to be approved by shareholders of the Company in a general meeting and the discounted price shall not be less than the Group's net tangible assets per share as reflected in the latest audited financial statements of the Group.

Where the exercise price as determined above is less than the par value of the share, the exercise price shall be the par value.

The exercise period of the option with exercise price at Market Price commences on the first anniversary of the date of the grant while the exercise period for options with exercise price at a discount to the Market Price commences on the second anniversary of the grant. Options granted to executive directors and employees expire on the tenth anniversary of the date of grant while options granted to non-executive directors expire on the fifth anniversary of the date of grant.

Since the end of the previous financial year, there was no option granted by the Company. The share options do not entitle the holder to participate, by virtue of the options, in any share issue of any other corporation. A total of 1,875,000 share options have been exercised as at the date of this report. No options were granted to employees of related corporations.

There are nil options to subscribe for ordinary shares of the Company pursuant to the Scheme as at 31 December 2020.

MEDTECS INTERNATIONAL CORPORATION LIMITED
(Incorporated in Bermuda)
AND ITS SUBSIDIARIES

Directors' Report (continued)

(Amounts in United States dollars unless otherwise stated)

6. Share options (continued)

Details of the options to subscribe for ordinary shares of the Company granted to directors and employees of the Group pursuant to the Scheme are as follows:

| | Exercise Period | Granted during the year | Number of shares under option | | | Total not exercised as at 31 December 2020 | Exercise price \$S |
|---------------------------------|-----------------------|-------------------------|-------------------------------|-----------------|--------------|--|--------------------|
| | | | Total granted | Total exercised | Total lapsed | | |
| <u>Directors of the Company</u> | | | | | | | |
| Clement Yang Ker-Cheng | 13.09.2003-22.04.2014 | - | 2,260,800 | - | 2,260,800 | - | - |
| Wilfrido Candelaria Rodriguez | 06.07.2003-10.05.2020 | - | 1,035,000 | - | 1,035,000 | - | - |
| Carol Yang Xiao-Qing | 11.05.2012-10.05.2015 | - | 100,000 | - | 100,000 | - | - |
| <u>Other employees</u> | 06.07.2003-10.05.2020 | - | 24,357,200 | 1,875,000 | 22,482,200 | - | - |

No employee has received 5% or more of the total options available under the Scheme.

Since the commencement of the Scheme until the end of the financial year:

- No participant other than a director mentioned above has received 5% or more of the total options available under the Scheme; and
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted.

MEDTECS INTERNATIONAL CORPORATION LIMITED
(Incorporated in Bermuda)
AND ITS SUBSIDIARIES

Directors' Report (continued)
(Amounts in United States dollars unless otherwise stated)

7. Audit Committee

The Audit Committee ("AC") carried out its functions including the following:

- reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;
- reviews the half-yearly and annual financial statements and the auditors' report on the annual financial statements of the Group before they are presented to the Board, focusing on:
 - significant changes in accounting policies and issues which have a direct impact on financial statements and presentation of the financial statements;
 - compliance with accounting standards, legal and the SGX-ST requirements;
 - management judgments and estimates that may have a material impact on the Group; and
 - findings of the external auditors, including significant audit adjustments and any other matters which the external auditors would like to bring to the attention of the AC;
- reviews the audit plans and scope of audit examination of the external auditors;
- evaluates the cost effectiveness, independence and objectivity of external auditors;
- reviews the adequacy of the internal audit function (including the internal accounting controls) and the scope and results of the internal audit procedures;
- ensures the adequacy of the co-operation given by management to the internal and external auditors;
- evaluates the adequacy and effectiveness of the internal control systems including financial, operational, compliance and information technology controls, and risk management of the Group by reviewing written reports from the internal and external auditors, and the management's responses and actions to correct any deficiencies;
- reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
- reviews interested person transactions in accordance with the requirements of the Catalist Rules;
- meets with the internal and external auditors, other committees, and the management to discuss any matters that these groups believe should be discussed privately with the AC;
- reviews legal and regulatory matters that may have a material impact or a possible impropriety on the financial statements, related compliance policies and programmes and any reports received from regulators;
- reviews the independence, effectiveness and adequacy of the internal audit function;
- reviews the nature and extent of non-audit services provided by external auditors; reports actions and minutes of the AC to the Board of Directors with such recommendations as the AC considers appropriate;
- making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately follows up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns; and
- considers other matters as requested by the Board.

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The AC has also conducted a review of interested person transactions.

The AC convened four meetings during the year. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance

MEDTECS INTERNATIONAL CORPORATION LIMITED
(Incorporated in Bermuda)
AND ITS SUBSIDIARIES

Directors' Report (continued)
(Amounts in United States dollars unless otherwise stated)

8. Auditor

SyCip Gorres Velayo & Co. (a Member Firm of Ernst & Young Global Limited) have expressed their willingness to accept reappointment as auditor of the Group.

Alvin M. Pinpin, appointed last 15 November 2020, the partner in charge of SyCip Gorres Velayo & Co. (a member firm of Ernst & Young Global Limited) has not been in charge for more than 5 consecutive years of audit of the Group

The table below sets out the names of the auditing firms appointed for all the significant subsidiaries of the Group:

| Name of significant subsidiary | Name of auditing firm appointed |
|--|---|
| Universal Weavers Corporation | SyCip Gorres Velayo & Co. (a Member Firm of Ernst & Young Global Limited) |
| Medtex Corporation | |
| Medtecs (Cambodia) Corporation Limited | |
| Medtecs (Taiwan) Corporation | Ernst & Young (Taiwan) |
| Medtecs (Asia Pacific) Pte Ltd | Ernst & Young LLP (Singapore) |

On behalf of the Board of Directors:

CLEMENT YANG KER-CHENG
Director

WILLIAM YANG WEIYUAN
Director

Makati City, Philippines
25 March 2021

MEDTECS INTERNATIONAL CORPORATION LIMITED
(Incorporated in Bermuda)
AND ITS SUBSIDIARIES

Statement by Directors

We, Clement Yang Ker-Cheng and William Yang Weiyuan being two of the directors of Medtecs International Corporation Limited, do hereby state that, in the opinion of the directors,

- (i) the accompanying balance sheets, profit and loss accounts, statements of comprehensive income, statements of changes in equity and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2020 and the results of the business, changes in equity and cash flows of the Group and the results of the business and changes in equity of the Company for the year ended on that date, and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors:

CLEMENT YANG KER-CHENG
Director

WILLIAM YANG WEIYUAN
Director

Makati City, Philippines
25 March 2021

Independent Auditor's Report

For the financial year ended 31 December 2020

To the Board of Directors of Medtecs International Corporation Limited

Opinion

We have audited the consolidated financial statements of Medtecs International Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2020, the profit and loss accounts, statements of comprehensive income and the statements of changes in equity of the Group and the Company and the consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet, profit and loss accounts, statement of comprehensive income and the statements of changes in equity of the Company are properly drawn up in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the financial performance and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Assessment of inventory valuation

The Group has inventories amounting to USD53.7 million as of 31 December 2020 or about 22% of total assets of the Group. The Group is using the weighted average costing method for its inventories. The cost of finished goods and work-in-process includes direct materials, direct labour and a proportion of manufacturing overhead. The Group has several types of inventories and the manufacturing process includes multiple stages and assembly lines. The costing process includes judgment on the basis of allocation of common costs and estimate of percentage of completion of work-in-process. The inventories are valued at the lower of cost and net realizable value. The related allowance for inventory losses amounted to USD3.0 million as of 31 December 2020. Judgment is required in assessing the recoverability of the inventories.

We consider this a key audit matter since inventory constitutes a significant part of the Group's assets and inventory valuation requires significant management judgment.

Disclosures relating to the accounting policy for inventories and the judgment in recognizing allowance for inventory losses can be found in Notes 2.4, 2.16 and 12 to the consolidated financial statements.

Audit response

We obtained an understanding of the Group's inventory valuation process and performed test of controls. We obtained inventory costing, which includes the allocation of labour cost and manufacturing overhead. We also obtained and reviewed the management's basis of allocation of common costs and fixed overhead. On a sample basis, we verified the unit costs for the items selected by test-checking their build-up from unit material costs, unit labor costs and unit overhead rates. We obtained and reviewed management's assessment of the net realizable values of inventories. On a sample basis, we tested the net realizable value by obtaining the selling price and cost to sell of the inventories based on their recent transactions. We compared the net realizable value to the cost price of a sample of inventories and checked the associated provision to assess whether inventory provisions are complete. Also, we attended the inventory counts of the major subsidiaries and observed management procedures in identifying obsolete inventories.

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Alvin M. Pinpin.

SYCIP GORRES VELAYO & CO.
(A Member Firm of Ernst & Young Global Limited)
Certified Public Accountants

Makati City, Philippines
25 March 2021

MEDTECS INTERNATIONAL CORPORATION LIMITED
(Incorporated in Bermuda)
AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT 31 DECEMBER 2020
(Amounts in United States dollars)

| | Note | Group | | Company | |
|-------------------------------|------|----------------|----------------|----------------|---------------|
| | | 2020 | 2019 | 2020 | 2019 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Assets | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 5 | 21,499 | 19,170 | 50 | 43 |
| Investment properties | 6 | 2,639 | 2,950 | – | – |
| Assets held for leasing | 7 | 4,358 | 6,087 | – | – |
| Right-of-use assets | 28 | 5,573 | 5,441 | 77 | 115 |
| Investment in subsidiaries | 8 | – | – | 28,353 | 24,883 |
| Goodwill | 9 | 709 | 709 | – | – |
| Deferred tax assets | 24 | 33 | 21 | 12 | 14 |
| Other non-current assets | 11 | 4,617 | 6,934 | 297 | 3,796 |
| | | <u>39,628</u> | <u>41,312</u> | <u>28,789</u> | <u>28,851</u> |
| Current assets | | | | | |
| Inventories | 12 | 53,678 | 37,844 | 611 | 78 |
| Trade receivables | 13 | 49,308 | 13,344 | 17,442 | 5,749 |
| Other current assets | 14 | 15,733 | 16,103 | 14,498 | 12,349 |
| Due from subsidiaries (trade) | 10 | – | – | 30,780 | – |
| Fixed deposits | 15 | 5,178 | 4,930 | – | – |
| Cash and bank balances | 15 | 82,161 | 3,070 | 20,008 | 46 |
| | | <u>206,058</u> | <u>75,291</u> | <u>83,339</u> | <u>18,222</u> |
| Total assets | | <u>245,686</u> | <u>116,603</u> | <u>112,128</u> | <u>47,073</u> |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

MEDTECS INTERNATIONAL CORPORATION LIMITED
(Incorporated in Bermuda)
AND ITS SUBSIDIARIES
BALANCE SHEETS (continued)
AS AT 31 DECEMBER 2020
 (Amounts in United States dollars)

| | Note | Group | | Company | |
|--|------|----------------|---------------|----------------|---------------|
| | | 2020 | 2019 | 2020 | 2019 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Equity and liabilities | | | | | |
| Current liabilities | | | | | |
| Trade payables and other current liabilities | 16 | 10,357 | 3,836 | 3,286 | 335 |
| Due to subsidiaries (trade) | 10 | - | - | - | 18,045 |
| Term loans (current portion) | 17 | 1,250 | 387 | 1,250 | - |
| Bank loans | 17 | 31,603 | 36,279 | - | - |
| Income tax payable | | 2,775 | 900 | 1 | 1 |
| | | <u>45,985</u> | <u>41,402</u> | <u>4,537</u> | <u>18,381</u> |
| Net current assets/(liabilities) | | <u>160,073</u> | <u>33,889</u> | <u>78,802</u> | <u>(159)</u> |
| Non-current liabilities | | | | | |
| Term loans | 17 | 228 | 5,870 | - | 3,750 |
| Lease liabilities - net of current portion | 28 | 3,158 | 3,083 | 211 | 258 |
| Deferred tax liabilities | 24 | 181 | 213 | - | - |
| Pension benefit obligation | 20 | 1,221 | 927 | 276 | 225 |
| Other noncurrent liabilities | | 423 | 518 | - | - |
| | | <u>5,211</u> | <u>10,611</u> | <u>487</u> | <u>4,233</u> |
| Total liabilities | | <u>51,196</u> | <u>52,013</u> | <u>5,024</u> | <u>22,614</u> |
| Net assets | | <u>194,480</u> | <u>64,590</u> | <u>107,104</u> | <u>24,459</u> |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

MEDTECS INTERNATIONAL CORPORATION LIMITED
(Incorporated in Bermuda)
AND ITS SUBSIDIARIES

BALANCE SHEETS (continued)

AS AT 31 DECEMBER 2020
(Amounts in United States dollars)

| | Note | Group | | Company | |
|---|------|----------------|----------------|----------------|---------------|
| | | 2020 | 2019 | 2020 | 2019 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Equity attributable to equity holders of the Company | | | | | |
| Share capital | 3 | 27,471 | 27,471 | 27,471 | 27,471 |
| Share premium | | 4,721 | 4,721 | 4,721 | 4,721 |
| Revenue reserves/(deficit) | 4 | 157,789 | 30,747 | 74,340 | (8,318) |
| Remeasurement gains/(losses) | 20 | (142) | 6 | 11 | 24 |
| Foreign currency translation reserves | 4 | 3,232 | 231 | – | – |
| Other reserves | 3 | 394 | 394 | 561 | 561 |
| | | <u>193,465</u> | <u>63,570</u> | <u>107,104</u> | <u>24,459</u> |
| Non-controlling Interests | | <u>1,025</u> | <u>1,020</u> | <u>–</u> | <u>–</u> |
| Total equity | | <u>194,490</u> | <u>64,590</u> | <u>107,104</u> | <u>24,459</u> |
| Total equity and liabilities | | <u>245,686</u> | <u>116,603</u> | <u>112,128</u> | <u>47,073</u> |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

MEDTECS INTERNATIONAL CORPORATION LIMITED
(Incorporated in Bermuda)
AND ITS SUBSIDIARIES
PROFIT AND LOSS ACCOUNTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

(Amounts in United States dollars)

| | Note | Group | | Company | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Revenue | 18 | 400,327 | 68,977 | 324,639 | 12,589 |
| Costs of sales and services | | (228,707) | (58,446) | (232,106) | (9,386) |
| Gross profit | | 171,620 | 10,531 | 92,533 | 3,203 |
| Other items of income | | | | | |
| Other income - net | 19 | 379 | 759 | - | 239 |
| Financial income | 21 | 38 | 209 | 3 | 1 |
| Other items of expense | | | | | |
| Distribution and selling expenses | | (22,271) | (2,600) | (2,258) | (322) |
| Administrative expenses | | (13,139) | (4,896) | (2,386) | (1,447) |
| Financial expenses | 22 | (1,535) | (2,486) | (514) | (992) |
| Other expense - net | 19 | - | - | (55) | - |
| Profit before tax | 23 | 135,090 | 1,517 | 87,325 | 682 |
| Income tax benefit (expense) | 24 | (3,374) | (351) | 2 | - |
| Net profit for the year | | 131,716 | 1,166 | 87,327 | 682 |
| Attributable to: | | | | | |
| Equity holders of the Company | | 131,711 | 1,162 | 87,327 | 682 |
| Non-controlling interests | | 5 | 4 | - | - |
| Net profit for the year | | 131,716 | 1,166 | 87,327 | 682 |
| Earnings per share attributable to the equity holders of the Company (cents per share) | 25 | | | | |
| - basic | | 23.973 | 0.211 | | |
| - fully diluted | | 23.973 | 0.211 | | |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

MEDTECS INTERNATIONAL CORPORATION LIMITED
(Incorporated in Bermuda)
AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020
(Amounts in United States dollars)

