

2025 ANNUAL REPORT



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

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The contact person for the Sponsor is Ms Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.



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Corporate Profile

Medtecs International Corporation Limited (the "Company" or "Medtecs") is a 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 Company's current continuing sponsor is PrimePartners Corporate Finance Pte. Ltd. The Group's Taiwan Depository Receipts ("TDRs") have been listed on the Taiwan Stock Exchange since 13 December 2002.

The Group's main lines of business include manufacturing, trading and distribution, and providing integrated hospital products and 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 has been working with Amazon, DHL and other e-commerce and logistics services providers to



Headquarters - Taipei, Taiwan

optimise 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, management 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 one of the dominant

total solutions provider for such hospital services, with a customer base of 26 hospitals.

The Group has also successfully expanded its hospital service in the Philippines, covering 29 hospitals.

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



Medtecs (Taiwan) Coporation



Medtex Coporation



RMKH Glove (Cambodia) Co., Ltd.

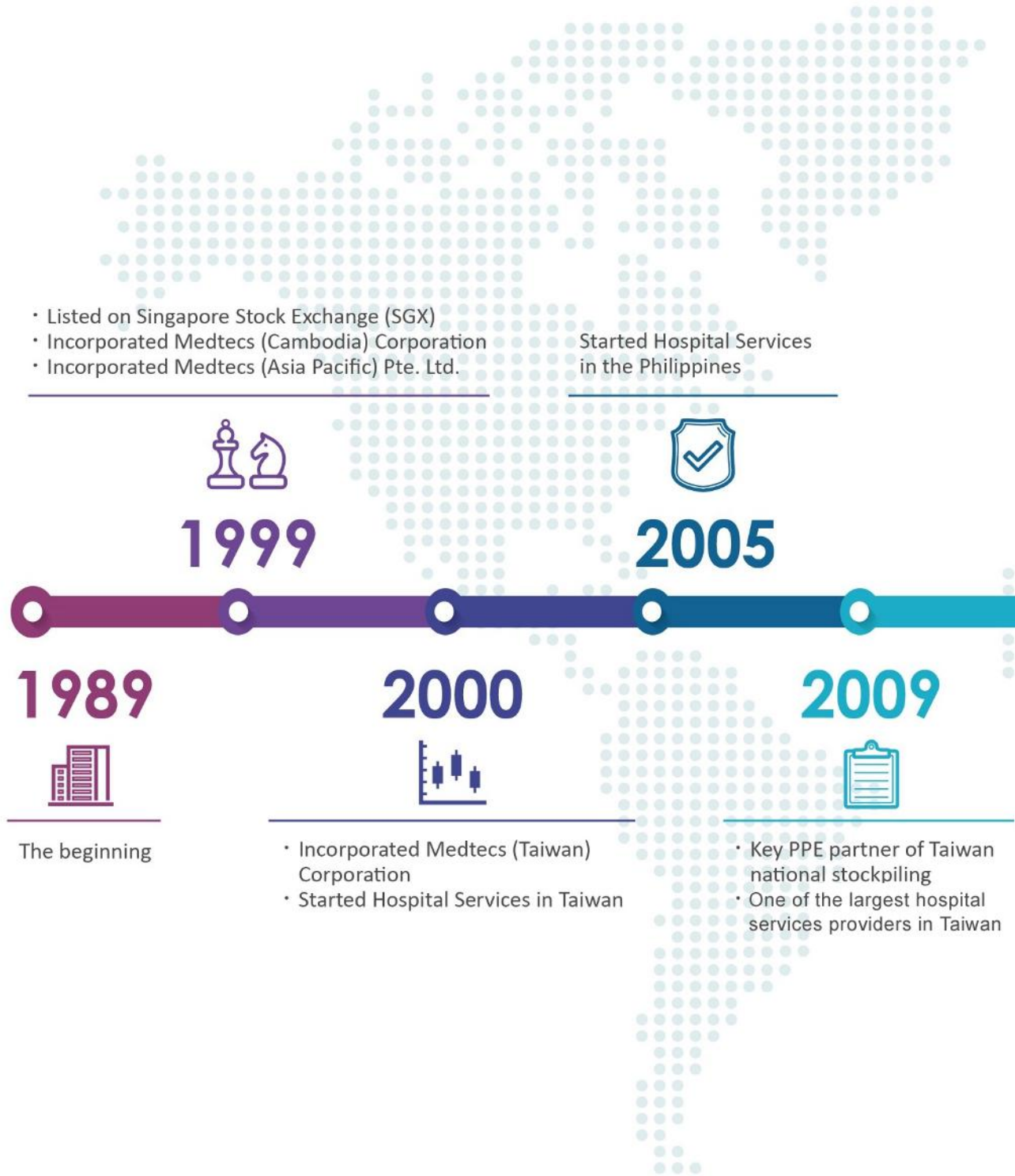


Medtecs (Cambodia) Coporation Limited



Hangzhou Jincheng Medical Supplies Manufacture Co., Ltd.

Corporate Milestones



One of the largest hospital services providers in Philippines

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

- Integrations
- Global Stockpiling Service
- Global Procurement Platform



2013



2018



2021

2015



Incorporated MMSEZ in Cambodia

2020



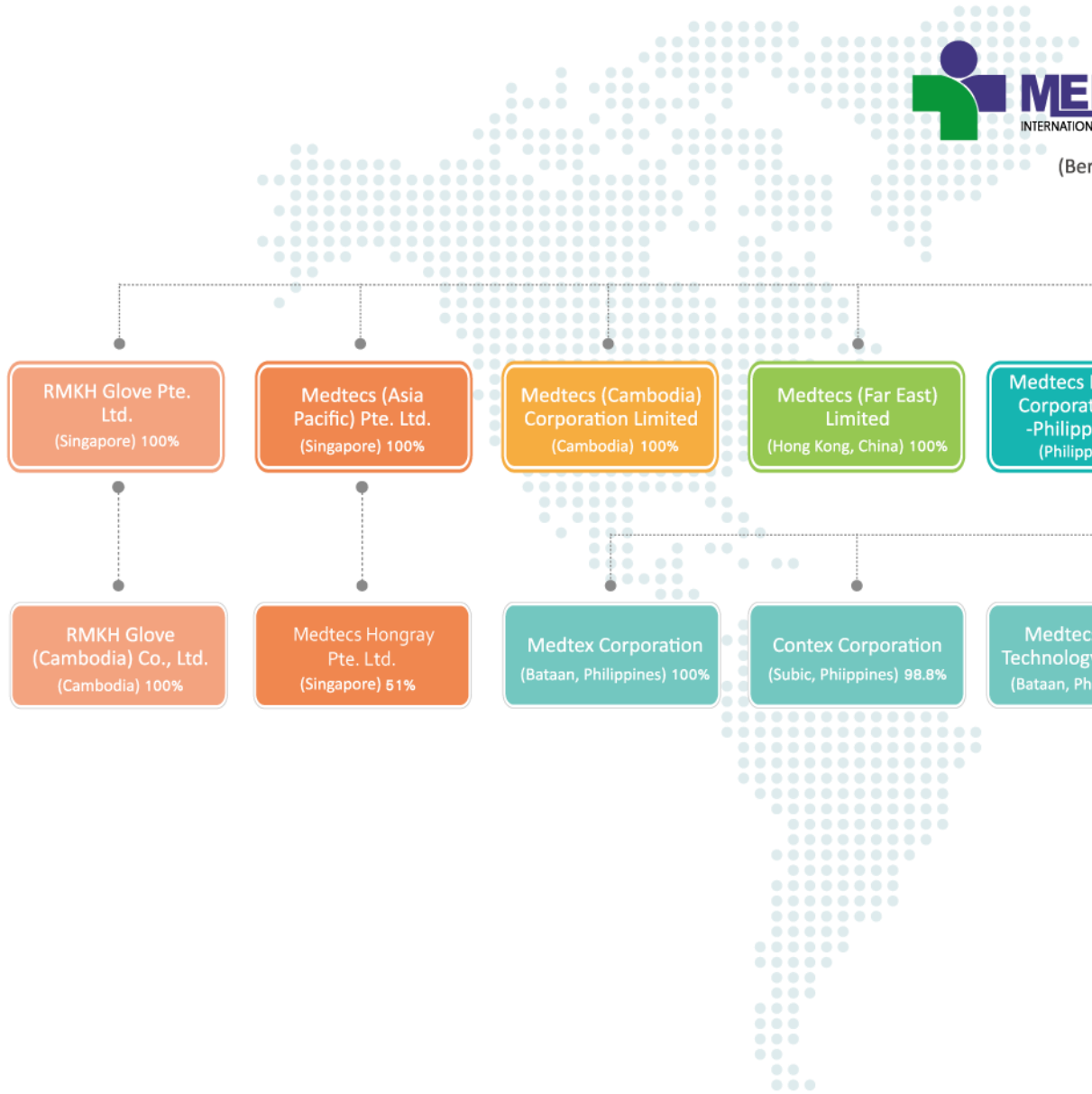
- One-stop shop for PPE
- Commence B2C e-commerce trading
- Expand online and offline sales and distribution network

2022-



- Production of disposal nitrile gloves in Cambodia through the joint venture between the Group's Singapore subsidiary and ACO International Limited
- Continue to build a Global Procurement Platform

Corporate Structure

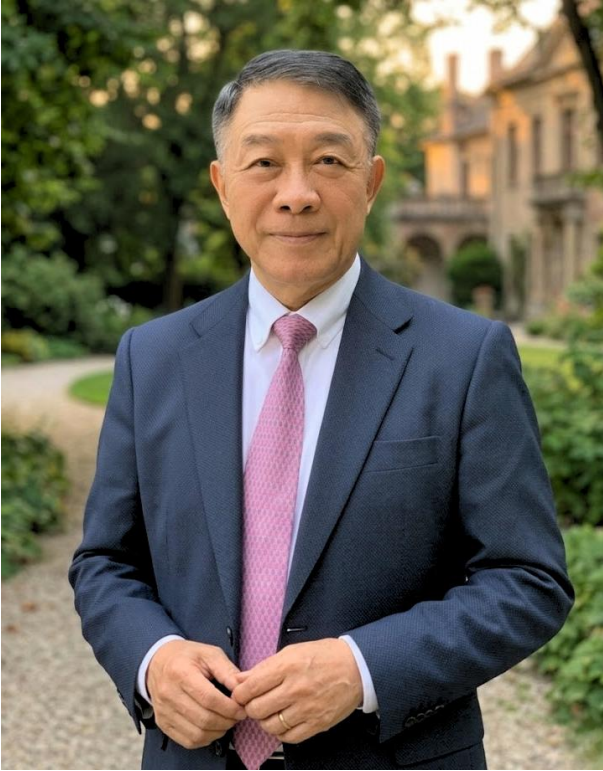


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The Company and its subsidiaries as at 31 December 2025

Chairman's Message



Dear Shareholders,

In every stage of a company's development, there comes a point when growth alone is no longer sufficient. The true test lies in whether the organization can bring together what it has built, and turn it into a system that delivers consistent, sustainable performance.

At Medtecs, we believe that long-term competitiveness is no longer defined by growth alone, but by the strength, clarity, and discipline of the system that supports it.

For Medtecs, 2025 marks such a moment.

The global operating environment remained complex and dynamic. Supply chains continued to adjust to post-pandemic realities, cost pressures persisted, and the healthcare sector continued to evolve. Against this backdrop, our focus has not been on short-term performance alone, but on

strengthening the foundations that will support Medtecs in the years ahead.

The year marked a gradual stabilization of our business. Revenue and operating momentum improved, supported by the recovery of OEM demand, contributions from our healthcare services segment, and disciplined efforts in cost management and operational restructuring. While profitability remains under pressure, the narrowing of losses reflects early progress in restoring operational balance.

More importantly, our challenge is no longer growth alone, but integration.

Over time, the Group has expanded across geographies, business lines, and operating functions. Today, we operate in a multi-country, multi-business environment spanning manufacturing, distribution, and healthcare services. This scale provides opportunity, but also requires a higher level of coordination, transparency, and discipline. Fragmented efforts, even when individually strong, cannot deliver sustainable group-level performance.

We are therefore moving deliberately toward a more integrated operating model.

At the same time, we recognize that systems alone are not sufficient. Sustainable performance requires a shared way of working across the organization. At Medtecs, this is reflected in a simple but fundamental principle: getting the work done well, and helping people grow well.

This transformation is anchored on three priorities.

First, strengthening governance discipline as a core capability.

We are enhancing consistency in data definitions, improving transparency in reporting, and reinforcing

accountability across business units and regions. Ultimately, governance is about ensuring that decisions are made clearly, responsibilities are defined, and risks are managed in a disciplined manner.

Second, improving integration across the Group's operating model.

We are building a more unified management platform and establishing a common data language, improving visibility across key areas of the business—including manufacturing, sales, inventory, cash flow, and service operations. The objective is to enable faster, clearer, and more reliable decision-making at every level of the organization.

Third, enhancing data, digital, and AI-enabled decision-making.

We see artificial intelligence not merely as a productivity tool, but as an evolving capability that supports management insight, strengthens integration, and improves planning. Our approach remains pragmatic, focusing on better information, earlier identification of risks, and continuous improvement over time.

These efforts are not isolated initiatives. They represent a structural shift in how Medtecs is managed and how it will compete going forward.

At the same time, we remain mindful of the challenges ahead. Market conditions continue to be uncertain, cost structures require ongoing

optimization, and managing a diversified, multi-location business demands consistent execution. We will continue to address these challenges with discipline, transparency, and a focus on long-term sustainability.

With respect to certain investments and partnerships, we are actively evaluating strategic options to ensure alignment with the Group's long-term direction and to optimize value for shareholders. Our guiding principle remains clear: decisions must be grounded in discipline, clarity, and long-term benefit.

Looking ahead, Medtecs will remain focused on improving operational efficiency, strengthening integration, and enhancing our digital and analytical capabilities. These will form the foundation of our next phase of development.

In an increasingly complex world, scale alone is not an advantage.

Clarity, discipline, and the ability to integrate will define those who endure.

At Medtecs, we are building not just a business, but a system—one that can sustain performance, support growth, and remain resilient over time.

On behalf of the Board, I would like to thank our employees, partners, and shareholders for their continued trust and support.

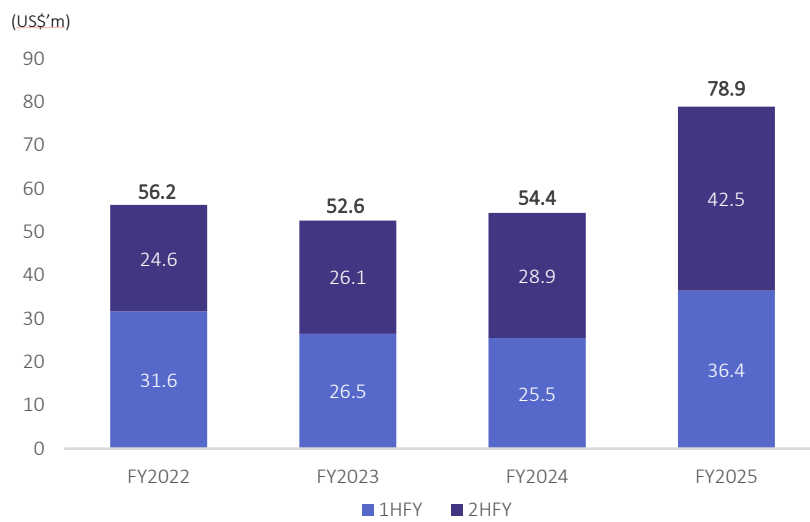


Clement, Yang Ker-Cheng
Chairman

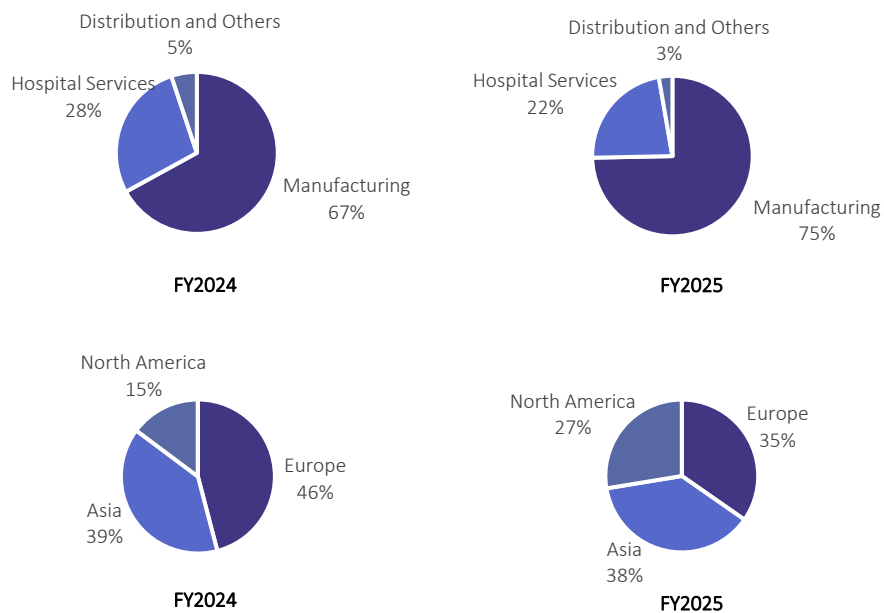
Financial Highlights

Revenues grew in FY2025 following sales from new OEM customers, improved orders from existing OEM customers and higher gloves sales

Historical Revenue

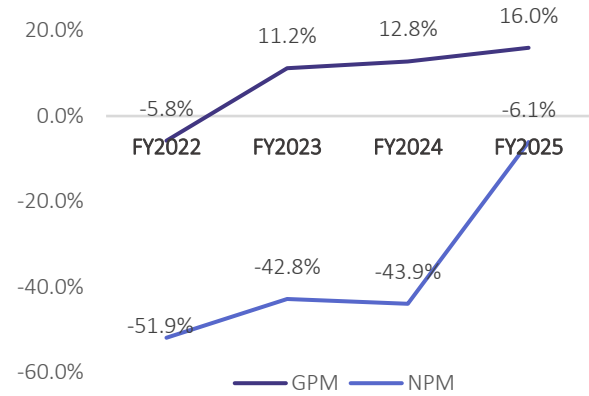
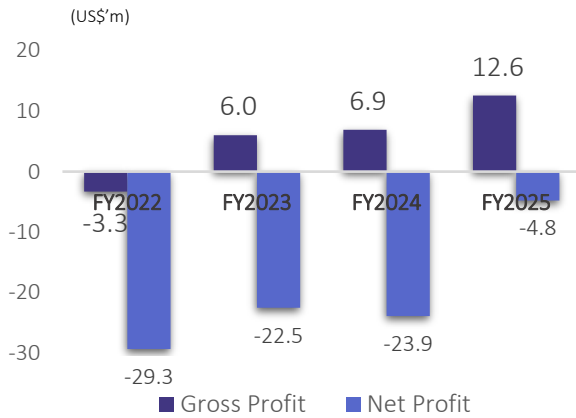


Revenue Breakdown by Business Segment and Geography



FY2025 gross profits and gross margins increased from economies of scale with improved OEM sales and improved pricing in hospital services

Historical Profits and Margins



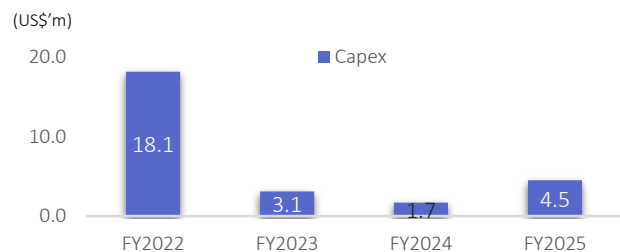
- Improvement in profit margins in FY2025 was due to the higher orders from new and existing OEM customer, and increase in high-margin e-commerce sales, resulting in better economies of scale.
- Hospital services also contributed to the improved margins from better pricing from contract renewals and effective linen management.

Financial Position

Balance Sheet Highlights

(US\$m)	As at 31 Dec 25	As at 31 Dec 24
Cash and cash equivalents	19.4	27.3
Inventories	28.2	25.5
- Inventory days	148	196
Account Receivables	19.3	10.7
- AR days	69	72
Account Payables	6.8	2.4
- AP days	25	19
Key Ratios		
Debt / Equity (x)	0.3x	0.2x
Net Debt / Equity (x)	not material	not material

Capex level – Reduced spending after inauguration of glove factory



(US\$'000)	FY2025	FY2024
Cashflow from operating activities	(2,397)	2,343
Cashflow from investing activities	1,673	(2,725)
Cashflow from financing activities	(514)	(4,939)
Net cash flow	(1,238)	(5,321)

Financial Review

Business Overview

The Group's revenue increased by 45.1% to US\$78.9 million in FY2025 from US\$54.4 million in FY2024 driven by contributions from new OEM customers which generated US\$6.8 million sales. Revenues from regular OEM customers also increased by 10.1%, from US\$24.2 million in FY2024 to US\$26.7 million in FY2025 from higher demand. Following the re-acquisition of the glove factory in Cambodia, the Group leveraged on the new nitrile glove orders, resulting in additional US\$13.5 million sales, further strengthening its revenue position.

Revenue

The Group revenues increased by 45.1% to US\$78.9 million and generated a lower net loss of US\$4.8 million due to higher profits generated from improved sales and lower provisions for FY2025.

Revenue from the Original Product Manufacturing ("OPM") division increased by 61.7% to US\$59.0 million in FY2025 from US\$36.5 million in FY2024 due to improved demand from existing OEM customers, new contributions from new OEM and nitrile glove customers. Revenues from Hospital Services division increased by 17.6% to US\$17.8 million in FY2025 from US\$15.2 million in FY2024 due to higher linen utilization and new hospital contracts in Taiwan and Philippines. Revenues from Trading, Distribution and others decreased by 22.2% to US\$2.2 million in FY2025 from US\$2.8 million in FY2024 due to lower demand for healthcare products in Taiwan.

Profitability

The Group's gross profit increased by 83.8% to US\$12.6 million in FY2025 from US\$6.9 million in

FY2024 mainly due to improved margins from OPM and hospital services divisions. Gross profit from the OPM division increased by 109.5% to US\$8.4 million in FY2025 from US\$4.0 million in FY2024 due to improvement in high-margin e-commerce sales, improved utilization of slow-moving inventories and higher sales from OEM customers resulting in better economies of scale.

Hospital Services division gross profit increased by 54.3% to US\$4.1 million in FY2025 from US\$2.6 million in FY2024 due to better pricing from contract renewals and linen management.

Gross profit from Trading, Distribution and Others division decreased by 26.0% to US\$169,000 in FY2025 from US\$228,000 in FY2024 due to decline in demand and mark-down in price of product offerings in Taiwan domestic market.

Other operating income net decreased by 67.1% to US\$1.4 million in FY2025 from US\$4.4 million in FY2024 primarily due to the one-time gain on deconsolidation of Resilient Medical Pte Ltd. ("RMPL") amounting to US\$2.2 million recognized in FY2024. In addition, the Group also recorded foreign exchange losses arising from currency exposures on non-USD denominated currencies.

Distribution and selling expenses increased by 2.4% to US\$6.0 million in FY2025 from US\$5.9 million in FY2024 due to higher freight and handling costs following improved sales. General and administrative expenses decreased by 54.9% to US\$13.3 million in FY2025 from US\$29.5 million in FY2024 due to lower provisions in relation to inventory obsolescence and expected credit losses on receivables recognized during the year.

Financial expenses increased slightly by 2.1% to US\$811,000 in FY2025 from US\$794,000 in FY2024 due to increase in borrowing cost.

Financial income decreased by 37.1% to US\$915,000 in FY2025 from US\$1.5 million in FY2024, due to lower fixed deposit placements during the year.

Income tax expenses decreased by 175.4% to US\$384,000 income tax benefit in FY2025 from US\$509,000 income tax expense in FY2024 due to reversal of excess tax provision in prior periods. Net loss decreased by 80.1% to US\$4.8 million in FY2025 from US\$23.9 million in FY2024 due to higher profits generated from the improved sales and lower provisions for FY2025.

Cash Flow and Statements of Financial Position

Total assets of the Group increased by US\$7.8 million to US\$145.7 million in FY2025 from US\$138.0 million in FY2024, primarily due to the re-acquisition of RMKH Glove Pte. Ltd. (“RMKH SG”) and its subsidiary, RMKH Glove (Cambodia) Co., Ltd. (collectively, as “RMKH Group”) during the year. As a result, property, plant and equipment increased by US\$33.3 million, coming from the existing glove factory assets contributed to the Group and the cost of the new nitrile glove production lines under installation amounting to US\$10.0 million.

