



**MEDTECS INTERNATIONAL CORPORATION LIMITED**  
(Incorporated in Bermuda)

## **TERMINATION OF JOINT VENTURE WITH SHIJIAZHUANG HONGRAY GROUP CO., LTD. AND ENTRY INTO DISPOSAL AGREEMENT**

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### **1. Introduction**

1.1. The Board of Directors ("**Board**") of Medtecs International Corporation Limited ("**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcements dated 1 July 2025 and 16 December 2025 relating to the joint venture agreement ("**JVA**") entered into with Shijiazhuang Hongray Group Co., Ltd. (the "**Hongray**", and together with the Group, the "**Parties**") (the "**Previous Announcements**").

1.2. Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings ascribed to them in the Previous Announcements.

### **2. Termination of the JVA**

2.1. The Board wishes to announce that, following a strategic review of the implementation plans and prevailing market conditions of the nitrile glove industry, the Company and the Hongray have mutually agreed not to proceed with the further capitalisation of the joint venture company, Medtecs Hongray Pte. Ltd. (the "**JV Co**") (the "**Termination**").

2.2. Accordingly, the Parties have entered into a deed of termination to terminate the JVA with effect from 10 April 2026 (the "**Effective Date**") (the "**Termination Deed**"). This termination was arrived at on a mutual and amicable basis and did not arise from any dispute between the Parties.

2.3. The Parties have agreed to the following regarding the JV Co:

2.3.1. Cessation of Capital Commitments: The Parties are released from all future funding obligations, including the obligation to increase the paid-up share capital of the JV Co to US\$50 million as originally contemplated in the JVA.

2.3.2. Winding Up: The Company will take the necessary steps to voluntarily liquidate the JV Co in accordance with the Companies Act 1967 of Singapore.

2.3.3. Release of Liability: Save for customary clauses intended to survive termination, neither party shall have any claim against the other in respect of the JVA.

### **3. Rationale for Termination**

3.1. The decision to terminate the JVA follows a reassessment by both Parties of the optimal operating model for the glove manufacturing facility located in the Manhattan Special Economic Zone, Cambodia (the "**Facility**"). While the strategic intent to collaborate remains, differences emerged in relation to expansion priorities, operational approach and capital deployment strategies required to navigate the current competitive pricing environment in the global glove industry.

3.2. The Board is of the view that terminating the joint venture releases the Group from significant capital expenditure commitments. This allows the Group to preserve cash flow and focus on capital discipline and its other core business priorities.

#### 4. Disposal of Shares in RMKH Cambodia

- 4.1. In connection with the termination of the JVA, the Group has entered into an agreement ("**Disposal Agreement**") with Hongray in relation to the proposed disposal of its entire equity interest in RMKH Glove (Cambodia) Co., Ltd. ("**RMKH Cambodia**") (the "**Disposal**").
- 4.2. RMKH Cambodia is currently a wholly-owned subsidiary of RMKH Glove Pte. Ltd., which in turn is a wholly-owned subsidiary of the Company. RMKH Cambodia is a company incorporated in the Kingdom of Cambodia and is principally engaged in the manufacture of nitrile gloves. It owns and operates a glove manufacturing facility located in the Facility. As at the date of this announcement, RMKH Cambodia has a net asset value of approximately US\$11.5 million.
- 4.3. Pursuant to the Disposal, Hongray will acquire 100% of the issued share capital of RMKH Cambodia in tranches. While Initial Closing (as defined below) is expected to take place on or around 7 May 2026, RMKH Cambodia will only cease to be a subsidiary of the Company when Hongray has acquired more than 50% of the shares, and Medtecs will retain legal and beneficial ownership of all untransferred shares until the Consideration (as defined below) is paid in full.
- 4.4. Hongray is an independent third party and is not related to the Company, its Directors or controlling shareholders. Accordingly, the Disposal does not constitute an interested person transaction under Chapter 9 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "Catalist Rules").