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Net profit for the year | 131,716 | 1,166 | 87,327 | 682 |
| Other comprehensive income: | | | | |
| <i>Items that will be reclassified to profit or loss:</i> | | | | |
| Translation adjustments | 3,001 | 319 | – | – |
| <i>Items that will not be reclassified to profit or loss:</i> | | | | |
| Remeasurement losses | (148) | (243) | (13) | (70) |
| Total comprehensive income | 134,569 | 1,242 | 87,314 | 612 |
| Attributable to: | | | | |
| Equity holders of the Company | 134,564 | 1,238 | 87,314 | 612 |
| Non-controlling interests | 5 | 4 | – | – |
| Total comprehensive income | 134,569 | 1,242 | 87,314 | 612 |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

MEDTECS INTERNATIONAL CORPORATION LIMITED
(Incorporated in Bermuda)
AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020
(Amounts in United States dollars)

| 2020 Group | Share capital (Note 3) \$'000 | Share premium \$'000 | Revenue reserves (Note 4) \$'000 | Remeasu rement gains (losses) (Note 20) \$'000 | Foreign currency translation reserves (Note 4) \$'000 | Other reserves (Note 3) \$'000 | Non- controlling interests \$'000 | Total equity \$'000 |
|--|--|----------------------------|---|---|--|---|--|---------------------------|
| Opening balance at 1 January 2020 | 27,471 | 4,721 | 30,747 | 6 | 231 | 394 | 1,020 | 64,590 |
| Net profit for the year | — | — | 131,711 | — | — | — | 5 | 131,716 |
| <u>Other comprehensive income</u> | | | | | | | | |
| Foreign currency translation reserves | — | — | — | — | 3,001 | — | — | 3,001 |
| Remeasurement loss | — | — | — | (148) | — | — | — | (148) |
| Other comprehensive income/(loss) for the year | — | — | — | (148) | 3,001 | — | — | 2,853 |
| Total comprehensive income/(loss) for the year | — | — | 131,711 | (148) | 3,001 | — | 5 | 134,569 |
| Cash dividends (Note 26) | — | — | (4,669) | — | — | — | — | (4,669) |
| Closing balance at 31 December 2020 | 27,471 | 4,721 | 157,789 | (142) | 3,232 | 394 | 1,025 | 194,490 |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

MEDTECS INTERNATIONAL CORPORATION LIMITED
(Incorporated in Bermuda)
AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020
(Amounts in United States dollars)

| 2019 Group | Share capital (Note 3) \$'000 | Share premium \$'000 | Revenue reserves (Note 4) \$'000 | Remeasu rement gains (losses) (Note 20) \$'000 | Foreign currency translation reserves (Note 4) \$'000 | Other reserves (Note 3) \$'000 | Non- controlling interests \$'000 | Total equity \$'000 |
|---|--|----------------------------|---|---|--|---|--|---------------------------|
| Opening balance at 1 January 2019 | 27,471 | 4,721 | 29,585 | 249 | (86) | 394 | 1,016 | 63,348 |
| Net profit for the year | — | — | 1,162 | — | — | — | 4 | 1,166 |
| Other comprehensive income | | | | | | | | |
| Foreign currency translation reserves | — | — | — | — | 319 | — | — | 319 |
| Remeasurement loss | — | — | — | (243) | — | — | — | (243) |
| Other comprehensive income/(loss) for the year | — | — | — | (243) | 319 | — | — | 76 |
| Total comprehensive income/(loss) for the year | — | — | 1,162 | (243) | 319 | — | 4 | 1,242 |
| Closing balance at 31 December 2019 | 27,471 | 4,721 | 30,747 | 6 | 231 | 394 | 1,020 | 64,590 |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

MEDTECS INTERNATIONAL CORPORATION LIMITED
(Incorporated in Bermuda)
AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020
(Amounts in United States dollars)

| Company | Share capital (Note 3) | Share premium | Revenues reserves/ (Deficit) (Note 4) | Remeasur- ement gains (losses) (Note 20) | Other reserves (Note 3) | Total Revenue reserves/ (Deficit) | Total Equity |
|--|---------------------------|---------------|---|--|-------------------------------|--|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening balance at 1 January 2019 | 27,471 | 4,721 | (9,000) | 94 | 561 | (8,345) | 23,847 |
| Net income for the year | — | — | 682 | — | — | 682 | 682 |
| Other comprehensive loss for the year | — | — | — | (70) | — | (70) | (70) |
| Total comprehensive income/(loss) for the year | — | — | 682 | (70) | — | 612 | 612 |
| Balance at 31 December 2019 and 1 January 2020 | 27,471 | 4,721 | (8,318) | 24 | 561 | (7,733) | 24,459 |
| Net income for the year | — | — | 87,327 | — | — | 87,327 | 87,327 |
| Other comprehensive loss for the year | — | — | — | (13) | — | (13) | (13) |
| Total comprehensive income/(loss) for the year | — | — | 87,327 | (13) | — | 87,314 | 87,314 |
| Cash dividends (Note 26) | — | — | (4,669) | — | — | (4,669) | (4,669) |
| Closing balance at 31 December 2020 | 27,471 | 4,721 | 74,340 | 11 | 561 | 74,912 | 107,104 |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

MEDTECS INTERNATIONAL CORPORATION LIMITED
(Incorporated in Bermuda)
AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020
(Amounts in United States dollars)

| | Note | 2020 \$'000 | 2019 \$'000 |
|--|----------|----------------|----------------|
| Operating activities | | | |
| Profit before tax | | 135,090 | 1,517 |
| Adjustments for: | | | |
| Depreciation | 5 and 6 | 3,960 | 2,292 |
| Amortisation of: | | | |
| Assets held for leasing | 7 and 23 | 3,576 | 2,832 |
| Right-of-use assets | 28 | 535 | 687 |
| Interest expense on loans and lease liabilities | 22 | 1,486 | 2,287 |
| Net changes in pension benefits obligation | | 146 | 99 |
| Other finance costs | 22 | 49 | 199 |
| Interest income | 21 | (36) | (209) |
| Gain on disposal of property, plant and equipment | 19 | (2) | (8) |
| Operating cash flows before changes in working capital | | 144,804 | 9,696 |
| (Increase)/decrease in: | | | |
| Inventories | | (15,143) | (3,916) |
| Trade receivables | | (33,987) | 1,552 |
| Other current assets | | 305 | 163 |
| Increase/(decrease) in: | | | |
| Trade payables and other current liabilities | | 7,167 | (2,590) |
| Cash flows from operations | | 103,146 | 4,905 |
| Interest received | | 36 | 209 |
| Income taxes paid | | (1,543) | (545) |
| Other finance cost paid | | (49) | (199) |
| Net cash flows from operating activities | | 101,590 | 4,370 |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

MEDTECS INTERNATIONAL CORPORATION LIMITED
(Incorporated in Bermuda)
AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020
(Amounts in United States dollars)

| | Note | 2020 \$'000 | 2019 \$'000 |
|---|------|----------------|----------------|
| Investing activities | | | |
| Proceeds from disposal of: | | | |
| Property, plant and equipment | | 15 | 356 |
| Assets held for leasing | | 91 | 18 |
| (Increase)/decrease in other non-current assets | | 2,111 | (451) |
| Purchases of: | | | |
| Property, plant and equipment | 5 | (6,463) | (1,952) |
| Assets held for leasing | 7 | (1,938) | (2,620) |
| Net cash flows used in investing activities | | (6,184) | (4,649) |
| Financing activities | | | |
| Payment of term loans | | (4,779) | (1,841) |
| Increase in fixed deposits | | (248) | (670) |
| Interest paid | | (1,179) | (2,004) |
| Proceeds from/(payment of) short-term bank loans | | (4,676) | 3,563 |
| Cash dividends paid | | (4,669) | - |
| Principal payments of lease liabilities | 28 | (763) | (215) |
| Decrease in deferred lease income | | (1) | (5) |
| Net cash flows used in financing activities | | (16,315) | (1,172) |
| Net increase (decrease) in cash and bank balances | | 79,091 | (1,451) |
| Cash and bank balances at 1 January | | 3,070 | 4,521 |
| Cash and bank balances at 31 December | 15 | 82,161 | 3,070 |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
(Amounts in United States dollars unless otherwise stated)

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 Catalyst 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 7B Country Space1 Building, 133 H.V. Dela Costa St., 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. The principal activities of the subsidiaries are set out in Note 8 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

2.1 Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") and the balance sheets, profit and loss accounts, statements of comprehensive income and statements of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The 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 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

SFRS(I) effective for annual period beginning on or after 1 January 2020

The following standards and interpretations are effective for the annual period beginning on or after 1 January 2020:

- Amendments to References to the Conceptual Framework in SFRS(I) Standards
- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: *Definition of Material*
- Amendments to SFRS(I) 3 *Definition of a Business*
- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7 *Interest Rate Benchmark Reform*
- Amendments to SFRS(I) 16 *Covid-19 Related Rent Concessions*

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(continued)

2.3 Standards Issued but not yet effective

The Group has not adopted the following standards and interpretation that have been issued but not yet effective:

| <i>Description</i> | <i>Effective for annual periods beginning on or after</i> |
|---|---|
| Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16 - <i>Interest Rate Benchmark Reform - Phase 2</i> | 1 January 2021 |
| Reference to Conceptual Framework - <i>Amendments to SFRS(I) 3</i> | 1 January 2022 |
| Amendments to SFRS(I) 1-16 - <i>Property, Plant and Equipment - Proceeds before Intended Use</i> | 1 January 2022 |
| Onerous Contracts - <i>Costs of Fulfilling a Contract - Amendments to SFRS(I) 1-37</i> | 1 January 2022 |
| SFRS(I) 1 <i>First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter</i> | 1 January 2022 |
| SFRS(I) 9 <i>Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities</i> | 1 January 2022 |
| SFRS(I) 17 <i>Insurance Contracts</i> | 1 January 2023 |
| Amendment to SFRS(I) 1-1 - <i>Classification of Liabilities as Current or Non-current</i> | 1 January 2023 |
| Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> | Date to be determined |

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Significant accounting estimates and judgments

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

In the process of applying the Group's accounting policies, management has made the following judgments detailed on the next pages apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements.

a) Judgments made in applying accounting policies

i) Determination of functional currency

The functional currency of the individual companies within the Group has been determined by management based on the currency that most faithfully represents the primary economic environment in which the individual companies operate and it is the currency that mainly influences the underlying transactions, events and conditions relevant to the individual companies within the Group.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(continued)

2.4 Significant accounting estimates and judgments (continued)

a) Judgments made in applying accounting policies (continued)

ii) Determination of the significant parts or components of the property, plant and equipment for depreciation

The Group has determined that it has appropriately identified the significant parts or components of the property, plant and equipment for depreciation purposes. The carrying amount of the Group's property, plant and equipment as at 31 December 2020 was \$21.5 million (2019: \$19.2 million) (see Note 5).

iii) Determination of lease term of contracts with extension options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Group reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the extension options in the lease term for the leases of certain land as it will entail additional cost for the Group to look for other locations for their operations. However, the extension option for lease of a remaining land is not included as part of the lease term because it is not reasonably certain for the Group to exercise the option as the extension requires a mutual agreement between the lessee and the lessor.

As at 31 December 2020 and 2019, potential future (undiscounted) cash outflows of approximately \$16.7 million and \$14.9 million, respectively, which will mature within 27 to 52 years, have not been included in lease liabilities because it is not reasonably certain that the leases will be extended.

iv) Distinction between investment property and owner-occupied properties

The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to the other assets used in the production or supply process. When properties comprise a portion that is held to earn rentals or for capital appreciation and another portion is held for use in the production or supply of goods or services or for administrative purpose, and these portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making judgment. The carrying amount of the Group's investment properties as at 31 December 2020 was \$2.8 million (2019: \$3.0 million). More details are given in Note 6.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(continued)

2.4 Significant accounting estimates and judgments (continued)

a) Judgments made in applying accounting policies (continued)

v) Determination of subsidiary/ies that has/have material non-controlling interest

The Group determines whether a subsidiary has a material non-controlling interest based on the profit or loss or other comprehensive income of the subsidiary attributable to the non-controlling interest to the Group's profit or loss or other comprehensive income for the reporting period, respectively, and the carrying amount of the non-controlling interest attributable to the subsidiary relative to the net equity of the Group, among others. The Group has not identified a subsidiary that has a material non-controlling interest.

vi) Estimating variable consideration

Management has determined that the expected value method would be appropriate in estimating the variable consideration in its sales of goods and services. Management has exercised judgment in applying the constraint on the estimated variable consideration that can be included in the transaction price since the amount is highly susceptible to factors outside the Group's influence and has a large number and broad range of possible consideration.

vii) Recognition of revenue from rendering of service

The obligation to provide the service is satisfied over time as the customer simultaneously receives and consumes the benefits provided by the Group. The Group measures the satisfaction of the performance obligation based on the value transferred to the customer. The Group will apply the right to invoice practical expedient that allows the Group to recognize revenue as invoiced which is the amount that corresponds directly with the value to the customer of the entity's performance to date.

b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i) Impairment of goodwill, property, plant and equipment, investment property and assets held for leasing

The Group determines whether goodwill is impaired at least on an annual basis. For property, plant and equipment, investment property and assets held for leasing, the Group assesses, at each reporting date, whether there is an indication that the asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In estimating the value in use requires the Group to

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(continued)

2.4 Significant accounting estimates and judgments (continued)

b) Key sources of estimation uncertainty (continued)

make estimates of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. The carrying amounts of the Group's goodwill, property, plant and equipment, investment property and assets held for leasing as at 31 December 2020 were \$709,000 (2019: \$709,000), \$21.5 million (2019: \$19.2 million), \$2.8 million (2019: \$3.0 million) and \$4.4 million (2019: \$6.1 million), respectively. No impairment charge was made against any of the assets in 2020 and 2019. The carrying amount of the Company's property, plant and equipment as at 31 December 2020 was \$50,000 (2019: \$43,000). More details are given in Notes 5, 6, 7 and 9.

ii) Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded.

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile. The carrying amount of the Group's income tax payable as at 31 December 2020 was \$2.8 million (2019: \$900,000). The carrying amount of the Company's income tax payable as at 31 December 2020 was \$1,000 (2019: \$1,000).

iii) Deferred taxes

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The carrying amount of the Group's recognised deferred tax assets and deferred tax liabilities as at 31 December 2020 were \$33,000 (2019: \$21,000) and \$181,000 (2019: \$213,000), respectively. The carrying amount of the Company's recognised deferred tax assets as at 31 December 2020 were \$12,000 (2019: \$14,000). More details are given in Note 24.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(continued)

2.4 Significant accounting estimates and judgments (continued)

b) Key sources of estimation uncertainty (continued)

iv) Provision for expected credit losses (ECLs) of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on months past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions (gross domestic product growth rates, gross national income growth rates, net primary income rates, consumer price index and inflation rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 13.

The carrying amount of trade receivables of the Group as at 31 December 2020 are \$49.3 million (2019: \$13.3 million). The Group recognised provision for ECL amounting to \$12,000 in 2020 (2019: nil). The carrying amount of the Company's trade receivables as at 31 December 2020 were \$17.4 million (2019: \$5.7 million). No provision for ECL was recognized for the Company's trade receivables.

v) Useful lives of property, plant and equipment and investment property

The Group estimates the useful lives of its property, plant and equipment and investment properties based on the period over which the assets are expected to be available for use. The Group reviews annually the estimated useful lives of the property, plant and equipment and investment properties based on factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

The carrying amount of the Group's property, plant and equipment and investment properties as at 31 December 2020 were \$21.5 million (2019: \$19.2 million) and \$2.8 million (2019: \$3.0 million), respectively. The carrying amount of the Company's property, plant and equipment as at 31 December 2020 was \$50,000 (2019: \$43,000). More details are given in Notes 5 and 6.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(continued)

2.4 Significant accounting estimates and judgments (continued)

b) Key sources of estimation uncertainty (continued)

vi) Inventories

The Group establishes a basis of the allocation of common costs and percentage of completion for each stage of production of inventories upon taking into consideration of the cost directly related to the production and market conditions existing during the period.

