

**MATEX INTERNATIONAL LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No.: 198904222M)  
(the “**Company**”)

**MINUTES OF VIRTUAL INFORMATION SESSION**

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<b>Mode of Meeting</b>	:	By way of electronic means (Live Webcast)
<b>Date</b>	:	Tuesday, 19 April 2022
<b>Time</b>	:	11.00 a.m.
<b>Present</b>	:	<b><u>Board of Directors</u></b>  Dr John Chen Seow Phun, Non-Executive Chairman Dr Tan Pang Kee, Chief Executive Officer and Managing Director Mr Foo Der Rong, Independent Director Mr Wang Daofu, Independent Director Mr Dro Tan Guan Liang, Executive Director  <b><u>Shareholder</u></b>  As set out in the attendance records maintained by the Company.
<b>In Attendance/By Invitation</b>	:	As set out in the attendance records maintained by the Company.
<b>Chairman</b>	:	Dr John Chen Seow Phun (“ <b>Dr John Chen</b> ”)

## INTRODUCTION

On behalf of the Board of Directors (the “**Board**”), Dr John Chen, Non-Executive Chairman of Matex International Limited (and together with its subsidiaries, “**Group**”), welcomed the shareholder for participating the Virtual Information Session (“**VIS**”) of the Company via live audio-visual webcast or “live” audio-only stream in relation to the proposed disposal of 100% of the registered and paid-up ordinary shares in the capital of Amly Chemicals Co., Ltd. (“**Proposed Disposal**”).

The Chairman called the meeting to order and introduced his fellow Directors, management of the Company (“**Management**”) and professional parties, who joined the VIS via webcast.

The Chairman informed that this VIS was to provide an opportunity for shareholders of the Company to ask any questions pertaining to the resolution to be tabled at the upcoming extraordinary general meeting on the Proposed Disposal, and the Board and Management would address the relevant questions received at this session. The Chairman invited the Chief Executive Officer and Managing Director, Dr Tan Pang Kee (“**Dr Alex Tan**”), to deliver his speech before proceeding with the addressing of questions from the shareholder.

Dr Alex Tan briefed on the business of the Group and also expressed his appreciation to the shareholders, customers, business partners, the Board and the employees for their continuous support to keep the company sustainable particularly during the pandemic situation.

## QUESTIONS RECEIVED FROM SHAREHOLDER PRIOR TO THE VIS

Before addressing the live questions at the VIS, the Chairman invited the Chief Financial Officer, Mr Seow Han Khye (“**Mr. Seow**”) to present the Company’s responses to the following questions received from the shareholder prior to the VIS:

### **Question 1**

What are the estimated net proceeds from disposal of Amly Chemicals Co., Ltd (“**ACL**”) and expected date of completion?

**Company's response**

The net proceeds expected is approximately S\$10.4 million, expected date of completion should be by 31 December 2022

**Question 2**

Will the funds be remitted back to Singapore or remain in China? Will there be expected to be any difficulty if they were to be remitted back?

**Company's response**

The funds will be remitted back to Singapore. The Company do not expect to face any difficulty in remitting the funds back to Singapore.

**Question 3**

What is the intended use of funds? The Management previously gave guidance of acquisition of new businesses and opportunities with funds obtained from sale of Matex Chemicals (Taixing) Co., Ltd ("**MCT**") and ACL. Any further insights as to what they are looking into?

**Company's response**

The funds from the proposed disposal of ACL will be used to repay outstanding liabilities of the Group and for general working capital purposes. As for MCT, expected cash inflows is S\$12.99 million, it will be used to repay loan and borrowings, dividend due to non-controlling interest and for general working capital purposes.

**Question 4**

Will there be any special dividend payout from this disposal after a certain amount earmarked for new acquisitions?

**Company's response**

As the Group is still making losses, there is no plan to declare dividend for the financial year ending 31 December 2022.

**Question 5**

Progress on disposal of MCT. The acquisition agreement has been extended to 30 June 2022. What is the progress with the other shareholders of MCT? Any further delays expected? Approval has been given in April 2021 but has dragged on for more than a year. Is there a need for new shareholders' approval renewal? What other conditions are still pending to complete the MCT sale?

**Company's response**

As an update, the above condition precedent has yet to be fulfilled. As Shenyang Chemical Research Institute Co., is a PRC state-owned company and Shanghai Tangzhen Investment Development Group Co. Ltd is a company 100% owned by Tangzhen government, the regulations and procedures for them to dispose of the 40% equity interest in MCT are time consuming. Though both of them have given their consent for the disposal to the same buyer, they will still need more time to go through the procedures. The Company estimates that it will take till mid-2022 to complete the sale process. The Company is working closely with all parties to complete the process as soon as possible.

**Question 6**

What is the expected net cash inflow from the sale of MCT?

**Company's response**

The expected cash inflow is S\$12.99 million.