Following the re-acquisition, other current assets decreased by US\$29.0 million, arising mainly from the conversion of the non-trade receivables from RMPL to new investment in RMKH SG, as a result of the liquidation process. On the other hand, inventories increased by US\$2.7 million, mainly from the contributed nitrile glove inventories, and trade receivables increased by US\$8.6 million, reflecting higher sales generated by the Group. In addition, trade payables and other current liabilities also increased by US\$14.4 million, mainly due for the new production lines under installation, as part of the contribution of the joint venture partner of the Group.

The Group had used cash from operating activities of US\$2.4 million in FY2025 from US\$2.3 million cash generated in FY2024, due to higher net working capital requirements, mainly for the glove factory operations. Cash inflow from investing activities of US\$1.7 million mainly came from proceeds from redemption of unquoted bond, reduction in fixed deposit placements and interest income received, partially offset by new capital expenditures and hospital linen investments. Cash outflow from financing activities of US\$514,000 came from higher repayment of loans and payment of interest and lease liabilities, offset by fewer loan availments and uplift of pledged fixed deposits.



Business Outlook and Prospects

While the global economy navigates a phase of fragile growth marked by lingering inflation and geopolitical tension, the shifting trade landscape presents distinct opportunities. The Group will capitalize on its strategically diversified manufacturing footprint to turn US tariff policies into a competitive advantage, ensuring both operational agility and market resilience. We believe that by steadfastly executing our strategic growth plans, proactively navigating external challenges, and upholding our commitment to innovation, efficiency, and sustainability, we will achieve our dual goals of driving revenue growth and optimizing profitability.

Strengthen the OEM Business and Improving Asset Efficiency

The OEM division remains a core focus of the Group's strategy. The Group intends to progressively shift from predominantly transactional orders to longer-term annual or multi-year collaborations, where opportunities arise, to enhance demand visibility and improve production planning discipline.

In mature markets such as the United States, Europe, Australia and Japan, the Group will deepen engagement with existing customers through product line expansion and strengthened account management. In emerging markets including the Middle East, Eastern Europe and Latin America, the Group will adopt a measured and controlled expansion approach to mitigate operational and working capital risks.

To enhance competitiveness beyond price considerations, the Group is refining its product segmentation across entry-level, mid-tier and premium categories with emphasis on quality, delivery reliability and technical expertise. The Group will also continue to expand its portfolio of regulatory-certified and sterilised products, subject to relevant approvals, to improve product mix resilience.

While operations at the RMKH glove manufacturing facility in Cambodia have resumed, the Group has undertaken a strategic realignment of its nitrile glove segment. In this regard, the Group has mutually agreed with Shijiazhuang Hongray Group Co., Ltd. to terminate the joint venture arrangements with effect from 10 April 2026. Concurrently, the Company has entered into a share disposal agreement in relation to the proposed disposal of its entire equity interest in RMKH Glove (Cambodia) Co., Ltd. The proposed disposal will be completed in tranches and remains subject to the terms and conditions set out in the disposal agreement. Pending completion, RMKH Cambodia remains a subsidiary of the Company.

Expanding the Healthcare Services

The propensity for healthcare outsourcing continues to rise as institutions seek greater efficiency. Leveraging our deep-rooted presence and operational expertise in the Philippines and Taiwan, the Group is uniquely positioned to capitalize on this growing trend to expand our market share in hospital support services.

Harnessing Technology and Sustainability Initiatives

Medtecs is accelerating its digital transformation by fusing AI and automation to drive operational precision and agility across the Group. We recognize that successful AI adoption is arguably a human endeavor; therefore, we have rolled out a comprehensive workforce transformation roadmap. This includes targeted upskilling, practical AI workshops, and the strict implementation of our Artificial Intelligence Usage Policy to ensure ethical deployment. By embedding these technologies into our culture, we are reducing reliance on manual labor, optimizing production consistency, and significantly fortifying our supply chain resilience.

At the same time, sustainability remains a top strategic priority. Amidst rising global demand for eco-friendly solutions, we continue to develop sustainable products while maintaining cost efficiency through our manufacturing ecosystem. This strategy has led to the introduction of biodegradable PPE accessories like shoe covers and bouffant caps, as well as the adoption of HDPE and paper-based packaging tailored for the European market. These efforts reinforce Medtecs' dedication to supporting global sustainability targets.

The Group continues to strengthen its supply chain management capabilities through digital enablement, focusing on automation and analytics to enhance execution discipline and operational visibility. Key high-frequency workflows, including load planning, freight benchmarking and shipment tracking, will be progressively automated to improve process efficiency and redeploy manpower to higher value-added activities.

In parallel, the Group is developing supply chain analytics dashboards to enhance visibility across key operational metrics, including cost variances, on-time delivery performance and expedited shipment trends. These tools are intended to support data-driven decision-making to enhance responsiveness to market fluctuations.

Our strategy remains anchored in driving long-term growth through efficiency, innovation, and sustainability. By leveraging automation, AI, and eco-friendly solutions, we are enhancing our market position and operational resilience. Looking ahead, we will continue to explore potential investments in the renewable energy sector to further diversify our portfolio and support global sustainability goals.

With a more fragile growth global market due to geopolitical tensions and inflationary factors, we are cautiously optimistic that we would see some stability in our revenues and operations. Profitability will remain under pressure with rising cost pressures and also continued investment in technology and sustainability.

Manufacturing

Manufacturing remains the dominant segment in the Group in terms of revenue and profitability.

The Group is also entering strategic partnership and alliances with suppliers to enhance its supply chain management to ensure flexibility in meeting changing demands in our product lines.

The Group will also leverage on the heightened awareness of our healthcare and safety products globally. We have also invested in branding and marketing initiatives to develop and promoted the "Medtecs" and "CoverU" brands for both facemasks and PPEs and will leverage on the brands. We have boosted our out presence on E-commerce sites such as Amazon and retail chains to make our products more accessible globally.

We have tapped on the B2B and B2C business models to channel the growth in our operations and are working to expand our presence in more e-commerce platforms. We are working on having long-term PPE and facemask stockpiling arrangement with governments and hospital groups to provide stability in demand and be the leading partner in abating infectious diseases globally.

Hospital Services

Our Hospital Services division continues to be a stable source of income for the Group, with this year's performance marked by expanding market share and improved profitability. We have capitalized on the regional shift toward outsourcing non-core hospital operations, strengthening our market presence in both Philippines and Taiwan. This growth is further reinforced by improved pricing structures secured through strategic contract renewals and cost-reduction measures, further optimising margins in this segment.

Trading and Distribution and Others

While the trading and distribution division faced a more challenging sales environment this year, it remains a resilient profit center and a strategic pillar for the Group. Beyond its direct financial contribution, the segment is vital to our mission as a one-stop healthcare provider, offering essential auxiliary support that strengthens our other divisions amidst heightened industry demand.

Research and Development

In 2025, the Group continued to uphold its vision: “To better the world’s health for everyone, everywhere.” Building upon the foundation established in prior years, the Group strengthened its core medical protection capabilities while advancing manufacturing innovation, expanding overseas markets and further developing its branded product portfolio. Through a balanced and forward-looking research and development strategy, the Group remained responsive to evolving global healthcare demands.

Advancing Manufacturing Innovation

During the year, the Group accelerated its “4A Factory Automation” initiative to enhance production efficiency, precision and operational reliability.

An automated fabric inspection system was implemented to enable paperless reporting and real-time supplier quality feedback, improving inspection efficiency by approximately 30%. Automated cutting systems equipped with digital controls replaced manual cutting processes and increased processing speeds to four times that of traditional operations while improving cutting accuracy and reducing material waste. In addition, automated template machines were introduced to standardise control over critical production processes, increasing productivity to approximately three times that of conventional methods.

Through the integration of these automation technologies, the Group improved operational efficiency while strengthening production consistency and quality control.

International Certifications and Sustainable Development

In Taiwan, the Group further enriched its personal care offerings with the launch of the upgraded “OMO Acne Patch – Enhanced Formula.” Building on the success of the existing acne patch, the upgraded

version features an enhanced formula designed to provide improved skincare and treatment effectiveness.

The Group also introduced the new “OMO Crystal Diamond Night Repair Acne Patch,” formulated with high-concentration hyaluronic acid crystals and multiple repair ingredients to enhance skin absorption and restorative performance. Featuring a patented Korean two-step removal design, the product further expands the Group’s portfolio from protective patches into functional skincare solutions.

Through continuous product innovation and development, the Group remains committed to delivering safe, effective, and high-quality healthcare and personal care solutions to consumers worldwide.

Expanding Consumer Product Reach

In the United States, the Group expanded the application of its emergency urine bag product from professional healthcare settings to the broader consumer market through the Amazon platform. Designed with medical-grade sealing structures and safety standards, the product utilises PE film and super absorbent polymer materials. It has obtained a Material Safety Data Sheet (MSDS), ensuring compliance and safety throughout manufacturing, storage and usage. This development marks an important step in diversifying the Group’s consumer healthcare product portfolio.

In Taiwan, as mentioned above, the Group further enriched its personal care offerings with the launch of the upgraded “OMO Acne Patch – Enhanced Formula”, strengthening its acne care product line. The Group also introduced the new “OMO Night Repair Acne Patch”, formulated with high-concentration hyaluronic acid crystals and multiple repair ingredients to enhance absorption and restorative performance. Featuring a patented Korean two-step removal design, the product

expands the Group's portfolio from protective patches into functional skincare solutions.

Future Outlook and Commitment

Looking ahead, the Group will continue to invest in research and innovation while accelerating automation and intelligent manufacturing upgrades. The Group will actively explore the integration of artificial intelligence technologies in areas such as production management and quality inspection to further enhance operational efficiency.

At the same time, the Group will continue expanding its overseas consumer product categories while deepening the development of its Taiwan brand market. Anchored in the core principles of safety and health, the Group remains committed to developing diversified protection and healthcare solutions and delivering safe and effective products together with high-quality services to support global health and well-being.



Corporate Social Responsibility

Medtecs conducts its global operations with a commitment to social responsibility and environmental sustainability. In 2025, the Group continued its CSR initiatives across Taiwan, the Philippines and Cambodia, supporting community programmes in line with its core medical protection business while addressing local needs through employee participation.

Taiwan

In Taiwan, we continued our collaboration with university volunteer organisations in support of community health initiatives. We sponsored Taipei Medical University's Feng-Xing Penghu Medical Service Team and provided protective products to Soochow University's international volunteer missions, including medical-grade nitrile gloves, masks, disinfectant alcohol and rapid test kits to strengthen infection prevention during community service activities.



We also encouraged employee participation in local service programmes, including volunteer support at the Banqiao Animal Shelter and art therapy activities with seniors at the Shancheng Long-Term Care



Yonghe Day Care Centre. During the year-end festive period, we expanded our “Pay It Forward” campaign in partnership with iGoods, delivering 100 gift sets to children supported by the Taiwan Yellow Ribbon Association and the Chen Chou Children’s Home.

In response to severe flooding in Guangfu Township, Hualien, we donated relief supplies, including over 30,000 medical masks and other essential items. We also supported the Chinese Taipei Olympic Committee through the provision of mosquito repellent products and continued our environmental initiatives through tree planting at Qieding Wetland Park in Kaohsiung and support for organic farming practices in Hualien. Total donations in Taiwan in 2025 exceeded NT\$630,000, benefiting 23,884 individuals.



Philippines

In the Philippines, we continued our CSR efforts to support of community development and welfare. In June 2025, the Philippines participated in the Department of Education's Brigada Eskwela programme, mobilising employee volunteers to assist with campus preparation and donating cleaning materials and healthcare products to promote a safe learning environment.



In July 2025, officers and employees organised a tree-planting activity in Barangay Kayrilaw, Nasugbu, Batangas, planting more than 200 trees in support of local reforestation efforts. The activity was complemented by employee wellness programmes, and medical supplies were provided to local mountain guides to enhance operational safety. In December, we conducted a year-end outreach visit to Bahay Maria Orphanage, providing medical supplies and meals as part of its ongoing community support activities.

Cambodia

In Cambodia, we continued our community engagement through humanitarian assistance and workplace support initiatives. In conjunction with World Red Cross Day, we donated US\$5,000 to the Kampong Cham Red Cross to support medical assistance and disaster relief activities.



In response to a government-supported community initiative, we provided US\$500 in financial assistance together with essential supplies, including 200 blankets, 60 mattresses, 60 cartons of drinking water and 100 cartons of food items.



We also donated 600 kilograms of rice to the Kampong Cham Department of Labour to support frontline personnel and contributed 1,000 kilograms of rice and 100 school bags to a local orphanage.

Through these initiatives, we continued to participate in local development and community support efforts in Cambodia.

Medtronic's corporate social responsibility efforts in 2025 reflect our continued commitment to community development, environmental stewardship and public health across the regions where we operate. We remain focused on strengthening local partnerships and delivering initiatives aligned with our core capabilities.

Further details of our sustainability performance will be set out in the FY2025 Sustainability Report, which will be published on or before 31 May 2026.

Corporate Directory

Board of Directors

Clement Yang Ker-Cheng
Chairman · Executive Director

William Yang Weiyuan
Deputy Chairman · Executive Director · Chief Executive Officer

Jessie Low Mui Choo
Lead Independent Director

Yuhong Zhao
Independent Director

Wang Bo-Shing Jim
Independent Director

Nieh Chien-Chung
*Independent Director
(Resigned on 12/2/2026)*

Audit Committee

Jessie Low Mui Choo
Chairman

Yuhong Zhao
Member

Wang Bo-Shing Jim
Member

Remuneration Committee

Wang Bo-Shing Jim
Chairman

Jessie Low Mui Choo
Member

Yuhong Zhao
Member

Nominating Committee

Yuhong Zhao
Chairman

Jessie Low Mui Choo
Member

Wang Bo-Shing Jim
Member

Clement Yang Ker-Cheng
Member

William Yang Weiyuan
Member

Company Secretaries

Virtus Law LLP
Company Secretary

Conyers Corporate Services (Bermuda) Limited
Assistant Company Secretary

Share Transfer Agent

Boardroom Corporate & Advisory
Services Pte. Ltd.
*1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632*

Sponsor

PrimePartners Corporate Finance Pte. Ltd.
*6 Collyer Quay #10-00
Collyer Quay Centre
Singapore 049318*

Registered Office in Bermuda

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

Correspondence

11F, No. 9, SongGao Rd., Xinyi District
Taipei City 110, Taiwan
Tel: +886-2-2739-2222
Fax: +886-2-2729-8055
<http://www.medtecs.com>

Auditor

Baker Tilly TFW LLP
(A Member Firm of Baker Tilly International Limited)
600 North Bridge Road
#05-01 Parkview Square
Singapore 18878

Partner in Charge

Ong Kian Guan
(since financial year ended 31 December 2023)

Principal Bankers

Bank of Kaohsiung
No. 100, Sec. 2, Sichuan Rd.,
Banqiao Dist., New Taipei City 220, Taiwan

Far Eastern International Bank
27F, No.207, Sec.2, Dunhua S. Road,
Daan District, Taipei City 106, Taiwan

Land Bank of Taiwan
No.46, Guancian Rd., Zhongzheng District,
Taipei City 100, Taiwan

Taipei Fubon Bank
No. 169, Sec. 4, Ren'ai Road,
Daan District, Taipei City 106, Taiwan

First Commercial Bank
No.30, Sec. 1, Chongqing South Rd.,
Zhongzheng Dist., Taipei City 100, Taiwan

Investor Relations

investor.relations@medtecs.com

Profile of the Board of Directors

Mr Clement Yang Ker-Cheng

Chairman · Executive Director

Appointed as Director in 1997, and last re-elected in 2024

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 Clement 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 Clement 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 Clement 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 Clement Yang has more than forty 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 2026

Mr William Yang Weiyuan was appointed as an Executive Director on 2 September 2013. 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 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 the two subsidiaries, he takes an active role in the marketing, production, human resources and finance departments.

Mr William Yang has over 15 years of experience in the textile industry, with majority of those years devoted to developments of medical textile products, PPE, and hospital service for the healthcare industry.

Ms Jessie Low Mui Choo

Lead Independent Director · Audit Committee Chairman

Appointed as Director in 2024 and re-elected in 2025

Ms. Low has over 30 years of experience in accounting, auditing, business advisory, and corporate services. She began her career in 1990 as an Audit Assistant at Ernst & Young LLP (formerly Ernst & Young) before taking on the role of Assistant Accountant at Huan Long Court Chinese Restaurant Pte Ltd in 1994. In 1995, she joined Pan Malayan Holdings Limited as Head of Internal Audit.

In 1996, she founded EI-Shaddai Consultants, a business and system planning advisory firm. She later incorporated JK Corporate Services Pte Ltd in 2003 to continue offering corporate services. In 2005, she established Ark Assurance (formerly known as Jessie Karun & Associates) to provide audit and accounting services. Her Registered Public Accountant accreditation is under Ark Assurance. From 2014 to 2017, she was the Principal Partner at Ark Alliance LLP before assuming her current leadership role at Medinex Limited, a company listed on the Catalist of the SGX-ST.

Ms. Low holds a Master of Business Administration (MBA) from the University of Adelaide. She is a Fellow of the Institute of Singapore Chartered Accountants (ISCA), a Member of the Association of Chartered Certified Accountants (ACCA), an ASEAN Chartered Professional Accountant, and an Accredited Tax Practitioner (Income Tax & GST). In addition, she is an ISCA certified professional in sustainability reporting.

Ms Yuhong Zhao

Independent Director · Nominating Committee Chairman

Appointed as Director in 2024 and last re-elected in 2025

Ms. Annie Zhao Yuhong has an extensive background in investment banking and private equity, with over 20 years of experience in capital markets, equity financing, and fund management. She has held senior leadership roles in global financial institutions and investment funds, overseeing strategic growth initiatives and capital market transactions.

Ms. Zhao was the Managing Partner at Bohai Harvest RST Equity, a private equity investment firm, from 2015 to 2022. Prior to that, she served as Co-Head of Equity Capital Markets at BOC International from 2010 to 2014 and as Managing Director at CLSA Asia Pacific Markets from 2009 to 2010. Her earlier experience includes senior positions at Credit Suisse (Director), JPMorgan Securities (Executive Director), and HSBC Investment Banking and Markets (Vice President).

Ms. Zhao holds a Master of Business Administration (MBA) from York University (1995), a Master of Arts in Political Science from The University of Western Ontario (1992), and a Bachelor of Arts in English from Dalian University of Technology (1989).

Profile of the Board of Directors

Mr Wang Bo-Shing Jim

Independent Director · Remuneration Committee Chairman

Appointed as Director in 2026 and subject to re-election in 2026

Mr Wang has over 40 years of experience in financial services, with a focus on corporate strategy and mergers and acquisitions. Throughout his career, he has held senior positions in banking, securities and investment advisory, advising corporations on strategic planning, restructuring and capital markets transactions.

He currently serves as Vice Chairman of First China Capital Partners Inc. He is also Chairman of CardinalRain Inc., Director of Southeast-Asia Impact Alliance, and Independent Director of Sesoda Corporation and is a Founding Vice Chairman of the Taiwan Mergers and Acquisitions and Private Equity Council.

Mr Wang holds a Master of Business Administration from Michigan State University and a Bachelor of Business Administration from National Taiwan University.



Financial Calendar

FY ended 31 December 2025

Announcement of Full Year Results
26 February 2026

Annual General Meeting
28 April 2026

FY ending 31 December 2026

Announcement of Half Year Results
Middle of August 2026

Announcement of Full Year Results
By 1 March 2027



Report on Corporate Governance

Medtecs is committed to achieving and maintaining a high standard of corporate governance within 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 its FY2025 Sustainability Report as a standalone report (with external assurance) on or before 31 May 2026, in line with the requirements on sustainability reporting prescribed by the SGX-ST.

This report (the “**Report**”) describes the corporate governance framework and practices of the Company that were in place during FY2025 with specific reference made to the principles and provisions of the revised Code of Corporate Governance issued in August 2018 (the “**2018 Code**”), which forms part of the continuing obligations of the Company under the listing rules of Catalist Board 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**” or “**Directors**”)

The Board has the dual role of setting strategic direction, and the Company’s approach to governance. This includes establishing the 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

organisational culture and ensures proper accountability within the Company. The Board is also responsible for providing corporate direction, monitoring managerial performance and reviewing financial results of the Group. In addition, the Board is directly responsible for decision making in respect of the following matters:

- approving business strategies including significant acquisition and disposal of subsidiaries or assets and liabilities;
- approving the annual budgets, major funding proposals, significant capital expenditures and investment and divestment proposals;
- approving the release of the Group's half year and full year financial results and interested person transactions;
- overseeing 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**");
- reviewing the performance of management, approving nominations to the Board and the appointment of Key Management Personnel ("**KMP**"), as may be recommended by the Nominating Committee ("**NC**");
- reviewing and endorsing the framework of remuneration for the Board and KMP, as may be recommended by the Remuneration Committee ("**RC**");
- establishing corporate policies in keeping with good corporate governance and business practice; and
- considering 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 FY2025. 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 NC and the RC (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 34 to 49.

Board Meetings and Attendance

The Board meets on a quarterly basis and whenever necessary for the discharge of their duties. Dates of Board meetings are normally set by the Directors well in advance. Telephonic 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 resolutions. The Board, with the concurrence of the NC, is of the view that the Directors have actively participated in Board and Board Committee meetings, and that each Director has dedicated sufficient time and attention to the affairs of the Group for FY2025, regardless of their other directorships and/or principal commitments.

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
Mr Clement Yang Ker-Cheng	1	1	-	-	6	6	-	-	-	-	4	4
Mr William Yang Weiyuan	1	1	-	-	6	6	-	-	-	-	4	4
Dr Nieh Chien-Chung ^(a)	1	1	-	-	6	5	4	3	4	3	4	3
Ms Jessie Low Mui Choo	1	1	-	-	6	6	4	4	4	4	4	4
Ms Yuhong Zhao	1	0	-	-	6	5	4	3	4	3	4	3
Mr Wang Bo-Shing Jim ^(b)	1	0	-	-	6	1	4	1	4	1	4	1

(a) Dr Nieh Chien-Chung resigned as an Independent Director, the Chairman of RC, a member of the NC and AC with effect from 12 February 2026.

(b) Mr Wang Bo-Shing Jim was appointed as an Independent Director, the Chairman of RC, a member of the NC and AC with effect from 12 February 2026.

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 NC and be given briefings by the Executive Chairman and/or the Chief Executive Officer ("**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 possess many years of corporate experience and are familiar with their duties and responsibilities as Directors (including their respective roles as 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 at the expense of the Company, including visits to the Group's operational facilities and meetings 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.

Mr Clement Yang Ker-Cheng, Mr William Yang Weiyuan and Dr Nieh Chien-Chung have undergone training on sustainability matters as prescribed by the SGX-ST, namely the Listed Entity Directors ("LED") - Environmental, Social and Governance Essentials (Core), conducted by the Singapore Institute of Directors, on 31 May 2022. Ms Jessie Low Mui Choo, who was appointed as the Lead Independent Director, Chairman of the AC, member of the RC and member of the NC on 30 April 2024, has prior experience as a director of a company listed on the SGX-ST and has also undergone the aforesaid training on sustainability matters on 7 August 2022. Ms Yuhong Zhao, who was appointed as an Independent Director, the Chairman of the NC, member of the AC and member of the RC on 30 April 2024, had attended core module LED 1 (Listed Entity Director Essentials) and elective module LED 7 (Nominating Committee Essentials) of the Listed Entity Directors Programme conducted by the Singapore Institute of Directors in July 2024, and has since completed the remaining core modules, training on sustainability matters and elective modules of the LED Programme relevant to her appointment on the Board, namely LED 2 (Board Dynamics), LED 3 (Board Performance), LED 4 (Stakeholder Engagement), LED 5 (Audit Committee Essentials), LED 8 (Remuneration Committee Essentials) and LED 9 (Environmental, Social and Governance Essentials).

The Company will arrange for Mr Wang Bo-Shing Jim to attend training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST within one year from the date of his appointment as a Director of the Company. The Company will make appropriate disclosures once Mr Wang Bo-Shing Jim has undergone the necessary training.

[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 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 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. 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.

During FY2025, the Board consists of five (5) Directors, of whom three (3) are independent. The list of Directors is as follows:

Executive Directors

Mr Clement Yang Ker-Cheng (Chairman, Executive Director)
 Mr William Yang Weiyuan (Deputy Chairman, Executive Director and CEO)

Independent Directors

Ms Jessie Low Mui Choo (Lead Independent Director)
 Ms Yuhong Zhao (Independent Director)
 Dr Nieh Chien-Chung (Independent Director)

Subsequent to the end of FY2025, Dr Nieh Chien-Chung resigned as an Independent Director on 12 February 2026, and Mr Wang Bo-Shing Jim was appointed as an Independent Director on the same date.

As at the date of this Report, the Board comprises five (5) Directors, of whom three (3) are Independent Directors.

