Matex

Matex International Limited
万得国际有限公司

ANNUAL REPORT 2024

LIVING THE CULTURE OF

COLOURS

GREEN SUSTAINABLE HEALTHY LIFE-STYLES
WITH ADVANCED TECHNOLOGIES

CONTENTS

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Wang DaoFu
Non-Executive Chairman and Independent Director

Dr. Tan Pang Kee
Chief Executive Officer / Managing Director

Mr. Foo Der Rong
Independent Director

Mr. Chiang Yao Chong
Independent Director

Mr. Tan Guan Liang
(Chen Guanliang)
Executive Director

Mr. Yeo Hock Huat
Non-Independent Non Executive Director

COMPANY SECRETARIES

Ms. Cheok Hui Yee (ACS, ACG)
Mr. Seow Han Khye

SHARE REGISTRAR

In.Corp Corporate Services Pte. Ltd.
36 Robinson Road
#20-01 City House
Singapore 068877

REGISTERED AND BUSINESS OFFICE

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AUDITORS

Moore Stephens LLP
Chartered Accountants of Singapore
10 Anson Road, #29-15
International Plaza
Singapore 079903

Partner-in-charge:
Mr. Neo Keng Jin
(Appointed since FY2020)

PRINCIPAL BANKERS

DBS Bank Ltd
6 Shenton Way
DBS Building
Singapore 068809

Oversea-Chinese Banking Corporation Limited
65 Chulia Street
OCBC Centre
Singapore 049513

United Overseas Bank Limited
80 Raffles Place
UOB Plaza 1
Singapore 049513

CONTINUING SPONSOR

RHT Capital Pte. Ltd.
36 Robinson Road
#10-06 City House
Singapore 068877

CORPORATE PROFILE

Established in September 1989 and listed on Singapore Exchange since February 2004, Matex International Limited is a leading manufacturer, supplier and marketer of quality dyestuffs and specialty chemicals, colour measurement and computer aided systems to various global markets such as textile, paper, leather, detergent and polymers industry. As part of its blueprint, it aims to be a world-class integrated service provider in **CLEAN COLOUR SCIENCE TECHNOLOGIES** the **WORLD** seeks, with our Center of Excellence in Singapore for **PEOPLE, INNOVATIONS, PRODUCTS, SERVICES, TECHNOLOGIES** and **SOLUTIONS** to our Markets.

Dedicated to serve, Matex has established a network of well-trained sales and marketing professionals with a strong presence in China to support its wide base of global customers. We are widely recognized for our strength in providing excellent technical support services in order to satisfy our customers' ever changing needs. Across the years we have been awarded with numerous accolades for our efforts. Matex had been constantly ranked as one of China's top chemical companies and of recent we were recognized as Singapore Specialty Chemicals Company of the Year for our contributions.

Matex makes a concerted effort to integrate environmental and social concerns into business operations, ensuring a balanced and sustainable development of our businesses. Our world famous Megafix® reactive dye series is a testimonial of our ability to constantly develop unique, innovative products and services by combining the latest technologies through continuous research and development, with our intimate knowledge and business experience. We strive to add value to our customers' products, for higher quality, better performance, price competitiveness and eco-friendliness to achieve long term 'win-win' strategic partnerships.

OUR VISION

To be a world-class integrated service provider in clean colour science technologies the world seeks, with our center of excellence in Singapore for people, innovations, products, services, technologies and solutions to our markets.

OUR MISSION

To meet to excel as a global competent solutions provider with pools of innovative talents ready to explore business opportunities and to deliver credible and sustainable business growth.

