



MEDTECS INTERNATIONAL CORPORATION LIMITED
(Incorporated in Bermuda)

ENTRY INTO JOINT VENTURE AGREEMENT WITH SHIJIAZHUANG HONGRAY GROUP CO., LTD. IN RELATION TO GLOVE FACTORY IN CAMBODIA

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Medtecs International Corporation Limited (the “**Company**” or “**Medtecs**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, Medtecs (Asia Pacific) Pte. Ltd. (“**MAP**”), has on 1 July 2025 entered into a joint venture agreement (the “**JV Agreement**”) with Shijiazhuang Hongray Group Co., Ltd. (石家庄鸿锐集团有限公司) (“**Hongray**”), to govern their relationship (the “**Joint Venture**”) as shareholders of a joint venture company to be incorporated in Singapore (the “**JV Company**”) which will indirectly hold the Group’s nitrile glove manufacturing facility in Cambodia (the “**Glove Factory**”) and manage the manufacturing and distribution of nitrile gloves produced by the Glove Factory.

Under the terms of the JV Agreement, the JV Company will hold the entire issued and paid-up share capital of RMKH Glove Pte. Ltd. (“**RMKH SG**”). As at the date of this announcement, RMKH SG is a wholly-owned subsidiary of the Company which owns the entire equity interest in RMKH Glove (Cambodia) Co., Ltd. (“**RMKH Cambodia**”), which in turn owns and operates the Glove Factory.

2. INFORMATION ON THE JV COMPANY, HONGRAY AND THE GLOVE FACTORY

2.1 Information on the JV Company

MAP will apply to incorporate the JV Company in Singapore. Upon incorporation, the JV Company will have an initial issued and paid-up share capital of US\$510,000 comprising 510,000 ordinary shares, all of which will be held by MAP.

The initial directors of the JV Company are expected to be Mr William Yang, who is our Deputy Chairman, Executive Director and Chief Executive Officer, and a nominee director who will be appointed to fulfill the requirement for the JV Company to have a Singapore-resident director. As a newly incorporated company, the JV Company is not expected to initially generate revenue or engage in any business activity.

2.2 Information on Hongray

Hongray is incorporated in the People’s Republic of China and is a large manufacturer of disposable protective gloves with over thirty years of specialised experiences in glove production. It has an established production capacity with ten production facilities across the People’s Republic of China. Hongray also has an extensive export network and a broad international market presence, exporting to over forty countries and regions, including the United States, Canada, Europe, and Japan.

The current directors of Hongray are Liu Guixi, Hao Junjie, Zhāng Yaping, Zhu Chunyan and Liu Kevin Kai. The major shareholder of Hongray is Liu Guixi, who is the Chairman and President of Hongray.

Hongray, its directors and ultimate beneficial owners are independent of the Company, its directors and controlling shareholders, and their respective associates.

2.3 Information on the Glove Factory

The Glove Factory is located in the Manhattan Special Economic Zone (MSEZ) in Bavet City, Svay Rieng Province, Cambodia, and is the first and largest of its kind to manufacture medical-grade nitrile gloves in Cambodia. It is designed to accommodate up to 10 high-speed double-former dipping production lines. Currently it houses two production lines with a production capacity of 50 million gloves per month, or 600 million pieces per year.

3. PRINCIPAL TERMS OF THE JV AGREEMENT

3.1 Shareholding Proportions and Capital Contributions

Under the terms of the JV Agreement, the respective shareholding interests of MAP and Hongray in the JV Company will be as follows:

Shareholder of JV Company	Shareholding interest in JV Company
MAP	51.00%
Hongray	49.00%
Total	100.00%

Under the terms of the JV Agreement, the JV Company will be capitalised in two phases:

- (a) under the first phase, which is expected to be completed within the third quarter of 2025:
 - (i) upon the incorporation of the JV Company, MAP will subscribe for 510,000 ordinary shares in the JV Company for an aggregate subscription price of US\$510,000; and
 - (ii) within 30 business days of the date of execution of the JV Agreement, Hongray will subscribe for 490,000 ordinary shares in the JV Company for an aggregate subscription price of US\$490,000; and
- (b) under the second phase, which is to be completed by 31 December 2025:
 - (i) the Company will transfer its entire ownership interest in RMKH SG to MAP, representing a capital contribution of US\$24.99 million by the Company in MAP equivalent to the estimated amount of RMKH SG's net asset value at such time (which has been computed based on the net asset value of RMKH SG as at 31 December 2024 and adjusted for the estimated impact of the liquidation of Resilient Medical); and
 - (ii) thereafter, MAP will contribute its entire equity interest in RMKH SG, indicatively valued at approximately US\$24.99 million, as an in-kind

capital contribution to the JV Company. In consideration, the JV Company will issue 24,990,000 new ordinary shares to MAP. The aforesaid indicative valuation has also been computed based on the estimated amount of RMKH SG's net asset value as aforesaid; and

- (iii) Hongray will contribute assets (comprising an additional eight production lines to be produced by Hongray and installed at the Glove Factory) indicatively valued at approximately US\$24.01 million as an in-kind capital contribution to the JV Company. In consideration, the JV Company will indicatively issue 24,010,000 new ordinary shares to Hongray. The aforesaid indicative valuation has been computed based on a preliminary estimate of the value of the assets to be contributed by Hongray.