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 members with diverse expertise, skill and experience in various areas that are relevant to the Group's business and composition of the Board, which includes accounting, business and management, finance and risk management. The Board and NC are of the view that the current composition of the Board as a group possesses the core competencies necessary to meet the Company's requirements. The Directors' objective judgment on corporate affairs and their diverse range of experience and knowledge are invaluable to the Group and allows for the useful exchange of ideas and views.

The current Board's skill matrix is as follows:

Skills	Banking and finance	Accounting	Legal	Corporate Governance	Risk Management	Industry Knowledge	Entrepreneurship and Management	Investment	Shipping	Commerce	Strategic and Analytics	Corporate Restructuring
Number of Directors skilled	3 Directors	3 Directors	1 Director	3 Directors	3 Directors	1 Directors	3 Directors	2 Directors	2 Directors	4 Directors	4 Directors	3 Directors

While the Board is of the view that the present combination of skills, talents, experience and diversity of its directors serves the needs and plans of the Company, as detailed above, the Board acknowledges that improvements to Board diversity are an ongoing process and the Board is fully committed to continue to ensure that 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. Pursuant to provision 2.4 of the 2018 Code, the Company has adopted a [Board Diversity Policy](#) in 2020. Under the Company's 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.

As at the end of FY2025, two (2) out of the five (5) Directors are female, representing 40% of the Board. This is in line with the Company's goal of achieving at least 40% female representation on the Board by FY2027, reflecting the Group's recognition of the importance of gender diversity in leadership positions and the value it brings in driving innovation and decision-making. The NC will continue to undertake the following initiatives to maintain and enhance diversity on the Board:

- a. Reviewing of the Board Diversity Policy to ensure its effectiveness and recommending appropriate revisions to the Board, as appropriate.
- b. Reviewing of the Board appointment criteria to ensure inclusivity and unbiasedness, as appropriate. This includes examining the qualifications, experiences, and skills required for board positions to identify potential barriers to diverse representation.

By adhering to the Board Diversity Policy and actively working towards achieving the established targets, the Company is committed to creating a diverse and inclusive Board that reflects the broader stakeholder base and supports the Company's long-term success.

Independence of Directors

The NC reviews the independence of each Director on an annual basis based on the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Rules of Catalist**") and the 2018 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 organisation 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 2018 Code and the Guidebook for Audit Committees in Singapore (Third Edition) issued by the Monetary Authority of Singapore, the Accounting and Corporate Regulatory Authority and the Singapore Exchange in August 2018, requires each Director to assess whether he/she considers himself/herself independent despite having any relationships identified in the 2018 Code.

The NC is of the view that the three (3) Independent Directors, representing more than half of the Board, are independent under Rule 406(3)(d) of the Rules of Catalist during FY2025, and that there has been 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 has dominated the Board's decision-making process.

Ms Jessie Low Mui Choo is resident in Singapore and accordingly, the Company is in compliance with Rule 406(3)(c) of the Rules of Catalist, which requires at least one (1) independent director who is resident in Singapore.

The Independent Directors (who are all non-executive in nature) participate actively in Board and Board Committee 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 Independent Directors 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 Independent Directors 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 of 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 of the Company's Bye-Laws 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 and with the assistance of the Company Secretary, 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 Board meetings at the relevant time. The Chairman and the CEO are responsible for ensuring effective communication with shareholders and the Company's compliance with the 2018 Code.

To ensure an appropriate balance of power and authority, increased accountability and greater capacity of the Board for independent decision making, Ms Jessie Low Mui Choo was appointed as Lead Independent Director of the Company after the conclusion of the AGM on 30 April 2024. Shareholders with concerns may contact her directly, where 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 or inadequate. All the Independent Directors, including the Lead Independent Director, meet annually without the presence of other Executive and Non-Independent Directors (where applicable) to discuss matters of significance which are then reported to the Chairman and the CEO accordingly.

All 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.

During FY2025, the NC comprises the following five (5) members:

Ms Yuhong Zhao (Chairman)

Ms Jessie Low Mui Choo

Dr Nieh Chien-Chung

Mr Clement Yang Ker-Cheng

Mr William Yang Weiyuan

Subsequent to the end of FY2025, Dr Nieh Chien-Chung resigned as a member of the NC on 12 February 2026 and Mr Wang Bo-Shing Jim was appointed as a member of the NC on the same date.

As at the date of this report, the NC comprises five (5) Directors, of whom two (2) are Executive Directors and three (3) are Non-Executive Independent Directors. The Lead Independent Director is also a member of the NC. In addition, the NC is cognisant 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 (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 Directors.

The NC, which follows 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 (or chief executive officer) 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 listed 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.

For the financial year under review, 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, the Board Diversity Policy, independence, conflicts of interest and time commitments.

The NC is responsible for the 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 participation/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 and each Director shall retire at least once every three (3) years. In addition, Rule 720(4) of the Rules of Catalist 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 (3) years. A newly appointed Director is required by Bye-Law 85(2) of the Company's Bye-Laws to hold office until the following AGM of the Company and shall be eligible for re-election at that AGM.

In this respect, the NC has recommended that the following Directors, pursuant to Rule 720(4) of the Rules of Catalist, Bye-Law 85(2) and Bye-Law 86 of the Company's Bye-Laws, who are retiring and/or up for re-election at the forthcoming AGM, be re-elected as Directors.

- Mr William Yang Weiyuan
- Mr Wang Bo-Shing Jim

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 listed 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 Director	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
Mr Clement Yang Ker-Cheng	Chairman, Executive Director	19 November 1997	30 April 2024	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 	No

Mr William Yang Weiyuan	Deputy Chairman, Executive Director and CEO	2 September 2013	30 June 2023	None	None	<ul style="list-style-type: none"> Medtecs (Taiwan) Corporation Medtecs MSEZ Corp., Ltd Cooper Development Ltd Hangzhou Jincheng Medical Supplies Manufacture Co., Ltd World Join International Ltd. 	Bye-Law 86
Dr Nieh Chien-Chung	Independent Director	8 August 2019	30 April 2025	<ul style="list-style-type: none"> Microtips Technology Inc. FullTech Fiber Glass Corp. 	None	<ul style="list-style-type: none"> GloLiv Asset Management Ltd Tamkang University National Taipei University 	No (Resigned on 12 February 2026)
Ms Jessie Low Mui Choo	Lead Independent Director	30 April 2024	30 April 2025	<ul style="list-style-type: none"> Medinex Limited, Executive Director 	None	<ul style="list-style-type: none"> Medinex Limited, Chief Executive Officer Ark Assurance, Sole Proprietor Ark Group Holdings Sdn Bhd, Non-Executive Director JK Group Holdings Sdn Bhd, Non-Executive Director MPM Investment Holdings Pte. Ltd., Non-Executive Director 	No
Ms Yuhong Zhao	Independent Director	30 April 2024	30 April 2025	None	None	None	No
Mr Wang Bo-Shing Jim	Independent Director	12 February 2026	None	None	None	<ul style="list-style-type: none"> SESODA Corporation How Securities Inc. Lian Tat Company CardinalRain Inc. Southeast-Asia Impact Alliance Giant Leap Investment Pte. Ltd. 	Bye-Law 85(2)

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 this annual report.

The information required under Rule 720(5) of the Rules of Catalyst on Mr William Yang Weiyuan and Mr Wang Bo-Shing Jim, who are retiring at the forthcoming AGM and are up for re-election, is set out below:

Name of person	Mr William Yang Weiyuan	Mr Wang Bo-Shing Jim
Date of Appointment	2 September 2013	12 February 2026
Date of last re-appointment (if applicable)	30 June 2023	None
Age	44 years old	71 years old
Country of Principal Residence	Taiwan	Taiwan

Name of person	Mr William Yang Weiyuan	Mr Wang Bo-Shing Jim
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	After assessing Mr William Yang Weiyuan's contributions and performance, the NC has recommended that Mr William Yang Weiyuan be re-elected as a Director of the Company.	After assessing Mr Wang Bo-Shing Jim's contributions and performance since appointment, the NC has recommended that Mr Wang Bo-Shing Jim be re-elected as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for day-to-day operations of the Group.	Non-Executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Deputy Chairman, Executive Director, and Chief Executive Officer.	Chairman of RC, Member of AC and NC respectively.
Professional Qualifications	Bachelor's degree in Electrical and Computer Engineering from New York Institute of Technology	Master of Business Administration, Michigan State University Bachelor of Business Administration, National Taiwan University
Working experience and occupation(s) during the past 10 years	<p>2010 to Present - Medtecs (Taiwan) Corporation, General Manager</p> <p>2018 to Present - Chief Executive Officer of the Group</p>	<p>March 2016 to Present - First China Capital Partners Inc., Vice Chairman</p> <p>August 2020 to Present - CardinalRain Inc., Chairman</p> <p>August 2023 to Present - Southeast-Asia Impact Alliance, Director</p> <p>April 2023 to Present - Giant Leap Investment Pte. Ltd., Non-Executive Director</p> <p>February 2017 to June 2019 - Chengshi Global Media Group, Chairman</p>
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest in 3,000,000 ordinary shares in the capital of the Company	Nil
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	Son to Mr Clement Yang Ker-Cheng, Executive Chairman of the Company; and son to 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
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
<p>Other Principal Commitments* including Directorships#</p> <p>* "Principal Commitments" has the same meaning as defined in the 2018 Code.</p> <p># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8) (for the past 5 years)</p>	<ul style="list-style-type: none"> • Medtecs (Taiwan) Corporation • Medtecs MSEZ Corp., Ltd • Cooper Development Ltd • Hangzhou Jincheng Medical Supplies Manufacture Co., Ltd • World Join International Ltd. 	<ul style="list-style-type: none"> • SESODA Corporation • How Securities Inc. • Lian Tat Company • CardinalRain Inc. • Southeast-Asia Impact Alliance • Giant Leap Investment Pte. Ltd.

Name of person	Mr William Yang Weiyuan	Mr Wang Bo-Shing Jim
<p>Disclose the following matters concerning an appointment of director, CEO, CFO, General Manager or other officer of equivalent rank.</p>		
<p>If the answer to any question is “yes”, full details must be given.</p>		
<p>(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?</p>	No	No
<p>(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed 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?</p>	No	No
<p>(c) Whether there is any unsatisfied judgment against him?</p>	No	No
<p>(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?</p>	No	No
<p>(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?</p>	No	No
<p>(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 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?</p>	No	No
<p>(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?</p>	No	No
<p>(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?</p>	No	No

Name of person	Mr William Yang Weiyuan	Mr Wang Bo-Shing Jim
(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
(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
(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
(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
(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
(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

Disclosure applicable to the appointment of Director only.

Any prior experience as a director of an issuer listed on the Exchange?	N.A.	N.A.
If Yes, please provide details of prior experience.	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).	This is in relation to re-election of director.	This is in relation to re-election of director.

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 and Director 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/Board committee/Directors' access to information, accountability, Board/Board committee processes, Board/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 (“KMP”). 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 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.

During FY2025, the RC comprises the following three (3) members, all of whom, including the RC Chairman are Independent Directors:

Dr Nieh Chien-Chung (Chairman)

Ms Jessie Low Mui Choo

Ms Yuhong Zhao

Subsequent to the end of FY2025, Dr Nieh Chien-Chung resigned as Chairman and member of the RC on 12 February 2026, and Mr Wang Bo-Shing Jim was appointed as Chairman and member of the RC on the same date.

As at the date of this report, the RC comprises three (3) Independent Directors.

The members of the RC possess 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 assess the benefits of implementing a new share option scheme to incentivise and retain talent within the organization;
- to review and administer Medtecs Share Option Scheme for the Directors of the Company and employees of the Group, details which can be found in 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.

For the financial year under review, the RC held four (4) meetings.

There being no specific necessity, the RC did not seek the service of an external remuneration consultant in FY2025.

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.

The remuneration framework for the Company comprises the following components:

Fixed Remuneration

- Includes base salary, contractual bonuses, and allowances to provide competitive and stable compensation for employees based on their roles, responsibilities, and market benchmarks.

Performance-Related Remuneration

- Comprises variable bonuses that are tied to both the financial and operational performance of the Company as well as the individual's contributions.
- This ensures that executive pay aligns with company performance, encouraging accountability and value-driven decision-making.

Long-Term Incentives

- Includes share-based compensation under the Share Option Scheme, designed to align management interests with those of shareholders.
- This component promotes long-term value creation, talent retention, and a stronger commitment to sustainable business growth.

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. Each Executive Director's annual bonus is determined with reference to the performance and value creation taking into account the strategic objectives of the Company.

The Company's share option scheme ("**Share Option Scheme**") was approved by shareholders at the AGM convened on 30 April 2024. The Share Option Scheme is intended to provide long-term incentives for Directors and KMP in encouraging loyalty and dedication to the Group while driving its overall growth and financial performance. It is designed to align management's interests with those of shareholders and promote long-term value creation by ensuring accountability for value-driven decision-making. It aligns the interests of management with those of shareholders and promotes long-term value creation by reinforcing accountability for performance-driven decisions. Beyond strengthening engagement, the Share Option Scheme also functions as a key retention mechanism by granting eligible participants a vested interest in the Group's future success. In a competitive industry landscape, the Share Option Scheme enhances the Group's ability to attract and retain top talent, and also helps cultivate a performance-focused culture by directly linking executive remuneration to shareholder value. During FY2025, the Company's Share Option Scheme is administered by the RC, which comprises the Independent Directors, namely Dr Nieh Chien-Chung (Chairman until his resignation on 12 February 2026), Ms Jessie Low Mui Choo, and Ms Yuhong Zhao. Executive Directors may receive options under the scheme, provided such grants are contingent upon shareholder approval at the Annual General Meeting.

In FY2025, no options were granted (a) to any participants, including Directors, Controlling Shareholders and their associates, (b) to directors and employees of the subsidiaries of the Company, or (c) at a discount to the market price of the shares of the Company, under the Share Option Scheme.

None of the service contracts of the Executive Directors and KMP have 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 Independent Directors have service contracts with the Company and their terms are specified in the Bye-Laws. Independent Directors 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 Independent Directors for FY2025 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/a substantial shareholder of the Company is set out below:

Remuneration of Directors

Names of Directors	Based/fixed salary ⁽¹⁾ %	Variable or performance related income/bonus ⁽²⁾ %	Director's fee ⁽³⁾ %	Total %	Remuneration (S\$)
Executive Directors					
Mr Clement Yang Ker-Cheng	99%	-	1%	100%	225,877
Mr William Yang Weiyuan	99%	-	1%	100%	189,373
Independent Directors					
Dr Nieh Chien-Chung	-	-	100%	100%	63,781
Ms Jessie Low Mui Choo	-	-	100%	100%	84,510
Ms Yuhong Zhao	-	-	100%	100%	63,781

⁽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 of S\$284,000 at the AGM held on 30 April 2025.

Remuneration of Top Five Key Management Personnel who are not Directors or the CEO

Names of key management personnel (who are not Directors or the CEO)	Based/fixed salary ⁽¹⁾ %	Variable or performance related income/bonus ⁽²⁾ %	Total %	Remuneration Bands (S\$)
Mr James Lin Yi-Ching	100%	-	100%	Below 250,000
Ms Wan Chien Yang⁽³⁾	100%	-	100%	Below 250,000
Mr Alex Chang	100%	-	100%	Below 250,000
Mr Shyr Mingjung	100%	-	100%	Below 250,000
Mr Duanmu Jianliang	100%	-	100%	Below 250,000

⁽¹⁾ Base salary includes contractual bonus.

⁽²⁾ Variable payment includes performance bonus and profit sharing.

⁽³⁾ Ms Yang was included as part of the Group's key management personnel following the passing of Mr Kao Vereak during the financial year. Ms Yang is the daughter of Mr Clement Yang Ker-Cheng, Executive Chairman of the Company, and sister of Mr William Yang Weiyuan, Deputy Chairman, Executive Director and Chief Executive Officer of the Company.

The aggregate of total remuneration paid to the top five KMP (who are not Directors or the CEO) in FY2025 was S\$485,000.

The breakdown of the remuneration of immediate family member(s) of a Director or the CEO or a substantial shareholder of the Company in FY2025 in bands of S\$100,000 with a percentage breakdown of various components is as follows:

Names	Based/fixed salary ⁽¹⁾ %	Variable or performance related income/bonus ⁽²⁾ %	Total %	Remuneration Bands (S\$)
Ms Sherry Chen Su-Tien⁽¹⁾	100%	-	100%	100,000 – 200,000
Ms Wan Chien Yang⁽²⁾	100%	-	100%	100,000 – 200,000

⁽¹⁾ Spouse of Mr Clement Yang Ker-Cheng, Executive Chairman of the Company; mother of Mr William Yang Weiyuan, Deputy Chairman, Executive Director and Chief Executive Officer of the Company; and mother of 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.

⁽²⁾ Daughter of Mr Clement Yang Ker-Cheng, Executive Chairman of the Company; daughter of Ms Sherry Chen Su-Tien, Non-Executive Chairman of Medtecs (Taiwan) Corporation; and sister of Mr William Yang Weiyuan, Deputy Chairman, Executive Director and Chief Executive Officer of the Company.

Save as disclosed above, 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 of the Company and whose remuneration exceeded S\$100,000 during FY2025.

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

Directors' fees for FY2025 were approved by shareholders at the AGM held on 30 April 2025. 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.

(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 Rules of Catalist and the 2018 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. The Board, led by the AC, having reviewed the adequacy of the Group's internal control systems, is satisfied

that effective internal controls were put in place and supported by a sound internal audit process and is of the view that the Group's internal audit function is independent, effective and adequately resourced.

Assurance from the CEO and the CFO

The Board has received written assurance from the CEO, CFO and key personnel 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 FY2025 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 findings from 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 2025.

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.

During FY2025, the AC comprises the following three (3) members, all of whom are Independent Directors: -

Ms Jessie Low Mui Choo (Chairman)
Dr Nieh Chien-Chung
Ms Yuhong Zhao

Subsequent to the end of FY2025, Dr Nieh Chien-Chung resigned as a member of the AC on 12 February 2026, and Mr Wang Bo-Shing Jim was appointed as a member of the AC on the same date. As at the date of this report, the AC comprises three (3) Independent Directors.

All members of the AC have possess years of experience in senior management primarily in the financial and/or industrial sectors. At least two members, namely Ms Jessie Low Mui Choo and Ms Yuhong Zhao 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 (a) within a period of two (2) years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the 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 AC 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;
- reviewing the half-yearly and annual financial statements and announcements 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;
- reviewing the audit plans and scope of audit examination of the external auditors;
- evaluating the cost effectiveness, independence and objectivity of external auditors;
- reviewing the adequacy of the internal audit function (including the internal accounting controls) and the scope and results of the internal audit procedures;
- ensuring the adequacy of the co-operation given by Management to the internal and external auditors;
- evaluating 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;
- reviewing interested person transactions in accordance with the requirements of the Rules of Catalist;
- meeting 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;
- reviewing 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;
- reviewing the independence, effectiveness, adequacy, scope and results of the external auditors and the internal audit function;
- reviewing the nature and extent of non-audit services provided by external auditors; reporting 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 followed 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
- considering other matters as requested by the Board.

The Company has in place a [whistle-blowing policy](#) which sets out the procedures for employees of the Group and other stakeholders to, in confidence, make a report to the Company on misconduct or wrongdoing relating to the Company and its officers. A whistle-blower may report his or her concerns to his or her immediate supervisor, the HR Supervisor or HR Manager (if he or she is a employee) or confidentially to the Company's AC through a designated email address. If the whistle-blower is not comfortable about writing in, he or she can telephone or meet the appropriate officer in confidence at a time and location to be determined together. Depending on the nature of the concern raised or information provided, the investigation conducted may involve, in order of succession, the HR Department, the Country Manager, the Executive Committee, the AC and the external or internal auditors. The Executive Committee refers to designated members of senior management who may be involved in the review of the matter, where appropriate, taking into consideration independence and potential conflicts of interest. The investigating officer(s) will communicate the findings of

the investigation(s) to the AC for their necessary action. Upon concluding its review, the AC will report all significant findings and recommend actions to the Board for final approval. The Company ensures that the identity of the whistle-blower is kept confidential (unless the whistle-blower chooses to identify himself or herself) and all concerns raised and communications made by the whistleblower are considered highly confidential.

The AC is committed to ensuring protection of the whistle-blower against detrimental or unfair treatment. If an employee raises a genuine concern under the whistle-blowing policy, he or she will not be at risk of losing his or her job or suffering from retribution or harassment as a result. If the concern raised is not confirmed by the investigation, no action will be taken against the employee provided that he or she acts in good faith. The AC is responsible for overseeing the implementation of the whistle-blowing policy and its terms of reference include the oversight and monitoring of whistle-blowing.

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, details of which are set out in the Directors’ Statement.

Each member of the AC shall abstain from voting on any resolutions in respect of matters he/she is interested in.

In the course of the financial year, the AC carried out independent reviews of the financial statements of the Group, recommended the same to the Board for approval, before announcements of the Group’s half-year and full-year results were released. In the process, the AC considered the reasonableness of estimates, judgements and assumptions made and applied by Management and any significant matters which would have a material impact on the financial statements.

In its review of the financial statements for FY2025, the AC also reviewed together with Management, the following key audit matters ("**KAMs**") reported by the external auditor. The AC had concurred with Management on the methodologies, accounting treatments and estimates adopted, as well as the disclosures made in the financial statements, in respect of such KAMs raised. This should be read in conjunction with the Independent Auditor’s Report for FY2025.

KAMs	How the KAMs were addressed by Management
<p>Assessment of inventory valuation</p>	<p>The AC considered and evaluated the judgement by management in establishing a basis of allocation of direct labour costs and factory overheads to the finished goods and work-in-progress. The AC also considered and evaluated the valuation technique applied by management, focusing on the key assumptions applied in estimating the amount of allowance required to write down inventories to net realisable value based on replacement costs and latest selling price.</p> <p>The AC considered the findings of the external auditor, including their assessment of the suitability of the valuation technique and key assumptions applied.</p>

The AC was satisfied with the inventory valuation process, appropriateness of the valuation technique applied and key assumptions applied for the inventory as disclosed in the financial statements.

At least 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 has reviewed the independence of the external auditor through discussion with the external auditor as well as by reviewing any non-audit services rendered by the Company's independent external auditor, as set out below and the nature and extent of such services which would prejudice the independence of the external auditor. The AC, having undertaken a review of all non-audit services rendered by the Company's external auditor for FY2025, is of the opinion that such non-audit services does not affect the independence of the external auditor and has recommended to the Board that the external auditor of the Company, Baker Tilly TFW LLP ("**Baker Tilly**"), be re-appointed for the ensuing year subject to shareholders' approval at the forthcoming AGM.

Fees paid/payable FY2025	(\$'000)	% of total
Audit fees - Baker Tilly	230.8	51
Audit fees - SyCip Gorres Velayo & Co.	141.3	31
Audit fees - Baker Tilly Cambodia	22.5	5
Audit fees - Ernst & Young ("EY") Taiwan	44.0	10
Non-audit fees - EY Taiwan (Transfer Pricing and Limited Assurance Engagement)	13.4	3
Total	452.0	100

Fees (including fees for non-audit services) paid to the external auditors may be found in Note 9 of the financial statements of the annual report.

The AC and Board, having taken into consideration various factors, including the adequacy of the resources and experience of Baker Tilly, the audit engagement partner assigned to the audit, the number and experience of supervisory and professional staff to be assigned to the audit, and most importantly, the other audit engagements of Baker Tilly, which in the Board's view, align well with the Group's audit requirements, taking into consideration the size and complexity of the Group and the jurisdictions in which it operates, given that Baker Tilly has experience in the audit of mid-market companies with operations in Asian emerging economies, and is familiar with the intricacies of operating in such Asian emerging markets and able to effectively work with the local auditors to ensure a smooth audit process, are satisfied that the appointment of Baker Tilly meets the audit requirements of the Group and will not compromise the standard and effectiveness of the audit of the Company and the Group.

The AC has accordingly recommended to the Board the re-appointment of Baker Tilly as the external auditors of the Company at the forthcoming AGM, subject to shareholders' approval.

The Company hereby confirms its compliance with the requirements under Rule 712 and Rule 715 of the Rules of Catalist. The Board and the AC are of the opinion that Baker Tilly fulfills the audit needs of the Group in accordance with Rule 712 of the Rules of Catalist. Furthermore, in alignment with Rule 715 of the Rules of Catalist, Baker Tilly has been appointed to audit all Singapore-incorporated subsidiaries to maintain the previous audit scope consistency.

(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, of 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, which is held in Singapore. 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. All Board members had attended the Company's AGM last year, and had addressed the questions put forward by the shareholders at the AGM.