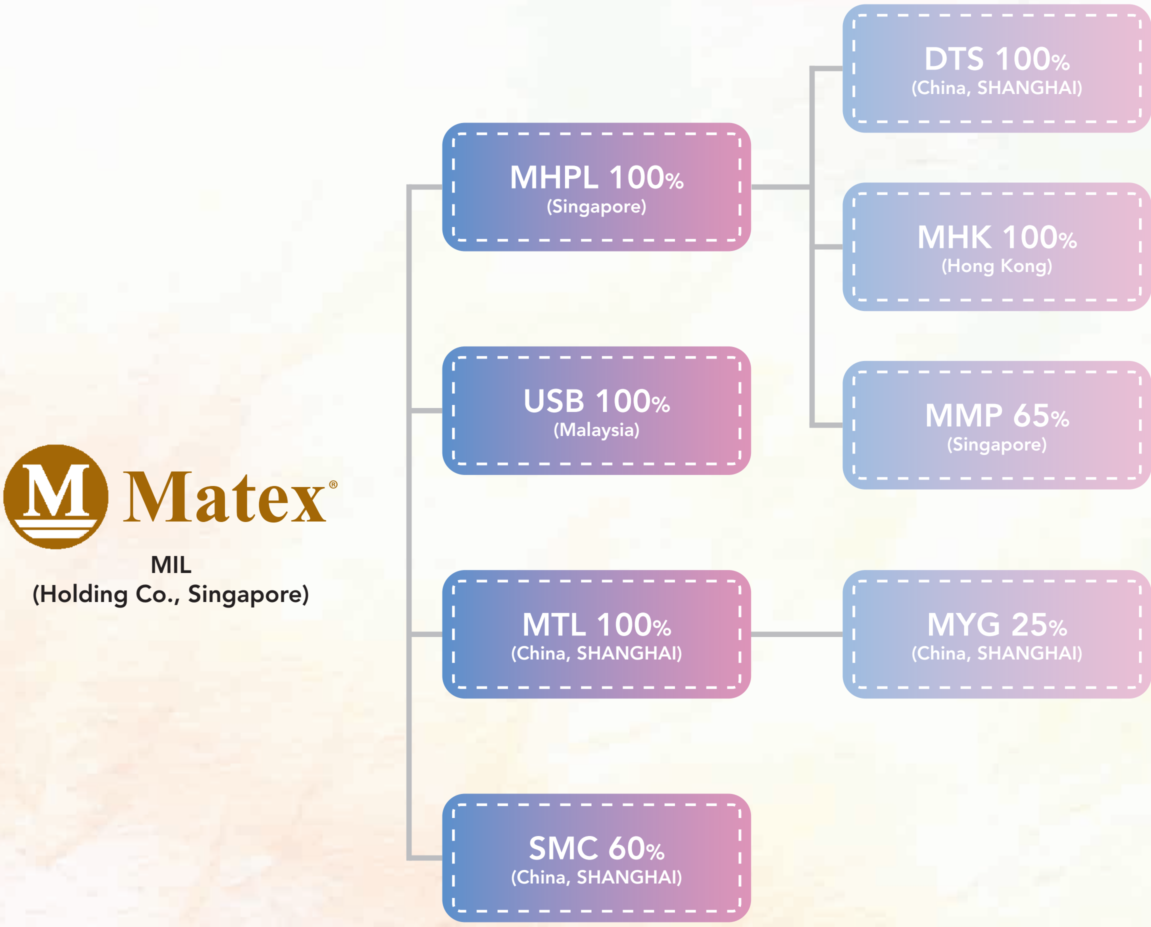
OUR VALUES

We are customer-focused for full satisfaction and we aim to be on-target to the right needs, provide on time delivery on-demand for the highest and consistent quality at affordable prices.

OUR PROMISE

To meet the needs of our customers we value add through competitive and innovative viable solutions. The needs of our employees – with our corporate values. The needs of our stakeholders – with healthy returns. And the needs of our environment – by being sustainable.

GROUP STRUCTURE



MIL – Matex International Limited
(万得国际有限公司)

MHPL – Matex Holdings Pte Ltd
(万得控股私人有限公司)

USB – Unimatex Sdn Bhd
(全万得私人有限公司)

MTL – Matex Chemicals Technologies (Shanghai) Co., Ltd
(万得化工科技（上海）有限公司)

SMC – Shanghai Matex Chemicals Co., Ltd
(上海万得化工有限公司)

DTS – Dedot Trading (Shanghai) Co., Ltd
(帝得貿易（上海）有限公司)

MMP – MatexMega Pte. Ltd.
(万兆有限公司)

MHK – Matex Holdings (HK) Limited
(万得控股（香港）有限公司)

MYG – Matex YG (Shanghai) Material Tech Ltd.
(万得云硅新材料科技（上海）有限公司)
(An associate company, 03.01.24)