The Group recognises provision for inventory losses when the net realisable values of inventory items become lower than cost due to obsolescence or other causes. Obsolescence is based on the physical and internal condition of inventory items. Obsolescence is also established when inventory items are no longer marketable. Obsolete goods, when identified, are charged to costs and are written down to its net realisable value. The Group reviews on a monthly basis the condition of its inventories. The assessment of the condition of the inventory items either increases or decreases the expenses or total inventory costs. In 2020, the Group recognized provision for inventory losses amounting to \$659,000 (2019: \$246,000). The Group's allowance for inventory losses as at 31 December 2020 was \$3.0 million (2019: \$2.3 million). The Company's allowance for inventory losses as at 31 December 2020 was nil (2019: nil). As at 31 December 2020, the carrying amount of the Group's inventories, net of allowance for inventory losses, was \$53.7 million (2019: \$37.8 million). The carrying amount of the Company's inventories, net of allowance for inventory losses, as at 31 December 2020 was \$611,000 (2019: \$78,000). More details are given in Note 12.

vii) Pension benefit obligation

The determination of the obligation and cost of pension benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. These assumptions include, among others, discount rates and salary increase rates. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension and other retirement obligations. The carrying amount of the Group's pension benefits obligation as at 31 December 2020 was \$1.2 million (2019: \$927,000). The carrying amount of the Company's pension benefits obligation as at 31 December 2020 was \$276,000 (2019: \$225,000). More details are given in Note 20.

viii) Contingencies

In the ordinary course of business, certain companies in the Group are parties in various litigations and claims. The estimate of the probable costs for the resolution of these claims has been developed in consultation with internal and external counsels handling the Group's defense in these matters and is based upon an analysis of potential results.

Although there can be no assurances, management believes, based on information currently available and professional legal advice, that the ultimate resolution of these legal proceedings would not likely have a material, adverse effect on the results of operations, financial position or liquidity of the Group. It is possible, however, that future results of operations could be materially affected by changes in estimates or in the effectiveness of the strategies relating to these litigations and claims.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(continued)

2.4 Significant accounting estimates and judgments (continued)

b) Key sources of estimation uncertainty (continued)

ix) Estimating the incremental borrowing rate of the leases

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use (ROU) assets in a similar economic environment. The incremental borrowing rate therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Group's stand-alone credit rating).

The Group's lease liabilities amounted to \$3.5 million as at 31 December 2020 (2019: \$3.6 million) (see Note 28).

2.5 Subsidiaries and basis of consolidation

a) Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed or has rights to the variable returns from its involvement with the investee and has the ability to affect those returns through the power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. The Company recognizes income from investment only to the extent that the Company receives distribution from accumulated profits of the subsidiary arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized.

b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(continued)

2.5 Subsidiaries and basis of consolidation (continued)

b) Basis of consolidation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- i. De-recognises the asset (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- ii. De-recognises the carrying amount of any non-controlling interest;
- iii. De-recognises the cumulative translation differences recorded in equity;
- iv. Recognises the fair value of the consideration received;
- v. Recognises the fair value of any investment retained;
- vi. Recognises any surplus or deficit in profit or loss;
- vii. Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

c) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.11. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(continued)

c) Business combinations and goodwill (continued)

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.6 Transactions with non-controlling interest

Non-controlling Interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.7 Functional and foreign currency

a) Functional and presentation currency

The Group's consolidated financial statements are expressed in US\$, which is also the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using the functional currency.

The management has determined the currency of the primary economic environment in which the Company operates to be the US\$. Sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by the fluctuation of the US\$.

Transactions in foreign currencies are measured in the respective functional currencies of the individual companies within the Group and are recorded on initial recognition in the functional currencies at exchange rates approximating those prevailing at transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(continued)

2.7 Functional and foreign currency (continued)

b) Foreign currency translations and balances

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the profit and loss accounts, except for exchange differences arising on monetary items that form part of the Group's net investment in foreign subsidiaries, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserves in equity. The foreign currency translation reserve is reclassified from equity to the profit and loss accounts of the Group on disposal of the foreign operations. In the Company's separate financial statements, such exchange differences are recognised in the profit and loss accounts.

The results and financial position of foreign operations are translated into US\$ using the following procedures:

- Assets and liabilities of foreign operations are translated at the closing rate prevailing at the end of the reporting period; and
- Income and expenses for each profit and loss account are translated at average monthly exchange rates, which approximate the exchange rates at the dates of the transactions.

All resulting exchange differences are recognised as a separate component of equity under foreign currency translation reserve account.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

Goodwill and fair value adjustments which arose on acquisition of foreign subsidiaries before 1 January 2005 are deemed to be assets and liabilities of the Company and recorded in US\$ at the rates prevailing at the time of acquisition.

On disposal of a foreign operation, the cumulative amount of exchange differences deferred in equity relating to that particular foreign operation is recognised in the profit and loss accounts as a component of the gain or loss on disposal.

In the case of a partial disposal without loss of control of a subsidiary that includes foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
(Amounts in United States dollars unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(continued)

2.8 Related parties

A related party is defined as follows:

- (a) A person or close member of that person's family is related to the Group and Company if that person:
- i. Has control or joint control over the Company;
 - ii. Has significant influence over the Company; or
 - iii. Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following condition applies:
- i. The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint venture of a third entity and the other entity is an associate of the third entity.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - vi. The entity is controlled or jointly controlled by a person identified in (a).
 - vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.9 Property, plant and equipment

a) Recognition and measurement

All items of property, plant and equipment are initially recorded at cost.

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the assets have been put into operation, such as the cost of maintenance and repairs, are normally charged against income as incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Subsequent to recognition, property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses.

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2.9 Property, plant and equipment (continued)

b) Depreciation

Property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. Leasehold buildings and improvements are depreciated over the term of the lease or the life of the asset, whichever is shorter. The estimated useful lives of property, plant and equipment are as follows:

| | <u>Years</u> |
|-----------------------------------|--------------|
| Machinery, equipment and others | 10 - 15 |
| Furniture, fixtures and equipment | 3 - 10 |
| Transportation equipment | 5 - 10 |
| Leasehold improvements | 3 - 10 |

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual values, useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate, to ensure that the values, period and method of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

c) Subsequent expenditure

Subsequent expenditure, excluding the cost of day-to-day servicing, relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits will flow to the Group and the cost can be reliably measured.

Such expenditure includes the cost of replacing part of such property, plant and equipment when the cost is incurred, if the recognition criteria are met. Other subsequent expenditure is recognised as an expense in the profit and loss accounts during the year in which it is incurred.

d) Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset calculated as the difference between the net disposal proceeds and the carrying amount of the item is included in the profit and loss accounts in the year the asset is derecognised.

2.10 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease in order to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or service, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of investment properties is met and they are accounted for as finance lease.

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2.10 Investment properties (continued)

Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is computed on a straight-line basis over the estimated useful life of 10-48 years or term of the lease, whichever is shorter.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property calculated as the difference between the net disposal proceeds and the carrying amount of the item is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development.

Transfers are made from investment property when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

2.11 Intangible assets

Goodwill

Goodwill acquired in a business combination is initially measured at cost. Following initial recognition, goodwill is measured at cost, less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit and loss accounts. Impairment losses recognised for goodwill are not reversed in subsequent periods.

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2.11 Intangible assets (continued)

Goodwill (continued)

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.7.

Goodwill and fair value adjustments which arose on acquisitions of foreign operations before 1 January 2005 are deemed to be assets and liabilities of the Company and are recorded in US\$ at rates prevailing at the date of acquisition.

2.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money paid and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are covering generally a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the profit and loss accounts in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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2.12 Impairment of non-financial assets (continued)

For asset excluding goodwill, assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognised previously. Such reversal is recognised in the profit and loss accounts unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

2.13 Financial instruments

a) Financial assets

i) Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

ii) Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

1) Amortized cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

This accounting policy applies primarily to the Group's and Company's cash and bank balances, fixed deposits, trade and other receivables, advances to employees, and refundable deposits. The accounting policy also applies to the Company's due from subsidiaries (trade).

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2.13 Financial instruments (continued)

a) Financial assets (continued)

2) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

3) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

iii) Derecognition of financial assets

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

b) Financial liabilities

i) Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

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2.13 Financial instruments (continued)

b) Financial liabilities (continued)

ii) Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

iii) Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.14 Impairment of financial assets

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 1 month past due.

The Group considers a financial asset in default when contractual payments are 11 months past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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2.15 Cash and bank balances and fixed deposits

Cash and bank balances comprise of cash on hand, demand deposits and short-term, highly-liquid investments that are readily convertible to known amounts of cash, with maturities of up to three months from date of acquisition, and that are subject to an insignificant risk of changes in values. These also include bank overdrafts that form an integral part of the Group's cash management.

Fixed deposits are loan arrangements where specific amount of fund is placed on deposit under the name of the account holder. Fixed deposits cannot be withdrawn for a specified period of time and usually earn a fixed interest according to the terms and conditions that govern the loan which is usually current in nature.

2.16 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and conditions are accounted for as follows:

- Raw materials: purchase costs on a weighted average method;
- Finished goods and work-in-progress: costs of direct materials on a weighted average method and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in provision due to passage of time is recognised as a finance cost.

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2.18 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit and loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the profit and loss.

2.19 Borrowing costs

Borrowing costs are recognised in the profit and loss accounts as incurred, except to the extent that they are capitalised. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and the borrowing costs are incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.20 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Deferred transaction costs represent costs incurred to obtain project financing. Deferred transaction costs are amortized, using the effective interest rate method, over the lives of the related long-term debt.

Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss accounts over the period of the borrowings using the effective interest rate method. Borrowings which are due to be settled within 12 months after the end of the reporting period are presented as current borrowings even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period and before the financial statements are authorised for issue. Other borrowings due to be settled more than 12 months after the end of the reporting period are presented as "Term loans" under non-current liabilities in the balance sheets.

2.21 Employee benefits

a) Defined benefits pension plans

The Group operates defined benefits pension plans. The pension benefits in the Philippines are unfunded and non-contributory covering substantially all the regular employees of the Group's subsidiaries in the Philippines. Pension benefit expense is actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries. Pension benefit expense includes current service cost and interest cost. Remeasurement gains and losses are recognised under other comprehensive income in the period in which they occur.

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(continued)

2.21 Employee benefits (continued)

a) Defined benefits pension plans (continued)

The past service cost is recognised as an expense when the plan amendment occurs regardless of whether they are vested.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation reduced by past service cost not yet recognised.

b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the subsidiaries in the Group operating in Singapore and Taiwan make contributions to the Central Provident Fund scheme, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

c) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. An estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

d) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after end of the reporting period are discounted to present value.

2.22 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and ROU assets representing the right to use the underlying leased assets.

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(continued)

2.22 Leases (continued)

(a) As lessee (continued)

Right-of-use assets

The Group recognises ROU assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated amortisation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are amortised on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets which ranges from 2 to 50 years.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.12.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

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2.22 Leases (continued)

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Group's investment properties is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Deposits payables

Deposits payables are measured at amortized cost. Deposits payables refer to security deposits received from various tenants upon inception of the respective lease contracts on the Group's investment properties. At the termination of the lease contracts, the security deposits received by the Group are returned to tenants, reduced by unpaid rental fees, penalties and/or deductions from repairs of damaged leased properties, if any. The related lease contracts usually have a term of more than twelve months.

2.23 Assets held for leasing

Assets held for leasing are carried at cost and consist mainly of medical clothes and quilts. These are amortised on a straight-line basis over five years.

Assets held for leasing are derecognised either when they have been disposed of or when the assets are permanently withdrawn from use and no future economic benefit is expected from the assets' disposal. Any gains or losses on the retirement or disposal of assets held for leasing are recognised in the profit and loss accounts in the year of retirement or disposal.

2.24 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

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(continued)

2.24 Revenue recognition (continued)

The following specific recognition criteria must also be met before revenue is recognised:

a) Sale of goods

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of the estimated volume discounts and adjusted for expected returns. Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group recognises the expected volume discounts payable to customer where consideration have been received from customers and refunds due to expected returns from customers as refund liabilities. Separately, the Group recognises a related asset for the right to recover the returned goods, based on the former carrying amount of the good less expected costs to recover the goods, and adjusts them against cost of sales correspondingly.

At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes. The Group also updates its measurement of any asset for the right to recover returned goods for changes in its expectations about returned goods.

The Group has elected to apply the practical expedient to recognise the incremental costs of obtaining a contract as an expense when incurred where the amortisation period of the asset that would otherwise be recognised is one year or less.

b) Rendering of services

Hospital services and management fees are recognised as earned when the service is rendered.

The obligation to provide the hospital services are obligation satisfied over time as the customer simultaneously receives and consumes the benefits provided by the Group. The Group measures the satisfaction of the performance obligation based on the value transferred to the customer. The Group will apply the right to invoice practical expedient that allows the Group to recognize revenue as invoiced which is the amount that corresponds directly with the value to the customer of the entity's performance to date. The contracts with customers provide unspecified quantity of service that give rise to variable consideration.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(continued)

2.24 Revenue recognition (continued)

c) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

d) Interest income

Interest income is recognised using the effective interest rate method.

2.25 Taxes

a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in the profit and loss accounts except to the extent that the tax relates to items recognised outside the profit and loss accounts, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

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(continued)

2.25 Taxes (continued)

b) Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences carry-forward benefits of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward benefits of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each end of the reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or when the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(continued)

2.26 Share capital and share issue expenses

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.27 Segment reporting

For management purposes, the Group is organised on a world-wide basis into three major geographical segments. The divisions are the basis on which the Group reports its primary segment information.

Segment revenues, expenses and results include transfers between geographical segments and between business segments. Such transfers are accounted for on an arm's-length basis.

2.28 Dividends

Cash dividends will be recorded as a liability when the distribution is authorised, and the distribution is no longer at the discretion of the Company. The distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.29 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) A present obligation that arises from past events but is not recognised because:
 - i. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - ii. the amount of obligation cannot be measured with sufficient reliability.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(continued)

2.30 Events after the reporting period

Post year-end events that provide additional information about the Group's financial position at the end of the reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

2.31 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for recurring fair value measurement, such investment properties.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES
(continued)

2.31 Fair value measurement (continued)

External valuers are involved for valuation of investment properties. Involvement of external valuers is decided upon annually by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyzes the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information the valuation computation to contracts and other relevant documents.

Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.32 Earnings per share

Basic earnings per share are computed by dividing consolidated net income for the year attributable to the equity holders of the Company by the weighted average number of common shares issued and outstanding during the year, after giving retroactive effect for any stock dividends declared and stock rights exercised during the year.

Diluted earnings per share amounts are calculated by dividing the consolidated net income for the year attributable to the equity holders of the parent by the weighted average number of common shares outstanding during the year plus the weighted average number of common shares that would be issued for outstanding common stock equivalents. The Group does not have dilutive potential common shares.

3. SHARE CAPITAL

| | Group and Company | |
|--|-------------------|--------|
| | 2020 | 2019 |
| | \$'000 | \$'000 |
| Authorised | | |
| - 1,000,000,000 ordinary shares of \$0.05 each | 50,000 | 50,000 |
| Issued and paid up | | |
| As at 1 January and 31 December | | |
| - 549,411,240 ordinary shares of \$0.05 each | 27,471 | 27,471 |

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3. SHARE CAPITAL (continued)

The Company has only one class of shares: ordinary shares of \$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.

On 8 March 2021, the Company has repurchased 3 million shares for a total consideration amounting to SGD2.9 million.

In 2014, the Company shares were issued in consideration of the acquisition of the non-controlling interest of Medtecs (Taiwan) Corporation (MTC). The excess of the consideration over the fair value of the net assets acquired was recorded in "Other reserves" under the equity section of the balance sheet.

