
QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2016

With effect from 5 March 2013, Matex International Ltd (the “Company”) was included on the Watch-List pursuant to Listing Rule 1311. On 3 March 2016, the Company was further placed on the Watch-list due to the Minimum Trading Price (“MTP”) Entry Criterion.

Pursuant to Listing Rule 1313(2), the Board of Directors of the Company wishes to provide the following updates on the Company and its subsidiaries (collectively “the Group”) for the three months ended 31 March 2016.

Update on Financial Situation

For the three months ended 31 March 2016, the Group recorded revenue of S\$ 20,359,000, a decrease of S\$ 2,190,000 compared to its revenue of S\$ 22,549,000 achieved in the first quarter of year 2015. The decrease in revenue was mainly attributed from the reduction of selling price in the industry.

As a result of the decrease in revenue that the Group recorded an unaudited consolidated pre-tax loss of S\$ 1,129,000, of which S\$ 853,000 loss after tax is attributable to equity holders of the Company for the three months ended 31 March 2016.

Update on Future Direction

Further extension of time granted to meet Watch-list exit requirements

On 3 March 2016, the Company had submitted an application to the SGX-ST for a further extension of time until 30 June 2016 to satisfy the requirements for removal from the Watch-list (the “**Application**”), on the basis that the Company is proposing to undertake a transfer from the Mainboard of the SGX-ST to Catalist, the sponsor-supervised listing platform of the SGX-ST (“**Proposed Transfer**”). Accordingly, the extension of time is required in order for the Company and potential sponsor to go through the necessary process and procedures including submission of the transfer application to the SGX-ST. The Company had stated in the Application to the SGX-ST that it believes it will be able to demonstrate to potential sponsors:

- (i) the Company’s ability to operate as a going concern;
- (ii) that there are no ongoing investigations or special audit; and
- (iii) the Company’s compliance track record and adequacy of internal controls.

Based on the submissions made in the Application, the SGX-ST has granted the Company a further extension of time of up to 30 June 2016 (“**Extended Timeline**”) to meet the requirements for removal from the Watch-list, subject to the following conditions:

- (a) the Company appointing a sponsor and completing the Proposed Transfer within the Extended Timeline; and
- (b) the Company to make announcement in respect to the period of extension granted, the reasons for seeking the extension of time and the conditions as required under Listing Rule 107, where this information was included in announcement released on 4 March 2016; and
- (c) submission of a written confirmation from the Company that the extension of time does not contravene any laws and regulations governing the Company and the articles of association of the Company, and the confirmation was submitted on 4 March 2016 to SGX-ST

Save as those disclosed, no material development that may have significant impact on the financial position and performance of the Group has occurred since its last update on 24 February 2016.

BY ORDER OF THE BOARD

Dr Tan Pang Kee
Chief Executive Officer / Managing Director

15 May 2016