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 that can be appointed by nominee companies. Voting and vote tabulation

procedures used are disclosed before the general meetings proceed, with independent scrutineers appointed to validate the voting process and procedures. All shareholders are entitled to vote by poll in accordance with the Rules of Catalist, the Bye-Laws of the Company and established voting rules and procedures. *Voting in absentia at general meetings by way of mail, facsimile or email is supported and made available to shareholders.*

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. 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. An announcement of the detailed results is made immediately after the conclusion of the general meeting.

The Company Secretary, with the assistance of his representatives, 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 and will be published on the Company's corporate website as soon as practicable after such meetings and in any case, within one (1) month from the date of the general meeting.

In line with the continuing disclosure obligations of the Company pursuant to the Rules of Catalist, 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 Rules of Catalist 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 Rules of Catalist 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.

As disclosed in the unaudited results for FY2025, the Board is not recommending any dividend distribution to its shareholders for FY2025 to focus the Group's resources on working capital requirements and potential expansion projects. 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 declaration 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.

Engagement with shareholders

The Company believes that a high standard of disclosure is key to raising the level of corporate governance. Apart from the SGXNet announcements released on the half and full year results and news releases and its annual report and minutes of its general meetings, the Company updates shareholders on its corporate developments and new initiatives through its corporate website at <http://www.medtecs.com>. 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. For more on how the Company identifies material stakeholder groups, as well as the Company's strategy and key areas of focus in terms of stakeholder engagement, please refer to the Company's Sustainability Report for FY2025 which will be published on or before 31 May 2026. 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> (which provides for 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. A detailed explanation on this engagement process will be provided in the Sustainability Report to be published by the Company on or before 31 May 2026.

(E) MATERIAL CONTRACTS

Other than the service contracts of the Chairman and the CEO, 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 FY2025 or if not subsisting, entered into since the end of the previous financial year ended 31 December 2024.

(F) DEALING IN SECURITIES

In line with the Rules of Catalist, 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 (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 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 FY2025, the Company has complied with Rule 1204(19) of the Rules of Catalist on best practices on dealing in securities.

(G) CATALIST SPONSOR

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The continuing sponsor of the Company is PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). There was no non-sponsor fee paid by the Company to the Sponsor during FY2025.

(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

DESCRIPTION	LOCATION	AREA (in sq m)	TENURE OF LEASE (yrs)
Land ⁽¹⁾	Srok Kampong Siam Kampong Cham Province, Cambodia	183,267	70 years
Factory Building	Srok Kampong Siam Kampong Cham Province, Cambodia	40,064	70 years
Land ⁽¹⁾	Manhattan Special Economic Zone, Corner Public Road, Thanh Village, Sangkat, Bavet City, Svay Reang Province, Kingdom of Cambodia	75,000	50 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	606	3 years
Industrial Lot	7th Street, Phase II Mariveles Bataan, Philippines	17,856	25 years
Industrial Lot ⁽²⁾	SBMA, Olongapo City, Zambales, Philippines	13,124	24 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	22F, The World Centre, 330 Sen. Gil J. Puyat Ave., Makati City, Philippines	742	3 years
Factory and Office Building	Qinghe Economic Park, GaoQing County, Zibo City, Shandong, China	2,880	3 years
Factory Building	202 Zhangshan Road, Renhe Town, Yuhang District, Hangzhou, China	19,417	20 years
Land ⁽¹⁾	202 Zhangshan Road, Renhe Town, Yuhang District, Hangzhou, China	15,333	50 years

(1) The land properties are all held for manufacturing purposes and are 100% owned by the Group.

(2) This property is held for investment purposes. The property has an aggregate value of US\$3.5 million as of 31 December 2025. The aggregated value of these properties do not represent more than 15% of the consolidated net tangible assets of the Group or contribute to more than 15% of the consolidated pre-tax operating profit of the Group. Further information related to the investment property is disclosed in Note 13 of the financial statements of this FY2025 annual report.

STATISTICS OF SHAREHOLDINGS

MEDTECS INTERNATIONAL CORPORATION LIMITED
AS AT 23 MARCH 2026

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: 4,500,000
 Subsidiary holdings: Nil

As at 23 March 2026, the Company holds 4,500,000 treasury shares, representing 0.83% of the total number of issued shares (excluding treasury shares) in the Company. The Company does not have any subsidiary holdings.

Distributions of Shareholdings

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	14	0.21	640	0.00
100 - 1,000	488	7.33	293,682	0.05
1,001 - 10,000	3,633	54.55	14,328,932	2.63
10,001 - 1,000,000	2,499	37.52	171,550,236	31.48
1,000,001 AND ABOVE	26	0.39	358,737,750	65.84
TOTAL	6,660	100.00	544,911,240	100.00

Shareholdings of Directors based on the Register of Directors

AS AT 23 March 2026

	<u>Direct Interest</u>	<u>%</u>	<u>Deemed Interest</u>	<u>%</u>
Mr Clement Yang Ker-Cheng ^(a)	39,241,862	7.20	18,506,621	3.40
Mr William Yang Weiyuan ^(b)	-	-	3,000,000	0.55

Notes:

(a) Mr Clement Yang Ker-Cheng is deemed to be interested in 18,506,621 shares held by South World Investment Ltd.

(b) Mr William Yang Weiyuan is deemed to be interested in 3,000,000 shares acquired through his sub-brokerage account maintained with a Taiwan brokerage house.

Shareholdings of Substantial Shareholders based on the Register of Substantial Shareholders

AS AT 23 March 2026 (based on the Register of Substantial Shareholders)

	<u>Direct Interest</u>	<u>%</u>	<u>Deemed Interest</u>	<u>%</u>
Mr Clement Yang Ker-Cheng	39,241,862	7.20	18,506,621	3.40

Percentage of Shareholding held by the Public

As at 23 March 2026, approximately 88.85% of the total number of issued shares in the capital of the Company (excluding any treasury shares and subsidiary holdings and including shares listed as Taiwan Depository Receipts (“TDRs”)) are held in the hands of the public as defined in the Rules of Catalyst. Accordingly, the Company has complied with Rule 723 of the Rules of Catalyst.

TWENTY LARGEST SHAREHOLDERS

AS AT 23 MARCH 2026

NO.	NAME	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	209,537,950	38.45
2	YANG CLEMENT K C	39,241,862	7.20
3	SOUTH WORLD INVESTMENTS LIMITED	18,506,621	3.40
4	DBS NOMINEES (PRIVATE) LIMITED	11,912,700	2.19
5	HSBC (SINGAPORE) NOMINEES PTE LTD	11,457,800	2.10
6	IFAST FINANCIAL PTE. LTD.	10,530,975	1.93
7	RAFFLES NOMINEES (PTE.) LIMITED	10,256,360	1.88
8	PHILLIP SECURITIES PTE LTD	8,405,798	1.54
9	OCBC SECURITIES PRIVATE LIMITED	5,140,000	0.94
10	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	4,678,734	0.86
11	TIGER BROKERS (SINGAPORE) PTE. LTD.	4,091,200	0.75
12	MAYBANK SECURITIES PTE. LTD.	2,994,100	0.55
13	TAN JIN SIANG	2,700,000	0.50
14	LI JIANSHENG	2,205,200	0.40
15	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,931,400	0.35
16	UOB KAY HIAN PRIVATE LIMITED	1,858,200	0.34
17	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,655,900	0.30
18	LIM HUI MEI OR EDWIN GOMEZ	1,500,000	0.28
19	XU YONGSHENG	1,500,000	0.28
20	LIM & TAN SECURITIES PTE LTD	1,414,800	0.26
TOTAL		351,519,600	64.50

The Group's 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 23 March 2026, the number of shares in the capital of the Company listed as TDRs is 205,531,500, representing approximately 37.72% of the total number of shares in the capital of the Company.

Interested Person Transactions

No general mandate has been obtained for interested person transactions pursuant to Rule 920(1) of the Rules of Catalyst. The aggregate value of interested person transactions carried out during FY2025 are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Rules of Catalyst) (S\$'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Rules of Catalyst (excluding transactions less than \$100,000) (S\$'000)
Manhattan International Corp.	Mr Clement Yang Ker-Cheng, the Chairman and an Executive	US\$'000	
- Utility and fuel consumption		1,484	
- Rent and security fees	Director of the Company, is the chairman and sole director of the interested person	266	N.A.
- Raw materials and fixed assets		342	
- Others		157	

The amount at risk to the Company of US\$2,249,000 represented approximately 2.27% of the audited consolidated net tangible assets of the Group for the financial year ended 31 December 2025.

The AC and the Board have reviewed the interested person transactions above and are of the opinion that the transactions were carried out on normal commercial terms, and are not prejudicial to the interests of the Company and its minority shareholders.

Notice of Annual General Meeting

MEDTECS INTERNATIONAL CORPORATION LIMITED

(Incorporated in Bermuda)

NOTICE OF ANNUAL GENERAL MEETING

All capitalised terms used in the resolutions below shall, unless otherwise defined herein, have the respective meanings ascribed to them in the appendix (the "**Appendix**") to the Company's annual report for the financial year ended 31 December 2025 ("**Annual Report 2025**") dated 13 April 2026 in relation to the proposed renewal of the share purchase mandate.

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Medtecs International Corporation Limited (the "**Company**") will be held at Level 2, Salon 1, Grand Hyatt Singapore, 10 Scotts Rd, Singapore 228211 on Tuesday, 28 April 2026 at 2:00 p.m. (Singapore time) for the purpose of considering and, if thought fit, passing the following resolutions as Ordinary Resolutions:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2025 together with the Auditors' Report thereon. **(Resolution 1)**
2. To re-elect Mr William Yang Weiyan, a Director of the Company retiring from office by rotation pursuant to Bye-Law 86 of the Company's Bye-Laws. **(Resolution 2)**
[See Explanatory Note (i)]
3. To re-elect Mr Wang Bo-Shing Jim as a Director of the Company pursuant to Bye-Law 85(2) of the Company's Bye-Laws. **(Resolution 3)**
[See Explanatory Note (ii)]
4. To approve the payment of Directors' fees of S\$284,000 for the financial year ending 31 December 2026, to be paid quarterly in arrears. (2025: S\$284,000) **(Resolution 4)**
5. To re-appoint Baker Tilly TFW LLP as Auditor of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
6. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

SHARE ISSUE MANDATE

7. "That pursuant to Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**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 (including shares as may be required to be issued pursuant to any Instrument (as defined below)) made or granted by the Directors while this Resolution is in force notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time of issue of such shares); and/or

- (ii) make or grant offers, agreements or options or otherwise issue convertible securities (collectively, "**Instruments**") 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,

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 such authority) 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 such authority) 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 (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 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 Singapore Exchange Securities Trading Limited ("**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 AGM or the date by which the next AGM is required by law or by the Bye-Laws of the Company to be held, whichever is the earlier, except that the Directors of the Company 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 the authority conferred by this Resolution may have ceased to be in force at the time of issue of such shares."

[See Explanatory Note (iii)]

(Resolution 6)

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

8. "That:

(a) for the purposes of the Companies Act 1981 of Bermuda ("**Bermuda Companies Act**") and otherwise in accordance with the rules and regulations of the SGX-ST, the exercise by the Directors of the Company 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 trading system, or as the case may be, on any other stock exchange on which the Shares may for the time being be listed and quoted, 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 as defined in Section 76C of the Companies Act 1967 of Singapore ("**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) the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate to purchase and/or acquire Shares may be exercised by the Directors of the Company 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 or required to be held (whereupon it will lapse, unless renewed at such AGM);
- (ii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company at a general meeting (if so varied or revoked prior to the next AGM);
- (iii) the date on which purchases and/or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (iv) the date falling 12 months from the date of the AGM; and

(c) the Directors of the Company 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 (iv)]

(Resolution 7)

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 (5) Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities 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 (5) Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, 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 (5) 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 purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and 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% 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 and any subsidiary holdings will be disregarded for purposes of computing the 10% limit;

"Maximum Price" in relation to a Share to be purchased or acquired, means the purchase price (excluding related or ancillary expenses in respect of the purchase or acquisition such as brokerage, commission, applicable goods and services tax, stamp duties and clearance fees and other related expenses (where applicable)) to be paid for a Share will be determined by the Directors, provided that such purchase price must not exceed:

- (i) in the case of a Market Purchase, 105% 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% of the Average Closing Price of the Shares; and

"Relevant Period" means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM 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

Ms Yao Enci, Eunice
Company Secretary

Singapore, 13 April 2026

Explanatory Notes:

- (i) 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 and a member of the Nominating Committee of the Company. The profile of Mr William Yang Weiyuan can be found under the sections entitled "Board of Directors" and "Board Membership" in the report on Corporate Governance in the Annual Report 2025.
- (ii) Mr Wang Bo-Shing Jim, upon re-election as a Director of the Company, will remain as an Independent Director, the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nominating Committee of the Company. The profile of Mr Wang Bo-Shing Jim can be found under the sections entitled "Board of Directors" and "Board Membership" in the report on Corporate Governance in the Annual Report 2025.
- (iii) Ordinary Resolution 6 proposed in item 7 above, if passed, is to authorise 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 6 (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 6, 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 6.
- (iv) Ordinary Resolution 7 proposed in item 8 above, if passed, is to renew the Share Purchase Mandate to enable the Company to purchase or acquire its issued shares. Shareholders had previously approved the renewal of the Share Purchase Mandate at the last AGM of the Company that was held on 30 April 2025. Please refer to the Appendix for more details.

Notes:

1. The AGM of the Company will be held in a wholly physical format at Level 2, Salon 1, Grand Hyatt Singapore, 10 Scotts Rd, Singapore 228211 on 28 April 2026 at 2:00 p.m. **There will be no option for Shareholders to participate in the AGM virtually.**
2. Attendees must bring their original NRIC/Passport for verification and registration on the day of the AGM.
3. Documents and information relating to the AGM, including the (i) Annual Report 2025; (ii) this Notice of AGM; (iii) the Appendix; and (iv) the Proxy Forms are electronically available on the Company's website at the URL <https://www.medtecs.com/investor-relations/agm-and-sgm/> and on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
4. Printed copies of the Annual Report 2025 and the Appendix will not be despatched to Shareholders, unless otherwise requested.

For Shareholders' convenience, printed copies of (a) this Notice of AGM, (b) the Proxy Forms and (c) a Request Form (to request for printed copies of the Annual Report 2025 and/or the Appendix) (the "**Request Form**") have been despatched to Shareholders.

- For Shareholders to receive the physical copies of the Annual Report 2025 and/or the Appendix, please have the Request Form completed and returned to the office of the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 **by no later than 20 April 2026**. Alternatively, the completed Request Form may be submitted electronically via email to medtecs@boardroomlimited.com **by no later than 20 April 2026**. Printed copies of the Annual Report 2025 and/or the Appendix will then be sent to the address specified by the Shareholder(s) at his/her/its own risk.
5. Questions and answers and minutes of the AGM

Shareholders and persons who hold Shares through a relevant intermediary (including SRS investors), or where applicable, their appointed proxy(ies) are strongly encouraged to submit to the Company questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM. In order to do so, their questions must be received by the Company **by no later than 5.00 p.m. (Singapore time) on 20 April 2026**, being at least seven (7) calendar days from the Notice of AGM. Such questions may be submitted in the following manner:

- (a) Shareholders (including SRS investors) may submit their questions electronically to the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. via email to medtecs@boardroomlimited.com or by post or by depositing it at the office of the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632;
- (b) persons who hold Shares through relevant intermediaries (other than SRS investors) may submit questions through their relevant intermediary, who in turn may submit a consolidated list of questions to the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., via email to medtecs@boardroomlimited.com; or
- (c) Shareholders and persons who hold Shares through a relevant intermediary (including SRS investors) who submit questions in advance of the AGM should provide the following information to the Company (or, in the case of persons who hold Shares through a relevant intermediary, their relevant intermediary) for verification purposes:
 - (i) the Shareholder's full name;
 - (ii) the Shareholder's address, contact number and email address; and
 - (iii) the manner in which the Shareholder holds Shares (e.g. if you hold Shares directly, please provide your NRIC/Passport No.; otherwise, please state if you hold your Shares through SRS, or through a relevant intermediary).

"relevant intermediary" means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds Shares in that capacity; or
- (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of Shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Shareholders attending the AGM may also ask questions at the AGM. The Company will endeavour to address all substantial and relevant questions (which are related to the resolution(s) to be tabled for approval at the AGM) submitted in advance of the AGM and received by no later than 5.00 p.m. (Singapore time) on 20 April 2026, being at least seven (7) calendar days from the Notice of AGM.

The Company will publish the responses to those questions which the Company will not be addressing during the AGM, on the Company's website and on SGXNET at least forty-eight (48) hours prior to the closing date and time for the lodgment of proxy forms. Should there be subsequent clarification sought, or follow up questions after the deadline for submission of questions, the Company will address those substantial and relevant questions during the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

The Company will publish the minutes of the AGM within one (1) month after the AGM on the Company's website at <https://www.medtecs.com/investor-relations/agm-and-sgm/> and on SGXNET at <https://www.sgx.com/securities/company-announcements> and the minutes will include the responses to the substantial and relevant questions received from Shareholders which are addressed during the AGM.

6. Voting, or appointing proxy(ies) to vote, at the AGM

A Shareholder who is a natural person and entitled to attend, speak and vote at the AGM and hold two (2) or more shares is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead. A proxy need not be a Shareholder.

A Shareholder who is not a natural person and entitled to attend, speak and vote at the AGM is entitled to appoint more than two (2) proxies to attend, speak and vote in his/her stead.

Where a Shareholder appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.

A Shareholder who wishes to exercise his/her/its voting rights at the AGM may: (a) vote at the AGM in person or (b) appoint proxy(ies) to vote on his/her/its behalf at the AGM. A Shareholder who wishes to submit an instrument appointing proxy(ies) must complete the accompanying Proxy Form before submitting it in the manner set out below.

In the Proxy Form, a Shareholder should specifically direct the proxy on how he/she/it is to vote for, vote against, or abstain from voting on, each of the resolution(s) to be tabled at the AGM. All valid votes cast via proxy on each resolution will be counted. If no specific direction as to voting is given, the proxy (including the Chairman of the AGM) may vote or abstain from voting at his/her/its discretion.

A Shareholder who wishes to appoint a proxy/proxies to attend the AGM and vote on his/her/its behalf at the AGM, should complete the Shareholders' Proxy Form and submit the duly completed Shareholders' Proxy Form to the Company **by 2:00 p.m. on 26 April 2026**, being not less than forty-eight (48) hours before the time appointed for holding the AGM, through any one of the following manners:

- (a) if submitted by electronic communication, via email to the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at medtecs@boardroomlimited.com; or
- (b) if sent personally or by post, be lodged at the office of the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

A Depositor (who is not a natural person) whose name appears in the Depository Register and who wishes to attend and vote at the AGM, should complete the CDP Proxy Form and submit the duly completed CDP Proxy Form to the Company **by 2:00 p.m. on 26 April 2026**, being not less than forty-eight (48) hours before the time appointed for holding the AGM, through any one of the following manners:

- (a) if submitted by electronic communication, via email to the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at medtecs@boardroomlimited.com; or
- (b) if sent personally or by post, be lodged at the office of the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

In the case of Depositors whose names are not shown in the records of the Depository as at forty-eight (48) hours before the time appointed for holding the AGM as supplied by the Depository to the Company, the Company may reject such proxy form submitted to the Company.

A Depositor who is a natural person need not complete the CDP Proxy Form if he/she intends to attend in person.

Printed copies of the Proxy Forms have been despatched to Shareholders and the Proxy Forms may also be accessed at the Company's website at <https://www.medtecs.com/investor-relations/agm-and-sgm/> and on SGXNET at <https://www.sgx.com/securities/company-announcements>.

Completion and submission of the Proxy Form shall not preclude a Shareholder from attending, speaking and voting at the AGM. Any appointment of a proxy or proxies (including the Chairman of the AGM) shall be deemed to be revoked if a Shareholder attends the AGM, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.

Note: Please refer to the Notes to the Proxy Form for additional documentary requirements in the event the Proxy Form is signed by an attorney or duly authorised officer or executor(s) on behalf of a deceased individual's estate.

Personal data privacy:

By attending the AGM, submitting questions in advance of the AGM and/or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Depositor or a member of the Company (i) consents to the collection, use and disclosure of the Depositor's or the member's personal data, as contained in any communication from or on behalf of the Depositor or member in relation to the AGM (including but not limited to questions sent in advance of the AGM and proxy forms), 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 proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes, questions submitted and the answers thereto for disclosure and publication before, at or after (as the case may be) the AGM and/or on SGXNET and the Company's website (including publication of the names of the Depositors/members/proxies/representatives asking questions) 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 including code of corporate governance, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that all information submitted is true and accurate, and where the Depositor or the member discloses the personal data of the Depositor's or the member's proxy(ies) and/or representative(s) and/or any other party to the Company (or its agents or service providers), the Depositor or the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Depositor or the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Depositor's or the member's breach of warranty.

Financial Statements



Directors' Statement

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Medtecs International Corporation Limited (the “**Company**”) and its subsidiaries (the “**Group**”) and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2025.

In the opinion of the directors:

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 74 to 149 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended in accordance with the provisions of Singapore Financial Reporting Standards (International); 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.

Directors

The directors in office at the date of this statement are:

Mr Clement Yang Ker-Cheng (Chairman)
 Mr William Yang Weiyuan (Deputy Chairman and CEO)
 Ms Jessie Low Mui Choo
 Ms Yuhong Zhao
 Mr Wang Bo-Shing Jim (Appointed on 12 February 2026)

Pursuant to Rule 720(4) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Rules of Catalist**”) and in accordance with Bye-Laws 85(2) and 86 of the Company’s Bye-Laws, William Yang Weiyuan and Wang Bo-Shing Jim are retiring by rotation and, being eligible, offer themselves for re-election.

Arrangement to enable directors to acquire benefits

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.

Directors' interest 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 of the Company and related corporations as stated below:

Name of directors	Direct interest			Deemed interest		
	At 1 January 2025	At 31 December 2025	At 21 January 2026	At 1 January 2025	At 31 December 2025	At 21 January 2026
<i>Ordinary shares of the Company at par value of US\$0.05 each</i>						
Mr Clement Yang Ker-Cheng	39,241,862	39,241,862	39,241,862	18,506,621	18,506,621	18,506,621
Mr William Yang Weiyuan	–	–	–	3,000,000	3,000,000	3,000,000

Medtecs International Corporation Limited and its subsidiaries

Directors' interest in shares or debentures (cont'd)

Clement Yang Ker-Cheng is deemed to be interested in 18,506,621 shares, held by South World Investment Ltd.

William Yang Weiyuan is deemed to be interested in 3,000,000 shares acquired through his sub-brokerage account maintained with a Taiwan brokerage house.

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.

There were no changes in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2026.

Other information required by the SGX-ST

Save as disclosed in the section entitled "Interested Person Transactions" in this annual report, no material contracts to which the Company or any subsidiary is a party and which involve the interests of the CEO, 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.

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.

Share options

The Company's Medtecs Share Option Scheme (the "Scheme") was approved by shareholders and implemented on 30 April 2024.

The Remuneration Committee in charge of administering the Scheme consists of:

Mr Wang Bo-Shing Jim (Chairman)
Ms Jessie Low Mui Choo
Ms Yuhong Zhao

As at the end of the financial year, no options to take up unissued shares of the Company or its subsidiaries were granted, and no shares were issued by virtue of the exercise of options or warrant to take up unissued shares of the Company or its subsidiaries.

Medtecs International Corporation Limited and its subsidiaries

Audit Committee

The Audit Committee (“AC”) carried out its functions, including the following:

- Reviews the audit plans of internal and external auditors of the Company and review the internal auditors’ evaluation of the adequacy of the Company’s system of internal accounting controls and the assistance given by the Company’s management to the external and internal auditors;
- Reviews the half yearly announcements and annual financial statements and the auditors’ report on the annual financial statements of the Group before submission to the Board of Directors (“BOD”);
- Reviews the adequacy and effectiveness of the Group’s material internal control systems, including financial, operational, compliance and information technology controls, and risk management via reviews carried out by the internal auditors;
- Meets with the external auditors, other committees and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviews legal and regulatory matters that they have a material impact on the financial statements, related compliance policies and programmes and any report received from regulator;
- Reviews the independence, effectiveness and adequacy of the internal audit function;
- Reviews the cost effectiveness and the independence and objectivity of the external auditors;
- Reviews the nature and extent of non-audit services provided by the external auditors;
- Recommends to the Board of Directors the external auditors to be nominated, approves the compensation of the external auditors and reviews the scope and results of the audit;
- Reports actions and minutes of meetings of the AC to the BOD with such recommendations as the AC considers appropriate; and
- Reviews interested person transactions in accordance with the requirements of the Rules of Catalist.