4. REVENUE AND OTHER RESERVES

a) Revenue reserves/(deficit)

| | Group | |
|-----------------------------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 |
| Revenue reserves are retained by: | | |
| Company | 74,340 | (8,318) |
| Subsidiaries | 83,449 | 39,065 |
| | 157,789 | 30,747 |

b) Foreign currency translation reserves

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

| | Group | |
|---|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 |
| At 1 January | 231 | (88) |
| Net effect of exchange differences arising from translation of financial statements of foreign operations | 3,001 | 319 |
| At 31 December | 3,232 | 231 |

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5. PROPERTY, PLANT AND EQUIPMENT

| Group | Leasehold buildings and improvements \$'000 | Machinery, equipment and others \$'000 | Furniture, fixtures and equipment \$'000 | Leasehold improvements \$'000 | Transportation equipment \$'000 | Total \$'000 |
|--|--|---|---|-------------------------------------|---------------------------------------|-----------------|
| Cost: | | | | | | |
| As at 1 January 2019 | 24,320 | 35,928 | 3,116 | 4,288 | 1,139 | 68,791 |
| Additions | 89 | 1,487 | 298 | 10 | 58 | 1,952 |
| Disposals | (202) | (4,131) | (505) | (50) | (85) | (4,973) |
| Reclassification | 150 | (200) | (71) | 114 | (77) | (84) |
| Translation adjustments | (505) | 289 | (13) | 14 | 3 | (212) |
| As at 31 December 2019 and 1 January 2020 | 23,852 | 33,383 | 2,825 | 4,378 | 1,038 | 65,474 |
| Additions | 327 | 5,290 | 443 | 44 | 359 | 6,463 |
| Disposals | – | (696) | – | – | (65) | (761) |
| Reclassification | – | 250 | (185) | – | – | 65 |
| Translation adjustments | 125 | 40 | 17 | (2) | 5 | 185 |
| As at 31 December 2020 | 24,304 | 38,267 | 3,100 | 4,418 | 1,337 | 71,426 |
| Accumulated depreciation: | | | | | | |
| As at 1 January 2019 | 9,217 | 30,702 | 2,584 | 3,926 | 762 | 47,191 |
| Depreciation charge for the year | 555 | 1,370 | 92 | 124 | 40 | 2,181 |
| Disposals | (28) | (3,975) | (505) | (50) | (67) | (4,625) |
| Reclassification | 2,403 | (172) | (102) | (23) | (77) | 2,029 |
| Translation adjustments | (306) | (156) | 9 | – | (19) | (472) |
| As at 31 December 2019 and 1 January 2020 | 11,841 | 27,769 | 2,078 | 3,977 | 639 | 46,304 |
| Depreciation charge for the year | 732 | 2,955 | 66 | 32 | 64 | 3,849 |
| Disposals | – | (690) | – | – | (58) | (748) |
| Reclassification | – | 2 | (2) | – | – | – |
| Translation adjustments | 218 | 237 | 50 | 1 | 16 | 522 |
| As at 31 December 2020 | 12,791 | 30,273 | 2,192 | 4,010 | 661 | 49,927 |
| Net carrying amount: | | | | | | |
| As at 31 December 2019 | 12,011 | 5,614 | 747 | 399 | 399 | 19,170 |
| As at 31 December 2020 | 11,513 | 7,994 | 908 | 408 | 676 | 21,499 |

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5. PROPERTY, PLANT AND EQUIPMENT (continued)

| Company | Leasehold buildings and improvements \$'000 | Machinery, furniture, fixtures and equipment \$'000 | Leasehold improvements \$'000 | Transportation equipment \$'000 | Total \$'000 |
|--|--|--|-------------------------------------|---------------------------------------|-----------------|
| Cost: | | | | | |
| As at 1 January 2019 | 229 | 3,438 | 10 | 50 | 3,727 |
| Additions | – | 19 | – | – | 19 |
| Reclassification (Note 6) | 2,228 | – | – | – | 2,228 |
| As at 31 December 2019 | 2,457 | 3,457 | 10 | 50 | 5,974 |
| Additions | – | 27 | – | – | 27 |
| As at 31 December 2020 | 2,457 | 3,484 | 10 | 50 | 6,001 |
| Accumulated depreciation: | | | | | |
| depreciation: | | | | | |
| As at 1 January 2019 | 211 | 3,426 | 6 | 40 | 3,683 |
| Depreciation charge for the year | 5 | 8 | 1 | 6 | 20 |
| Reclassification (Note 6) | 2,228 | – | – | – | 2,228 |
| As at 31 December 2019 and 1 January 2020 | 2,444 | 3,434 | 7 | 46 | 5,931 |
| Depreciation charge for the year | 6 | 10 | – | 4 | 20 |
| As at 31 December 2020 | 2,450 | 3,444 | 7 | 50 | 5,951 |
| Net carrying amount: | | | | | |
| As at 31 December 2019 | 13 | 23 | 3 | 4 | 43 |
| As at 31 December 2020 | 7 | 40 | 3 | – | 50 |

As of 31 December 2019, fully depreciated building and building improvements previously classified by the Group and Company as investment property were reclassified to property, plant and equipment. The aggregate cost of the properties was added as part of the fully depreciated property, plant and equipment that are still in use by the Group and Company (Note 6).

As of 31 December 2020, there were property, plant and equipment with carrying amount of \$7.8 million (2019: \$5.5 million) that were mortgaged to secure various loans as mentioned in Note 17.

The Group continues to utilize fully depreciated property and equipment with an aggregate acquisition cost amounting to \$26.3 million and \$27.7 million as of 31 December 2020 and 2019, respectively.

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6. INVESTMENT PROPERTIES

| | Group | | Company | |
|---------------------------------------|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Cost: | | | | |
| As at 1 January | 5,465 | 7,693 | - | 2,228 |
| Reclassification (Note 5) | - | (2,228) | - | (2,228) |
| As at 31 December | 5,465 | 5,465 | - | - |
| Accumulated depreciation: | | | | |
| As at 1 January | 2,515 | 4,632 | - | 2,228 |
| Depreciation charge for the year | 111 | 111 | - | - |
| Reclassification (Note 5) | - | (2,228) | - | (2,228) |
| As at 31 December | 2,626 | 2,515 | - | - |
| Net carrying amount as at 31 December | 2,839 | 2,950 | - | - |
| Profit and loss account: | | | | |
| Rental income (Note 28) | 618 | 615 | - | - |
| Direct operating expenses | (111) | (111) | - | - |
| | 507 | 504 | - | - |

The Group and Company's investment properties includes building and building improvements that are mainly held to earn rentals and capital appreciation. The Group and Company have 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.

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 9.9% used under the income approach for valuing anticipated future benefits into current property value is computed under the "Built-Up" method. As December 31, 2020, fair market value of the investment properties, which is based on its highest and best use, amounted to \$4.3 million. The fair value is categorized under Level 2 (valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable) fair value hierarchy.

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7. ASSETS HELD FOR LEASING

| | Group | |
|--|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 |
| Cost: | | |
| As at 1 January | 10,014 | 9,575 |
| Additions | 1,938 | 2,620 |
| Written off | (2,723) | – |
| Disposals | (1,401) | (2,181) |
| As at 31 December | <u>7,828</u> | <u>10,014</u> |
| Accumulated depreciation: | | |
| As at 1 January | 3,927 | 3,258 |
| Amortisation charge for the year | 3,576 | 2,832 |
| Written off | (2,723) | – |
| Disposals | (1,310) | (2,163) |
| As at 31 December | <u>3,470</u> | <u>3,927</u> |
| Net carrying amount as at 31 December | <u>4,358</u> | <u>6,087</u> |

In 2020, fully amortised linens held for leasing with cost amounting to \$4.0 million (2019: \$2.2 million) was derecognised.

8. INVESTMENT IN SUBSIDIARIES

(a) Investment in subsidiaries comprise:

| | Company | |
|--|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 |
| Unquoted equity shares, at cost | 24,899 | 24,899 |
| Additional investment | 3,470 | – |
| Allowance for impairment on investment | (16) | (16) |
| | <u>28,353</u> | <u>24,883</u> |

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8. INVESTMENT IN SUBSIDIARIES (continued)

(b) The Company had the following subsidiaries as at 31 December:

| Name | Principal activities | Country of incorporation and place of business | Percentage of equity held by the Company | | Cost of investment by the Company | |
|---|---|--|--|----------------------|-----------------------------------|----------------------|
| | | | 2020 | 2019 | 2020 | 2019 |
| | | | % | % | \$'000 | \$'000 |
| Held by the Company | | | | | | |
| Universal Weavers Corporation (UWC) | Manufacturing and trading of woven and knitted fabrics | Philippines | 100.0 | 100.0 | 5,863 ^(d) | 5,863 ^(d) |
| Contex Corporation (CC) | Trading of hospital textiles and garments, pillow cases, bed sheets, gowns and apparel, and subleasing activities | Philippines | 98.8 ^(a) | 98.8 ^(a) | 1,854 | 1,854 |
| Medtecs (Taiwan) Corporation (MTC) | Manufacturing, leasing, marketing and distribution of medical consumables and provision of hospital laundry services | Republic of China | 100.0 ^(b) | 100.0 ^(b) | 7,569 ^(d) | 7,569 ^(d) |
| Medtex Corporation | Manufacturing and sale of elastic bandages, garters and other garment products | Philippines | 100.0 | 100.0 | 474 ^(d) | 474 ^(d) |
| Medtecs (Cambodia) Corporation Limited (MCCL) | Manufacturing of medical consumables and provision of procurement services | Cambodia | 100.0 | 100.0 | 2,038 ^(d) | 2,038 ^(d) |
| Medtecs (Asia Pacific) Pte. Ltd. | Sale of woven and knitted fabrics and other made-up articles of textile products | Singapore | 100.0 | 100.0 | 1,241 ^(e) | 1,241 ^(e) |
| Medtecs Materials Technology Corporation (MMTC) | Manufacturing, leasing and trading of woven and knitted fabrics, other made-up articles of textile, medical and healthcare related products, and provision of hospital laundry services | Philippines | 100.0 | 100.0 | 2,021 | 2,021 |
| Medtecs MSEZ Corp., Ltd. (MMSEZ) | Manufacturing of woven and non-woven fabric | Cambodia | 100.0 ^(f) | — | 3,370 | — |
| Medtecs USA Corporation | Manufacturing and supplying of personal protective equipment and healthcare products | United States of America (USA) | 100.0 ^(g) | — | 100 | — |

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8. INVESTMENT IN SUBSIDIARIES (continued)

| Name | Principal activities | Country of incorporation and place of business | Percentage of equity held by the Company | | Cost of investment by the Company | |
|---|--|--|--|----------------------|-----------------------------------|----------------------|
| | | | 2020 % | 2019 % | 2020 \$'000 | 2019 \$'000 |
| Medtecs (Far East) Limited | Sale of woven and knitted fabrics and other made-up articles of textile products | Hong Kong Special Administrative Region | 100.0 | 100.0 | 1 | 1 |
| Cooper Development Limited | Investment holding | Malaysia | 100.0 | 100.0 | 3,822 ^(d) | 3,822 ^(d) |
| Held through subsidiaries | | | | | | |
| Hangzhou Jinchen Medical Supplies Manufacture Co., Ltd. (Jinchen) | Manufacturing and trading of woven and non-woven medical consumables | People's Republic of China | 100.0 | 100.0 | – | – |
| Zibo Lianheng Textiles Co., Ltd. (Lianheng) | Manufacturing and trading of woven fabrics | People's Republic of China | 51.1 ^(e) | 51.1 ^(e) | – | – |
| Zibo Lianheng Textiles & Garments Co. Ltd. | Manufacturing and trading of woven fabrics | People's Republic of China | 100.0 | 100.0 | – | – |
| MMSEZ | Manufacturing of woven and non-woven fabric | Cambodia | – | 100.0 ^(f) | – | – |
| | | | | | 28,353 | 24,883 |

^(a) Certain shares are held by non-controlling interests which are equivalent to 1.2% of the total paid-up capital.

^(b) Certain shares held by non-controlling interests which are equivalent to 7.6% of the total paid-up capital were acquired by the Company in 2014.

^(c) Certain shares are held by non-controlling interests which are equivalent to 48.9% of the total paid up capital.

^(d) Includes equity-settled share options granted to employees of the subsidiaries which were regarded as capital contribution to the subsidiaries.

^(e) Includes allowance for impairment of \$16,000 as this subsidiary had been previously making losses.

^(f) In 2020, the Board approved for the acquisition by the Company of all shares of MMSEZ, previously MTC's wholly owned subsidiary, for a total investment cost of \$3,370,000.

^(g) On 19 October 2020, the Board announced the incorporation of a new subsidiary, Medtecs USA Corporation, for an investment cost of \$100,000, representing 100% shareholdings of the subsidiary.

The following summarised financial information for the subsidiaries with non-controlling interests are prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

| | CC | | Lianheng | | Intra-group elimination | | Total | |
|--------------------------------|----------------|----------------|----------------|----------------|-------------------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Non-current assets | 3,142 | 3,265 | 716 | 954 | | | | |
| Current assets | 2,258 | 4,616 | 750 | 2,498 | | | | |
| Non-current liabilities | (150) | (103) | – | – | | | | |
| Current liabilities | (70) | (3,021) | – | (1,430) | | | | |
| Net assets | 5,180 | 4,759 | 1,466 | 2,022 | | | | |
| Net assets attributable to NCI | 62 | 57 | 717 | 969 | 246 | (26) | 1,025 | 1,020 |

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9. GOODWILL

| | Group | |
|-------------------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 |
| As at 1 January | 709 | 709 |
| Net exchange difference | - | - |
| As at 31 December | 709 | 709 |

Goodwill acquired through business combinations has been allocated to the cash-generating units, which are also the reportable operating segments, for impairment testing as follows:

| | 2020 \$'000 | 2019 \$'000 |
|-------------------|----------------|----------------|
| Manufacturing | 198 | 198 |
| Hospital services | 511 | 511 |
| | 709 | 709 |

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired.

The recoverable amounts of the cash-generating units are determined based on the value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections in 2020 for manufacturing segment is 10.80% (2019: 10.86%) and for the hospital services segment is 6.47% (2019: 6.80%) and the forecasted growth rates used to extrapolate cash flows beyond the five-year period in 2020 is 10% (2019: 10%) for manufacturing segment and 5% (2019: 5%) for hospital services which are based on management's reasonable estimates of the Group's manufacturing and hospital services operations given its existing business model and expansion of its distribution channel in China and Taiwan.

The following describes management's key assumptions on the cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins

Gross margins are based on a mix of historical margins and expected rates improvements based on management's growth strategies. These are increased over the budget period for anticipated efficiency improvements.

Growth rates

The forecasted growth rates are based on management's estimate of the long-term average growth relevant to the cash-generating unit.

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9. GOODWILL (continued)

Market share assumptions

Market share assumptions are important because management assesses how the cash-generating unit's position relative to its competitors might change over the budget period. Management expects the Group's market share to be stable over the budget period.

Pre-tax discount rates

Discount rates reflect management's estimate of the risks specific to each cash-generating unit. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals. In determining appropriate discount rates for each cash-generating unit, reference has been given to the specific circumstances of the cash-generating units and derived from their weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Risk specific to the cash-generating unit is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

With regards to the assessment of value in use of cash generating units to which the assets are allocated, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

10. DUE FROM/(TO) SUBSIDIARIES (TRADE)

The current balances of amounts due from/(to) subsidiaries are unsecured, non-interest bearing and are payable upon demand.

11. OTHER NON-CURRENT ASSETS

| | Group | | Company | |
|-------------------|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Deposits | 2,641 | 5,617 | 26 | 3,025 |
| Guarantee deposit | 1,372 | 750 | 250 | 750 |
| Others | 604 | 567 | 21 | 21 |
| | <u>4,617</u> | <u>6,934</u> | <u>297</u> | <u>3,796</u> |

Guarantee deposit includes the fixed deposit in Taiwan Cooperative Bank which serves as collateral to the loan from the same bank amounting to \$5,000,000 (Note 17). This also includes payments to hospital clients in Taiwan as guarantee to perform services during the term of the service contract.

Others include golf club membership and other long-term investments.