**Question 7**

What are the total funds expected from both MCT and ACL sales? What would be the loan/gearing status of the Company post both disposal?

**Company's response**

Total cash inflows are expected to be around S\$23.39 million. The Group intend to pay off some of the outstanding loan and to reduce the gearing ratio of the Group to between 25% to 50%, depending on the needs of the Group going forward.

**Question 8**

After disposal of MCT and ACL, what other businesses does the Company still own and currently operational? Is there any further intention to dispose all textile/chemical related business and render the Company as a cash company?

**Company's response**

After the disposal of MCT and ACL, the Group still has operations in Singapore, China (Shanghai) and Malaysia (Ipoh). There is no intention to dispose all of the Group's textile/chemical related business and render the Company as a cash company.

**Question 9**

Any further update with the Memorandum of Understanding ("**MOU**") with White Group Pte Ltd ("**White Group**") to develop humanoid prosthetic products business? With disposal of MCT and ACL will there still be synergy in such MOU and development of prosthetic products?

**Company's response**

With reference to our response to Question 8 above, the Company's core business will remain as a dye manufacturing company. The discussion with White Group is in the due diligence stage.

**Question 10**

Understanding the disposal of ACL is only for the land and property. The Company had acquired all inventory etc. back for RMB5 million. Without the property, where will be the key location of operations and if the inventory is still used in the daily business?

**Company's response**

The Group still has operations in Singapore, China (Shanghai) and Malaysia (Ipoh); the inventories can continue to be used in its daily operation in these locations.

**QUESTIONS RECEIVED FROM SHAREHOLDER DURING THE VIS**

The Chairman opened the floor to questions in relation to the Proposed Disposal, and the Chairman, Dr Alex Tan and Mr Seow responded to the following questions received from the shareholder:

**Question 1**

The disposal of ACL is expected to complete by end of the year. The buyer has made a RMB24 million loan to the Company. What other conditions are required to complete in 8 months?

**Company's response**

As the final milestone of the Proposed Disposal is to be paid after 6 months, the Company estimates that the disposal should be completed by end of 2022.

**Question 2**

Would like to confirm that the Company is expecting an inflow of S\$23 million? the debt is much lower than that and everything is stated as working capital?

**Company's response**

Yes. The Company intends to use some of the net proceeds to repay certain debts and payables and the remaining to be used for working capital purposes as well as to for future development of the Group.

**Question 3**

Any further updates on acquisitions as highlighted in commentary previously?

**Company's response**

The Company is exploring the potential of developing a new business in the area of nano membrane technology, which is a technology from NUS and which the Company had obtained a license for. The Company has the intention to scale up the application of the technology in the area of wastewater treatment and purification processes of manufacturers, which will also help to protect the environment.

Furthermore, the Company is always looking for new technologies and new businesses that the Company can continue to add value. With the incoming proceeds from the disposals, the Company would be in a better position to explore such opportunities and where applicable, timely disclosures will be made to shareholders.

**Question 4**

What is the amount of debt post both disposal as I have no idea how much debt goes with the disposals of both ACL and MCT?

**Company's response**

The Group will have about S\$5.5 million loans outstanding post disposal of ACL and MCT. Such debts are due in the next 3 years.

**Question 5**

Can I confirm that post disposal, status quo, inflow is S\$23 million and S\$5.5 million outstanding debt? What is the cash balance for now (how much to leave with disposals if any)?

**Company's response**

Yes. The cash balance is around S\$5.6 million as at 31 December 2021.

**Question 6**

Any cash off the books from MCT disposal??

**Company's response**

No, all cash is stated in the balance sheet.

**Question 7**

Meaning as of last result, cash of S\$5.6 million and debt of S\$5.5 million and nothing changes from both disposal?

**Company's response**

Yes. However, cash position had reduced post 31 December 2021 due to ongoing operations. The relevant assets and liabilities in relation to ACL and MCT have been classified as assets held for disposal and current liabilities held for disposal in the Group's balance sheet.

**Question 8**

Post disposal, the Company is around net cash of around S\$20 million?

**Company's response**

It will be below S\$20 million because there is a dividend payable to non-controlling interest that is close to S\$3 million and the Group will also have to pay off some of the outstanding debts and payables.

**Question 9**

Where will the minorities dividend come from and is it in the balance sheet?

**Company's response**

The dividend payable to non-controlling interest refers to dividends declared for a subsidiary in Shanghai before year 2016 but remains unpaid and outstanding. Such outstanding dividend is stated in the balance sheet under "other payables".

**CONCLUSION**

There being no further questions raised by the shareholder, the Chairman declared the VIS of the Company closed at 11.35 a.m. and thanked everyone for their attendance.

**SIGNED AS TRUE RECORD OF PROCEEDINGS**

**DR JOHN CHEN SEOW PHUN  
CHAIRMAN**