MESSAGE TO SHAREHOLDERS

Dear Shareholders,

2024: 35 Years and Moving Forward as a Sustainable Leader…
As we cross our **35th year**, as a Singapore listed home-grown global leader in material science providing clean colours, specialty chemicals and bio-tech solutions to sectors such as the textile, paper, leather and polymer industries among others. It was important for us to take a pulse on this wondrous colourful journey and recognise the collective impact, meaningful contributions and just look back over the years and appreciate, where we had amassed a global sales presence, offices, centres of excellence, agencies and production plants in over 40 countries, when we started out humbly with just 2 people in a container office on a quiet sombre evening of the **30 September 1989**. As it is often said, teamwork makes the dream work and this cannot be more true in the case of Matex!

Matex continued our momentum as a choice winner of the prestigious 2024, Singapore Apex Corporate Sustainability Awards for the **LowCarbonSG Category**[1]. It strongly reaffirms our path towards **NET ZERO by 2049**.

Further at the Company of Good Conferment 2024, we were recognised as one of the outstanding organisations in Singapore who had embraced the National Corporate Purpose framework and is making significant contributions in five impact areas of Society, People, Governance, Environment and Economy. For that Matex was awarded the distinguished **Company of Good Hearts (Three Hearts)**[2] as a Champion of Good.

With these achievements, it is a north star, a firm testament and stronger motivation to further progress Matex's journey towards actualising its corporate purpose goals and to continue to create holistic impact in society.

We will continue to build on and increase our efforts to fuel and connect growth amid three core areas namely **Health and Well-Being, Environmental Solutions and Active Lifestyle Wear**. We continue to work closely with our supply chain and technological partners to evolve and optimise the Group's range of products and services to meet the sustainable needs of these emerging business pillars.

AKEMI[3] under the EADECO group, the leading brand of a regional powerhouse and household name for home textile, continued to perform well with our distributed bio-based probiotic **HEIQ Allergen Tech** solution, integrating it well into the brand's own expanded range of differentiated products to help keep their consumers safer in the built environment with better living confidence and conditions, tackling increasing issues of Allergens.

With a theme of "**Better Hygiene for All!" and "Nature Powers Us®"** and **Mebyo®** our probiotic cleaners @ Interclean Amsterdam 2024 & CleanEnviro Summit in Singapore CESG 2024, Matex continued to spread much needed awareness on the global pressing issues of **Anti-Microbial RESISTANCE**[4].

The **World Health Organization (WHO)** has even dedicated a week every year from the **18 - 24 November** to highlight this growing worry. The World AMR Awareness Week (WAAW) is a global campaign to raise awareness and understanding of AMR and promote best practices among One Health stakeholders to reduce the emergence and spread of drug-resistant infections. The theme remains "**Preventing antimicrobial resistance together"**.

Antimicrobial Resistance (AMR) occurs when bacteria, viruses, fungi and parasites no longer respond to antimicrobial agents. As a result of drug resistance, antibiotics and other antimicrobial agents become ineffective and infections become difficult or impossible to treat, increasing the risk of disease spread, severe illness and death. AMR is a real unseen threat to humans, animals, plants and the environment, potentially bigger than **COVID or SARS**. It affects us all.

Rethink Clean, With Active Probiotics. We were blessed to continue to be given good opportunities to work with esteemed building owners and cleaning companies to further extend the deployment of our probiotics, lessen the need for antimicrobial agents, to aid and resolve challenging scenarios where the need for outcome based contracting solutions with more defined key performance indicators and levels, shortage of manpower, stubborn biofilm and terrible malodour had plagued waste and refuse, wastewater sumps, bin centres, toilets, drains, etc. for many years. Covering the airports, ports, commercial and residential buildings, bin refuge centres, hospitals, town councils, farms, elder care, places of worship and even schools among others showed the great versatility of the solution besides being very well received.

As a result of the above, Matex was invited to further share its experience at many events over the course of 2024, where some of the more notable ones include the **AON x SNEF Seminar, ISS-CLC Event 2024, GCNS SME Series 2024, GCNS Virtual Open House 2024** amid many others. This had led to Matex being known more widely across multiple pillars and industry segments as an innovative and respectable Singapore home grown company advocating and providing sustainable global solutions.

