



MEDTECS INTERNATIONAL CORPORATION LIMITED

(Incorporated in Bermuda)

PROFIT GUIDANCE FOR THE 2ND HALF-YEAR 2022 AND THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Board of Directors (the “**Board**”) of Medtecs International Corporation Limited (the “**Company**”, together with its subsidiaries collectively, the “**Group**”) wishes to inform the shareholders and potential investors of the Company that, based on a preliminary review of the unaudited management accounts of the Group for the second half-year ended 31 December 2022 (“**2H2022**”) and the financial year ended 31 December (“**FY2022**”) and information currently available, the Group is expected to incur a significant net loss for 2H2022.

The significant net loss for 2H2022 was mainly due to additional inventory provisions for personal protective equipment (PPE) amounting to approximately US\$12 million, as a result of the continued easing of the COVID-19 restrictions, leading to reduction of demand and lower average selling price (ASPs) globally. Based on our market survey, including feedback from our existing customers, we have assessed that there is a general global decline in ASPs and demand for PPE. We deem it prudent to recognize the impact of these market factors in the realizability of the Group’s inventories.

Although the Company expects to suffer losses in FY2022, the Board considers that the Group’s overall financial position, cash flow and operations are in a good and stable condition. As announced on 5 October 2022, the Company’s joint venture company, Resilient Medical Pte. Ltd., has completed construction of its medical-grade nitrile glove factory in Cambodia and commenced mass production in the 4th quarter of 2022, further diversifying the Group’s product mix. Supply chain disruptions in China had resulted in the delayed commencement of mass production, which was initially expected to commence in the 3rd quarter of 2022.

The Company has also started to promote and sell handheld ultrasound devices in the Philippines in partnership with a local distributor and key developer of high-end medical devices, as we look to tap into new customer base and increase our reach. We are also exploring new product offerings and markets in order to stay competitive and meet the evolving needs of our customers. The Group will focus on pursuing strategic development to future-proof its market position and sustainable long-term growth.

This Announcement is based on a preliminary assessment of the latest unaudited consolidated management accounts of the Group, and is not based on any financial

figures or information which have been audited or reviewed by the Group's auditors. Accordingly, shareholders are cautioned not to place undue reliance on forward-looking statements within this Announcement, which are based on the current view of management regarding future events. The Company is in the process of finalising its financial results for FY2022 and will provide further details of the Group's performance with the release of the unaudited consolidated financial results for FY2022 on or before 1 March 2023.

Shareholders and potential investors should exercise caution when trading in the Company's shares. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

Submitted by Mr Clement Yang, Executive Chairman, on 19 January 2023 to the SGX-ST.

*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**").*

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.

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