#### 5. Principal Terms of the Disposal Agreement

The key terms of the Disposal Agreement are as follows:

- 5.1. The consideration for the Disposal is approximately US\$13.1 million (the "**Consideration**"), subject to adjustment based on the net asset value of RMKH Cambodia at completion of the Disposal, including any specific asset-level adjustments not exceeding US\$300,000. The Consideration was arrived at after arm's length negotiations on a willing-buyer willing-seller basis, taking into account, inter alia, the net asset value of RMKH Cambodia of US\$11.5 million. The consideration of the Disposal is intended to be utilized for the Group's general working capital purposes.
- 5.2. The Consideration shall be satisfied and the shares transferred as follows:
  - 5.2.1. An initial cash instalment of US\$[5.0] million (representing approximately 38% of the Consideration) is payable upon the initial completion of the Disposal (the "**Initial Closing**"). The Initial Closing will be facilitated by a mutual escrow arrangement. Hongray will deposit the initial cash instalment, and the Group will deposit all necessary resolutions and documents to facilitate the transfer of 38% of the shares in RMKH Cambodia into an independent escrow. The funds and the transferred shares will only be released to the respective parties concurrently upon the satisfaction of the agreed escrow conditions
  - 5.2.2. The remaining 62% of the Consideration is payable in cash instalments over a period of not more than 12 months following the Initial Closing. The remaining 62% of the shares will only be transferred to Hongray in tranches strictly proportionate to the proportion of cash instalments paid, facilitated by an escrow arrangement. The Company shall retain legal and beneficial ownership of all untransferred RMKH Cambodia shares until the Consideration is paid in full
  - 5.2.3. The financial impact upon completion of the Disposal is not expected to be material to the Group.

5.3. As at 28 February 2026, RMKH Cambodia owes an aggregate amount of approximately US\$23.5 million (the “**RMKH Indebtedness**”) to the Group. The RMKH Indebtedness arises from advances for capital expenditure and working capital funding and is unsecured. Such advances have ceased following the termination of the JVA. Following completion of the Disposal, the RMKH Indebtedness will remain owing by RMKH Cambodia to the Group and will not be novated or waived.

5.4. The RMKH Indebtedness shall be repaid on the following terms:

5.4.1. Repayment Schedule: In equal instalments of US\$325,000 per quarter commencing from 1 May 2026. After 10 years, the Company and Hongray can enter into negotiation and agree on the new repayment terms or exercise the Call Option (as defined below) for the then remaining RMKH Indebtedness (the “**Repayment Period**”);

5.4.2. Interest: The outstanding portion of the RMKH Indebtedness shall bear interest at a rate of 3% per annum, calculated on a fixed basis, and payable quarterly;

5.4.3. The RMKH Indebtedness shall rank as first-ranking secured obligations of RMKH Cambodia and shall have priority over all existing and future unsecured creditors of RMKH Cambodia.

5.4.4. In the event of (i) non-payment of any amount due under the RMKH Indebtedness, (ii) any breach of the terms and conditions governing the RMKH Indebtedness or the Disposal Agreement, or (iii) the occurrence of any insolvency-related events, affecting RMKH Cambodia or the Guarantor (as defined below), the full outstanding RMKH Indebtedness (together with all accrued interest and any other amounts due) shall become immediately due and payable, without further notice or demand.

5.4.5. Upon the occurrence of such event(s), the Group shall be entitled to exercise all rights and remedies available under the transaction documents and applicable law, including but not limited to the right to enforce the security interests, call on the guarantee, as specified below.

5.5. **Security Arrangements.** To secure the payment of the Consideration and the RMKH Indebtedness, the Group will obtain a comprehensive security package, including:

5.5.1. First-ranking security over substantially all assets of RMKH Cambodia, including the Facility, the original production equipment, and crucially, four (4) new production lines recently installed by Hongray at the Facility, and a share pledge securing the mandatory return of any shares held by Hongray upon default, alongside the Group's retained legal and beneficial ownership of all untransferred shares;

5.5.2. A legally binding personal guarantee provided by Mr. Liu Guixi (the “**Guarantor**”), the controlling shareholder of Hongray, covering the full amount of the RMKH Indebtedness and the deferred Consideration, supported by his liability as principal debtor on a joint and several basis with RMKH and Hongray as continuing security and furnished by the Guarantor on the date of the Disposal Agreement

5.5.3. An irrevocable call option (“**Call Option**”) allowing the Group to buy back the core factory assets and/or 100% of the shares in RMKH Cambodia at a nominal price or via debt set-off upon any event of default. The Call Option may be exercised by the Group either: (a) within a period of seven (7) days following the

expiry of the 10-year Repayment Period; or (b) at any time following the occurrence of an event of default which remains uncured.