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12. INVENTORIES

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| At cost: | | | | |
| Goods-in-transit | 477 | 908 | - | - |
| Raw materials | 17,038 | 10,943 | 12 | 12 |
| Work-in-progress | 5,566 | 6,589 | 11 | 13 |
| Supplies and spare parts | 5,377 | 4,932 | 1 | 1 |
| Finished goods | 28,223 | 16,772 | 587 | 52 |
| | <u>56,681</u> | <u>40,144</u> | <u>611</u> | <u>78</u> |
| At net realizable value: | | | | |
| Raw materials | 16,248 | 10,791 | - | - |
| Work-in-progress | 4,961 | - | - | - |
| Supplies and spare parts | 5,311 | 4,866 | - | - |
| Finished goods | 26,681 | 14,690 | - | - |
| | <u>53,201</u> | <u>30,347</u> | <u>-</u> | <u>-</u> |
| At lower of cost or net realizable value | <u>53,678</u> | <u>37,844</u> | <u>611</u> | <u>78</u> |

The Group recognised provision for inventory losses in the profit and loss accounts in 2020 amounting to \$659,000 (2019: \$246,000).

Allowance for inventory losses of the Group for the year ended 31 December 2020 is \$3.0 million (2019: \$2.3 million). Allowance for inventory losses of the Company for the year ended 31 December 2020 is nil (2019: nil).

The Group's inventories charged to operations in 2020 were \$189.3 million (2019: \$27.4 million) (Note 23).

13. TRADE RECEIVABLES

| | Group | | Company | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Trade receivables | | | | |
| Manufacturing | 41,438 | 10,837 | 17,442 | 5,749 |
| Hospital services | 2,042 | 1,352 | - | - |
| Trading | 6,048 | 1,384 | - | - |
| Less: Allowance for impairment | (220) | (229) | - | - |
| | <u>49,308</u> | <u>13,344</u> | <u>17,442</u> | <u>5,749</u> |

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13. TRADE RECEIVABLES (continued)

Trade receivables are non-interest bearing and are generally on 1 to 11 months' term. They are recognised at their original invoice amounts, which represent fair values on initial recognition.

Trade receivables denominated in foreign currencies at 31 December are as follows:

| | Group | |
|-------------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 |
| Philippine peso | 1,277 | 524 |
| Renminbi | 119 | 261 |
| New Taiwan dollar | 1,547 | 2,333 |
| Singapore dollar | 16,643 | 464 |

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL is as follows:

| | 2020 \$'000 | 2019 \$'000 |
|----------------------|----------------|----------------|
| As at 1 January | 229 | 225 |
| Charge for the year | 12 | - |
| Written off | (27) | - |
| Exchange differences | 6 | 4 |
| As at 31 December | 220 | 229 |

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14. OTHER CURRENT ASSETS

| | Group | | Company | |
|-----------------------|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Advances to suppliers | 12,017 | 12,918 | 11,807 | 11,932 |
| Prepayments | 331 | 285 | 25 | 32 |
| Advances to employees | 72 | 36 | 7 | 9 |
| Input taxes | 2,477 | 264 | — | — |
| Sundry receivables | 836 | 2,600 | 2,659 | 376 |
| | 15,733 | 16,103 | 14,498 | 12,349 |

Advances to suppliers are payments to suppliers for future deliveries of inventories that are to be liquidated within a year.

Sundry receivables include rent receivables and claims from third parties.

Other current assets denominated in foreign currencies at 31 December are as follows:

| | Group | | Company | |
|-------------------|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Renminbi | 157 | 392 | — | — |
| Philippine peso | 1,431 | 646 | 392 | 14 |
| New Taiwan dollar | 359 | 917 | — | — |
| Singapore Dollar | 1,762 | — | — | — |

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15. CASH AND BANK BALANCES AND FIXED DEPOSITS

| | Group | | Company | |
|------------------------|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Cash and bank balances | 82,161 | 3,070 | 20,008 | 46 |
| Fixed deposits | 5,178 | 4,930 | – | – |

Bank balances of the Group and of the Company earns interest at floating rates based on bank deposit rates.

Fixed deposits of the Group and of the Company are pledged in connection with credit facilities granted by banks and short-term maturing loans. In addition, the withdrawal of such fixed deposits is subject to the banks' approval in connection with overdraft facilities. The fixed deposits are denominated in US\$ and earn annual interest of 0.9% (2019: 0.9%).

Cash and bank balances and fixed deposits denominated in foreign currencies at 31 December are as follows:

| | Group | | Company | |
|-------------------|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| New Taiwan dollar | 6,314 | 6,855 | – | – |
| Philippine peso | 2,760 | 231 | 29 | 20 |
| Renminbi | 2,188 | 116 | – | – |
| Singapore dollar | 49,749 | 26 | 7,525 | 20 |
| Euros | 2,510 | – | 56 | – |
| Riel | 5 | 2 | – | – |

Interest income earned by the Group and Company from cash in bank and fixed deposits amounted to \$36,000 (2019: \$209,000) and \$3,000 (2019: \$1,000), respectively.

16. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

| | Group | | Company | |
|---------------------------------------|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Trade payables | 6,003 | 948 | 104 | 87 |
| Other creditors | 1,997 | 622 | 3,072 | 127 |
| Lease liabilities - current (Note 28) | 386 | 480 | – | – |
| Accrued operating expenses | 1,900 | 1,739 | 39 | 77 |
| Amounts due to directors (Note 27) | 71 | 47 | 71 | 44 |
| | 10,357 | 3,836 | 3,286 | 335 |

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16. TRADE PAYABLES AND OTHER CURRENT LIABILITIES (continued)

Trade payables are unsecured, non-interest bearing and are payable within one year. Amounts due to directors are non-trade related, unsecured, non-interest bearing and are payable on demand. Amounts due to other creditors include payable to government institutions and advances from customers.

Trade payables and other current liabilities denominated in foreign currencies at 31 December are as follows:

| | Group | | Company | |
|-------------------|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| New Taiwan dollar | 5,768 | 828 | -- | -- |
| Renminbi | 677 | 24 | -- | -- |
| Philippine peso | 1,679 | 1,370 | 87 | 81 |

17. LOANS AND BORROWINGS

| | Weighted average effective interest rate (per annum) | Maturity | Group | | Company | |
|------------------------------------|---|----------|----------------|----------------|----------------|----------------|
| | | | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Current: | | | | | | |
| Bank loans: | | | | | | |
| - US\$ loans | | | | | | |
| Secured (Note 5) | 4.46% | 2020 | -- | 459 | -- | -- |
| Unsecured | 8.40% | 2021 | 500 | 11,913 | -- | -- |
| - Renminbi (RMB) loans | | | | | | |
| Secured (Note 5) | 5.30% | 2021 | 1,123 | 1,765 | -- | -- |
| - New Taiwan Dollar (NTD) loans | | | | | | |
| Unsecured | 1.56% | 2020 | 24,638 | 22,142 | -- | -- |
| Secured (Note 5) | 1.61% | 2021 | 5,342 | -- | -- | -- |
| Total short-term bank loans | | | 31,603 | 36,279 | -- | -- |
| Term loans (current portion) | | | 1,250 | 387 | 1,250 | -- |

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17. LOANS AND BORROWINGS (continued)

| | Weighted average effective interest rate (p.a.) | Maturity | Group | | Company | |
|--|--|-----------|----------------|----------------|----------------|----------------|
| | | | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Non-current: | | | | | | |
| Term loans: | | | | | | |
| - Long-term loan (secured) (Note 5) | 2.50% | 2019-2021 | 1,250 | 3,750 | 1,250 | 3,750 |
| - Long-term loan (secured) (Note 5) | 8.50% | 2019-2024 | 228 | 617 | - | - |
| - NTD term loans Unsecured | 3.40% | 2019-2020 | - | 1,890 | - | - |
| Total long-term bank loans | | | 1,478 | 6,257 | 1,250 | 3,750 |
| Due within one year | | | (1,250) | (387) | (1,250) | - |
| Due after one year | | | 228 | 5,870 | - | 3,750 |
| Total loans and borrowings | | | 33,081 | 42,536 | 1,250 | 3,750 |

The above borrowings are classified as follows:

| | Group | | Company | |
|-----------|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Secured | 7,943 | 6,591 | 1,250 | 3,750 |
| Unsecured | 25,138 | 35,945 | - | - |
| | 33,081 | 42,536 | 1,250 | 3,750 |

Property, plant and equipment and guarantee deposit with carrying amounts of \$7.8 million and \$250,000, respectively (2019: \$5.5 million and \$750,000, respectively) (Notes 5 and 11) are used to secure the loans of the Group and Company amounting to \$7.9 million (2019: \$6.6 million) and \$1.3 million (2019: \$3.8 million), respectively.

Long-term loans

The term loans from Cathay United Bank are payable in monthly installment with effective rate of 8.5% and are secured by buildings and improvements amounting to \$1.1 million. Term loans from Taiwan Cooperative Bank are payable in quarterly installment starting 2020 with effective rate of 2.25% plus LIBOR rate per annum. This is guaranteed by a fixed deposit amounting to 20% of the loan (Notes 11 and 15).

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17. LOANS AND BORROWINGS (continued)

A reconciliation of liabilities arising from financing activities is as follows:

| | December 31, 2019 | Net cash flows | Non-cash changes | |
|-------------------|-------------------|-----------------|------------------|-------------------|
| | | | Others | December 31, 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Term loans | | | | |
| - current | 387 | (5,007) | 5,870 | 1,250 |
| - noncurrent | 5,870 | 228 | (5,870) | 228 |
| Bank loans | 36,279 | (4,676) | - | 31,603 |
| Lease liabilities | 3,563 | (763) | 744 | 3,544 |
| Accrued interest | - | (1,179) | 1,203 | 24 |
| Total | 46,099 | (11,397) | 1,947 | 36,649 |

| | December 31, 2018 | Net cash flows | Non-cash changes | |
|-------------------|-------------------|----------------|------------------|-------------------|
| | | | Others | December 31, 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Term loans | | | | |
| - current | 2,185 | (7,711) | 5,913 | 387 |
| - noncurrent | 5,913 | 5,870 | (5,913) | 5,870 |
| Bank loans | 32,716 | 3,563 | - | 36,279 |
| Lease liabilities | - | (215) | 3,778 | 3,563 |
| Accrued interest | - | (2,004) | 2,004 | - |
| Total | 40,814 | (497) | 5,782 | 46,099 |

The 'others' column relates to reclassification of non-current portion of loans and borrowings due to passage of time and additions and adjustments to lease liabilities.

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18. REVENUE

Disaggregation of revenue

| Group | Manufacturing | | Hospital Services | | Distribution and Others | | Total | |
|--|----------------|----------------|-------------------|----------------|-------------------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Primary geographical markets | | | | | | | | |
| North America | 49,219 | 7,814 | – | – | – | – | 49,219 | 7,814 |
| Asia Pacific | 174,954 | 12,360 | 14,668 | 14,271 | 27,842 | 1,803 | 217,464 | 28,434 |
| Europe | 118,929 | 32,729 | – | – | – | – | 118,929 | 32,729 |
| Australia | 14,715 | – | – | – | – | – | 14,715 | – |
| | 357,817 | 52,903 | 14,668 | 14,271 | 27,842 | 1,803 | 400,327 | 68,977 |
| Revenue from contracts | | | | | | | | |
| Revenue from manufacturing | 357,817 | 52,903 | – | – | – | – | 357,817 | 52,903 |
| Revenue from hospital services | – | – | 14,668 | 14,271 | – | – | 14,668 | 14,271 |
| Revenue from distribution and others | – | – | – | – | 27,842 | 1,803 | 27,842 | 1,803 |
| | 357,817 | 52,903 | 14,668 | 14,271 | 27,842 | 1,803 | 400,327 | 68,977 |
| Timing of transfer of goods or services | | | | | | | | |
| At a point in time | 357,817 | 52,903 | – | – | 27,229 | 1,188 | 385,046 | 54,091 |
| Over time | – | – | 14,668 | 14,271 | 613 | 615 | 15,281 | 14,886 |
| | 357,817 | 52,903 | 14,668 | 14,271 | 27,842 | 1,803 | 400,327 | 68,977 |

Contex Corporation earned rental revenue for the financial year ended 31 December 2020 amounting to \$612,501 (2019: \$615,257) included under Distribution and others segment (Note 28).

Revenues from major customer of the Group's Manufacturing segment represent approximately 25% for the year ended 31 December 2020 (2019: \$28%) of the Group's total revenues.

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18. REVENUE (continued)

Set out below is the disaggregation of the Company's revenue from contracts with customers:

| Company | 2020 | 2019 |
|--|----------------|---------------|
| | \$'000 | \$'000 |
| Primary geographical markets | | |
| North America | 15,959 | – |
| Asia Pacific | 224,190 | 12,589 |
| Europe | 69,775 | – |
| Australia | 14,715 | – |
| | 324,639 | 12,589 |
| Revenue from contracts | | |
| Revenue from distribution and others | 324,639 | 12,589 |
| Timing of transfer of goods or services | | |
| At a point in time | 324,639 | 12,589 |

19. OTHER INCOME (EXPENSE) - NET

| | Group | | Company | |
|------------------------------|---------------|---------------|----------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Foreign exchange gain (loss) | (42) | 241 | (98) | (11) |
| Gain on disposals | 2 | 8 | – | – |
| Scrap sales | 233 | 155 | – | – |
| Others | 186 | 355 | 43 | 250 |
| | 379 | 759 | (55) | 239 |

Others include facilitation grant, administration fee, canteen rental, miscellaneous income and other operating income.

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20. EMPLOYEE BENEFITS

| | Group | | Company | |
|-------------------------------------|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Personnel expenses | | | | |
| Wages and salaries | 36,493 | 25,408 | 1,340 | 1,100 |
| Pension expense | 130 | 95 | 31 | 21 |
| | <u>36,623</u> | <u>25,503</u> | <u>1,371</u> | <u>1,121</u> |
| | | | | |
| | Group | | Company | |
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Personnel expenses | | | | |
| Cost of sales | 32,408 | 22,501 | 108 | 355 |
| General and administrative expenses | 3,222 | 2,343 | 1,003 | 545 |
| Distribution and selling expenses | 993 | 659 | 260 | 221 |
| | <u>36,623</u> | <u>25,503</u> | <u>1,371</u> | <u>1,121</u> |

Pension plan

This relates to the amount of pension benefit expense provided for the subsidiaries and the branch in the Group operating in the Philippines covering substantially all its regular employees. Retirement benefits under the plan are based on a percentage of latest monthly salary and years of credited service. The directors review the pension benefits expense with sufficient regularity such that the amount recorded does not differ materially from the amount to be recorded in compliance with SFRS(I) 19 at the end of the year.

Under the existing regulatory framework, Republic Act 7641 of the Philippines, Retirement Pay Law, a provision for retirement pay is required to qualified private sector employees in the absence of any retirement plan in the entity, provided however, that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The latest independent actuarial valuation of the plan was as of December 31, 2020, prepared by an independent actuary, and is determined using the projected unit credit actuarial cost method in accordance with SFRS(I) 19.

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20. EMPLOYEE BENEFITS (continued)

Pension plan (continued)

The components of the pension benefit expense recognised in the profit and loss accounts are as follows:

| | Group | | Company | |
|----------------------|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Current service cost | 82 | 51 | 19 | 11 |
| Interest cost | 48 | 44 | 12 | 10 |
| Net benefit expense | 130 | 95 | 31 | 21 |

The amount recognised in the balance sheet arising from the Group's and the Company's unfunded obligation in respect of its defined benefit plan in 2020 were \$1.2 million (2019: \$927,000) and \$276,000 (2019: \$225,000), respectively. The management of the Group is still contemplating on a scheme to fund the pension plan.