Under the terms of the JV Agreement, MAP and Hongray will jointly appoint an independent third party valuer to value the in-kind capital contributions of MAP and Hongray. The final number of shares to be issued by the JV Company to each of MAP and Hongray in consideration for their respective in-kind capital contributions will be determined based on such independent third party valuation.

Under the terms of the JV Agreement, in the event that the appraised values of the in-kind capital contributions exceed the aforesaid indicative valuations, the excess may be compensated through the issuance of non-voting, redeemable preference shares to the contributing party.

Based on the aforesaid indicative valuations of the in-kind capital contributions of MAP and Hongray, following the completion of both phases of capitalisation of the JV Company as aforesaid, MAP and Hongray are expected to hold 25,500,000 ordinary shares (representing a 51% equity interest) and 24,500,000 ordinary shares (representing a 49% equity interest) in the JV Company respectively.

3.2 Corporate Governance

Under the terms of the JV Agreement, the board of directors of the JV Company will comprise three directors as follows:

- (a) one director nominated by MAP ("**MAP Nominee Director**");
- (b) one director nominated by Hongray ("**Hongray Nominee Director**"); and
- (c) one nominee director who is resident in Singapore.

MAP has authority to appoint the chairman of the board of the JV Company.

Key decisions such as matters relating to financing, major capital expenditure, and amendments to the constitution of the JV Company will require the approval of the MAP Nominee Director and the Hongray Nominee Director. In the event of a deadlock amongst the directors of the JV Company on any such matter, the issue in dispute shall, unless provided otherwise in the JV Company's constitution, be determined by ordinary resolution at a duly convened shareholders' meeting.

3.3 Exit

Under the terms of the JV Agreement:

- (a) where MAP intends to transfer its shares in the JV Company to a third-party transferee resulting in the transferee acquiring more than 50% of the JV Company's shares, MAP is entitled to require Hongray to sell its shares in the JV Company on the same terms to the transferee; and
- (b) where MAP intends to transfer ownership of 30% or more of the shares in the JV Company to a third-party transferee, Hongray is entitled to require the transferee to purchase Hongray's shares in the JV Company on the same terms on which MAP's shares in the JV Company are being purchased.

3.4 Land Use Rights

As disclosed in prior announcements of the Company, the land parcel on which the Glove Factory is located (the "**Land**") is approximately 7.5 hectares in size and has been leased by the Company from Manhattan International Co. Ltd for a term of 50 years commencing from 30 April 2022.

Under the JV Agreement, the JV Company will enter into a sub-lease arrangement with the Company in relation to the lease of the Land, on terms to be mutually agreed between the Company and the JV Company.

In connection with the ongoing liquidation of Resilient Medical Pte. Ltd. (in liquidation) ("**Resilient Medical**"), the existing sub-lease agreement entered into between the Company and Resilient Medical for the sub-lease of the Land for a term of 10 years commencing from 1 May 2022 until 30 June 2031 will be terminated by mutual consent.

Future arrangements pursuant to the Joint Venture may be subject to such other terms and conditions to be agreed between MAP and Hongray in writing. The Company will make the relevant announcements in relation thereto at the appropriate juncture.

4. RATIONALE FOR THE JOINT VENTURE

The Joint Venture seeks to combine Medtecs' manufacturing infrastructure with Hongray's production technology and distribution network to enhance scale, efficiency, and market competitiveness in the nitrile glove sector.

The JV Company will serve as the operating entity for the Joint Venture, with its principal activities focused on managing the manufacturing and distribution of nitrile gloves pursuant to the terms of the Joint Venture.

The Company's partnership with Hongray began when RMKH Cambodia engaged Hongray to upgrade the production lines of the Glove Factory. This initiative improved efficiency and product quality, paving the way for a broader strategic collaboration. Hongray later appointed the Company as its OEM partner in Cambodia under its "China Plus One" strategy, driven by lower labor and fuel costs, potential tariff benefits, and the need to diversify supply chain risks. The OEM arrangement was entered into on an arm's length basis on terms comparable to those entered into with other third parties.

The Joint Venture marks a logical extension of this relationship. Through collaboration with Hongray, the Company can leverage Hongray's technical capabilities and network alongside the Company's regional presence and manufacturing base to create a more integrated and scalable supply chain to meet global PPE demand.

The Joint Venture will enhance the production capacity, expand market access — especially in North America— and strengthen the competitiveness of RMKH Cambodia,

whose gloves may be marketed through both the Group's and Hongray's networks with increased reach and commercial potential. As at the date of this announcement, apart from the aforesaid OEM agreement and production line upgrade, there have been no other formal collaborations between the Group and Hongray.

5. FINANCIAL EFFECTS

The Joint Venture will be funded via asset contribution and internal resources. The financial effects of the aforementioned transactions is not expected to have a material effect on the net tangible assets per share or earnings per share of the Company, or the consolidated net tangible assets per share or earning per share of the Group, for the current financial year ending 31 December, 2025.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company, or their respective associates, has any interest, direct or indirect, in the JV Agreement, save for their respective shareholding interests in the Company.

7. FURTHER ANNOUNCEMENTS

The Company will make further update announcements on the Joint Venture via SGXNet in compliance with the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), as appropriate or when there are material developments in respect of the same.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the JV Agreement is available for inspection at the Company's registered office at 138 Cecil Street, #13-02 Cecil Court, Singapore 069538, during normal business hours for three (3) months from the date of this Announcement.

9. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. When in doubt as to the action they should take, they should consult their legal, financial, tax or other professional advisers.

Submitted by Mr Clement Yang, Executive Chairman, on 1 July 2025 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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