5.5.4. The Call Option allows the Group the option to require RMKH Cambodia to transfer to the Group (or its nominee) the core factory assets (including the factory building, boiler systems and original production lines) and/or 100% of the shares in RMKH Cambodia, free from encumbrances (other than agreed security interests), upon the occurrence of any event of default.

5.5.5. The Call Option may be exercised by written notice and is supported by pre-executed transfer documents held in escrow, which may be released to the Group upon such exercise without further consent from RMKH Cambodia or Hongray.

5.5.5.1. The consideration for the transfer of the relevant assets upon exercise of the Call Option shall be determined based on the prevailing fair market value of the relevant assets at the time of the exercise notice. This consideration shall be satisfied by way of set-off against the outstanding RMKH Indebtedness, and the Group shall not be required to make any cash payment, even if the determined fair market value exceeds the remaining outstanding indebtedness. In addition, any shares required to be transferred back to the Group will be acquired for a nominal consideration of US\$1.00.

5.5.5.2. The Call Option forms part of the security package to mitigate credit risk in respect of the deferred consideration and RMKH Indebtedness.

5.5.6. To ensure immediate enforcement, Hongray will pre-sign all necessary asset and share transfer documents prior to Initial Closing, which will be held in escrow by an independent law firm and released unilaterally to the Group upon default

5.5.7. The Company has obtained legal advice from Mar Associates & ILaw Cambodia, law firms based in Cambodia] confirming that the security arrangements and guarantee are valid and enforceable in accordance with applicable Cambodian laws and regulations.

5.5.8. The Board has considered the credit risk associated with the RMKH Indebtedness, taking into account the financial position and operating prospects of RMKH Cambodia and the strength of the security package. Given the strict escrow mechanics allowing for the immediate, unilateral release of pre-signed transfer documents to the Group upon an event of default, the Board is of the view that the risk of non-recovery is adequately mitigated and the security package is highly enforceable.

5.6. Upon the execution of the Disposal Agreement, Hongray will assume full operational and management control of RMKH Cambodia. Furthermore, Hongray has irrevocably undertaken to bear and assume all operational, legal, regulatory, financial, and tax risks of RMKH Cambodia arising from the date of the Initial Closing, notwithstanding that Hongray will not yet hold 100% of the shares at that time

## 6. Relative Figures under Chapter 10 of the Catalist Rules

The relative figures for the Disposal computed on the bases set out in Rule 1006 of the Catalist Rules, based on the latest announced unaudited consolidated financial statements of the Group for the financial year ended 31 December 2025 (“**FY2025**”), are as follows:

<b>Catalist Rule</b>	<b>Bases of computation</b>	<b>Relative figures (%)</b>
1006(a)	The net asset value (" <b>NAV</b> ") of the assets to be disposed of, compared with the Group's NAV.	12.0 <sup>(1)</sup>
1006(b)	The net profits <sup>(2)</sup> attributable to the assets acquired or disposed of, compared with the Group's net profits.	44.8
1006(c)	The aggregate value of the consideration <sup>(3)</sup> given or received, compared with the Company's market capitalisation <sup>(4)</sup> based on the total number of issued shares excluding treasury shares.	45.6
1006(d)	The number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue.	Not applicable
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable <sup>(5)</sup>

**Notes:**

- (1) Based on the net asset value of RMKH Cambodia of US\$12,200,000 and the net asset value of the Group of US\$101,988,000 as at 31 December 2025.
- (2) Under Catalist Rule 1002(3)(b), "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. Based on the unaudited consolidated financial statements of the Group for FY2025, the net loss of the Group were approximately US\$4,831,000. Based on the latest unaudited financial statements of RMKH Cambodia for the same financial period, the net losses attributable to RMKH Cambodia were approximately US\$2,165,000. The ratio is arrived at taking into account absolute figures.
- (3) The aggregate consideration for the Disposal amounts to US\$23,600,000, comprising Consideration of US\$13,100,000 and value of the Call Option of US\$10,500,000, the latter arrived at based on management's estimation of the remaining RMKH Indebtedness after 10 years from start of repayment.
- (4) Under Catalist Rule 1002(5), "market capitalisation" is determined by multiplying the number of shares in issue of the Company ("**Shares**") by the volume weighted average price of such Shares

transacted on 9 April 2026, being the last market day whereby the Shares were traded preceding the date of the Disposal Agreement.