Changes in the present value of the unfunded defined benefit obligations are as follows:

| | Unfunded pension plan | | | |
|------------------------|-----------------------|----------------|----------------|----------------|
| | Group | | Company | |
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| As at 1 January | 927 | 585 | 225 | 133 |
| Current service cost | 82 | 51 | 19 | 11 |
| Interest cost | 48 | 44 | 12 | 10 |
| Benefits paid | (34) | (19) | (5) | (5) |
| Translation adjustment | 50 | 23 | 12 | 6 |
| Net remeasurement loss | 148 | 243 | 13 | 70 |
| As at 31 December | 1,221 | 927 | 276 | 225 |

The principal actuarial assumptions as at 31 December used to determine pension benefits are as follows:

| | Group | | Company | |
|----------------------|---------------|---------------|---------|-------|
| | 2020 | 2019 | 2020 | 2019 |
| Discount rate | 3.53% - 3.76% | 4.87% - 4.99% | 3.76% | 4.98% |
| Salary increase rate | 5.0% | 5.0% | 5.0% | 5.0% |

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20. EMPLOYEE BENEFITS (continued)

Pension plan (continued)

The history of experience adjustments are as follows:

| | Group | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2018 \$'000 | 2017 \$'000 | 2016 \$'000 |
| Unfunded defined benefit obligation | 1,221 | 927 | 585 | 721 | 727 |
| Change in assumption adjustments on plan liabilities | 267 | 133 | (150) | (61) | (3) |
| Experience adjustments on plan liabilities | (119) | 110 | (26) | (26) | (40) |
| | Company | | | | |
| | 2020 \$'000 | 2019 \$'000 | 2018 \$'000 | 2017 \$'000 | 2016 \$'000 |
| Unfunded defined benefit obligation | 276 | 225 | 133 | 183 | 175 |
| Change in assumption adjustments on plan liabilities | 42 | 53 | (33) | (11) | - |
| Experience adjustments on plan liabilities | (29) | 17 | (30) | (3) | 6 |

A quantitative sensitivity analysis for significant assumption as at 31 December 2020 is as shown below:

| Assumptions | Sensitivity Level | Impact on defined benefit obligation |
|-------------------------|-------------------|---|
| | | Increase (Decrease) |
| Discount rates | +0.5% | (83) |
| | -0.5% | 89 |
| Future salary increases | +2% | 385 |
| | -2% | (283) |

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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20. EMPLOYEE BENEFITS (continued)

Pension plan (continued)

The following payments are expected contributions to the defined benefit plan obligation in future years as at 31 December 2020:

| | \$'000 |
|---|--------------|
| Within the next 12 months (next annual reporting period) | 60 |
| More than 1 year to 5 years | 110 |
| More than 5 years to 10 years | 424 |
| More than 10 years to 15 years | 1,396 |
| More than 15 years to 20 years | 2,294 |
| More than 20 years | 4,651 |
| | <u>8,935</u> |

The average duration of the defined benefit plan obligation at the end of the reporting period is 19.0 years.

The Labor Pension Act (the "Act") in Taiwan, which provides for a new defined contribution plan, took effect on 1 July 2005. Employees already covered by the Labor Standard Law (the "Law") can choose to remain to be subject to the pension mechanism under the Law or to be subject to the Act. Under the Act, the rate of the employer monthly contribution to the pension fund should be at least 6% of the employee's monthly wages.

For the year ended 31 December 2020, the Group has pension benefit expense under defined contribution plan amounting to US\$130,000 (2019: US\$95,000).

21. FINANCIAL INCOME

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Interest income from: | | | | |
| - fixed deposits and advances to third parties | 36 | 209 | 3 | 1 |
| | <u>36</u> | <u>209</u> | <u>3</u> | <u>1</u> |

22. FINANCIAL EXPENSES

| | Group | | Company | |
|-------------------------------|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Interest expense on: | | | | |
| - Loans from third parties | 1,203 | 2,004 | 475 | 957 |
| - Lease liabilities (Note 28) | 283 | 283 | 32 | 33 |
| Other finance costs | 49 | 199 | 7 | 2 |
| Total financial expenses | <u>1,535</u> | <u>2,486</u> | <u>514</u> | <u>992</u> |

Other finance costs include bank charges for loans, transfers of funds, payments and collections, and other related costs.

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23. PROFIT BEFORE TAX

The following items have been included in arriving at profit/(loss) before tax:

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Cost of sales | | | | |
| Cost of inventories (Note 12) | 189,299 | 27,428 | 231,963 | 8,852 |
| Personnel expenses (Note 20) | | | | |
| - wages and salaries | 32,308 | 22,422 | 96 | 345 |
| - pension expense | 100 | 79 | 12 | 10 |
| Depreciation (Notes 5 and 6) | 3,047 | 2,012 | 8 | 10 |
| Amortisation: | | | | |
| - assets held for leasing (Note 7) | 3,576 | 2,832 | - | - |
| - right-of-use assets (Note 28) | 446 | 602 | 2 | 2 |
| Operating lease expenses (Note 28) | 325 | 190 | - | - |
| Distribution and selling expenses | | | | |
| Personnel expenses (Note 20) | | | | |
| - wages and salaries | 989 | 655 | 259 | 219 |
| - pension expense | 4 | 4 | 1 | 2 |
| Freight-out expenses | 14,274 | 1,503 | - | - |
| Commission expenses | 3,315 | - | 1,560 | - |
| Professional fees | 519 | - | - | - |
| General and administrative expenses | | | | |
| Personnel expenses (Note 20) | | | | |
| - wages and salaries | 3,196 | 2,331 | 985 | 536 |
| - pension expense | 26 | 12 | 18 | 9 |
| Depreciation (Notes 5 and 6) | 913 | 280 | 12 | 10 |
| Amortisation of right-of-use assets (Note 28) | 89 | 85 | 36 | 40 |
| Operating lease expenses (Note 28) | 21 | - | 20 | 10 |
| Auditor remuneration: | | | | |
| - auditor of the Company, audit services | 251 | 133 | 71 | 41 |
| - auditor of the Company, non-audit services | 19 | - | - | - |
| Documentation and handling costs | 988 | 98 | 47 | 35 |
| Professional fees | 855 | 377 | 388 | 198 |
| Financial expenses (Note 22) | 1,535 | 2,486 | 514 | 992 |
| Financial income (Note 21) | (36) | (209) | (3) | (1) |
| Other expense (income) - net (Note 19) | (379) | (759) | 55 | (239) |

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24. TAXATION

a) Major components of income tax expense

The major components of income tax expense for the years ended 31 December are:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Current | 3,418 | 348 | 1 | - |
| Deferred income tax: | | | | |
| Origination and reversal of temporary differences | (44) | 3 | (3) | - |
| Income tax expense (benefit) recognised in the profit and loss accounts | 3,374 | 351 | (2) | - |

b) Relationship between tax expense and accounting profit

The reconciliation between the tax expense/(benefit) and the product of accounting profit/(loss) multiplied by the applicable corporate tax rates for the years ended 31 December 2020 and 2019 are as follows:

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Profit/(loss) before tax | 135,090 | 1,517 | 87,325 | (587) |
| Tax on relevant profits/(losses) at the domestic statutory rates applicable in the countries concerned | 2,975 | 136 | (26) | (26) |
| Adjustments: | | | | |
| Non-deductible expenses | 61 | 99 | 21 | 20 |
| Movement of unrecognized deferred tax assets | 455 | 183 | - | (3) |
| Translation adjustment | (117) | (79) | - | (1) |
| Others | - | 12 | 3 | 10 |
| Income tax expense (benefit) recognised in profit and loss accounts | 3,374 | 351 | (2) | - |

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24. TAXATION (continued)

c) Deferred tax assets and liabilities

Deferred tax assets for the Group and the Company as at 31 December relate to the following:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Accruals | 10 | 7 | 10 | 7 |
| Translation adjustments | 16 | 2 | 1 | - |
| Excess of lease liability over right-of-use assets | 7 | 12 | 1 | 7 |
| | 33 | 21 | 12 | 14 |

The Group's and the Company's deferred tax liabilities, which arise mostly from exchange differences, amounted to \$181,000 (2019: \$213,000) and nil (2019: nil), respectively.

No deferred tax assets were recognised for the temporary differences arising from a subsidiary's tax losses amounting to \$2.5 million (2019: \$2.1 million), which can be applied to future taxable income from 2021 to 2025, as it is not probable that sufficient taxable profit will be available against which the benefits of the deferred tax assets can be utilised.

As at 31 December 2020 and 2019, there were nil taxes that would be payable on the unremitted earnings of certain subsidiaries as the Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future. The potential income tax consequences are not practicably determinable.

d) Other matters

The Company is an exempted company incorporated in Bermuda and as such, the income and capital gains of the Company are not subjected to tax in Bermuda.

Certain subsidiaries and the branch of the Group operating in the Philippines are registered as economic zone enterprises enjoying incentives such as a 5% special tax rate on gross margin earned after the tax holiday in lieu of all Philippine national and local taxes, and tax and duty-free importation of raw materials, capital equipment, household and personal items for use solely within the economic zone area. In 2010, the economic zone was converted into a freeport zone by virtue of the Republic Act (RA) No. 9728. Under the new law, existing enterprises within the ecozone are eligible to register as freeport enterprises with option to avail of existing incentives under RA No. 7916. The subsidiaries and the branch registered with the freeport zone and availed of the existing incentives.

One of the subsidiaries of the Group operating in the Philippines has amended its registered business activity to include the approved expansion project of additional capacity for face mask production wherein it availed a tax incentive for the sales related to the expansion project.

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24. TAXATION (continued)

d) Other matters (continued)

On 3 February 2021, the House of Representatives and the Senate of the Philippines have ratified the Bicameral Committee's version of the proposed "Corporate Recovery and Tax Incentives for Enterprises Act" or "CREATE Bill". The same was submitted to the Office of the President of the Philippines on 24 February 2021 for his review and is still pending approval of the President into law.

The following are the provisions to the Philippine tax law pursuant to the CREATE Bill which have an impact on the subsidiaries of the Group operating in the Philippines:

- Effective 1 July 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5 million and with total assets not exceeding ₱100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%;
- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective 1 July 2020 to 30 June 2023;
- Qualified export enterprises shall be entitled to 4 to 7 years income tax holiday (ITH) to be followed by 10 years 5% special corporate income tax or enhanced deductions (ED);
- Qualified domestic market enterprises shall be entitled to 4 to 7 years ITH to be followed by 5 years ED; and
- For investments prior to effectivity of CREATE:
 - Registered business enterprises (RBEs) granted only an ITH – can continue with the availment of the ITH for the remaining period of the ITH.
 - RBEs granted an ITH followed 5% Gross Income Tax (GIT) or are currently enjoying 5% GIT – allowed to avail of the 5% GIT for 10 years.

SFRS (I) 1-12, *Income Taxes*, requires current and deferred income taxes to be measured with reference to the tax rates and laws, as enacted or substantively enacted by the end of the reporting period. Accordingly, the Group does not reflect in its consolidated financial statements the amounts of income taxes calculated following the provisions of CREATE Bill since the same was not yet enacted or substantively enacted as of 31 December 2020.

Based on the amendments to the Income Tax Act (ITA) announced on 7 February 2018, the Medtecs Taiwan Corporation's applicable corporate income tax rate for the year ended 31 December 2018 has changed from 17% to 20%. The corporate income surtax on undistributed retained earnings has changed from 10% to 5%. Aside from the said amendment, an alternative minimum tax is also imposed under ITA, levied on basic income as prescribed. The tax rate ranges from 12% to 15%, as determined by Taiwan government, which is payable if the computed minimum tax is higher than the applicable corporate income tax.

In Cambodia, the tax on profit ("ToP") is the higher of 20% of taxable income or a minimum tax of 1% of total revenue.

There are no income tax consequences attaching to payment of dividends by the Company to its shareholders.

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25. EARNINGS PER SHARE (EPS)

The following tables reflect the profit and loss accounts and share data used in the computation of basic and diluted EPS for the years ended 31 December:

| | Group | |
|--|-----------------------|-----------------------|
| | 2020 \$'000 | 2019 \$'000 |
| Net profit attributable to ordinary equity holders of the Company used in the computation of basic and diluted EPS | 131,711 | 1,162 |
| | No. of shares '000 | No. of shares '000 |
| Weighted average number of ordinary shares applicable to | | |
| - Basic earnings per share | 549,411 | 549,411 |
| - Effect of dilution of share options | - | - |
| Weighted average number of ordinary shares for diluted EPS | 549,411 | 549,411 |

Earnings per share computation

The basic EPS amounts are calculated by dividing the Group's net profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

In 2020 and 2019, there was no adjustment since the effects of the share options are anti-dilutive for the financial period presented.

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

26. DIVIDENDS

On 11 August 2020, the Board of Directors issued a notice on the declaration of cash dividends amounting to \$0.0085 per ordinary share (tax not applicable) to shareholders of record as of 11 September 2020. The cash dividends were paid on 21 September 2020 and 15 October 2020 amounting to \$4.7 million (2019: nil).

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27. SIGNIFICANT RELATED PARTY TRANSACTIONS

a) Transactions with related parties

In addition to the related parties information disclosed elsewhere in the financial statements, the following are the significant transactions between the Group and related parties that took place at terms agreed between the parties during the financial year:

| | <u>Company</u> | |
|-----------------------------|----------------|---------------|
| | <u>2020</u> | <u>2019</u> |
| | <u>\$'000</u> | <u>\$'000</u> |
| Income: | | |
| Sales to subsidiaries | 204,397 | 12,589 |
| Costs and expenses: | | |
| Purchases from subsidiaries | 186,782 | 10,605 |

The Group has provided a corporate guarantee to various banks for a \$7.9 million loan (2019: \$6.0 million) (Note 17) taken by subsidiaries.

b) Compensation of key management personnel

| | <u>Group</u> | |
|--|---------------|---------------|
| | <u>2020</u> | <u>2019</u> |
| | <u>\$'000</u> | <u>\$'000</u> |
| Directors and executives' remuneration | 207 | 168 |
| Comprise amounts paid to: | | |
| - directors of the Company | 199 | 162 |
| - directors of the Subsidiary | 8 | 6 |

The remuneration of key management personnel are determined by the Remuneration Committee having regard to the performance of individuals and market trends.

At the end of the reporting period, nil (2019: nil) options were granted to directors and executives of the Company. During the year, nil (2019: nil) options granted to directors were lapsed.

There are no termination benefits or other long-term employee benefits granted to key management personnel in 2020 and 2019.

Amounts due to directors, which amounted to \$71,000 (2019: \$47,000), are non-interest bearing and are payable on demand (Note 16).

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28. LEASES

Group as lessor

The Group leases its linens under its hospital services. The lease term for each hospital service contract is between one to five years renewable by agreement of the parties. The rate per hospital is based on their consumption and the future minimum lease is not practically determinable.

As at 31 December 2020, the Group entered into operating lease agreement in respect of a building and its improvements. Operating lease income recognised in the profit and loss accounts of the Group for the financial year ended 31 December 2020 is \$612,501 (2019: \$615,257). Security deposit to be refunded and/or to be applied to unpaid rent of the lessee upon termination of the lease as at 31 December 2020 amounted to \$51,195 (2019: \$50,643). The excess of the principal amount of the security deposit over its fair value, at the inception date of the operating lease, is presented as 'Deferred lease income'. Current and noncurrent portion of the deferred lease income as at 31 December are as follows:

| | Group | |
|--|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 |
| Deferred lease income - current | 5 | 5 |
| Deferred lease income - net of current portion | 37 | 38 |
| | <u>42</u> | <u>43</u> |

Future minimum rental receivable under the operating lease at the end of the reporting period are as follows:

| | Group | |
|---|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 |
| Not later than one year | 603 | 591 |
| Later than one year but not later than five years | 3,202 | 2,486 |
| Later than five years | 1,196 | 2,515 |
| | <u>5,001</u> | <u>5,592</u> |

Group as lessee

The Group and the Company have entered into lease agreements in respect of land and building, with lease terms ranging from 2 to 50 years. The lease terms do not contain restrictions on the Group's activities concerning dividends, additional debts or further leasing.

The Group also has certain leases with lease terms of 12 months or less and with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

In 2020, the Group entered into lease agreements for properties and car. Based on the terms of the lease agreements, both qualified for the recognition of right-of-use assets and lease liabilities amounting to \$697,000 and \$491,000, respectively.