Our e-commerce store[5] continued to curate and bring in exciting and interesting new products for the Group in the B2C segment. This complemented and added to more B2B opportunities. It will continue to be a concerted effort on our part to go digital and to reach out to a wider target audience across more industries.

These and many other examples, along with Matex's continued efforts to raise its global profile and give back can be viewed in the main link below.

Please visit: – https://matex.com.sg/en/news_2024

Megapro ECO® a Singapore Apex Corporate Sustainability Award[6] winning sustainable solution continued its deployment in the field of sustainability for textile and manufacturing across the fashion value chain, is a system which eliminates the need for salt in exhaust dyeing of cellulosic, which can potentially impact up to 50% of global demand for better lifestyle wear.

1 https://matex.com.sg/en/news_2024/news_items/239
2 https://matex.com.sg/en/news_2024/news_items/231
3 https://www.akemihome.com/my/category/160
4 https://matex.com.sg/en/news_2024/news_items/224
5 https://matex-sg.myshopify.com/
6 http://matex.com.sg/en/news_2019/news_items/64

MESSAGE TO SHAREHOLDERS

Salt used in dyeing is otherwise hard to recover and often ends up in waste streams with severe detrimental effects to the environment. For brands and mills who are committed to recycling their waste, they have found this a refreshing solution to their immediate problems.

This is a meaningful environmental revolution which Matex continues to work closely with its global strategic brands, partners and customers to swiftly adapt in view of the pressing issues of climate change and to target the UN Sustainable Development Goals ("**SDGs**").

GOAL 3: Ensure healthy lives and promote well-being for all at all ages
GOAL 6: Ensure availability and sustainable management of water and sanitation for all
GOAL 11: Make cities and human settlements inclusive, safe, resilient and sustainable
GOAL 12: Ensure sustainable consumption and production patterns

The SDGs define global sustainable development priorities and aspirations for 2030 and seek to mobilise global efforts around a common set of goals and targets. The SDGs call for worldwide action among governments, businesses and civil society to end poverty and create a life of dignity and opportunity for all, within the boundaries of the planet.

Matex continues to be a **Bluesign® System** International Partner, committed to support Bluesign's vision to manage inputs and responsible actions. The Bluesign® System unites the entire textile supply chain to jointly reduce its impact on people and the environment.

Matex's products are approved by **Intertek's Green Leaf Mark Environmental Certification**, which places strong emphasis on the ban of hazardous Azo Dyes and effects limits on extractable heavy metal content.

Matex renewed our partnership to drive innovation and better practises with the **Global Organic Textile Standard (GOTS)** version 7.0. The Global Organic Textile Standard (GOTS) was developed by leading standard setters to define world-wide recognised requirements for organic textiles. From the harvesting of the raw materials, environmentally and socially responsible manufacturing to labelling, textiles certified to GOTS provide a credible assurance to the consumer.

Matex maintained its LEVEL 3 on site audit and **OEKO-TEX® ECO PASSPORT Certificates**, which ensured its products meet the stringent statutory requirements. The ECO PASSPORT certification can be used as a credible proof for sustainable textiles and leather production for both brands and manufacturers. The chemicals certified in accordance with the ECO PASSPORT have been tested for the presence of harmful substances in critical concentrations as listed in the ECO PASSPORT standard. The certification also gives transparent proof that the treated articles meet the criteria for ecologically responsible textile manufacture.

Matex partnered **ZDHC Gateway** in its Roadmap to Zero Discharge of Hazardous Chemicals ("**ZDHC**") for a more circular economy approach and is committed to help find suitable solutions for its customers to repurpose, reduce, reuse and recycle their waste into valuable resources. As a ZDHC formulator, we will also focus on advancing the industry's standards, towards a safer chemical management platform which is in line with the goals of Matex and its stakeholders to improve the lives of billions with clean technologies.

Continuing our efforts as a responsible global corporate citizen, we actively champion a growing diverse range of programmes and initiatives to give back to society as part of our ongoing corporate social responsibility ("**CSR**") initiatives. Some of these highlights in 2024 include:

1) Working closely with N+E & SPECO both Singapore Startups in **Ambient Hygiene Solutions**, we continued our work to dispatch to various social enterprises, eldercare residences, homes, community centres, charities and religious organisations the benefits of our latest range of **Probiotic Solutions**.