- (5) This basis is not applicable as the Company is not a mineral, oil and gas company.

As all of the above applicable Rule 1006 of the Catalist Rules relative figures are below 50%, the Disposal constitutes a disclosable transaction. In addition, pursuant to Rule 1007(1) of the Catalist Rules, if any of the relative figures computed pursuant to Rule 1006 of the Catalist Rules involves a negative figure, Chapter 10 of the Catalist Rules may also be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10A of the Catalist Rules.

The relative figure under Rule 1006(b) of the Catalist Rules involves negative figures. The Disposal falls within the circumstance provided for in paragraph 4.4(c) of Practice Note 10A of the Catalist Rules, except that the Disposal will result in a gain on disposal. As such, based on applicable circumstances set out in Practice Note 10A of the Catalist Rule, the Disposal constitutes a disclosable transaction. As such, no shareholders' approval is required.

## **7. Rationale for the Disposal**

The Disposal is part of the Group's strategic realignment following the termination of the JVA. The Board is of the view that the Disposal:

- (a) enables the Group to cease further exposure to ongoing operational losses and capital commitments associated with RMKH Cambodia;
- (b) allows the Group to monetise its investment in RMKH Cambodia while having the option to buy back the core factory assets and/or 100% of the shares in RMKH Cambodia at a nominal price or via debt set-off upon any event of default;
- (c) reduces the Group's exposure to operational, market and execution risks associated with glove manufacturing; and
- (d) strengthens the Group's financial position through the receipt of sale proceeds and the structured recovery of outstanding intercompany indebtedness over time.

In considering the Disposal, the Board has taken into account the deferred payment structure and the associated credit risks. The Board is of the view that such risks are mitigated by the comprehensive security arrangements, including first-ranking security over key assets and a personal guarantee from the controlling shareholder of Hongray.

Accordingly, the Board is of the view that the Disposal is in the best interests of the Company and its shareholders.

## **8. Financial Effects**

The proforma financial effects of the Disposal on the net tangible assets ("**NTA**") attributable to the owners of the Company per share and the earnings per share ("**EPS**") of the Group are set out below. The proforma financial effects have been prepared based on the latest unaudited consolidated financial statements of the Group for FY2025. The expenses in connection with the Disposal are disregarded for the purpose of calculating the financial effects. The proforma financial effects are purely for illustration purposes only and are

therefore not necessarily indicative of the actual financial position of the Group after completion of the Disposal ("**Completion**").

**(a) Effect on NTA per share**

For illustrative purposes only, the proforma financial effects of the Disposal on the Group's NTA per share, assuming that the Disposal had been completed on 31 December 2025, being the end of the most recently completed financial year whose results have been announced, are set out below:

	<b>Before the Disposal</b>	<b>After the Disposal</b>
NTA (US\$'000)	99,149	99,149
Number of issued shares (excluding treasury shares) ('000)	544,911	544,911
NTA per share (US\$ cents)	18.195	18.195

**(b) Effect on EPS**

For illustrative purposes only, the proforma financial effects of the Disposal on the consolidated earnings of the Group, assuming that the Disposal had been completed on 1 January 2025, being the beginning of the most recently completed financial year whose results have been announced, are set out below:

	<b>Before the Disposal</b>	<b>After the Disposal</b>
Net profits (US\$'000)	(4,836)	(2,671)
Weighted average number of shares ('000)	544,911	544,911
EPS (US\$ cents)	(0.887)	(0.490)

**9. Interests of Directors and Controlling Shareholders**

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Termination or the Disposal, other than through their respective shareholdings in the Company.

**10. Documents for Inspection**

Copies of the Termination Deed and the Disposal Agreement are available for inspection at the registered office of the Company during normal business hours for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD  
 Clement Yang Ker-Cheng  
 Chairman – Executive Director  
 10 April 2026

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. ("**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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