

MATEX INTERNATIONAL LIMITED
(Company Registration No. 198904222M)
(Incorporated in Singapore)
(the "**Company**")

ENTRY INTO JOINT VENTURE SHAREHOLDERS' AGREEMENT

1. INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of Matex International Limited (the "**Company**" and together with its subsidiaries, the "**Group**"), wishes to announce that Matex Holdings Pte. Ltd. ("**MHPL**"), a wholly-owned subsidiary of the Company, has on 1 March 2023 entered into a joint venture shareholders' agreement ("**JVSA**") with Mega Crystal Biotechnology Singapore Pte. Ltd. ("**MEGA**") to establish a joint venture, pursuant to which MHPL and MEGA (collectively, the "**Parties**") will incorporate a joint venture company ("**JV Company**") in Singapore to carry out the business of developing, branding, distributing, exporting, and selling optical sensor and system (the "**Joint Venture**").

2. INFORMATION ON THE JOINT VENTURE PARTNER

MEGA is a private company limited by shares incorporated in Singapore on 27 December 2021 and has an issued and paid-up capital of S\$10,000,000 comprising 10,000,000 ordinary shares. The shareholders of MEGA are (a) Mega Crystal Holding Pte. Ltd. who holds 9,200,000 ordinary shares representing 92% of its issued and paid-up capital and (b) Huantu Electronic Technology (Wuxi) Co., Ltd. who holds 800,000 ordinary shares representing 8% of its issued and paid-up capital. The principal activities of MEGA are offering of Near Infra-Red measurement solutions to analyse material composition for end users.

To the best knowledge of the Board, prior to the Joint Venture, MEGA, its directors and its shareholders are independent of the Group, the Company, its directors, substantial shareholders and their respective associates.

3. SALIENT TERMS OF THE JVSA

3.1 Formation and Share Capital of the JV Company

Pursuant to the JVSA, MHPL and MEGA will procure the incorporation of the JV Company under the name 'MatexMega Pte Ltd' (or such other name as the Accounting and Corporate Regulatory Authority of Singapore shall permit and which the parties have agreed upon). The JV Company will have an initial issued and paid-up share capital of S\$100,000 comprising 100,000 ordinary shares, which shall be subscribed for by the Parties in the following numbers and shareholding percentages:-

Name of Party	Number of Shares	Percentage of total shareholding
(1) MHPL	65,000	65%
(2) Mega	35,000	35%
Total	100,000	100%

3.2 Business of the JV Company

The JV Company will be principally engaged in the business:-

- (a) to develop, brand, distribute, export, and sell optical sensor and system;
 - (b) to ensure the said optical sensor and system comply with prevailing standards;
 - (c) to provide reasonable after-sales service support for the optical and sensor system;
- and/or such other businesses as may be agreed between MHPL and MEGA from time to time.

3.3 Board Composition

The board of directors of the JV Company shall comprise three (3) Directors: two (2) Directors nominated by MHPL, and one (1) Director nominated by MEGA.

4. RATIONALE FOR THE JOINT VENTURE

The Group's entry into the Joint Venture is in line with the Group's continuing strategy to build up and diversify revenue streams from more industries beyond its current focus areas of textile, leather, paper and polymer and deploy its existing and new products and solutions complementary to them.

5. FINANCIAL IMPACT

MHPL's subscription of shares in the JV Company will be funded through internal resources, and the Joint Venture is not expected to have any material impact on the earnings per share or net tangible assets per share of the Group for the financial year ending 31 December 2023. In the event that there is any equity fundraisings undertaken by the Company in relation to the subscription of the shares in the JV Company, the Company will make a separate announcement on the matter.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the date of this announcement, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Joint Venture, other than by reason of their respective shareholding interest in the Company, where applicable.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Shareholders should note that a copy of the JVSA will be available for inspection during normal business hours at the Company's registered office at 1003 Bukit Merah Central #01- 10 Inno Centre, Singapore 159836 for three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Dr Tan Pang Kee
Chief Executive Officer / Managing Director
1 March 2023

This document has been reviewed by the Company's sponsor, Provenance Capital Pte. Ltd. ("**Sponsor**"), for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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