

**SETTLEMENT AGREEMENT IN RESPECT OF THE SUIT IN RELATION TO 15 TUAS VIEW SQUARE,  
SINGAPORE 637556**

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**1. INTRODUCTION**

- 1.1 The board of directors (the “**Board**” or the “**Directors**”) of Matex International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to:
- (a) the announcements made on 5 May 2013 and 30 May 2013 (the “**May Announcements**”) in relation to, *inter alia*, the alleged claims by OSK Power Pte. Ltd. (the “**Plaintiff**”, or “**Purchaser**”) against the Company in relation to a property (the “**Property**”) located at 15 Tuas View Square, Singapore 637556 which is held by the Company;
  - (b) the announcement made on 3 December 2013 (together with the May Announcements, the “**Previous Announcements**”) in relation to, *inter alia*, the proposed sale and leaseback of the Property (the “**Proposed Sale and Leaseback**”); and
  - (c) the circular dated 3 December 2013 (the “**Circular**”) in relation to, *inter alia*, the Proposed Sale and Leaseback.
- 1.2 Unless otherwise defined, capitalised terms in this announcement shall bear the same meanings ascribed to them in the Previous Announcements and the Circular.

**2. SETTLEMENT OF THE SUIT**

- 2.1 The Board wishes to announce that the Company has, without admission of liability, entered into a settlement agreement with the Plaintiff dated 29 January 2014 in respect of the Suit (the “**Settlement Agreement**”).
- 2.2 The terms of the Settlement Agreement include, *inter alia*, the following:
- (a) the Company and the Plaintiff (collectively, the “**Parties**”) shall proceed with the sale and purchase of the Property for a purchase price of S\$6,800,000.00, on substantially the terms of the Option, save that, *inter alia*, the sale and purchase shall be completed on 7 February 2014 (the “**Completion Date**”);
  - (b) the Parties shall, on the date of execution of the Settlement Agreement, also execute the tenancy agreement in respect of the Tenanted Area (as defined in paragraph 3.1(a) below) (the “**Tenancy Agreement**”), with the intention that the Tenancy Agreement shall be effective on the Completion Date;
  - (c) the Plaintiff shall be entitled to deduct, from the amount payable to the Company on the Completion Date, the following :
    - (i) a sum agreed between the Parties, representing interest on the purchase price of the Property of S\$6,800,000.00, calculated at 8% p.a. in line with the guidance provided by the Law Society’s Conditions of Sale 2012, for the period between 23 April 2013 and mid-day on 3 February 2014, being an aggregate amount of S\$427,002.74; and

- (ii) the Company's contribution towards the Plaintiff's costs incurred in the Suit, at the Plaintiff's election, of either S\$40,000 or such sum, on a party to party basis, as may be fixed by the courts, or taxed or agreed;
- (d) the Plaintiff shall subtract from the sum the Plaintiff is entitled to deduct, the amount of S\$350, being the costs ordered by the courts to be paid by the Plaintiff to the Company under Summons No. 6561 of 2013; and
- (e) the Plaintiff covenants with and undertakes to the Company, within four (4) Business Days of the execution of the Settlement Agreement, that it shall procure the full withdrawal and/or discontinuance of the Suit, and the Company shall, at the same time, procure the withdrawal of its counterclaim against the Plaintiff in the Suit.

### 3. TERMS OF THE TENANCY AGREEMENT

3.1 Certain terms of the Tenancy Agreement are as follows:

- (a) the Company leases from the Purchaser the premises situated at the second floor (entire operational office, including conference rooms, reception, pantry, washroom), and the third floor (entire laboratory office, R&D area including library) of the Property (the "**Tenanted Area**");
- (b) the tenancy shall be for a period of five (5) months commencing from the Completion Date (the "**Term**"), with an option to extend the tenancy for a further period of two (2) months;
- (c) during the Term, the Company shall pay to the Purchaser a monthly rent of S\$13,000; and
- (d) on commencement of the Tenancy Agreement, the Company shall pay to the Purchaser:
  - (i) the sum of S\$13,000, being the first month's rent, and the applicable Goods and Services Tax ("**GST**") of S\$910; and
  - (ii) the sum of S\$18,000, being the aggregate of the security deposit and the deposit in relation to utilities, telecommunications facilities and other services payable under the Tenancy Agreement.

### 4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Settlement Agreement or the Tenancy Agreement.

### 5. FURTHER ANNOUNCEMENTS

The Board will make the necessary announcements as and when there are material developments on the matter.

#### By Order of the Board

Dr. Alex Tan Pang Kee  
Chief Executive Officer and Managing Director

30 January 2014