   We sincerely hope to continue our best outreach to raise awareness on the need for better cleaning and hygiene solutions that can clean better, more efficiently, and reduce the build-up of antimicrobial resistance or AMR which has been quite ignored as a germophobic society we have now become. Having to thoroughly clean and deep clean with existing disinfectant solutions can inherently lead to more severe underlying problems later.

   Restoring confidence, protecting the vulnerable and building growth resilience are strong and meaningful pillars to give back to these communities.

2) Releasing its **2023 Communication on Progress Report ("COP")** on the UN Global Compact Website. We are constantly on the lookout for better ways to reduce our impact on the environment by lowering carbon emissions and improving energy efficiencies in our daily operations.

3) Continuing to pledge its commitment to Fair Employment Practices under the framework of the **Tripartite Alliance for Fair & Progressive Employment Practices ("TAFEP")** organised and endorsed by the Ministry of Manpower of Singapore, National Trade Union Congress and Singapore National Employers Federation.

4) Working with various Trade Associations across Singapore

   Matex partnered **Singapore Badminton Association (SBA)**[7] through its Patron Club to work together towards a vibrant ecosystem and rebuilding of the Singapore Badminton Hall at Guillemard Road.

   Matex partnered Singapore Fashion Council @ "Singapore Stories 2024" Gala themed **Eternally Circular**[8] and was a key partner at the **BE THE CHANGE** summit.

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7 https://matex.com.sg/en/news_2024/news_items/228
8 https://matex.com.sg/en/news_2024/news_items/240

MESSAGE TO SHAREHOLDERS

5) Matex continues to be a part of the Innovation @ **RGE-NTU SusTex**.

Four key research areas namely:

Cleaner and more energy efficient methods of recycling
Looking at greener ways of textile recycling, with a focus on cellulose-based fabrics, including rayon, viscose and cotton; minimising the degradation of fabric properties and refabricating textile waste into fibre.

Automated sorting of textile waste
Using a combination of advanced spectroscopic techniques and machine learning capabilities for identifying and sorting textile waste based on fibre composition and developing an automated system to remove accessories such as zips and buttons.

Eco-friendly dye removal
Developing eco-friendly methods of removing dye from textile waste using little to zero chlorinated chemicals and formulating greener and biodegradable dye substitutes.

New textiles
Finding alternative uses for textile byproducts and developing a new generation of eco-friendly and smart textiles with attributes such as moisture insensitivity, electrical conductivity and infrared/ultraviolet radiation reflectivity.

Today, about 90 million tonnes of textile waste are being generated and disposed of annually, but only less than 1% of it is being recycled. With the growing global fashion industry, which is known to be the second most pollutive industry in the world, the amount of textile waste is expected to grow to over 134 million tonnes by 2030[9]. RGE, the world's largest viscose producer, and NTU Singapore, are partnering on innovation in textile recycling technology to address this global problem. Aligned with the **Singapore Green Plan 2030** and **Zero-Waste Vision**, RGE-NTU SusTex is determined to relook at the chemistry of often complex textile materials and to engineer better sustainability and circularity into the textile value chain[10].

6) Matex continues to participate in "**LowCarbon SG**" by GCNS[11]

In support of the Singapore Green Plan 2030, "LowCarbonSG" aims to demystify the decarbonisation process for businesses in their transition towards lower carbon operations and investments. The programme is meant to help businesses build the habit of measuring, tracking, and reporting their carbon footprint through capacity-building and recognition efforts.

It was featured under GCNS **Best Practices** in the latest **Singapore Business Carbon Report 2023**[12] and a solution partner of GCNS "**Cool Solution Ecosystem**".[13] The Ecosystem featured Solution Partners who provide solutions in the renewable energy, water and waste management, sustainability, green products and more.

"LowCarbonSG" is helmed by Carbon Pricing Leadership Coalition (CPLC) Singapore, the decarbonisation arm of Global Compact Network Singapore (GCNS) and supported by the National Environment Agency (NEA) and Enterprise Singapore (ESG).

7) Matex volunteered and went to the **Ren Ci Community Hospital**[14], **Yong-En Care Centre**[15], **Prison Fellowship Singapore**[16] with its donated solutions for the community to protect itself and continue to remain vigilant.