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. Fees (including fees for non-audit services) paid to external auditors may be found in Note 9 of the financial statements of the annual report. 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.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Clement Yang Ker-Cheng
Director

William Yang Weiyuan
Director

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDTECS INTERNATIONAL CORPORATION LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Medtecs International Corporation Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 73 to 149, which comprise the statements of financial position of the Group and the Company as at 31 December 2025, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 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 2025 and of the consolidated financial performance, consolidated changes in the equity and consolidated cash flows of the Group and changes in equity of the Company for the financial 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**"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in Singapore. We have also 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDTECS INTERNATIONAL CORPORATION LIMITED (cont'd)

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Assessment of inventory valuation

The Group has \$28,215,000 of inventories as of 31 December 2025, representing 19% of its total assets. The Group records its inventories at the lower of cost and net realisable value. Cost of inventory is determined on using the weighted-average method. During the financial year, the Group recognised allowances for write down of inventory amounting \$675,000 to reduce the carrying amount of the inventories to their net realisable values. In addition, the Group also recognised reversal of allowances amounting \$1,911,000 following the sale of those inventories above their carrying amounts during the financial year.

Management establishes a basis of allocation of direct labour and factory overheads to the finished goods and work-in-progress. Management also reviews the inventory ageing report to identify slow-moving inventories and estimates the amount of allowance based on latest replacement costs of raw materials and subsequent selling prices for inventories.

Significant judgment and estimates are involved in the allocations of direct labour and factory overheads and the assessment of inventory allowance which may have significant impact on the valuation of inventories. Hence, inventory valuation is identified as a key audit matter.

We have performed the following audit procedures, amongst others, in response to the above-mentioned key audit matter:

- Obtained an understanding of management's control on recording of purchases of raw materials, allocation of direct labour and production overheads to cost of inventories and management's assessment of allowance for write down of inventory;
- On a sample basis, we:
 - Verified purchases, direct labour and overhead costs incurred to suppliers' invoices and payroll records;
 - Tested mathematical accuracy of weighted-average costing for inventories and assessed the reasonableness of management's basis of allocating direct labour and factory overheads to the finished goods and work-in-progress;
 - Tested the integrity of the inventory reports for the assessment of allowance for write down of inventory;
- Corroborated management's assessment of allowance for write down of inventory considering factors such as type of inventory, latest replacement costs of raw materials and selling prices subsequent to the financial year;
- Observed and inquired management for any identified obsolete or slow-moving inventories during our stocktake observation; and
- Assessed the adequacy and appropriateness of the disclosures made in the financial statements.

The related disclosures on the allowance for inventory assessment are included in Note 2.7 and Note 19 to the financial statements. The key sources of estimation uncertainty in relation to allowance for inventory are disclosed in Note 3(iii) to the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MEDTECS INTERNATIONAL CORPORATION LIMITED (cont'd)****Report on the Audit of the Financial Statements (cont'd)*****Key Audit Matters (cont'd)******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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDTECS INTERNATIONAL CORPORATION LIMITED (cont'd)

Report on the Audit of the Financial Statements (cont'd)

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 SFRS(I), 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:

- (v) 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.
- (vi) 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 controls.
- (vii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (viii) 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MEDTECS INTERNATIONAL CORPORATION LIMITED (cont'd)****Report on the Audit of the Financial Statements (cont'd)*****Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)***

- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of 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, actions taken to eliminate threats or safeguards applied.

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 provisions of the Companies Act 1967 (the "Act") to be kept 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 Ong Kian Guan.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

11 April 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MEDTECS INTERNATIONAL CORPORATION LIMITED AND ITS SUBSIDIARIES
For the financial year ended 31 December 2025

		Group	
	Note	2025 US\$'000	2024 US\$'000
Revenue	4	78,966	54,423
Costs of sales and services		(66,320)	(47,541)
Gross profit		12,646	6,882
Other items of income			
Other income - net	5	1,439	4,371
Financial income	7	915	1,457
Other items of expense			
Distribution and selling expenses		(6,041)	(5,898)
Administrative expenses		(10,222)	(17,384)
Allowance for expected credit losses on receivables		(3,070)	(12,074)
Financial expenses	8	(811)	(794)
Loss before tax	9	(5,144)	(23,440)
Tax credit/(expense)	10	384	(509)
Net loss for the year		(4,760)	(23,949)
Other comprehensive income:			
<i>Item that will be reclassified to profit or loss</i>			
Foreign currency translation reserve		252	(659)
<i>Item that will not be reclassified to profit or loss</i>			
Remeasurement (loss)/gain on retirement benefit obligation, net of tax		(96)	46
Total comprehensive loss for the year, net of tax		(4,604)	(24,562)
Net loss attributable to:			
Equity holders of the Company		(4,765)	(22,422)
Non-controlling interests		5	(1,527)
Net loss for the year, net of tax		(4,760)	(23,949)
Total comprehensive loss attributable to:			
Equity holders of the Company		(4,609)	(23,035)
Non-controlling interests		5	(1,527)
Total comprehensive loss for the year, net of tax		(4,604)	(24,562)
Loss per share attributable to the equity holders of the Company (cents per share)			
- Basic and diluted	11	(0.874)	(4.115)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

MEDTECS INTERNATIONAL CORPORATION LIMITED AND ITS SUBSIDIARIES At 31 December 2025

	Note	Group		Company	
		2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	51,612	18,325	21	50
Investment property	13	2,283	2,394	–	–
Assets held for leasing	14	3,751	3,667	–	–
Right-of-use assets	15	9,723	4,458	248	374
Net investment in sub-lease	15	–	4,710	4,271	4,710
Investment in subsidiaries	16	–	–	50,749	27,000
Intangible assets	17	2,839	3,116	–	–
Deferred tax assets	10	1,581	2,284	–	–
Other non-current assets	18	1,358	745	108	79
		73,147	39,699	55,397	32,213
Current assets					
Inventories	19	28,215	25,544	603	390
Trade receivables	20	19,252	10,666	117	173
Other current assets	21	5,761	34,722	242	25,009
Cash, bank balances and fixed deposits	23	19,368	27,336	1,444	795
		72,596	98,268	2,406	26,367
Total assets		145,743	137,967	57,803	58,580
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables and other current liabilities	24	20,571	6,200	700	609
Lease liabilities	15	819	633	148	149
Due to subsidiaries, net	22	–	–	19,589	13,361
Loans and borrowings	25	17,536	19,358	–	–
Income tax payable		808	2,113	–	5
		39,734	28,304	20,437	14,124
Net current assets/(liabilities)		32,862	69,964	(18,031)	12,243
Non-current liabilities					
Lease liabilities	15	3,336	2,294	288	367
Deferred tax liabilities	10	501	525	18	12
Pension benefit obligation	6	115	178	98	98
Other non-current liabilities		9	14	–	–
		3,961	3,011	404	477
Total liabilities		43,695	31,315	20,841	14,601
Net assets		102,048	106,652	36,962	43,979

The accompanying notes form an integral part of these financial statements.

MEDTECS INTERNATIONAL CORPORATION LIMITED AND ITS SUBSIDIARIES

**STATEMENTS OF FINANCIAL POSITION (cont'd)
At 31 December 2025**

		Group		Company	
	Note	2025	2024	2025	2024
		US\$'000	US\$'000	US\$'000	US\$'000
Equity attributable to equity holders of the Company					
Share capital	26	27,471	27,471	27,471	27,471
Less: Treasury shares	26	(2,361)	(2,361)	(2,361)	(2,361)
Share premium		4,721	4,721	4,721	4,721
Revenue reserves		72,439	77,204	6,454	13,475
Remeasurement gain on retirement benefit obligations		153	249	116	112
Foreign currency translation reserves	27	(1,257)	(1,509)	–	–
Other reserves	27	394	394	561	561
		101,560	106,169	36,962	43,979
Non-controlling interests	16	488	483	–	–
Total equity		102,048	106,652	36,962	43,979
Total equity and liabilities		145,743	137,967	57,803	58,580

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MEDTECS INTERNATIONAL CORPORATION LIMITED AND ITS SUBSIDIARIES For the financial year ended 31 December 2025

	Share capital (Note 26) US\$'000	Share premium US\$'000	Revenue reserves US\$'000	Remeasu- rement gain on retirement benefit obligations US\$'000	Foreign currency translation reserves (Note 27) US\$'000	Other reserves (Note 27) US\$'000	Treasury shares (Note 26) US\$'000	Non- controlling interest (Note 16) US\$'000	Total US\$'000
2025									
Group									
Balance at 1 January 2025	27,471	4,721	77,204	249	(1,509)	394	(2,361)	483	106,652
Net loss for the year, net of tax	–	–	(4,765)	–	–	–	–	5	(4,760)
<i>Other comprehensive income</i>									
Foreign currency translation reserves	–	–	–	–	252	–	–	–	252
Remeasurement loss on retirement benefit obligation, net of tax	–	–	–	(96)	–	–	–	–	(96)
Other comprehensive (loss)/income for the year	–	–	–	(96)	252	–	–	–	156
Total comprehensive (loss)/income for the year, net of tax	–	–	(4,765)	(96)	252	–	–	5	(4,604)
Balance at 31 December 2025	27,471	4,721	72,439	153	(1,257)	394	(2,361)	488	102,048

The accompanying notes form an integral part of these financial statements.

MEDTECS INTERNATIONAL CORPORATION LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)
For the financial year ended 31 December 2025

	Share capital (Note 26) US\$'000	Share premium US\$'000	Revenue reserves US\$'000	Remeasu- rement gain on retirement benefit obligations US\$'000	Foreign currency translation reserves (Note 27) US\$'000	Other reserves (Note 27) US\$'000	Treasury shares (Note 26) US\$'000	Non- controlling interest (Note 16) US\$'000	Total US\$'000
2024									
Group									
Balance at 1 January 2024	27,471	4,721	99,618	211	(850)	394	(2,361)	1,104	130,308
Net loss for the year, net of tax	–	–	(22,422)	–	–	–	–	(1,527)	(23,949)
<i>Other comprehensive income</i>									
Foreign currency translation reserves	–	–	–	–	(659)	–	–	–	(659)
Remeasurement gain on retirement benefit obligation, net of tax	–	–	–	46	–	–	–	–	46
Other comprehensive income/(loss) for the year	–	–	–	46	(659)	–	–	–	(613)
Total comprehensive (loss)/income for the year, net of tax	–	–	(22,422)	46	(659)	–	–	(1,527)	(24,562)
Reclassification of actuarial gains to revenue reserves	–	–	8	(8)	–	–	–	–	–
Deconsolidation of subsidiaries (Note 16)	–	–	–	–	–	–	–	906	906
Balance at 31 December 2024	27,471	4,721	77,204	249	(1,509)	394	(2,361)	483	106,652

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

MEDTECS INTERNATIONAL CORPORATION LIMITED AND ITS SUBSIDIARIES For the financial year ended 31 December 2025

	Share capital (Note 26) US\$'000	Share premium US\$'000	Revenue reserves US\$'000	Remeasu- rement gain on retirement benefit obligations US\$'000	Other reserves (Note 27) US\$'000	Treasury shares (Note 26) US\$'000	Total equity US\$'000
Company							
Balance at 1 January 2024	27,471	4,721	32,071	105	561	(2,361)	62,568
Net loss for the year, net of tax	–	–	(18,596)	–	–	–	(18,596)
Remeasurement gain on retirement benefit obligation, net of tax	–	–	–	7	–	–	7
Total comprehensive (loss)/income for the year, net of tax	–	–	(18,596)	7	–	–	(18,589)
Balance at 31 December 2024/ 1 January 2025	27,471	4,721	13,475	112	561	(2,361)	43,979
Net loss for the year, net of tax	–	–	(7,021)	–	–	–	(7,021)
Remeasurement gain on retirement benefit obligation, net of tax	–	–	–	4	–	–	4
Total comprehensive (loss)/income for the year, net of tax	–	–	(7,021)	4	–	–	(7,017)
Balance at 31 December 2025	27,471	4,721	6,454	116	561	(2,361)	36,962

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

MEDTECS INTERNATIONAL CORPORATION LIMITED AND ITS SUBSIDIARIES For the financial year ended 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
Operating activities			
Loss before tax		(5,144)	(23,440)
Adjustments for:			
Depreciation:			
- Property, plant and equipment	12	3,466	4,276
- Assets held for leasing	14	2,016	1,860
- Right-of-use assets	15	788	1,028
- Investment property	13	111	111
Amortisation of computer software	17	280	277
Impairment loss on property, plant and equipment	12	–	138
Allowance for:			
- Write down of inventory	19	675	7,356
- Expected credit losses on trade receivables	20	501	9,817
- Expected credit losses on other receivables	21	2,569	2,257
Reversal of:			
- Write down of inventory	19	(1,911)	(103)
- Expected credit losses on trade receivables	20	(567)	(3)
- Impairment loss on other current assets	21	(50)	–
Write-off of inventories		315	–
Gain on deconsolidation	16	–	(2,199)
Loss on derecognition of net investment in lease receivable		485	–
Interest expense on loans and lease liabilities	8	771	764
Other finance expenses	8	40	30
Unrealised currency translation gains		(9)	(20)
Net changes in pension benefits obligation		(156)	(674)
Interest income	7	(915)	(1,457)
Gain on disposal of property, plant and equipment	5	(7)	(35)
Operating cash flows before changes in working capital		3,258	(17)
Decrease/(increase) in:			
- Inventories		2,847	296
- Trade receivables		(5,023)	2,226
- Other current assets		1,525	(28,311)
- Guarantee deposits and deposits (non-current)		(70)	879
Decrease in:			
- Trade payables and other liabilities		(4,647)	27,851
- Deferred lease income		(5)	(4)
Cash generated from operations		(2,115)	2,920
Income taxes paid		(242)	(547)
Other finance cost paid		(40)	(30)
Net cash (used in)/from operating activities		(2,397)	2,343

The accompanying notes form an integral part of these financial statements.

MEDTECS INTERNATIONAL CORPORATION LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
For the financial year ended 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
Investing activities			
Proceeds from disposal of:			
- Property, plant and equipment		7	48
- Assets held for leasing		24	28
Purchases of:			
- Property, plant and equipment	12	(4,523)	(1,683)
- Assets held for leasing	14	(2,124)	(1,640)
- Intangible assets	17	(3)	(30)
Interest received from fixed deposit, investment in unquoted bond and finance lease	7	915	1,457
Fixed deposits with maturity of more than 90 days		4,050	(855)
Net cash inflow from acquisition of subsidiaries	16	757	–
Acquisition of financial assets at fair value to other comprehensive income	18	(430)	–
Proceeds from redemption of unquoted bond	21	3,000	–
Net cash outflow from deconsolidation of subsidiaries	16	–	(50)
Net cash from/(used in) investing activities		1,673	(2,725)
Financing activities			
Uplift of fixed deposits		2,632	1,043
Proceeds from loans and borrowings	25	17,536	19,358
Repayment of loans and borrowings	25	(19,358)	(23,861)
Interest paid on loans and borrowings	25	(443)	(503)
Principal payments of lease liabilities	15	(553)	(715)
Interest payments of lease liabilities	15	(328)	(261)
Net cash used in financing activities		(514)	(4,939)
Net decrease in cash and cash equivalents		(1,238)	(5,321)
Cash and cash equivalents at beginning of the financial year	23	16,789	22,305
Effects of currency translation on cash and cash equivalents		(48)	(195)
Cash and cash equivalents at end of the financial year	23	15,503	16,789

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

MEDTECS INTERNATIONAL CORPORATION LIMITED AND ITS SUBSIDIARIES For the financial year ended 31 December 2025

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

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 Catalist 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 Company’s principal place of business is located at 22/F The World Center Building, #330 Sen. Gil Puyat Avenue Bel-air, 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 and nitrile gloves. The principal activities of the subsidiaries are set out in Note 16 to the financial statements.

2 Material accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”). 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.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3 to the financial statements.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

Medtecs International Corporation Limited and its subsidiaries

2 Material accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

New and revised standards that are adopted

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new/revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 31 December 2025 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company except as disclosed below:

SFRS(I) 18 Presentation and Disclosure in Financial Statements

SFRS(I) 18 will replace SFRS(I) 1-1 *Presentation of Financial Statements* for annual reporting period beginning on or after 1 January 2027, with earlier application permitted. It requires retrospective application with specific transition provisions.

The new standard introduces the following key requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present subtotals and totals for "operating profit", "profit or loss before financing and income taxes", and "profit or loss" in the statement of profit or loss.
- Management-defined performance measures (MPMs) are disclosed in a single note within the financial statements. This note includes details on how the measure is calculated, the relevance of the information provided to users, and a reconciliation to the most comparable subtotal specified by the SFRS(I)s.
- Enhanced guidance on aggregating and disaggregating information in financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is in the process of assessing the impact of the new standard on the primary financial statements and notes to the financial statements.

Medtecs International Corporation Limited and its subsidiaries

2 Material accounting policies (cont'd)

2.2 Functional and foreign currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates (the “functional currency”). The financial statements of the Group and the Company are presented in US\$, which is the Company’s functional currency.

2.3 Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value. 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:

	Years
Buildings and improvements	5 - 30
Machinery, equipment and others	10 - 15
Furniture, fixtures and equipment	3 - 10
Leasehold improvements	3 - 10
Transportation equipment	5 - 10

Construction-in-progress represents assets in the course of construction for production, or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss until construction or development is completed.

2.4 Investment property

Investment property is property that is owned by the Group to earn rentals.

Investment property is measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is computed on a straight-line basis over the estimated useful life of 48 years or term of the lease, whichever is shorter.

2.5 Intangible assets

Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Computer software

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. The costs are amortised using the straight-line method over their estimated useful lives of 10 years.

Medtecs International Corporation Limited and its subsidiaries

2 Material accounting policies (cont'd)

2.6 Financial instruments

i) Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

Subsequent measurement

Debt instruments

Debt instruments include cash and cash equivalents, trade and other receivables (excluding prepayments) and investment in unquoted bond. 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 Group only has debt instruments at amortised cost.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Equity instruments

The Group has designated all of its equity investments that are not held for trading as at FVOCI at initial recognition. Gains and losses arising from changes in fair value of these equity investments classified as FVOCI are presented as "fair value gains/losses" in other comprehensive income and accumulated in fair value reserve and will never be reclassified to profit or loss. On disposal of an equity investment, the difference between the carrying amount and sales proceed amount would be recognised in profit or loss except for equity investment designated at FVOCI which would be recognised in other comprehensive income. Fair value reserve relating to the disposed asset would be transferred to retained earnings upon disposal. Dividends from equity investments are recognised in profit or loss and presented in "other income". Equity investments classified as FVOCI are not subject to impairment assessment.

Medtecs International Corporation Limited and its subsidiaries

2 Material accounting policies (cont'd)

2.6 Financial instruments (cont'd)

i) Financial assets (cont'd)

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. 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 required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date.

The Group assesses the credit risk of trade receivables based on internal credit ratings assigned to customers. The credit rating is determined considering customers' financial strength, historical payment behavior, and external credit reports where applicable.

For high credit quality customers, the Group has established a provision matrix that is based on the Group's historical observed default rates analysed in accordance to months past due. The loss allowances also incorporate forward looking information such as forecast of economic conditions.

For low credit quality, the Group performs individual assessment of ECL based on historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

ii) Financial liabilities

Financial liabilities include trade and other payables, and loans and bank borrowings. Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value minus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

Medtecs International Corporation Limited and its subsidiaries

2 Material accounting policies (cont'd)

2.7 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 costing method.
- Finished goods and work-in-progress: costs of direct materials on a weighted average costing method and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Where necessary, allowance is provided 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.

2.8 Employee benefits

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 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.

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.

2.9 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.

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 right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liabilities, lease payments made at or before the commencement date.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful lives of the assets which ranges from 2 to 50 years.

Medtecs International Corporation Limited and its subsidiaries

2 Material accounting policies (cont'd)

2.9 Leases (cont'd)

As lessee (cont'd)

Right-of-use assets (cont'd)

The right-of-use assets are presented as a separate line in the balance sheets.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liabilities are presented as a separate line in the balance sheets.

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liabilities using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

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 amortised 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.

As intermediate lessor

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance lease by reference to the right-of-use asset arising from the head lease.

2.10 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.

Medtecs International Corporation Limited and its subsidiaries

2 Material accounting policies (cont'd)

2.11 Revenue recognition

Manufacturing, distribution and others

Revenue is recognised at point in time when the control of the goods are transferred 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 price only to the extent that it is 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.

Hospital laundry services

Revenue is recognised as earned when the service is rendered.

The obligation to provide the hospital laundry 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 output method, i.e. the value transferred to the customer. The Group will apply the right to invoice practical expedient that allows the Group to recognise revenue as invoiced which is the amount that corresponds directly with the value to the customer of the entity's performance to date.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

2.12 Share capital, share premium and share issue expenses

Share capital is stated at par value of the share. Proceeds received in excess of par value, if any, is recognised as share premium in equity.

Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

Medtecs International Corporation Limited and its subsidiaries

2 Material accounting policies (cont'd)

2.13 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

2.14 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.

2.15 Cash and cash equivalents in the statement of cash flows

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, deposits that are readily convertible (maturity of less than 90 days) to a known amount of cash and are subject to an insignificant risk of changes in value and excludes pledged deposits.

3 Critical accounting judgements and key sources of estimation uncertainty

Judgements made in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgement that has the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt in the preceding paragraphs):

Functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required by management to determine the primary economic environment in which the entities operate, the entities' process of determining sales prices and the currency of the country whose competitive forces and regulations mainly influences the prices of its goods and services. Management has assessed that prices are mainly denominated and settled in the respective local currency of the entities of the Group. In addition, most of the entities' cost base is mainly denominated in their respective local currency. Therefore, management concluded that the functional currency of the entities of the Group is their respective local currency.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Medtecs International Corporation Limited and its subsidiaries**3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)*****Judgements made in applying the Group's accounting policies (cont'd)******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.

i) Impairment of investment in subsidiaries and goodwill

The Group determines whether goodwill is impaired at least on an annual basis. For investment in subsidiaries, the Company 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 and Company estimate 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. 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 determining value in use of the asset, the Group and the Company estimate the expected future cash flows from the cash-generating unit incorporating the annual revenue growth rate, forecasted gross margins and terminal growth rate and also 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.

During the financial year, no impairment was made against investment in subsidiaries and goodwill. Further details of the impairment of investment in subsidiaries and goodwill are disclosed in Notes 16 and 17.

ii) Allowance of expected credit losses ("ECLs") for receivables**Trade receivables**

In determining the ECLs, management classifies its trade receivables into high credit quality and low credit quality by considering both quantitative and qualitative information of the debtor that is reasonable and supportable, including their credit profile and other characteristics such as debtors' payment history, current and future conditions of the debtors to determine loss rate of individual debtor.

For high credit quality trade receivables, the loss rate is calculated based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience and consideration of data and information used by management in determining the forward-looking adjustments based on current economic condition.

For low credit quality trade receivables, management considers debtors' payment history, current and future conditions of the debtors to determine loss rate of individual debtor.

Medtecs International Corporation Limited and its subsidiaries

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

ii) Allowance of expected credit losses (“ECLs”) for receivables (cont'd)

The assessment of correlation between historical observed default rates, forecast economic conditions (consumer price index and inflation rates) and ECLs involves high degree of estimation. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

During the financial year, the Group and the Company recognised allowance of ECL amounting to \$501,000 (2024: \$9,817,000) and \$7,000 (2024: \$8,602,000) respectively. The information about the ECLs on the Group's and the Company's trade receivables is disclosed in Note 20.

Other receivables

As at the financial year end, management performed an ECL assessment on amount due from RMPL, based on the estimated amounts expected to be received or the equivalent assets to be awarded to the Group and the Company by the liquidator for the settlement of the debt owed by RMPL to the Company. As a result, the Group and the Company recognised an allowance for ECL amounting to \$1,890,000 (2024: \$2,257,000).

The Group also assessed the ECL on other receivables and determined that \$679,000 are credit-impaired. Given the extended aging and lack of repayment history, management concluded that recovery is unlikely and accordingly recognised a full provision on the said amount.

The information about the ECLs on the Group's and the Company's other receivables is disclosed in Note 21.

iii) Inventory valuation

The Group establishes a basis of allocation of direct labour and factory overheads to the finished goods and work-in-progress. Significant management judgement is required to determine the basis of allocation for each stage of production of inventories upon taking into consideration of the cost directly related to the production during the period.

The Group recognises allowance for write down of inventory when the net realisable values of inventory items become lower than cost due to obsolescence or other causes. Management reviews the inventory ageing report on monthly basis to identify slow-moving inventories. For identified slow-moving inventories, Management estimates the amount of allowance based on latest replacement costs of raw materials and subsequent selling prices of inventories.

During the financial year, the Group recognised allowances for write down of inventory amounting \$675,000 to reduce the carrying amount of the inventories to their net realisable values. The Group also recognised reversal of allowances amounting \$1,911,000 following the sale of those inventories.