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28. LEASES (continued)

Group as lessee (continued)

a) Right-of-use assets

| | Group | | Company | |
|-------------------|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| As at 1 January | 5,441 | 6,128 | 115 | 167 |
| Amortization | (535) | (687) | (38) | (42) |
| Additions | 697 | - | - | - |
| Other adjustments | (30) | - | - | - |
| As at 31 December | 5,573 | 5,441 | 77 | 115 |

b) Lease liabilities

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| As at 1 January | 3,563 | 3,495 | 258 | 280 |
| Accretion of interest (Note 22) | 283 | 283 | 32 | 33 |
| Payment of lease liabilities | (763) | (215) | (79) | (55) |
| Additions | 491 | - | - | - |
| Other adjustments | (30) | - | - | - |
| As at 31 December | 3,544 | 3,563 | 211 | 258 |
| Lease liabilities - current (Note 16) | (386) | (480) | - | - |
| Lease liabilities - net of current portion | 3,158 | 3,083 | 211 | 258 |

The maturity analysis of lease liabilities is disclosed in Note 31.

c) Amounts recognised in profit or loss

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Amortisation of right-of-use assets (Note 23) | 535 | 687 | 38 | 42 |
| Interest expense on lease liabilities (Note 22) | 283 | 283 | 32 | 33 |
| Short-term lease expenses (Note 23) | 346 | 190 | 20 | 10 |
| Total amount recognised in profit or loss | 1,164 | 1,160 | 90 | 85 |

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29. CONTINGENT LIABILITIES

Contingencies

In the ordinary course of business, certain subsidiaries in the Group are exposed to litigations and claims with respect to matters such as labour and tax disputes/assessments. The Group has made provisions, where applicable, based on management estimates on the extent of the probable costs arising out of these contingencies. The estimate of the probable costs for the resolution of these claims/assessments has been developed by management in consultation with internal and external counsels handling the Group's defense in these matters and is based upon an analysis of potential results. Although there can be no assurances, management believes, based on information currently available and professional legal advice, that the ultimate resolution of these legal proceedings/assessments would not likely have a material, adverse effect on the results of operations, financial position or liquidity of the Group. It is possible, however, that future results of operations could be materially affected by changes in estimates or in the effectiveness of the strategies relating to these litigations and claims.

Guarantees

The Company has provided a corporate guarantee to various banks for a \$7.9 million (2019: \$6.6 million) loan (Note 17) taken by a subsidiary.

30. GROUP SEGMENTAL REPORTING

Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

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, crochet blankets, bed linens and medical bandages. These medical consumables are supplied to large medical multinational corporation distributors, pharmaceutical companies and hospital groups in the USA and Europe.

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

The *distribution segment* is involved in the marketing of Medtecs-branded medical consumables to hospitals, pharmacies and other end users in Asia Pacific. The Group also leverages on its distribution network to market other branded medical supplies and equipment such as wheel chairs, syringes, nebulizers and blood pressure monitors.

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.

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30. GROUP SEGMENTAL REPORTING (continued)

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax and deferred tax assets and liabilities, loans and borrowings and related expenses.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated upon consolidation.

(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 years ended 31 December 2020 and 2019.

| 2020 | Manufacturing \$'000 | Hospital services \$'000 | Distribution and others \$'000 | Group \$'000 |
|--|-------------------------|--------------------------------|--------------------------------------|-----------------|
| Revenue | 357,817 | 14,668 | 27,842 | 400,327 |
| Results | 123,802 | (1,298) | 14,085 | 136,589 |
| Financial expenses | | | | (1,535) |
| Financial income | | | | 36 |
| Income tax expense | | | | (3,374) |
| Net profit for the year | | | | 131,716 |
| Total assets | 223,545 | 13,301 | 8,840 | 245,686 |
| Total liabilities | 48,584 | 2,553 | 59 | 51,196 |
| <i>Other segment information:</i> | | | | |
| Capital expenditure | 6,463 | - | - | 6,463 |
| Depreciation and amortization | 4,384 | 3,576 | 111 | 8,071 |
| Provision for inventory losses | 659 | - | - | 659 |
| Provision for impairment of receivables | 12 | - | - | 12 |
| Other non-cash expenses - net | 283 | - | - | 283 |

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30. GROUP SEGMENTAL REPORTING (continued)

(a) Business segments (continued)

| 2019 | Manufacturing \$'000 | Hospital services \$'000 | Distribution and others \$'000 | Group \$'000 |
|-----------------------------------|-------------------------|--------------------------------|--------------------------------------|-----------------|
| Revenue | 52,903 | 14,271 | 1,803 | 68,977 |
| Results | 3,370 | 115 | 309 | 3,794 |
| Financial expenses | | | | (2,486) |
| Financial income | | | | 209 |
| Income tax expense | | | | (351) |
| Net profit for the year | | | | 1,166 |
| Total assets | 98,108 | 14,194 | 4,301 | 116,603 |
| Total liabilities | 50,951 | 828 | 234 | 52,013 |
| <i>Other segment information:</i> | | | | |
| Capital expenditure | 1,952 | - | - | 1,952 |
| Depreciation and amortization | 2,979 | 2,832 | - | 5,811 |
| Provision for inventory losses | 246 | - | - | 246 |
| Other non-cash expenses - net | 2,277 | (8) | - | 2,269 |

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30. GROUP SEGMENTAL REPORTING (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 years ended 31 December 2020 and 2019.

| 2020 | North America \$'000 | Asia Pacific \$'000 | Europe \$'000 | Australia \$'000 | Group \$'000 |
|--|-------------------------------------|------------------------------------|--------------------------|-----------------------------|-------------------------|
| Revenue | 49,219 | 217,464 | 118,929 | 14,715 | 400,327 |
| Results | 16,793 | 74,197 | 40,578 | 5,021 | 136,589 |
| Financial expenses | | | | | (1,535) |
| Financial income | | | | | 36 |
| Income tax expense | | | | | (3,374) |
| Net profit for the year | | | | | 131,716 |
| Total assets | 15,074 | 227,808 | 2,804 | -- | 245,686 |
| Total liabilities | -- | 51,196 | -- | -- | 51,196 |
| <i>Other segment information:</i> | | | | | |
| Capital expenditures | -- | 6,463 | -- | -- | 6,463 |
| Depreciation and amortization | -- | 8,071 | -- | -- | 8,071 |
| Provision for inventory losses | -- | 659 | -- | -- | 659 |
| Provision for impairment of receivables | -- | 12 | -- | -- | 12 |
| Other non-cash expenses - net | -- | 283 | -- | -- | 283 |

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30. GROUP SEGMENTAL REPORTING (continued)

(b) Geographical segments (continued)

| 2019 | North America \$'000 | Asia Pacific \$'000 | Europe \$'000 | Australia \$'000 | Group \$'000 |
|-----------------------------------|----------------------------|---------------------------|------------------|---------------------|-----------------|
| Revenue | 7,814 | 28,434 | 32,729 | – | 68,977 |
| Results | 430 | 1,564 | 1,800 | – | 3,794 |
| Financial expenses | | | | | (2,486) |
| Financial income | | | | | 209 |
| Income tax expense | | | | | (351) |
| Net profit for the year | | | | | 1,166 |
| Total assets | 1,140 | 112,572 | 2,891 | – | 116,603 |
| Total liabilities | – | 52,013 | – | – | 52,013 |
| <i>Other segment information:</i> | | | | | |
| Capital expenditures | – | 1,952 | – | – | 1,952 |
| Depreciation and amortization | – | 5,811 | – | – | 5,811 |
| Provision for inventory losses | – | 246 | – | – | 246 |
| Other non-cash expenses - net | – | 2,269 | – | – | 2,269 |

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments are cash and bank balances, fixed deposits, bank loans and term loans. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as, trade receivables, trade payables, due from an affiliated company and corporate shareholder, other current assets and other current liabilities, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risks (both fair value and cash flow), liquidity risk, foreign currency risk and credit risk. The directors review and agree policies and procedures for managing each of these risks and they are summarised below.

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in the market interest rates.

The Group's exposure to interest rate risk arises primarily from loans and borrowings. The Group's policy is to obtain the most favorable interest rates available using a mix of fixed and variable rate debts without increasing its foreign currency exposure.

Surplus funds are placed with reputable banks.

Information relating to the Group's interest rate exposure is also disclosed in the notes on the Group's loans and borrowings (Note 17).

As at 31 December 2020, approximately 2% (2019: 13%) of the Group's borrowings are at fixed rate of interest.

The following tables set out the carrying amounts, by maturity, of the Group's and the Company's financial instruments that are exposed to interest rate risk:

| 2020 | Within 1 | 1-2 | 2-3 | 3-4 | Over 5 | Total |
|------------------------|-----------------|---------------|---------------|---------------|---------------|---------------|
| Group | Year | years | years | years | years | \$'000 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Fixed rate | | | | | | |
| Fixed deposits | 5,178 | - | - | - | - | 5,178 |
| Bank loans | (557) | (62) | (67) | (42) | - | (728) |
| Floating rate | | | | | | |
| Cash and bank balances | 82,161 | - | - | - | - | 82,161 |
| Bank loans | (32,353) | - | - | - | - | (32,353) |

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)
a) Interest rate risk (continued)

| 2020 Company | Within 1 Year \$'000 | 1-2 years \$'000 | 2-3 years \$'000 | 3-4 years \$'000 | Over 5 years \$'000 | Total \$'000 |
|-------------------------|-------------------------------------|---------------------------------|---------------------------------|---------------------------------|------------------------------------|-------------------------|
| Fixed rate | | | | | | |
| Fixed deposits | - | - | - | - | - | - |
| Floating rate | | | | | | |
| Cash and bank balances | 20,008 | - | - | - | - | 20,008 |
| Bank loans | (1,250) | - | - | - | - | (1,250) |
| 2019 Group | Within 1 Year \$'000 | 1-2 years \$'000 | 2-3 years \$'000 | 3-4 years \$'000 | Over 5 years \$'000 | Total \$'000 |
| Fixed rate | | | | | | |
| Fixed deposits | 4,930 | - | - | - | - | 4,930 |
| Advances to suppliers | 3,060 | - | - | - | - | 3,060 |
| Bank loans | (4,902) | (207) | (99) | (68) | (42) | (5,318) |
| Floating rate | | | | | | |
| Cash and bank balances | 3,070 | - | - | - | - | 3,070 |
| Bank loans | (34,718) | (1,250) | (1,250) | - | - | (37,218) |
| 2019 Company | Within 1 Year \$'000 | 1-2 years \$'000 | 2-3 years \$'000 | 3-4 years \$'000 | Over 5 years \$'000 | Total \$'000 |
| Fixed rate | | | | | | |
| Fixed deposits | - | - | - | - | - | - |
| Floating rate | | | | | | |
| Cash and bank balances | 46 | - | - | - | - | 46 |
| Bank loans | (1,250) | (1,250) | (1,250) | - | - | (3,750) |

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

The table below demonstrates the sensitivity to a reasonably possible change in interest rates based on management's assessment, with all other variables held constant, of the Group's profit before tax and of the Company's loss before tax (through the impact of interest expense on floating rate loans and borrowings) and the Group's and Company's equity.

| | Group | | Company | |
|-------------|--|--|--|--|
| | Increase/ (decrease) in basis points | Effect on profit before tax \$'000 | Increase/ (decrease) in basis points | Effect on profit before tax \$'000 |
| 2020 | | | | |
| US\$ | 41 | (8) | 41 | (3) |
| RMB | 41 | (2) | - | - |
| NTD | 41 | (32) | - | - |
| US\$ | (41) | 8 | (41) | 3 |
| RMB | (41) | 2 | - | - |
| NTD | (41) | 32 | - | - |
| 2019 | | | | |
| US\$ | 23 | (15) | 23 | (5) |
| RMB | 23 | (2) | - | - |
| NTD | 23 | (26) | - | - |
| US\$ | (23) | 15 | (23) | 5 |
| RMB | (23) | 2 | - | - |
| NTD | (23) | 26 | - | - |

There is no other impact on the Group's and the Company's equity other than those already affecting income.

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of financial assets and liabilities.

In the management of liquidity risk, the Group monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings and debentures. Additional short-term funding is obtained from short-term bank loans. As at 31 December 2020, approximately 99.3% (2019: 94.3%) of the Group's debt will mature in less than one year.

The table summarises the maturity profile of the Group's and Company's financial assets and financial liabilities at the end of the reporting period based on contractual repayment obligations:

| 2020 Group | Total carrying value \$'000 | Total \$'000 | On demand \$'000 | < 1 year \$'000 | 1 - 5 years \$'000 | > 5 years \$'000 |
|--|--------------------------------------|-----------------|---------------------|--------------------|-----------------------|---------------------|
| Undiscounted financial assets: | | | | | | |
| Cash | 82,161 | 82,161 | 82,161 | - | - | - |
| Fixed deposits | 5,178 | 5,178 | - | 5,178 | - | - |
| Trade receivables - net | 49,308 | 49,308 | 16,469 | 32,839 | - | - |
| Other current assets | 528 | 528 | - | 528 | - | - |
| Total undiscounted financial assets | 137,175 | 137,175 | 98,630 | 38,545 | - | - |
| Undiscounted financial liabilities: | | | | | | |
| Bank loans | 31,603 | 32,172 | - | 32,172 | - | - |
| Trade payables and other current liabilities | 10,162 | 10,162 | - | 10,162 | - | - |
| Lease liabilities | 3,544 | 16,742 | - | 1,113 | 3,150 | 12,479 |
| Term loans | 1,478 | 1,421 | - | 1,421 | - | - |
| Total undiscounted financial liabilities | 46,787 | 60,497 | - | 44,868 | 3,150 | 12,479 |
| Total net undiscounted financial (liabilities)/assets | 90,388 | 76,678 | 98,630 | (6,323) | (3,150) | (12,479) |

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

b) Liquidity risk (continued)

| 2020 Company | Total carrying value \$'000 | Total \$'000 | On demand \$'000 | < 1 year \$'000 | 1 - 5 years \$'000 | > 5 years \$'000 |
|--|--|-------------------------|-----------------------------|-------------------------------|-------------------------------|--------------------------------|
| Undiscounted financial assets: | | | | | | |
| Cash | 20,008 | 20,008 | 20,008 | - | - | - |
| Fixed deposits | - | - | - | - | - | - |
| Trade receivables | 17,442 | 17,442 | 9,111 | 8,331 | - | - |
| Other current assets | 2,666 | 2,666 | - | 2,666 | - | - |
| Due from subsidiaries (trade) | 30,780 | 30,780 | 30,780 | - | - | - |
| Total undiscounted financial assets | 70,896 | 70,896 | 59,899 | 10,997 | - | - |
| Undiscounted financial liabilities: | | | | | | |
| Trade payables and other current liabilities | 3,276 | 3,276 | - | 3,276 | - | - |
| Term loans | 1,250 | 1,250 | - | 1,250 | - | - |
| Lease liabilities | 211 | 1,054 | - | 48 | 111 | 895 |
| Due to subsidiaries (trade) | - | - | - | - | - | - |
| Total undiscounted financial liabilities | 4,737 | 5,580 | - | 4,574 | 111 | 895 |
| Total net undiscounted financial (liabilities)/assets | 66,159 | 65,316 | 59,899 | 6,423 | (111) | (895) |