Medtecs International Corporation Limited and its subsidiaries**3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)*****Key sources of estimation uncertainty (cont'd)******iv) Income taxes***

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income.

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 2025 was \$808,000 (2024: \$2,113,000).

v) Useful lives of property, plant and equipment and assets held for leasing

The Group estimates the useful lives of its property, plant and equipment and assets held for leasing 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 assets held for leasing 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 assets held for leasing as at 31 December 2025 are disclosed in Notes 12 and 14.

Medtecs International Corporation Limited and its subsidiaries

4 Revenue

Disaggregation of revenue

Group	Manufacturing		Hospital Services		Distribution and Others		Total	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Primary geographical markets								
North America	21,821	8,051	–	–	–	–	21,821	8,051
Asia Pacific	9,768	3,433	17,842	15,174	2,156	2,772	29,766	21,379
Europe	27,379	24,993	–	–	–	–	27,379	24,993
	58,968	36,477	17,842	15,174	2,156	2,772	78,966	54,423
Timing of transfer of goods or services								
At a point in time	58,968	36,477	–	–	1,543	2,159	60,511	38,636
Over time	–	–	17,842	15,174	613	613	18,455	15,787
	58,968	36,477	17,842	15,174	2,156	2,772	78,966	54,423

Revenue is derived from external customers who individually contributed 10% or more of the Group's revenue and are attributable to the segments as detailed below:

		2025 US\$'000	2024 US\$'000
	<u>Attributable segment</u>		
Customer A	Manufacturing	19,939	18,650
Customer B	Manufacturing	6,749	5,595
Customer C	Manufacturing	9,854	–
		36,542	24,245

Medtecs International Corporation Limited and its subsidiaries

5 Other income - net

	Group	
	2025 US\$'000	2024 US\$'000
Rent income	542	459
Scrap sales	436	430
Other income from reversal of long-outstanding liabilities	363	392
Foreign exchange (loss)/gain	(322)	632
Gain on disposal of property, plant and equipment	7	35
Gain on deconsolidation of subsidiaries (Note 16)	–	2,199
Others	413	224
	1,439	4,371

Others include facilitation grant, administration fee and various miscellaneous and operating income generated.

6 Employee benefits

	Group	
	2025 US\$'000	2024 US\$'000
Personnel expenses		
Wages, salaries and bonus	24,299	23,073
Defined benefit plans and other employee benefits	1,246	902
	25,545	23,975

Personnel expenses include amounts disclosed as directors' remuneration in Note 28(b).

Medtecs International Corporation Limited and its subsidiaries

6 Employee benefits (cont'd)

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 full time 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) 1-19 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 31 December 2025 prepared by an independent actuary, and is determined using the projected unit credit actuarial cost method in accordance with SFRS(I) 1-19.

The components of the pension benefit expense recognised in the profit and loss accounts are as follows:

	Group	
	2025	2024
	US\$'000	US\$'000
Current service cost	17	65
Interest cost	6	51
Past service cost	(64)	(769)
Net benefit expense	(41)	(653)

The amount recognised in the balance sheet arising from the Group's unfunded obligation in respect of its defined benefit plan in 2025 were \$115,000 (2024: \$178,000). 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	
	2025	2024
	US\$'000	US\$'000
As at 1 January	178	918
Current service cost	17	65
Interest cost	6	51
Past service cost	(64)	(769)
Benefits paid	(9)	(15)
Translation adjustment	(3)	(20)
Net remeasurement gain	(10)	(52)
As at 31 December	115	178

Medtecs International Corporation Limited and its subsidiaries
6 Employee benefits (cont'd)
Pension plan (cont'd)

The principal actuarial assumptions as at 31 December used to determine pension benefits are as follows:

	Group	
	2025	2024
	%	%
Discount rate	6.24 - 6.31	6.11 - 6.14
Salary increase rate	5.0	5.0

The history of experience adjustments are as follows:

	2025	2024	2023	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group					
Unfunded defined benefit obligation	115	178	918	811	1,075
Change in assumption adjustments on plan liabilities	(2)	(1)	100	(233)	(221)
Experience adjustments on plan liabilities	(8)	(31)	(66)	(30)	27

A quantitative sensitivity analysis for significant assumption as at 31 December 2025 is as shown below:

Assumptions	Sensitivity Level (%)	Impact on defined benefit obligation (Decrease)/increase US\$'000
Discount rates	+0.5	(6)
	-0.5	7
Future salary increases	+2	30
	-2	(22)

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. The sensitivity analyses are based on a change in a key assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

The following payments are expected contributions to the defined benefit plan obligation in future years as at 31 December 2025:

	Group
	US\$'000
Within the next 12 months (next annual reporting period)	18
More than 1 year to 5 years	18
More than 5 years to 10 years	54
More than 10 years to 15 years	268
More than 15 years to 20 years	234
More than 20 years	2,260
	2,852

The average duration of the defined benefit plan obligation at the end of the reporting period is 15.5 years (2024: 18.33 years).

Medtecs International Corporation Limited and its subsidiaries

7 Financial income

	Group	
	2025 US\$'000	2024 US\$'000
Interest income from:		
- Fixed deposits	605	1,292
- Investment in unquoted bond	41	165
- Finance lease	269	–
	915	1,457

8 Financial expenses

	Group	
	2025 US\$'000	2024 US\$'000
Interest expenses from:		
- Loans from third parties (Note 25)	443	503
- Lease liabilities (Note 15)	328	261
Other financial expenses	40	30
	811	794

Other finance expenses include bank charges for loans, transfers of funds, payments and collections, and other related costs.

9 Loss before tax

	Group	
	2025 US\$'000	2024 US\$'000
Costs of goods sold	23,211	17,934
Allowance for:		
- Write down of inventories (Note 19)	675	7,356
- Expected credit losses on trade receivables (Note 20)	501	9,817
- Expected credit losses on other receivables (Note 21)	2,569	2,257
- Impairment loss on property, plant and equipment (Note 12)	–	138
Reversal of:		
- Write down of inventory (Note 19)	(1,911)	(103)
- Expected credit losses on trade receivables (Note 20)	(567)	–
- Impairment loss on other current assets (Note 21)	(50)	–
Write-off of inventories	315	–
Depreciation of:		
- Property, plant and equipment (Note 12)	3,466	4,276
- Assets held for leasing (Note 14)	2,016	1,860
- Right-of-use assets (Note 15)	788	1,028
- Investment property (Note 13)	111	111
Amortisation of intangible assets (Note 17)	280	277
Operating lease expenses (Note 15)	495	375
Auditor remuneration:		
Audit services		
- auditor of the Company	231	168
- other auditors – network firm of Baker Tilly International	23	–
- other auditors	185	207
Non-audit services		
- auditor of the Company	–	4
- other auditors	13	–
	–	–

Medtecs International Corporation Limited and its subsidiaries

10 Tax expense

a) Major components of income tax (credit)/expense

The major components of income tax (credit)/expense for the years ended 31 December are:

	Group	
	2025 US\$'000	2024 US\$'000
Current tax expense	(1,069)	332
<i>Deferred tax expense</i>		
Reversal of temporary differences	685	177
Income tax (credit)/expense	(384)	509

b) Relationship between tax credit and accounting loss

The reconciliation between the tax expense/(credit) and the product of accounting (loss)/profit multiplied by the applicable corporate tax rates for the years ended 31 December are as follows:

	Group	
	2025 US\$'000	2024 US\$'000
Loss before tax	(5,144)	(23,440)
Tax on relevant profits/(losses) at the Parent Company's statutory rate	–	–
Adjustments:		
Effect of higher tax rates in Cambodia	(574)	38
Effect of higher tax rates in Philippines	(554)	(1,831)
Effect of higher tax rates in Taiwan	168	199
Effect of higher tax rates in China	7	–
Effect of higher tax rates in Singapore	–	11
Non-deductible expenses	63	410
Movement of unrecognised deferred tax assets	456	1,448
Translation adjustment	48	154
Other income subjected to final tax	(4)	(38)
Others	6	118
Income tax (credit)/expense recognised in profit and loss	(384)	509

Medtecs International Corporation Limited and its subsidiaries

10 Tax expense (cont'd)

c) Deferred tax assets and liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The movements in the deferred tax account are as follows:

	Group		Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Balance at beginning of the year	1,759	1,942	(12)	(11)
Tax (charge)/credit to				
- Profit or loss	(685)	(177)	(6)	(1)
- Other comprehensive income	6	(6)	-	-
Balance at end of the year	1,080	1,759	(18)	(12)
Representing:				
<i>Non-current</i>				
Deferred tax asset	1,581	2,284	-	-
Deferred tax liabilities	(501)	(525)	(18)	(12)
	1,080	1,759	(18)	(12)

Medtecs International Corporation Limited and its subsidiaries
10 Tax expense (cont'd)

The following are the major deferred tax liabilities/(assets) recognised by the Group and the Company and the movements thereon, during the current and prior reporting periods.

	Translation adjustment US\$'000	Right-of- use assets US\$'000	Lease liabilities US\$'000	Unutilised tax losses US\$'000	Pension liabilities US\$'000	Total US\$'000
Group						
Cost						
At 1 January 2024	(826)	(438)	547	2,435	224	1,942
Charged to profit or loss	199	74	(85)	(234)	(131)	(177)
Charged to other comprehensive income	–	–	–	–	(6)	(6)
At 31 December 2024	(627)	(364)	462	2,201	87	1,759
Charged to profit or loss	31	44	(16)	(754)	10	(685)
Charged to other comprehensive income	–	–	–	–	6	6
At 31 December 2025	(596)	(320)	446	1,447	103	1,080

	Translation adjustments US\$'000	Total US\$'000
Company		
Cost		
At 1 January 2024	(11)	(11)
Charged to profit or loss	(1)	(1)
At 31 December 2024	(12)	(12)
Charged to profit or loss	(6)	(6)
At 31 December 2025	(18)	(18)

At the balance sheet date, the Group has unutilised tax losses of \$12,726,000 (2024: \$16,806,000) that are available for carry forward to offset against future taxable income subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. Deferred tax asset has been recognised in respect of \$7,237,000 (2024: \$10,996,000) of such losses. No deferred tax asset has been recognised in respect of the remaining \$5,489,000 (2024: \$5,810,000) losses as it is not probable that future taxable profits will be sufficient to allow the related tax benefits to be realised. Included in unrecognised tax losses are losses of \$6,448,000 (2024: \$9,719,000) that will expire in 2026 - 2029 (2024: 2025 - 2029). Other losses do not expire under current tax legislation.

Deferred tax asset of \$1,890,000 (2024: \$1,825,000) has also not been recognised in respect of deductible temporary differences arising from impairment and allowances because it is not probable that future taxable profit will be available against which the related tax benefits can be utilised therefrom.

Medtecs International Corporation Limited and its subsidiaries

10 Tax expense (cont'd)

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 Company 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.

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.

11 Loss per share

The following tables reflect the profit and loss accounts and share data used in the computation of basic and diluted loss per share for the year ended 31 December 2025:

	Group	
	2025	2024
	US\$'000	US\$'000
Net loss attributable to ordinary equity holders of the Company used in the computation of basic and diluted EPS	(4,765)	(22,422)
Weighted average number of ordinary shares used to compute earnings per share ('000)	544,911	544,911
Basic and diluted loss per share (cents)	(0.874)	(4.115)

Earnings per share ("EPS") computation

The basic EPS is calculated by dividing the loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares (excluding treasury shares) outstanding during the year.

Medtecs International Corporation Limited and its subsidiaries
12 Property, plant and equipment

	Building and improvements US\$'000	Machinery equipment and others US\$'000	Furniture, fixtures and equipmen t US\$'000	Leasehold improvement s US\$'000	Transportati on Equipment US\$'000	Constructio n-in- progress US\$'000	Total US\$'000
Group Cost							
At 1 January 2024	41,521	44,117	2,525	5,060	2,258	91	95,572
Additions	199	935	42	59	402	46	1,683
Disposals	–	(407)	(24)	–	(44)	–	(475)
Deconsolidation of subsidiaries	(13,457)	(7,057)	(14)	–	(103)	(6)	(20,637)
Reclassification	(58)	4	(21)	189	–	(114)	–
Exchange differences	(495)	(338)	(30)	(33)	(53)	–	(949)
At 31 December 2024	27,710	37,254	2,478	5,275	2,460	17	75,194
Additions	45	1,654	86	–	3	12,735	14,523
Disposals	–	(18)	–	–	(38)	–	(56)
Acquisition of subsidiaries	14,981	7,060	26	–	135	1,754	23,956
Reclassification	9	–	–	42	–	(51)	–
Exchange differences	336	199	24	20	48	–	627
At 31 December 2025	43,081	46,149	2,614	5,337	2,608	14,455	114,244
Accumulated depreciation and impairment loss							
At 1 January 2024	15,784	31,199	2,216	4,664	1,143	–	55,006
Depreciation charge for the year	1,455	2,249	131	146	295	–	4,276
Disposals	–	(401)	(24)	–	(37)	–	(462)
Deconsolidation of subsidiaries	(735)	(892)	(4)	–	(33)	–	(1,664)
Impairment loss	–	87	15	13	23	–	138
Exchange differences	(138)	(218)	(20)	(27)	(22)	–	(425)
At 31 December 2024	16,366	32,024	2,314	4,796	1,369	–	56,869
Depreciation charge for the year	1,303	1,654	106	116	287	–	3,466
Disposals	–	(18)	–	–	(38)	–	(56)
Acquisition of subsidiaries	934	1,076	6	–	42	–	2,058
Exchange differences	117	131	17	16	14	–	295
At 31 December 2025	18,720	34,867	2,443	4,928	1,674	–	62,632
Net carrying amount							
At 31 December 2024	11,344	5,230	164	479	1,091	17	18,325
At 31 December 2025	24,361	11,282	171	409	934	14,455	51,612

Medtecs International Corporation Limited and its subsidiaries

12 Property, plant and equipment (cont'd)

	Building and improvements US\$'000	Machinery, furniture, fixtures and equipment US\$'000	Leasehold improvements US\$'000	Transportation equipment US\$'000	Total US\$'000
Company Cost					
At 1 January 2024	2,458	3,551	156	75	6,240
Additions	–	1	–	–	1
<hr/>					
At 31 December 2024/31 December 2025	2,458	3,552	156	75	6,241
<hr/>					
Accumulated depreciation					
At 1 January 2024	2,458	3,501	101	59	6,119
Depreciation charge for the year	–	18	49	5	72
<hr/>					
At 31 December 2024	2,458	3,519	150	64	6,191
Depreciation charge for the year	–	18	6	5	29
<hr/>					
At 31 December 2025	2,458	3,537	156	69	6,220
<hr/>					
Net carrying amount					
At 31 December 2024	–	33	6	11	50
<hr/>					
At 31 December 2025	–	15	–	6	21
<hr/>					

Aggregate cost of property, plant and equipment acquired	Group 2025 US\$'000 14,523
Less: amount payable (Note 24)	(10,000)
Net cash outflow for purchases of property, plant and equipment	4,523

During the current financial year, the Group entered into a joint venture agreement with Shijiazhuang Hongray Group Co., Ltd. ("Hongray"). As part of the arrangement, Hongray will contribute certain assets to Medtecs Hongray Pte Ltd ("MHPL") as its capital contribution in exchange for the remaining 49% equity interest in MHPL (Note 16).

Medtecs International Corporation Limited and its subsidiaries

12 Property, plant and equipment (cont'd)

As at year end, the asset injection by Hongray had not been completed, as under the joint venture agreement Hongray is required to contribute a total of eight production lines. The Group recognised the production lines that had been installed as construction-in-progress while they were undergoing trial runs and fine-tuning prior to being available for use. The construction-in-progress recognised amounted to \$10,000,000, with a corresponding balance recognised under other payables. Under the joint venture agreement, the \$10,000,000 will subsequently be reclassified to equity as capital contribution upon completion of the asset injection. The remaining production lines have not been recorded as some are still yet to be installed or shipped to the Group's premises.

Impairment assessment

In the current financial year, in light of recurring losses of several subsidiaries, management has determined that there are indicators that the property, plant and equipment ("PPE") may be impaired. The recoverable amounts of the PPE were determined based on fair value less cost of disposal.

Management engaged an independent appraiser with recognised and relevant professional qualifications to determine the fair value of PPE for certain subsidiaries. The valuation was conducted using the Depreciated Replacement Cost Method under the Cost Approach. This method estimates the fair value of an asset based on the cost of acquiring a similar new asset with equivalent functionality and utility. Adjustments were made to reflect depreciation, physical wear and tear, installation expenses, other related costs, and the asset's residual value. The fair value measurement is categorised in Level 3 of the fair value hierarchy.

Management determined the fair value of PPE of a loss-making subsidiary based on the selling price agreed with an independent third party subsequent to the reporting date (Note 34), adjusted for expected costs of disposal. Based on management's assessment, the recoverable amount of the PPE exceeded its carrying amount as at 31 December 2025.

As a result of the review, no impairment loss was recognised for the financial year ended 31 December 2025.

In the prior financial year, for PPE of other loss-making subsidiaries, the recoverable amounts of those PPE are determined based on the value in use calculations using discounted cash flow projections. The following assumptions were based on management's reasonable estimates of the Group's operations:

	2024 %
Revenue growth rates	8.7
Terminal growth rates	5.0
Pre-tax discount rates	10.9

Medtecs International Corporation Limited and its subsidiaries

12 Property, plant and equipment (cont'd)

Key assumptions used for value-in-use calculation

The following describes management's key assumptions on the cash flow projections to undertake impairment testing of PPE:

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.

Revenue growth rates

The forecasted revenue growth rates are based on management's estimate of the long-term average growth relevant to the assets.

Terminal growth rates

The forecasted terminal growth rates are based on published industry research and do not exceed the long term average growth rate for the industries relevant to the assets.

Pre-tax discount rates

Discount rates reflect management's estimate of the risks specific to these assets. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals. In determining appropriate discount rates for these assets, reference has been given to the specific circumstances of the assets 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 these assets is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Sensitivity to changes in assumptions

If the revenue growth rates and terminal growth rates have been decreased to the following rates or pre-tax discount rates have been increased to the following rates, the estimated recoverable amount would be almost equal to the carrying amount.

	2024 %
Revenue growth rates	36.8
Terminal growth rates	5.2
Pre-tax discount rates	17.5

Assets pledged as security

As of 31 December 2025, there were property, plant and equipment with carrying amount of \$4,713,000 (2024: \$4,580,000) that were mortgaged to secure various loans as disclosed in Note 25.

Medtecs International Corporation Limited and its subsidiaries
13 Investment property

	Group	
	2025	2024
	US\$'000	US\$'000
Cost		
As at 1 January and 31 December	5,465	5,465
Accumulated depreciation		
As at 1 January	3,071	2,960
Depreciation charge for the year	111	111
As at 31 December	3,182	3,071
Net carrying amount as at 31 December	2,283	2,394
The following amounts are recognised in profit or loss:		
Rental income (Note 15)	613	613
Depreciation charge (Note 9)	(111)	(111)
Repairs and maintenance	(33)	(22)
Taxes and licenses	(8)	(8)
Insurance	(2)	(3)
	459	469

The Group's investment property includes building and building improvements located in No. 7 corners of Argonaut Highway, Efficiency Avenue and Duty Street, within Subic Bay Gateway Park, Subic Bay Freeport Zone, Olongapo City, Zambales, Philippines that are held to earn rentals. The Group has 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.

Valuation of investment property

A fair valuation of the investment properties was performed by an independent appraiser with recognised and relevant professional qualifications. Details of valuation techniques and inputs used are disclosed in Note 32 to the financial statements.

The fair value of the investment property 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. During the current financial year, the discount rate of 11.1% (2024: 11.1%) used under the income approach for valuing anticipated future benefits into current property value is computed under the "Built-Up" method. As of 31 December 2025, fair market value of the investment property, which is based on its highest and best use, amounted to \$3,538,000 (2024: \$3,757,000). The fair value is categorised under Level 3 (valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable) fair value hierarchy.

Medtecs International Corporation Limited and its subsidiaries

14 Assets held for leasing

	Group	
	2025 US\$'000	2024 US\$'000
Cost		
As at 1 January	11,356	11,355
Additions	2,124	1,640
Disposals	(1,016)	(1,639)
As at 31 December	12,464	11,356
Accumulated depreciation		
As at 1 January	7,689	7,440
Depreciation charge for the year	2,016	1,860
Disposals	(992)	(1,611)
As at 31 December	8,713	7,689
Net carrying amount as at 31 December	3,751	3,667

The Group leases its medical clothes and quilts 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.

15 Leases

Group and Company as lessor

a) Operating lease

The Group entered into operating lease agreement in respect of a building and its improvements (Note 13). Operating lease income recognised as revenue amounted to \$613,000 (2024: \$613,000) as disclosed in Note 4 under "Distribution and Others". 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 2025 amounted to \$79,000 (2024: \$74,000). 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 non-current portion of the deferred lease income as at 31 December are as follows:

	Group	
	2025 US\$'000	2024 US\$'000
Deferred lease income - current	5	5
Deferred lease income - non-current	9	14
	14	19
	14	19

Medtecs International Corporation Limited and its subsidiaries

15 Leases (cont'd)

Group and Company as lessor (cont'd)

a) Operating lease (cont'd)

Future minimum rental receivable under the operating lease at the end of the reporting period are as follows:

	Group	
	2025 US\$'000	2024 US\$'000
Within 1 year	666	653
1 - 2 years	679	666
2 - 3 years	517	679
3 - 4 years	–	517
	1,862	2,515

The Group also entered into short-term lease arrangements in respect of its building and recognised operating lease income as other income amounted to \$542,000 (2024: \$459,000).

b) Sublease – classified as an intermediate lessor

The Company entered into a land lease agreement for a parcel of land within the Manhattan Special Economic Zone in Svay Rieng Province, Cambodia, with a related party, Manhattan International Corp. ("**MIC**") for 50 years. MIC is a company controlled by a director of the Company.

Subsequently, the Company entered into a sublease agreement with, RMPL (being the sublessee), for a lease period of 49 years, which is in line with the term of the head lease agreement entered into between the Company and MIC.

Being an intermediate lessor, the management classified the sublease agreement as a finance lease considering the substantial period of the lease term by reference to right-of-use asset arising from the head lease, rather than by reference to the land.

In the prior financial year, the Group had lost its control over RMPL following the commencement of winding up proceedings against RMPL and has deconsolidated RMPL and its subsidiaries from the Group's financial statements for the financial year (Note 16). Under the sublease agreement, RMPL's subsidiary, RMKH Glove (Cambodia) Co. Ltd. retains the right to continue leasing the land under the same terms as RMPL, should RMPL choose to terminate the lease. Management had assessed that the Group and the Company will continue to lease the land to RMKH Glove (Cambodia) Co. Ltd. under the same terms. As a result, the Group recognised net investment in lease receivable as at 31 December 2024 upon deconsolidation to reflect its continuing lease arrangement with RMKH Glove (Cambodia) Co. Ltd.

In the current financial year, following the Company reacquired RMKH Glove Pte Ltd and RMKH Glove (Cambodia) Co. Ltd., the Company entered into a new sublease agreement with RMKG Glove Pte Ltd for a lease period of 46 years, which is in line with the remaining term of the head lease agreement. As the sub-lease is entered into with a different subsidiary, the original lease arrangement is no longer applicable. Accordingly, the existing net investment in lease receivable is derecognised and a new net investment in lease receivable is recognised based on the new lease agreement.

Medtecs International Corporation Limited and its subsidiaries

15 Leases (cont'd)

Group and Company as lessor (cont'd)

b) Sublease – classified as an intermediate lessor (cont'd)

Concurrently, the Group derecognised the net investment in lease receivable and recognised the lease as a right-of-use asset, as the leased land is used for the Group's factory operations.

Net investment in sub-lease

	Group	
	2025	2024
	US\$'000	US\$'000
Present value of minimum lease payments	4,710	4,621
Interest income	550	539
Payment received	(450)	(450)
Derecognition	(4,810)	–
As at 31 December	–	4,710
	Company	
	2025	2024
	US\$'000	US\$'000
Present value of minimum lease payments	4,710	4,621
Interest income	550	539
Payment received	(450)	(450)
Derecognition	(4,810)	–
Addition	4,271	–
As at 31 December	4,271	4,710

Lease contract receivables are due in yearly instalments broken down as follows:

	Company	Group and Company
	2025	2024
	US\$'000	US\$'000
Lease contract receivables:		
Within 1 year	450	450
1 - 2 years	464	450
2 - 3 years	477	310
3 - 4 years	492	479
4 - 5 years	506	493
More than 5 years	40,186	40,947
	42,575	43,129
Unearned finance income	(38,304)	(38,419)
Net investment in lease contract receivables	4,271	4,710

Medtecs International Corporation Limited and its subsidiaries
15 Leases (cont'd)
Group and Company as lessor (cont'd)
b) Sublease – classified as an intermediate lessor (cont'd)
Amounts recognised in profit or loss

	Company	
	2025	2024
	US\$'000	US\$'000
Interest income from lease contract receivables, represented total amount recognised in profit or loss	550	539

Group and Company 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.

a) Right-of-use assets

	Group		Company	
	2025	2024	2025	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Land	7,719	3,660	44	46
Building and office Equipment	2,004	788	204	328
	–	10	–	–
As at 31 December	9,723	4,458	248	374

	Group		Company	
	2025	2024	2025	2024
	US\$'000	US\$'000	US\$'000	US\$'000
As at 1 January	4,458	9,109	374	145
Additions	1,886	675	–	369
Depreciation	(788)	(1,028)	(126)	(140)
Write-off	(85)	–	–	–
Acquisition/ (Deconsolidation) of subsidiaries	4,215	(4,260)	–	–
Foreign currency exchange adjustment	37	(38)	–	–
As at 31 December	9,723	4,458	248	374

Medtecs International Corporation Limited and its subsidiaries

15 Leases (cont'd)

Group and Company as lessee (cont'd)

b) Lease liabilities

	Group		Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
As at 1 January	2,927	3,044	516	207
Additions	1,886	675	–	369
Interest expenses (Note 8)	328	261	40	31
Payment of lease liabilities				
- principal	(553)	(715)	(80)	(49)
- interest	(328)	(261)	(40)	(32)
Write-off	(95)	–	–	–
Foreign currency exchange adjustment	(10)	(77)	–	(10)
As at 31 December	4,155	2,927	436	516
Current	819	633	148	149
Non-current	3,336	2,294	288	367

c) Amounts recognised in profit or loss

	Group	
	2025 US\$'000	2024 US\$'000
Depreciation of right- of-use assets (Note 9)	788	1,028
Interest expense on lease liabilities (Note 8)	328	261
Operating lease expenses related to short term and low value leases (Note 9)	495	375
	1,611	1,664

During the financial year, the Group has total cash outflows for leases (including short-term and leases of low value assets) of \$1,376,000 (2024: \$1,351,000).

16 Investment in subsidiaries

	Company	
	2025 US\$'000	2024 US\$'000
Unquoted equity shares, at cost	28,369	28,369
Additions	26,324	–
Less: Impairment loss	(3,944)	(1,369)
	50,749	27,000

Medtecs International Corporation Limited and its subsidiaries
16 Investment in subsidiaries (cont'd)

The movement in allowance for impairment loss of investment in subsidiaries are as follows:

	Company	
	2025	2024
	US\$'000	US\$'000
As at 1 January	(1,369)	(128)
Charge for the year	(2,575)	(1,241)
As at 31 December	(3,944)	(1,369)

(i) The Group has the following subsidiaries as at 31 December:

Name	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Company		Carrying value of investment	
			2025	2024	2025	2024
			%	%	US\$'000	US\$'000
<u>Held by the Company</u>						
Universal Weavers Corporation (UWC) ^(a)	Manufacturing and trading of woven and knitted fabrics	Philippines	100.0	100.0	5,863	5,863
Contex Corporation (CC) ^(a)	Trading of hospital textiles and garments, pillow cases, bed sheets, gowns and apparel, and subleasing activities	Philippines	98.8	98.8	1,854	1,854
Medtecs (Taiwan) Corporation (MTC) ^(b)	Manufacturing, leasing, marketing and distribution of medical consumables and provision of hospital laundry services	Republic of China	100.0	100.0	7,569	7,569
Medtex Corporation ^(a)	Manufacturing and sale of elastic bandages, garters and other garment products	Philippines	100.0	100.0	474	474
Medtecs (Cambodia) Corporation Limited (MCCL) ^(c)	Manufacturing of medical consumables and provision of procurement services	Cambodia	100.0	100.0	2,038	2,038
Medtecs (Asia Pacific) Pte. Ltd. ("MAP") ^(d)	Sale of woven and knitted fabrics and other made-up articles of textile products	Singapore	100.0	100.0	–	–
Medtecs Materials Technology Corporation (MMTC) ^(a)	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	1,910	1,910
Medtecs MSEZ Corp., Ltd. (MMSEZ) ^(c)	Manufacturing of woven and non-woven fabric	Cambodia	100.0	100.0	3,370	3,370

Medtecs International Corporation Limited and its subsidiaries

16 Investment in subsidiaries (cont'd)

(i) The Group has the following subsidiaries as at 31 December (cont'd):

Name	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Company		Carrying value of investment	
			2025 %	2024 %	2025 US\$'000	2024 US\$'000
<u>Held by the Company</u>						
Medtecs USA Corporation ^(g)	Manufacturing and supplying of PPE and healthcare products	United States of America (USA)	100.0	100.0	100	100
Medtecs (Far East) Limited ^(g)	Sale of woven and knitted fabrics and other made-up articles of textile products	Hong Kong Special Administrative Region	100.0	100.0	–	–
Cooper Development Limited ^(g)	Investment holding	Malaysia	100.0	100.0	3,822	3,822
RMKH Glove Pte. Ltd. (RMKH Glove) ^(d)	Manufacturing and supplying of PPE and healthcare products	Singapore	100.0	–	23,749	–
<u>Held through subsidiaries</u>						
Hangzhou Jincheng Medical Supplies Manufacture Co., Ltd. (Jinchen) ^(f)	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) ^(g)	Manufacturing and trading of woven fabrics	People's Republic of China	51.1	51.1	–	–
Zibo Liancheng Textiles & Garments Co. Ltd. ^(g)	Manufacturing and trading of woven fabrics	People's Republic of China	100.0	100.0	–	–
Medtecs Hongray Pte. Ltd. (MHPL) ^{(e) (h)}	Manufacturing and supplying of PPE and healthcare products	Singapore	51.0	–	–	–
RMKH Glove (Cambodia) Co., Ltd. (RMKH Cambodia) ^(c)	Manufacturing and sale of gloves	Cambodia	100.0	–	–	–
Hangzhou Jincheng Medical Technology Co., Ltd. (Jinchen Technology) ^(f)	Sale of hygiene products, medical equipment and disposable medical supplies	People's Republic of China	100.0	100.0	–	–
					50,749	27,000

Medtecs International Corporation Limited and its subsidiaries

16 Investment in subsidiaries (cont'd)

(i) The Group has the following subsidiaries as at 31 December (cont'd):

- (a) Audited by Sycip, Gorres, Velayo & Co. ("SGV") (Member of Ernst & Young Global)
- (b) Audited by Ernst & Young, Taiwan
- (c) Audited by SGV for consolidation purpose
- (d) Audited by Baker Tilly TFW LLP, Singapore
- (e) Audited by Baker Tilly TFW LLP, Singapore for consolidation purpose
- (f) Audited by other accounting firms
- (g) No statutory audit is required in the country of incorporation
- (h) The Company has subscribed 51% ordinary shares in Medtecs Hongray Pte Ltd and Shijiazhuang Hongray Group Co., Ltd. has subscribed 49% ordinary shares. As at the reporting date, the subscription amounts have not yet been paid by either party.

(ii) Interests in subsidiaries with material non-controlling interests:

	Proportion of ownership interest held by material non-controlling interests		Accumulated material non-controlling interest at end of reporting period	
	2025	2024	2025	2024
	%	%	US\$'000	US\$'000
Lianheng	48.9	48.9	367	367

(iii) Summarised financial information of subsidiaries with material non-controlling interests

The following summarised financial information for the subsidiaries with non-controlling interests are prepared in accordance with SFRS(I)s, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

Summarised statements of financial position

	Lianheng	
	2025 US\$'000	2024 US\$'000
Current assets	750	750
Net assets	750	750
Net assets attributable to NCI	367	367

Medtecs International Corporation Limited and its subsidiaries

16 Investment in subsidiaries (cont'd)

(iv) Loss of control of subsidiaries

In the prior financial years, the Company had extended interest-bearing, repayable-on-demand advances to its subsidiary, Resilient Medical Pte. Ltd. ("RMPL") for funding its construction of a manufacturing facility for disposable nitrile gloves.

On 3 December 2024, the Company issued a statutory demand to RMPL for repayment of the advances. However, RMPL failed to make payment within the required period, leading to the Company to file a winding-up application against RMPL under Section 125(1)(e) of the IRDA with the Court on 27 December 2024.

Management had assessed and concluded that the Group lost control of RMPL from date of the winding-up application i.e. 27 December 2024. As a result, the Group deconsolidated RMPL and its subsidiaries from its financial statements for FY2024 and recognised a gain on deconsolidation of \$2,199,000.

	Group 2024 US\$'000
Assets	
Property, plant and equipment	18,973
Other non-current assets	14
Inventories	4,275
Trade and other receivables	1,656
Cash and cash equivalent	50
Liabilities	
Trade and other payables	(27,752)
Net liability of RMPL Group	(2,784)
Non-controlling interest	906
Derecognition of right-of-use assets (Note 15)	(4,260)
Recognition of net investment in sub-lease (Note 15)	4,710
Gain on initial recognition of net investment in lease receivable	(771)
Gain on deconsolidation (Note 5)	(2,199)
Net cash outflow from deconsolidation of subsidiaries	50

RMPL was formally discharged and dissolved by Order of Court on 3 February 2026, following the release of the liquidator from his appointment and the completion of all winding-up procedures.

Medtecs International Corporation Limited and its subsidiaries
16 Investment in subsidiaries (cont'd)

(v) Acquisition of subsidiaries

On 6 May 2025, the Company received notice of first and final dividend (in specie) from liquidator, comprising 2,000,000 shares wholly held by RMPL in RMKH Glove Pte Ltd ("RMKH Glove") (representing 100% ordinary shares of RMKH Glove) and in turn hold 100% investment in RMKH Glove (Cambodia) Co., Ltd ("RMKH Cambodia") as full and final settlement for the net carrying amount due from Resilient Medical Pte Ltd of \$24,793,000 (Note 21). On that date, the Group obtained control of RMKH Glove and RMKH Cambodia (collectively "RMKH Group") and had consolidated these entities using acquisition method.

Management determined the purchase consideration based on the fair value of the net identifiable assets acquired. Accordingly, the difference between the carrying amount of the amount due from RMPL and the fair value of the net identifiable asset acquired of US\$1,890,000 was recognised as ECL in the profit or loss (Note 21).

Fair values of identifiable assets and liabilities at acquisition date:

	Group 2025 US\$'000
Assets	
Property, plant and equipment	21,898
Other non-current assets	113
Inventories	4,617
Trade and other receivables	4,754
Cash and cash equivalent	757
Liabilities	
Trade and other payables	(9,011)
	<hr/>
	23,128
Purchase consideration	23,128
	<hr/>
Goodwill	–
	<hr/>
	Group 2025 US\$'000
Effect on cash flows of the Group	
Cash and cash equivalents in subsidiaries acquired, representing net cash inflow from acquisition of subsidiaries	757
	<hr/>

* Trade and other payables exclude amount due to RMPL of \$31,498,000 as management has assessed that the amount due to RMPL will be extinguished upon completion of liquidation of RMPL.

Medtecs International Corporation Limited and its subsidiaries

16 Investment in subsidiaries (cont'd)

(v) Acquisition of subsidiaries

Following the completion of the acquisition of RMKH SG on 28 May 2025, the Group is in the process of assessing the fair values of the identifiable assets acquired and liabilities assumed. The fair values of certain property, plant and equipment remain provisional.

The fair value assessment will be completed within the measurement period of 12 months from the acquisition date. Any changes to the fair value assessment will be applied retrospectively from the acquisition date, with comparative information restated accordingly, if required.

The acquired subsidiary contributed revenues of US\$14,010,000 and net loss of US\$2,576,000 to the Group for the period from 28 May 2025 to 31 December 2025. If the acquisition had occurred on 1 January 2025, the Group revenue would have been US\$18,211,000 and total loss would have been US\$4,500,000.

(vi) Impairment assessment

MMTC

In the prior financial year, an impairment loss of \$111,000 was recognised to write down the subsidiary to its recoverable amounts of \$1,910,000. The recoverable amount was determined based on value in use calculations using cash flow projections from financial budget approved by management covering a five-year period. The forecast has been updated to reflect the most recent developments as at the reporting date.

RMKH Glove Pte Ltd

During the current financial year, an impairment loss of \$2,575,000 was recognised to write down the carrying amount of a subsidiary to its recoverable amount of \$23,750,000. The recoverable amount was determined based on fair value less costs of disposal. Fair value was estimated using the selling price agreed with an independent third party subsequent to the reporting date (Note 34), adjusted for expected costs of disposal. This fair value measurement is categorised in Level 3 of the fair value hierarchy.

The following assumptions were based on management's reasonable estimates:

	2025	2024
	%	%
Revenue growth rates	9.4	11.7
Terminal growth rates	4.5	4.5
Pre-tax discount rates	12	14.6

A decrease in forecasted terminal growth rates by 2% (2024: 1%) would result in an additional impairment of \$5,000 (2024: \$5,000).

Medtecs International Corporation Limited and its subsidiaries

16 Investment in subsidiaries (cont'd)

(vii) Joint Venture Arrangements with Shijiazhuang Hongray Group Co., Ltd.

On 1 July 2025, the Group entered into a joint venture agreement with Shijiazhuang Hongray Group Co., Ltd. ("Hongray") for the purpose of combining the Group's nitrile gloves manufacturing infrastructure with Hongray's production technology and distribution network to enhance scale, efficiency, and market competitiveness in the nitrile glove sector.

As part of the arrangement, the Group will contribute its entire equity interest in RMKH Glove Pte. Ltd. into the newly incorporated subsidiary, Medtecs Hongray Pte Ltd ("MHPL"), as a capital contribution in exchange for a 51% equity interest in MHPL. Hongray will contribute certain assets to MHPL as its capital contribution in exchange for the remaining 49% equity interest in MHPL.

As at year end, the arrangement had not been completed. However, Hongray has contributed assets amounted to \$10,000,000 which the Group recognised these assets as construction-in-progress under property, plant and equipment (Note 12).

On 10 April 2026, the Group entered into a deed of termination and mutual release to terminate the joint venture agreement with Hongray and settle all rights, obligations and claims arising out of or in connection with the joint ventures agreement (Note 34).

17 Intangible assets

	Group	
	2025 US\$'000	2024 US\$'000
Computer software	2,130	2,407
Goodwill	709	709
	2,839	3,116

Computer software

	Group	
	2025 US\$'000	2024 US\$'000
Cost		
At 1 January	2,684	2,654
Additions	3	30
At 31 December	2,687	2,684
Accumulated amortisation		
At 1 January	277	–
Amortisation charge for the year	280	277
At 31 December	557	277
Net carrying amount	2,130	2,407

Medtecs International Corporation Limited and its subsidiaries

17 Intangible assets (cont'd)

Goodwill

	Group	
	2025 US\$'000	2024 US\$'000
As at 1 January and 31 December	709	709

Goodwill acquired through business combinations has been allocated to the CGU, for impairment testing as follows:

	2025 US\$'000	2024 US\$'000
Manufacturing	198	198
Hospital services	511	511
	709	709

Impairment assessment

The recoverable amounts of the CGUs are determined based on the value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. For the purpose of estimating the recoverable amounts of the CGUs, management had used the following key assumptions for the cash flow projections given its existing business model and expansion of its distribution channel in China and Taiwan:

	Revenue growth rates %	Terminal growth rates %	Pre-tax discount rates %
2025			
Manufacturing	8.0	1.0	11.8
Hospital services	8.0	1.0	10.7
2024			
Manufacturing	8.0	1.0	11.8
Hospital services	8.0	1.0	10.7

Key assumptions used for value-in-use calculation

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.

Revenue growth rates

The forecasted revenue growth rates are based on management's estimate of the long-term average growth relevant to the cash-generating unit.

Medtecs International Corporation Limited and its subsidiaries

17 Intangible assets (cont'd)

Goodwill (cont'd)

Impairment assessment (cont'd)

Terminal growth rates

The forecasted terminal growth rates are based on published industry research and do not exceed the long term average growth rate for the industries relevant to the cash-generating unit.

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.

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.

Sensitivity to changes in assumptions

Manufacturing

If the revenue growth rates and terminal growth rates have been decreased by 1%, the estimated recoverable amount would be almost equal to the carrying amount.

Hospital services

If the terminal growth rate has been decreased by 1%, the estimated recoverable amount would be almost equal to the carrying amount.

Medtecs International Corporation Limited and its subsidiaries

18 Other non-current assets

	Group		Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Financial assets at fair value through other comprehensive income	430	–	–	–
Deposits	875	700	108	79
Others	53	45	–	–
	1,358	745	108	79

Financial assets at FVOCI

Unquoted equity investments represent interest in a company in Taiwan which is engaged in trading and retail of health-related, wellness, food, and personal care products. This investment in equity shares is not held for trading. Accordingly, management has elected to designate this investment in equity shares at fair value through other comprehensive income. It is the Group's strategy to hold this investment for long-term purposes.

The fair value of the financial assets at FVOCI is initially determined based on recent transacted prices of the investee company's equity. At each balance sheet date, management calibrates inputs to the valuation model, considering both internal and external changes in the business and market environment in which the investee operates. This fair value measurement is categorised in Level 3 of the fair value hierarchy.

Deposits

Deposits pertain to refundable deposits from lease agreement and utility consumption agreements, which will be refunded to the Group at the end of term of the contract.

Medtecs International Corporation Limited and its subsidiaries
19 Inventories

	Group		Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
At cost				
Goods-in-transit	1,353	134	186	–
Raw materials	23,682	23,420	–	–
Work-in-progress	992	3,109	–	–
Supplies and spare parts	1,220	718	–	–
Finished goods	20,558	17,874	581	554
	47,805	45,255	767	554
At net realisable value				
Goods-in-transit	1,338	119	186	–
Raw materials	13,064	12,605	–	–
Work-in-progress	942	3,006	–	–
Supplies and spare parts	935	265	–	–
Finished goods	11,936	9,549	417	390
	28,215	25,544	603	390
At lower of cost or net realisable value	28,215	25,544	603	390

Medtecs International Corporation Limited and its subsidiaries

19 Inventories (cont'd)

The Group's cost of inventories charged to operations in 2025 were \$32,047,000 (2024: \$17,934,000). Inventories are stated at net realisable value ("NRV") after allowance for inventory. Movements in the allowance for inventory during the year are as follows:

	Group		Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
As at 1 January	19,711	15,293	164	578
Charge for the year	675	7,356	–	–
Reversal	(1,911)	(103)	–	(103)
Written off	–	(311)	–	(311)
Acquisition of subsidiaries (Note 16)	1,107	–	–	–
Deconsolidation of subsidiaries	–	(2,517)	–	–
Exchange differences	8	(7)	–	–
As at 31 December	19,590	19,711	164	164

During the current financial year, the Group recognised an allowance for inventories amounting to \$675,000 (2024: \$7,356,000). The allowance was arising from the slow-moving inventories and write-down of cost to its NRV.

The Group also recognised reversal of allowance for inventory amounting to \$1,911,000 (2024: \$103,000) for inventories that were provided for in prior financial year and sold above carrying amounts during the financial year.

20 Trade receivables

	Group		Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Trade receivables				
- Manufacturing	34,329	26,798	16,347	16,396
- Hospital services	2,495	1,395	–	–
- Distribution and Others	301	622	–	–
	37,125	28,815	16,347	16,396
Less: Allowance for expected credit losses ("ECLs")	(17,873)	(18,149)	(16,230)	(16,223)
Total trade receivables	19,252	10,666	117	173

Medtecs International Corporation Limited and its subsidiaries
20 Trade receivables (cont'd)

In the prior financial year, management performed ECL assessment on four debtors and noted that they failed to make repayments according to the agreed repayment plans. Given that these amounts have been long outstanding for a period of 3 years to 5 years and that the debtors have not adhered to the repayment terms, management assessed that these amounts are no longer recoverable. As a result, the Group and the Company recognised an additional ECL amounting to \$8,602,000 on these balances. The net carrying amount of these balances at year end was Nil (2024: \$Nil)

Current trade receivables are non-interest bearing and are generally on 1 to 4 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		Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Philippine Peso	790	508	–	–
Chinese Renminbi	2	2	–	–
New Taiwan Dollar	2,422	1,774	–	–

Expected credit losses ("ECLs")

The movement in allowance for ECLs of trade receivables computed based on lifetime ECL are as follows:

	Group		Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
As at 1 January	18,149	8,555	16,223	7,621
Charge for the year	501	9,817	7	8,602
Written off	(196)	(207)	–	–
Reversal	(567)	(3)	–	–
Exchange differences	(14)	(13)	–	–
As at 31 December	17,873	18,149	16,230	16,223

Medtecs International Corporation Limited and its subsidiaries

21 Other current assets

	Group		Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Amount due from RMPL and its subsidiaries	–	27,050	–	26,976
Sundry receivables	1,345	731	119	118
Less: Allowance for ECLs	(679)	(2,257)	–	(2,257)
	666	25,524	119	24,837
Advances to suppliers	2,784	4,683	1,054	1,053
Investment in unquoted bond	–	3,000	–	–
Prepayments	965	737	48	160
Advances to employees	31	40	16	15
Tax receivables	1,484	878	8	1
Other deposits	857	936	23	19
Less: Impairment loss	(1,026)	(1,076)	(1,026)	(1,076)
	5,761	34,722	242	25,009

Amount due from RMPL and its subsidiaries

In the prior financial year, the Group deconsolidated RMPL and its subsidiaries (Note 16) and recognised amount due from RMPL and its subsidiaries of \$24,793,000. The Company also reclassified the amount from due from subsidiaries to other current assets. Amounts due from RMPL and its subsidiaries (non-trade) pertain to advances made by the Group and the Company to RMPL for funding its construction activities, which are unsecured, interest bearing at 7% per annum and are also repayable upon demand.

In the current financial year, following the Company received notice of first and final dividend (in specie) from liquidator (Note 16), the Group and the Company performed ECL assessment and recognised additional provision of \$1,890,000 on this balance.

Advances to suppliers

Advances to suppliers are payments to suppliers for future deliveries of inventories that are to be received within a year.

Investment in unquoted bond

In prior years, the Group had invested in unquoted government bonds from Cambodian government amounting to \$3,000,000 with a term of 3 years and interest rate of 5.5%. The investment is classified as a current asset as it will be redeemed in the next financial year. The Group measured its investment in unquoted bond at amortised cost and for which the fair value is disclosed based on unobservable inputs for the quoted market prices, valuations or quotes under Level 3 of the valuation hierarchy. Details are presented under Note 32.

During the current financial year, the unquoted bond has been fully redeemed and the Group received full payment for this bond.

Other deposits

Other deposits include refundable deposit and amount receivable from supplier for deposits paid for purchase of property, plant and equipment which the Group expects to collect the full amount within next 12 months.

Medtecs International Corporation Limited and its subsidiaries
21 Other current assets (cont'd)

Other current assets denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
New Taiwan Dollar	2,360	2,700	–	–
Chinese Renminbi	460	174	–	–
Philippine Peso	491	992	88	54
Singapore Dollar	11	11	–	–

Expected credit losses (“ECLs”)

The movement in allowance for ECLs of other receivables computed based on 12-month ECL are as follows:

	Group 2025	2024
	US\$'000	US\$'000
As at 1 January	2,257	–
Charge for the year	2,569	2,257
Written off	(4,147)	–
As at 31 December	679	2,257

	Company 2025	2024
	US\$'000	US\$'000
As at 1 January	2,257	–
Charge for the year	1,890	2,257
Written off	(4,147)	–
As at 31 December	–	2,257

Impairment loss

The movement in allowance for impairment loss of other current assets are as follows:

	Group		Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
As at 1 January	1,076	1,076	1,076	1,076
Reversal	(50)	–	(50)	–
As at 31 December	1,026	1,076	1,026	1,076

Medtecs International Corporation Limited and its subsidiaries

22 Due from/(to) subsidiaries, net

	Company	
	2025	2024
	US\$'000	US\$'000
Due from subsidiaries (trade)	19,880	27,407
Less: Allowance for ECL	(12,866)	(12,408)
	7,014	14,999
Due to subsidiaries (trade)	26,603	28,360
Presented as:		
Due to subsidiaries, net	(19,589)	(13,361)

Amounts due from subsidiaries (trade) are unsecured, non-interest bearing and are payable upon demand.

Amounts due to subsidiaries (trade) are unsecured, non-interest bearing and are payable upon demand.