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)
b) Liquidity risk (continued)

| 2019 Group | Total carrying value \$'000 | Total \$'000 | On demand \$'000 | < 1 year \$'000 | 1 - 5 years \$'000 | > 5 \$'000 |
|--|--------------------------------------|-----------------|---------------------|--------------------|-----------------------|-----------------|
| Undiscounted financial assets: | | | | | | |
| Cash | 3,070 | 3,070 | 3,070 | - | - | - |
| Fixed deposits | 4,930 | 4,930 | - | 4,930 | - | - |
| Trade receivables - net | 13,344 | 13,344 | 2,589 | 10,755 | - | - |
| Other current assets | 2,447 | 2,447 | - | 2,447 | - | - |
| Total undiscounted financial assets | 23,791 | 23,791 | 5,659 | 18,132 | - | - |
| Undiscounted financial liabilities: | | | | | | |
| Bank loans | 36,279 | 37,436 | - | 37,436 | - | - |
| Trade payables and other current liabilities | 3,618 | 3,618 | 3,618 | - | - | - |
| Lease liabilities | 3,563 | 14,889 | - | 700 | 1,968 | 12,221 |
| Term loans | 6,257 | 6,517 | - | 4,017 | 2,500 | - |
| Total undiscounted financial liabilities | 49,717 | 62,460 | 3,618 | 42,153 | 4,468 | 12,221 |
| Total net undiscounted financial (liabilities)/assets | (25,926) | (38,669) | 2,041 | (24,021) | (4,468) | (12,221) |

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

b) Liquidity risk (continued)

| 2019 Company | Total carrying value \$'000 | Total \$'000 | On demand \$'000 | < 1 year \$'000 | 1 - 5 years \$'000 | > 5 years \$'000 |
|--|--|-------------------------|-----------------------------|-------------------------------|-------------------------------|--------------------------------|
| Undiscounted financial assets: | | | | | | |
| Cash | 46 | 46 | 46 | - | - | - |
| Fixed deposits | - | - | - | - | - | - |
| Trade receivables | 5,749 | 5,749 | - | 5,749 | - | - |
| Other current assets | 376 | 376 | - | 376 | - | - |
| Due from subsidiaries (trade) | - | - | - | - | - | - |
| Total undiscounted financial assets | 6,171 | 6,171 | 46 | 6,125 | - | - |
| Undiscounted financial liabilities: | | | | | | |
| Trade payables and other current liabilities | 327 | 327 | 327 | - | - | - |
| Term loans | 3,750 | 3,750 | - | 1,250 | 2,500 | - |
| Lease liabilities | 258 | 1,057 | - | 58 | 127 | 872 |
| Due to subsidiaries (trade) | 18,045 | 18,045 | 18,045 | - | - | - |
| Total undiscounted financial liabilities | 22,380 | 23,179 | 18,372 | 1,308 | 2,627 | 872 |
| Total net undiscounted financial (liabilities)/assets | (16,209) | (17,008) | (18,326) | 4,817 | (2,627) | (872) |

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts is allocated to the earliest period in which the guarantee could be called.

| | 2020 | | | | 2019 | | | |
|----------------------|-------------------------------|--------------------------------|------------------------------|-----------------|-------------------------------|--------------------------------|------------------------------|-----------------|
| | One year or less \$'000 | One to five years \$'000 | Over five years \$'000 | Total \$'000 | One year or less \$'000 | One to five years \$'000 | Over five years \$'000 | Total \$'000 |
| Financial guarantees | 1,250 | - | - | 1,250 | 6,010 | - | - | 6,010 |

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

c) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily, Philippine Peso (PHP), Renminbi (RMB), New Taiwan Dollar (NTD), Singapore Dollar (SGD) and Euros (EUR). The foreign currencies in which these transactions are denominated are mainly US\$. Approximately 31% (2019: 28%) of the Group's sales are denominated in foreign currencies whilst almost 50% (2019: 31%) of costs are denominated in the respective functional currencies of the Group entities. The Group's trade receivables and trade payable balances at the end of the reporting period have similar exposures.

The Group and the Company also hold cash and fixed deposits denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are mainly in NTD, SGD and EUR.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Taiwan and People's Republic of China (PRC).

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and the Company's profit/(loss) before tax to a reasonably possible change in the PHP, RMB, NTD, SGD and EUR exchange rates (against US\$), with all other variables held constant. The reasonably possible change was computed based on management assessment.

| | Group | |
|--------------------------------|--------------------------------|--------------------------------|
| | 2020 \$'000 | 2019 \$'000 |
| | Effect on profit before tax | Effect on profit before tax |
| PHP | | |
| Strengthened 5.2% (2019: 3.7%) | (148) | 16 |
| Weakened 5.2% (2019: 3.7%) | 164 | (17) |
| RMB | | |
| Strengthened 6.3% (2019: 0.3%) | (32) | (4) |
| Weakened 6.3% (2019: 0.3%) | 36 | 4 |
| NTD | | |
| Strengthened 6.3% (2019: 2.0%) | 1,643 | (176) |
| Weakened 6.3% (2019: 2.0%) | (1,863) | 183 |
| SGD | | |
| Strengthened 1.2% (2019: nil) | (770) | - |
| Weakened 1.2% (2019: nil) | 789 | - |
| EUR | | |
| Strengthened 8.5% (2019: nil) | (197) | - |
| Weakened 8.5% (2019: nil) | 234 | - |

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and credit-worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Chief Executive Officer.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and bank balances and other receivables (including related party balances), the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to months past due. The loss allowance provision as at 31 December 2020 and 2019 is determined as follows, the expected credit losses below also incorporate forward looking information such as forecast of economic conditions. Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix.

2020
Group

| | Current \$'000 | > 1 month \$'000 | > 2 months \$'000 | > 3 months \$'000 | > 4 months \$'000 | Total \$'000 |
|--------------------------|-------------------|---------------------|----------------------|----------------------|----------------------|-----------------|
| Expected credit loss % | 0.33% | 0.52% | 0.94% | 2.10% | 5.92% | |
| Gross carrying amount | 35,626 | 2,361 | 3,906 | 3,675 | 3,960 | 49,528 |
| Loss allowance provision | – | – | – | – | (220) | (220) |
| | 35,626 | 2,361 | 3,906 | 3,675 | 3,740 | 49,308 |

2019
Group

| | Current \$'000 | > 1 month \$'000 | > 2 months \$'000 | > 3 months \$'000 | > 4 months \$'000 | Total \$'000 |
|--------------------------|-------------------|---------------------|----------------------|----------------------|----------------------|-----------------|
| Expected credit loss % | 0.20% | 0.62% | 2.60% | 9.52% | 35.61% | |
| Gross carrying amount | 7,833 | 1,185 | 465 | 377 | 3,713 | 13,573 |
| Loss allowance provision | – | – | – | – | (229) | (229) |
| | 7,833 | 1,185 | 465 | 377 | 3,484 | 13,344 |

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

d) Credit risk (continued)

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets and a nominal amount of \$1.3 million (2019: \$6.0 million) relating to a corporate guarantee provided by the Company to a bank on a subsidiary's bank loan.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 13.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country and industry sector profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at end of the reporting period is as follows:

| | Group | | | |
|--------------------|---------------|-------------|---------------|-------------|
| | 2020 | | 2019 | |
| | \$'000 | % of total | \$'000 | % of total |
| By country: | | | | |
| North America | 15,074 | 30% | 1,163 | 9% |
| Europe | 2,804 | 6% | 2,891 | 21% |
| Asia Pacific | 31,430 | 64% | 9,290 | 70% |
| Australia | - | - | - | - |
| | <u>49,308</u> | <u>100%</u> | <u>13,344</u> | <u>100%</u> |
| By segment: | | | | |
| Manufacturing | 41,265 | 84% | 10,641 | 80% |
| Hospital services | 1,995 | 4% | 1,352 | 10% |
| Trading | 6,048 | 12% | 1,351 | 10% |
| | <u>49,308</u> | <u>100%</u> | <u>13,344</u> | <u>100%</u> |

The Group has no significant concentrations of credit risk, except for 36% (2019: 16%) of trade debts relating to three major customers of the Group. Revenues from these three customers constitute about 49% (2019: 42%) of the Group's turnover.

At the end of the reporting period, approximately:

- \$17.8 million (2019: \$2.1 million) of the Group's trade receivables were due from three major customers located in the Asia Pacific and Europe.
- Nil (2019: nil) of the Group's trade and other receivables were due from related parties outside the Group, while nil (2019: nil) of the Company's trade and other receivables were balances with related parties outside the Group.

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

d) Credit risk (continued)

Credit quality

The credit quality of the Group's financial assets that are neither past due nor impaired are considered to be of high grade quality and expected to be collectible without incurring any credit losses. High grade financial assets are those financial assets whose realisability is assured.

Financial assets (including sundry debtors and deposits) that are neither past due nor impaired are due from creditworthy debtors with good payment record with the Group. Cash and bank balances and fixed deposits are entered into with reputable financial institutions duly approved by the directors.

Information regarding financial assets that are either past due or impaired is disclosed in Note 13.

32. FINANCIAL INSTRUMENTS

a) Classification

| 2020 Group | Financial assets \$'000 | Other financial liabilities \$'000 | Total \$'000 |
|--|----------------------------|--|-----------------|
| Financial assets: | | | |
| Cash and bank balances and fixed deposits | 87,339 | - | 87,339 |
| Trade receivables | 49,308 | - | 49,308 |
| Other current assets* | 528 | - | 528 |
| | <u>137,175</u> | <u>-</u> | <u>137,175</u> |
| Financial liabilities: | | | |
| Bank loans | - | (31,603) | (31,603) |
| Trade payables and other current liabilities** | - | (10,162) | (10,162) |
| Term loans | - | (1,478) | (1,478) |
| Lease liabilities | - | (3,544) | (3,544) |
| | <u>-</u> | <u>(46,787)</u> | <u>(46,787)</u> |
| | <u>137,175</u> | <u>(46,787)</u> | <u>90,388</u> |

*excluding non-financial assets

**excluding non-financial liabilities

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32. FINANCIAL INSTRUMENTS (continued)
a) Classification (continued)
2020
Company

| | Financial assets \$'000 | Other financial liabilities \$'000 | Total \$'000 |
|--|----------------------------|--|-----------------|
| Financial assets: | | | |
| Cash and bank balances and fixed deposits | 20,008 | - | 20,008 |
| Trade receivables | 17,442 | - | 17,442 |
| Other current assets* | 2,666 | - | 2,666 |
| Due from subsidiaries (trade) | 30,780 | - | 30,780 |
| | <u>70,896</u> | <u>-</u> | <u>70,896</u> |
| Financial liabilities: | | | |
| Trade payables and other current liabilities** | - | (3,276) | (3,276) |
| Lease liabilities | - | (211) | (211) |
| Term loans | - | (1,250) | (1,250) |
| | <u>-</u> | <u>(4,737)</u> | <u>(4,737)</u> |
| | <u>70,896</u> | <u>(4,737)</u> | <u>66,159</u> |

**excluding non-financial assets*
***excluding non-financial liabilities*
2019
Group

| | Financial assets \$'000 | Other financial liabilities \$'000 | Total \$'000 |
|--|----------------------------|--|-----------------|
| Financial assets: | | | |
| Cash and bank balances and fixed deposits | 8,000 | - | 8,000 |
| Trade receivables | 13,344 | - | 13,344 |
| Other current assets* | 2,447 | - | 2,447 |
| | <u>23,791</u> | <u>-</u> | <u>23,791</u> |
| Financial liabilities: | | | |
| Bank loans | - | (36,279) | (36,279) |
| Trade payables and other current liabilities** | - | (3,618) | (3,618) |
| Term loans | - | (6,257) | (6,257) |
| Lease liabilities | - | (3,563) | (3,563) |
| | <u>-</u> | <u>(49,717)</u> | <u>(49,717)</u> |
| | <u>23,791</u> | <u>(49,717)</u> | <u>(25,926)</u> |

**excluding non-financial assets*
***excluding non-financial liabilities*

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32. FINANCIAL INSTRUMENTS (continued)

a) Classification (continued)

| 2019 Company | Financial assets | Other financial | Total |
|--|------------------|-----------------------|-----------------|
| | \$'000 | liabilities \$'000 | \$'000 |
| Financial assets: | | | |
| Cash and bank balances and fixed deposits | 46 | – | 46 |
| Trade receivables | 5,749 | – | 5,749 |
| Other current assets* | 376 | – | 376 |
| | <u>6,171</u> | <u>–</u> | <u>6,171</u> |
| Financial liabilities: | | | |
| Trade payables and other current liabilities** | – | (327) | (327) |
| Due to subsidiaries (trade) | – | (18,045) | (18,045) |
| Pension benefits obligation | – | (3,750) | (3,750) |
| Lease liabilities | – | (258) | (258) |
| | <u>–</u> | <u>(22,380)</u> | <u>(22,380)</u> |
| | <u>6,171</u> | <u>(22,380)</u> | <u>(16,209)</u> |

*excluding non-financial assets

**excluding non-financial liabilities

b) Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's-length transaction, other than in a forced or liquidation sale.

Financial instruments whose carrying amounts approximate fair values

Management has determined that the carrying amounts of cash and bank balances, fixed deposits, due from an affiliated company, corporate shareholder and subsidiaries, trade receivables, other current assets, trade payables and other current liabilities, term loans, bank loans and trust receipts and acceptances payable, based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature or are repriced frequently.

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32. FINANCIAL INSTRUMENTS (continued)

b) Fair values (continued)

Financial instruments carried at other than fair value

Non-current financial instruments carried at other than fair value set out below is a comparison by category of carrying amounts and estimated fair values of all of the Group's and Company's financial instruments that are carried in the financial statements at other than estimated fair values as at 31 December.

| | Group | | | | Company | | | |
|-------------------------------|-----------------|--------|------------|--------|-----------------|--------|------------|--------|
| | Carrying Amount | | Fair Value | | Carrying Amount | | Fair Value | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial liabilities: | | | | | | | | |
| Long-term loans | 1,478 | 6,257 | 1,421 | 5,933 | 1,250 | 3,750 | 1,250 | 3,750 |

Methods and assumptions used to determine fair values

The methods and assumptions used by management to determine fair values of financial instruments other than those whose carrying amounts reasonably approximate their fair values as mentioned earlier and for assets whose fair values are required to be disclosed, are as follows:

| Financial liabilities | Methods and assumptions |
|---|--|
| <ul style="list-style-type: none"> • Term loans • Long-term loans | Fair value has been determined using discounted estimated cash flows. Where repayment terms are not fixed, future cash flows are projected based on management's best estimates. The discount rates used are the current market incremental lending rates for similar types of lending, borrowing and leasing arrangements. The fair values are based on discounted net present value of cash flows using effective discount rates of (2020: 2.5% to 8.5%) (2019: 3.0% to 8.5%). |

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33. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2020 and 2019.

The Group monitors capital using a gearing ratio, which is net debt divided by the sum of total capital and net debt. The Group's policy is to keep the gearing ratio below 60.0%. The Group includes within net debt, loans and borrowings, trade payables and other current liabilities, less cash and bank balances and fixed deposits. Capital includes equity attributable to the equity holders of the Company.

| | Group | |
|--|-----------------|----------------|
| | 2020 | 2019 |
| | \$'000 | \$'000 |
| Loans and borrowings | 33,081 | 42,536 |
| Trade payables and other current liabilities | 10,357 | 3,836 |
| Less: Cash and bank balances and fixed deposits | <u>(87,339)</u> | <u>(8,000)</u> |
| | (43,901) | 38,372 |
| Equity attributable to the equity holders of the Company | 193,465 | 63,570 |
| Capital and net debt | <u>149,564</u> | <u>101,942</u> |
| Gearing ratio | <u>(29.4%)</u> | <u>37.6%</u> |

34. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2020 were authorised for issue in accordance with a resolution by the Board of Directors on 25 March 2021.



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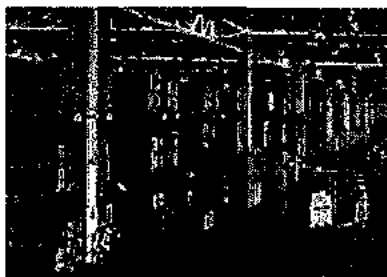


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2020 Medtecs Annual Report

如欲索取本公司的紙本年報，請載明姓名、收件地址發送電子郵件至 investor.relations@medtecs.com

To request a physical copy of the annual report, please submit a request via email to investor.relations@medtecs.com with your full name, contact number and delivery address.