Expected credit losses ("ECLs")

The movement in allowance for ECLs of amounts due from subsidiaries computed based on lifetime ECL are as follows:

	Company	
	2025	2024
	US\$'000	US\$'000
As at 1 January	12,408	6,504
Loss allowance measured:		
Lifetime ECL		
- <i>Credit-impaired</i>	458	5,904
As at 31 December	12,866	12,408

Medtecs International Corporation Limited and its subsidiaries
23 Cash, bank balances and fixed deposits

	Group		Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Cash in hand	45	41	1	1
Cash at banks	15,458	9,730	1,396	747
Fixed deposits	3,865	17,565	47	47
	19,368	27,336	1,444	795
Less: Fixed deposits with maturity of more than 90 days but less than a year (including pledged fixed deposits)	(3,865)	(10,547)	(47)	(47)
Cash and cash equivalents	15,503	16,789	1,397	748

Bank balances of the Group and of the Company earns interest at floating rates based on bank deposit rates.

Fixed deposits of the Group amounting to \$1,705,000 (2024: \$4,337,000) 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, which the Group has total unused credit facilities amounting to \$9,565,000 as of 31 December 2025 (2024: \$9,200,000). The fixed deposits are denominated in US\$ and PHP and earn annual interest ranging from 1.23% to 5.50% (2024: 3.10% to 7.00%).

Interest income earned by the Group from fixed deposits amounted to \$605,000 (2024: \$1,292,000).

The cash and bank balances denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Philippine Peso	512	2,385	21	21
New Taiwan Dollar	2,790	2,861	–	–
Singapore Dollar	1,555	527	1,149	133
Chinese Renminbi	415	767	–	–
Euros	4	1	1	1

Medtecs International Corporation Limited and its subsidiaries

24 Trade payables and other current liabilities

	Group		Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Trade payables	6,830	2,421	123	69
<i>Other current liabilities:</i>				
Other creditors	11,557	1,127	368	326
Accrued operating expenses	2,184	2,652	209	214
Total trade and other current liabilities	20,571	6,200	700	609

Trade payables are unsecured, non-interest bearing and are payable within one year.

Amounts due to other creditors include payable to government institutions and advances from customers.

Included in other creditors is the construction-in-progress (Note 12) amounted to \$10,000,000.

Trade payables and other current liabilities denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
New Taiwan Dollar	322	349	–	–
Chinese Renminbi	759	500	–	–
Philippine Peso	546	1,353	39	102

25 Loans and borrowings

	Weighted average effective interest rate (per annum) %	Maturity	Group	
			2025 US\$'000	2024 US\$'000
New Taiwan Dollar (NTD) loans				
- Unsecured	1.78	2026	1,594	2,137
- Secured	2.29	2026	15,942	17,221
Total current interest-bearing loans and borrowings			17,536	19,358

Property, plant and equipment and fixed deposits with carrying amounts of \$4,713,000 and \$1,705,000, respectively (2024: \$4,580,000 and \$4,337,000, respectively) (Notes 12 and 23) are used to secure the loans and borrowings of the Group amounting to \$15,942,000 (2024: \$17,221,000).

The loans and borrowings pertain to withdrawn amount from the revolving credit line of the Group, which are short-term in nature, have payment terms from 2 to 6 months and can be renewed upon maturity.

Medtecs International Corporation Limited and its subsidiaries
25 Loans and borrowings (cont'd)

	Loan Borrowings US\$'000	Group Accrued loan interest US\$'000
Balance at 1 January 2024	23,861	–
Changes from financing cash flows		
Proceeds from loans and borrowings	19,358	–
Repayment of loans and borrowings	(23,861)	–
Interest paid on loans and borrowings	–	(503)
Other changes		
Loan interest (Note 8)	–	503
Balance at 31 December 2024	19,358	–
Changes from financing cash flows		
Proceeds from loans and borrowings	17,536	–
Repayment of loans and borrowings	(19,358)	–
Interest paid on loans and borrowings	–	(443)
Other changes		
Loan interest (Note 8)	–	443
Balance at 31 December 2025	17,536	–

26 Share capital and treasury shares
Ordinary Shares

	Group and Company	
	2025	2024
	US\$'000	US\$'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

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.

Treasury Shares

Treasury shares are ordinary shares of the Company that are purchased and held by the Company and are presented as a component within shareholders' equity. As of 31 December 2025 and 2024, the Company holds 4,500,000 treasury shares, with equivalent value of \$2,361,000.

Medtecs International Corporation Limited and its subsidiaries

27 Foreign currency translation and other reserves

a) 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	
	2025	2024
	US\$'000	US\$'000
At 1 January	(1,509)	(850)
Net effect of exchange differences arising from translation of financial statements of foreign operations	252	(659)
At 31 December	<u>(1,257)</u>	<u>(1,509)</u>

b) Other reserves

	Group	
	2025	2024
	US\$'000	US\$'000
Others*	<u>394</u>	<u>394</u>

*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 statements of financial position.

28 Significant related party transactions

a) Transactions with related parties

Related parties refer to companies controlled by a director of the Company.

In addition to the related party 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:

	Group	
	2025	2024
	US\$'000	US\$'000
Sales and income:		
Sales and other income to related parties	199	–
Costs and expenses:		
Operating expenses from related parties	<u>3,675</u>	<u>1,066</u>

Other than the above, the Group has no other related party transactions except for the lease agreement as disclosed in Note 15.

Medtecs International Corporation Limited and its subsidiaries

28 Significant related party transactions (cont'd)

b) Compensation of key management personnel

Key management personnel compensation (including executive director's remuneration) comprised:

	Group		Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Director's fee*	221	214	218	212
Wages, salaries and bonus	637	606	522	403
Defined benefit plans and other social expenses	26	24	11	12
	884	844	751	627
Comprise directors' remunerations for executive directors of:				
- the Company	328	325	319	317
	328	325	319	317

* Include director's fee for directors of subsidiaries amounting to \$3,000 (2024: \$2,000)

The remuneration of key management personnel are determined by the Remuneration Committee having regard to the performance of individuals and market trends.

There are no termination benefits or other long-term employee benefits granted to key management personnel in 2025 and 2024.

29 Contingent assets

On 12 November 2021, the Company engaged a legal firm to recover an advance to a supplier amounting to \$822,000. On 20 January 2022, the Company commenced an arbitral proceeding against the supplier, as it failed to make any payment to the Company. On 25 October 2022, the arbitral award was obtained in favor of the Company for a total consideration amounting to \$966,000. As of 26 February 2024, additional late payment interest amounted to \$23,500. In 2023, the additional arbitral award of \$167,500 was not recognised, as the receipt of the consideration is not virtually certain and it is dependent on the aggregate result of the enforcement of the arbitral award against the supplier.

In 2023, the Company did not receive any repayment from the supplier and as a consequence, Management had determined in the prior financial year that the amount is not recoverable and made full allowance in prior financial year as disclosed in Note 21. During the current financial year, the Company did not receive any payment from the supplier.

Medtecs International Corporation Limited and its subsidiaries

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. 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 and others segment* is involved in the marketing of Medtecs-branded medical consumables to hospitals, pharmacies and other end users in Asia Pacific and through online channels. 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.

Allocation basis

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated upon consolidation.

Medtecs International Corporation Limited and its subsidiaries
30 Group segmental reporting (cont'd)
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 2025 and 2024:

	Manufacturing US\$'000	Hospital services US\$'000	Distribution and others US\$'000	Group US\$'000
2025				
<i>Revenue</i>				
Third parties	58,969	17,842	2,155	78,966
Intersegment sales	25,313	–	–	25,313
Total revenue	84,282	17,842	2,155	104,279
Eliminations	(25,313)	–	–	(25,313)
	58,969	17,842	2,155	78,966
Results	(7,731)	2,832	(349)	(5,248)
Financial expenses				(811)
Financial income				915
Tax credit				384
Net loss for the year				(4,760)
Total assets	127,746	14,017	3,980	145,743
Total liabilities	43,289	403	3	43,695
<i>Other segment information:</i>				
Capital expenditure	5,065	1,205	–	6,270
Depreciation and amortisation	4,061	2,489	111	6,661
Allowance for write down of inventory	516	–	159	675
Allowance for ECL on receivables	3,070	–	–	3,070
Other non-cash expenses - net	628	–	–	628

Medtecs International Corporation Limited and its subsidiaries

30 Group segmental reporting (cont'd)

a) Business segments (cont'd)

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 2025 and 2024 (cont'd):

	Manufacturing US\$'000	Hospital services US\$'000	Distribution and others US\$'000	Group US\$'000
2024				
<i>Revenue</i>				
Third parties	36,477	15,174	2,772	54,423
Intersegment sales	24,685	–	–	24,685
	<hr/>			
Total revenue	61,162	15,174	2,772	79,108
Eliminations	(24,685)	–	–	(24,685)
	<hr/>			
	36,477	15,174	2,772	54,423
	<hr/>			
Results	(25,366)	1,720	(457)	(24,103)
	<hr/>			
Financial expenses				(794)
Financial income				1,457
Tax expense				(509)
	<hr/>			
Net loss for the year				(23,949)
	<hr/>			
Total assets	121,134	11,991	4,842	137,967
	<hr/>			
Total liabilities	30,964	341	10	31,315
	<hr/>			
<i>Other segment information:</i>				
Capital expenditure	1,199	2,154	–	3,353
Depreciation and amortisation	4,999	2,442	111	7,552
Allowance for inventory losses	7,280	–	76	7,356
Allowance for ECL on receivables	12,074	–	–	12,074
Gain on deconsolidation of subsidiaries	(2,199)	–	–	(2,199)
Allowance for impairment loss on property, plant and equipment	138	–	–	138
Other non-cash expenses - net	(757)	–	–	(757)
	<hr/>			

Medtecs International Corporation Limited and its subsidiaries
30 Group segmental reporting (cont'd)
b) Geographical information

Significant revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Sales to external customers		Non-current assets	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Singapore	–	–	5	3
Philippines	3,421	3,483	8,735	9,579
Cambodia	1,760	–	43,586	15,635
Taiwan	23,782	16,346	13,587	11,482
China	–	–	1,023	935
Bermuda	–	–	4,199	–
Luxembourg	19,939	18,650	–	–
United State of America	22,377	7,699	–	–
United Kingdom	6,749	6,153	–	–
Others	938	2,092	–	–
	78,966	54,423	71,135	37,634

31 Financial instruments
a) Categories of financial instruments

Financial instruments as at the end of the reporting period are as follows:

	Group		Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
<i>Financial assets</i>				
At amortised costs	40,852	72,912	13,004	45,604
<i>Financial liabilities</i>				
At amortised cost	42,200	28,424	27,734	29,477

b) Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, liquidity risk, foreign currency risk, and credit risk. The Group's overall risk management strategy seeks to minimise adverse effects from these financial risks on the Group's financial performance.

The directors review and agree policies and procedures for managing each of these risks and they are summarised below.

Medtecs International Corporation Limited and its subsidiaries

31 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Interest rate risk

The Group's and the Company's exposure to interest rate risk arises primarily from loans and borrowings. Loans and borrowings at variable rates expose the Group to cash flow interest rate risk (i.e. the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates). Loans and borrowings at fixed rates expose the Group to insignificant fair value interest rate risk as the maturity is within a year.

The following tables set out the carrying amounts of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	Group		Company	
	2025	2024	2025	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Fixed rate				
Fixed deposits	3,865	17,565	–	–
	<hr/>			
Floating rate				
Loans and borrowings	(17,536)	(19,358)	–	–
	<hr/>			

Sensitivity analysis for interest rate risk

The sensitivity analysis below have been determined based on the exposure to interest rates for borrowings at the balance sheet date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of borrowings that have floating rates.

If the interest rates increase/decrease by 50 (2024: 50) basis points with all other variables including tax rate being held constant, the loss after tax of the Group will be higher/lower by \$218,000 (2024: \$19,000) as a result of higher/lower interest expense on these borrowings.

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.

Medtecs International Corporation Limited and its subsidiaries
31 Financial instruments (cont'd)
b) Financial risk management objectives and policies (cont'd)
Liquidity risk (cont'd)

The table summarises the maturity profile of the Group's and Company's financial liabilities at the end of the reporting period based on contractual repayment obligations:

	Total carrying value US\$'000	1 year or less US\$'000	1 to 5 year US\$'000	Over 5 years US\$'000	Total US\$'000
Group					
2025					
Loans and borrowings	17,536	17,911	–	–	17,911
Trade payables and other current liabilities ⁽¹⁾	20,509	20,509	–	–	20,509
Lease liabilities	4,155	844	2,555	9,650	13,049
	42,200	39,264	2,555	9,650	51,469
2024					
Loans and borrowings	19,358	19,772	–	–	19,772
Trade payables and other current liabilities ⁽¹⁾	6,139	6,139	–	–	6,139
Lease liabilities	2,927	685	1,411	10,014	12,110
	28,424	26,596	1,411	10,014	38,021
Company					
2025					
Trade payables and other current liabilities ⁽¹⁾	696	696	–	–	696
Due to subsidiaries	26,602	26,602	–	–	26,602
Lease liabilities	436	148	181	615	944
	27,734	27,446	181	615	28,242
2024					
Trade payables and other current liabilities ⁽¹⁾	601	601	–	–	601
Due to subsidiaries	28,360	28,360	–	–	28,360
Lease liabilities	516	149	317	651	1,117
	29,477	29,110	317	651	30,078

⁽¹⁾ Excluding tax payables to government institutions.

Medtecs International Corporation Limited and its subsidiaries

31 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Foreign currency risk

The Group has foreign currency exposures arising from sales or purchases, assets and liabilities that are denominated in a currency other than the respective functional currencies of the Group entities, primarily, United States Dollar (USD) and Philippine Peso (PHP). The foreign currencies in which these transactions are denominated are mainly USD. Approximately 26% (2024: 3%) of the Group's sales are denominated in foreign currencies whilst almost 26% (2024: 35%) 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 PHP and USD.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit/(loss) before tax to a reasonably possible change in the PHP and USD exchange rates, with all other variables held constant. The reasonably possible change was computed based on management assessment:

	Group	
	2025	2024
	Effect on loss before tax	Effect on loss before tax
PHP		
Strengthened 1.6% (2024: 4.5%)	15	7
Weakened 1.6% (2024: 4.5%)	(15)	(7)
USD		
Strengthened 4.2% (2024: 7.3%)	340	1,335
Weakened 4.2% (2024: 7.3%)	(340)	(1,335)

Changes in exchange rate for Company is not disclosed as it is immaterial.

Medtecs International Corporation Limited and its subsidiaries

31 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'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 CEO.

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.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses (ECL):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.	Write-off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

31 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

Trade receivables

The Group and the Company assesses the credit risk of trade receivables based on internal credit ratings assigned to customers. The credit rating is determined considering customers' financial strength, historical payment behavior, and external credit reports where available. Trade receivables are segmented into the following categories:

High Credit Quality – Customers with strong payment history, minimal risk of default and the balances are not individually significant to the Group and the Company.

Low Credit Quality – Customers with significant past due balances or weakened financial conditions or are individually significant to the Group and the Company.

For high credit quality customers, the Group and the Company provides for lifetime expected credit losses using a provision matrix. The loss rates are determined based on the Group's historical observed default rates analysed in accordance to months past due. The loss allowance also incorporated forward looking information such as forecast of economic conditions (consumer price index and inflation rates).

Medtecs International Corporation Limited and its subsidiaries
31 Financial instruments (cont'd)
b) Financial risk management objectives and policies (cont'd)
Credit risk (cont'd)
Trade receivables (cont'd)

Summarised below is the information about the credit risk exposure on the Group and the Company's trade receivables using provision matrix.

	Current	> 1	> 2	> 3	> 4	Total
	US\$'000	month	months	months	months	US\$'000
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group						
2025						
Gross carrying amount	7,602	458	142	64	1,824	10,090
Allowance for expected credit losses	(170)	(20)	(5)	(3)	(1,136)	(1,334)
	7,432	438	137	61	688	8,756
2024						
Gross carrying amount	8,102	887	641	792	655	11,077
Allowance for expected credit losses	(487)	(34)	(22)	(7)	(120)	(670)
	7,615	853	619	785	535	10,407
Company						
2025						
Gross carrying amount	117	–	–	–	–	117
Allowance for expected credit losses	–	–	–	–	–	–
	117	–	–	–	–	117
2024						
Gross carrying amount	165	–	–	–	8	173
Allowance for expected credit losses	–	–	–	–	–	–
	165	–	–	–	8	173

Medtecs International Corporation Limited and its subsidiaries

31 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Trade receivables (cont'd)

For low credit quality customers, the Group and the Company performs individual assessments of expected credit losses based on debtors' payment history, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

	Group US\$'000	Company US\$'000
2025		
Gross trade receivables	27,035	16,230
Loss allowance	16,539	16,230
2024		
Gross trade receivables	17,738	16,223
Loss allowance	17,479	16,223

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			
	2025 US\$'000	% of total	2024 US\$'000	% of total
By region:				
North America	7,996	42	1,364	13
Europe	4,520	23	5,715	53
Asia Pacific	6,736	35	3,587	34
	19,252	100	10,666	100
By segment:				
Manufacturing	16,475	86	8,667	82
Hospital services	2,494	13	1,394	13
Distribution and others	283	1	605	5
	19,252	100	10,666	100

At the end of the reporting period, approximately \$10,755,000 (2024: \$5,424,000) of the Group's trade receivables were due from three major customers located in North America, Europe and Asia Pacific, representing 56% (2024: 51%) of trade receivables.

Medtecs International Corporation Limited and its subsidiaries
31 Financial instruments (cont'd)
b) Financial risk management objectives and policies (cont'd)
Credit risk (cont'd)
Credit quality

The table below details the credit quality of the Group's financial assets (other than trade receivables):

	12-month or lifetime ECL	Gross carrying amount US\$'000	Loss allowance US\$'000	Net carrying amount US\$'000
2025				
Other non-current assets	12-month ECL	928	–	928
Other current assets	12-month ECL	1,554	–	1,554
Other current assets	Lifetime ECL	679	(679)	–
Cash and bank balances and fixed deposits with financial institutions	N.A. Exposure Limited	19,368	–	19,368

	12-month or lifetime ECL	Gross carrying amount US\$'000	Loss allowance US\$'000	Net carrying amount US\$'000
2024				
Investment in unquoted bond	12-month ECL	3,000	–	3,000
Other non-current assets	12-month ECL	745	–	745
Net investment in lease receivable	12-month ECL	4,710	–	4,710
Amount due from RMPL and its subsidiaries	Lifetime ECL	27,050	(2,257)	24,793
Other current assets	12-month ECL	1,707	–	1,707
Cash and bank balances and fixed deposits with financial institutions	N.A. Exposure Limited	27,336	–	27,336

Medtecs International Corporation Limited and its subsidiaries

31 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Credit quality (cont'd)

The table below details the credit quality of the Company's financial assets (other than trade receivables):

	12-month or lifetime ECL	Gross carrying amount US\$'000	Loss allowance US\$'000	Net carrying amount US\$'000
2025				
Other non- current assets	12-month ECL	108	–	108
Other current assets	12-month ECL	158	–	158
Due from subsidiaries	12-month ECL	7,014	–	7,014
Due from subsidiaries	Lifetime ECL	12,866	(12,866)	–
Net investment in lease receivable	12-month ECL	4,271	–	4,271
Cash and bank balances and fixed deposits with financial institutions	N.A. Exposure Limited	1,444	–	1,444
2024				
Other non- current assets	12-month ECL	79	–	79
Other current assets	12-month ECL	129	–	129
Due from subsidiaries	12-month ECL	14,999	–	14,999
Due from subsidiaries	Lifetime ECL	12,408	(12,408)	–
Amount due from RMPL and its subsidiaries	Lifetime ECL	26,976	(2,257)	24,719
Net investment in lease receivable	12-month ECL	4,710	–	4,710
Cash and bank balances and fixed deposits with financial institutions	N.A. Exposure Limited	795	–	795

Medtecs International Corporation Limited and its subsidiaries

31 Financial instruments (cont'd)

b) Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Credit quality (cont'd)

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 cash equivalents and fixed deposits are entered into with reputable financial institutions duly approved by the directors.

32 Fair value of assets and liabilities

Fair value hierarchy

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments whose carrying amounts approximate fair values

Management has determined that the carrying amounts of cash and cash equivalents, fixed deposits, due from subsidiaries, trade receivables, other current assets, trade payables and other current liabilities and bank loans based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature or are repriced frequently.

Assets and Liabilities measured at fair value and for which fair values are disclosed

The following table provides the fair value measurement hierarchy of the Group's assets. The Group has no liabilities which are measured at fair value nor which fair values are disclosed in the financial statements as at 31 December 2025 and 2024.

Medtecs International Corporation Limited and its subsidiaries

32 Fair value of assets and liabilities (cont'd)

Fair value measurement hierarchy for assets as at 31 December 2025 and 2024:

2025 Assets for which fair values are disclosed	Date of valuation	Fair value measurement using			
		Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Investment property (Note 13)	31 December 2025	3,538	–	–	3,538
Financial assets at fair value through other comprehensive income (Note 18)	31 December 2025	430	–	–	430
2024					
Assets for which fair values are disclosed					
Investment property (Note 13)	31 December 2024	3,757	–	–	3,757
Investment in unquoted bonds (Note 21)	31 December 2024	3,000	–	–	3,000

There has been no transfer between Level 1 and Level 2 and no transfer into or out of Level 3 during the financial years ended 31 December 2025 and 2024.

Determination of fair value

Investment property

Investment property is valued by independent valuer using income approach by reviewing discounted cash flows of future rent to be earned over the useful lives of the property. Significant input used in this valuation is determination of discount rate which include evaluating market risk premium, management risk and liquidity risk. A significant increase/(decrease) in the discount rate would result in a significantly higher/(lower) fair value measurement.

Investment in unquoted bonds

Fair value of investment in unquoted bonds is measured based on current market interest rate of 4.50%.

Financial assets at FVOCI

The fair value of the financial assets at FVOCI is initially determined based on recent transacted prices of the investee company's equity. At each balance sheet date, management calibrates inputs to the valuation model, considering both internal and external changes in the business and market environment in which the investee operates. This fair value measurement is categorised in Level 3 of the fair value hierarchy.

Medtecs International Corporation Limited and its subsidiaries

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 2025 and 2024.

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	
	2025	2024
	US\$'000	US\$'000
Loans and borrowings	17,536	19,358
Trade payables and other current liabilities	20,571	6,200
Lease liabilities	4,155	2,927
Less: Cash and cash equivalents and fixed deposits	(19,368)	(27,336)
	22,894	1,149
Equity attributable to the equity holders of the Company	101,560	106,169
Capital and net debt	124,454	107,318
Gearing ratio	18.4%	1.1%

Medtecs International Corporation Limited and its subsidiaries

34 Subsequent event

On 10 April 2026, the Group entered into a Termination Deed to terminate the joint venture agreement with Shijiazhuang Hongray Group Co., Ltd. (“Hongray”) and settle all rights, obligations and claims arising out of or in connection with the joint venture agreement.

Concurrently, the Group entered into Master Restructuring and Transaction Agreement (defined as Disposal Agreement in the Company’s announcement of 10 April 2026) with Hongray to dispose 100% equity interest in a subsidiary, RMKH Glove (Cambodia) Co., Ltd. (“RMKH Cambodia”) for a total consideration of \$13,144,512, payable in installments within one year.

In addition, the intercompany amounts owing by RMKH Cambodia to the Group of approximately \$23,500,000 as of 28 February 2026, will remain outstanding after the completion of disposal and will be repaid quarterly under an agreed repayment schedule with fixed interest charge of 3%. The repayment obligations are supported by security over specified assets of RMKH and a personal guarantee provided by Hongray’s controlling shareholder.

The disposal represents a non adjusting event after the reporting period and has therefore not been reflected in the financial statements. The agreed consideration is consistent with the recoverable amount used in the impairment assessment of the property, plant and equipment and cost of investment in that subsidiary as at the reporting date.

35 Authorisation of financial statements

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors dated 11 April 2026.



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Medtecs International Corporation Limited



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Bermuda

Medtecs International Corporation Limited

Clarendon House 2 Church Street, Hamilton HM11, Bermuda
+886-2-2739-2222

Cambodia

Medtecs (Cambodia) Corporation Limited

No. 52, Street 606 Corner Street 311, Village 8,
Sangkat Boeng Kat 2 Khan Toul Kork,
Phnom Penh, Cambodia 120408
+855-023-866-6659

China

Hangzhou Jincheng Medical Supplies Manufacture Co., Ltd.

202 Zhangshan Road, Yuhang District, Hangzhou, China 311107
+86-571-8639-6888

Philippines

Medtecs International Corporation Limited – Philippine Branch

The World Centre, 22nd Floor #330 Sen. Gil Puyat Ave.,
Makati City 1227, Philippines
+632-817-9000

Singapore

Medtecs (Asia Pacific) Pte. Ltd.

138 Cecil Street, #13-02 Cecil Court, Singapore 069538
+65-6534-9293

Taiwan

Medtecs (Taiwan) Corporation

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

United States

Medtecs USA Corporation

1390 Market Street, Suite 200, San Francisco, California 94102, USA