8) Matex supported various schools like **Raffles College of Higher Education** with the SDC International Competition. The Singapore heat winner **Ms Sonpavorapong Sasipim** went on to become the overall grand champion, 2nd time for Raffles College internationally, with her winning entry "**Actinobacteria**" The winning inspiration capsule collection rode on the harmony of mutualisms in symbiosis. By adding value to agricultural waste through the extraction of colors from Actinobacteria found in soil, fostered a mutually beneficial relationship between two different organisms for the betterment of humanity[17].

REVIEW OF FINANCIAL PERFORMANCE

REVENUE

The Group experienced a decline in revenue of S$0.6 million, from S$4.1 million for the six months ended 31 December 2023 ("**2H2023**"), to S$3.5 million for the six months ended 31 December 2024 ("**2H2024**"). Similarly, for the full year, revenue decreased by S$0.4 million, from S$7.4 million for the year ended 31 December 2023 ("**FY2023**"), to S$7.0 million for the year ended 31 December 2024 ("**FY2024**"). This decline was primarily attributed to weak demand in the textile industry and increased competition from overseas suppliers in the China market.

GROSS PROFIT

The gross profit margin for 2H2024, increased to 21.2% from 20.2% in the corresponding period of 2H2023. This improvement was primarily driven by the Company's strategic focus on higher value-added products.

However, for FY2024, the gross profit margin decreased to 20.9% from 21.9% in FY2023. This decline was mainly attributed to heightened competition from both local and overseas suppliers.

9 https://www.bbc.com/future/article/20200710-why-clothes-are-so-hard-to-recycle
10 https://www.ntu.edu.sg/news/detail/research-centre-to-find-sustainable-solutions-for-textile-waste-recycling
11 https://unglobalcompact.sg/lowcarbonsg
12 https://matex.com.sg/en/news_2024/news_items/232
13 https://matex.com.sg/en/news_2024/news_items/233
14 https://matex.com.sg/en/news_2024/news_items/241
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17 https://matex.com.sg/en/news_2024/news_items/244

MESSAGE TO SHAREHOLDERS

OTHER INCOME

The Group reported a significant increase in other income, rising from S$14k in 2H2023, to S$156k in 2H2024. Similarly, for FY2024, other income grew from S$48k in FY2023, to S$191k. This increase was primarily driven by service income billed to a strategic partner for business expansion initiatives in China and Vietnam, as well as the reversal of long overdue payables.

SELLING AND DISTRIBUTION EXPENSES

The Group reported a reduction in selling and distribution expenses, decreasing from S$489k in 2H2023 to S$434k in 2H2024. For FY2024, selling and distribution expenses declined from S$1.1 million in FY2023 to S$0.9 million in FY2024. This decrease was aligned with the reduction in revenue and the restructuring of the sales force.

GENERAL AND ADMINISTRATIVE EXPENSES

The Group reported a decrease in general and administrative expenses, falling from S$2.6 million in 2H2023 to S$2.2 million in 2H2024. For the full year, general and administrative expenses declined from S$5.0 million in FY2023 to S$4.1 million in FY2024. This reduction was primarily attributed to the absence of allowances for stock obsolescence and the realization of unrealized foreign exchange gains.

NET FINANCE EXPENSES

The Group reported a decrease in finance expenses, from S$48k in 2H2023 to S$24k in 2H2024. For the full year, finance expenses declined from S$122k in FY2023 to S$51k in FY2024. This reduction was primarily due to the repayment of loans.

In contrast, finance income increased from S$270k in FY2023 to S$285k in FY2024, mainly driven by interest earned on USD fixed deposits. However, for the six-month period, finance income decreased from S$216k in 2H2023 to S$137k in 2H2024, primarily due to a decline in fixed deposit returns.

TAX

Taxation is determined in accordance with applicable tax rates on the taxable profits generated by the profitable subsidiaries located in the People's Republic of China (PRC).

OTHER COMPREHENSIVE LOSS

The Group incurred a net other comprehensive loss of S$1.0 million in FY2024, resulting from the fair value changes of its equity investments.

NET RESULTS

As a result of the aforementioned developments, the Group reported a loss before tax of S$1.8 million for 2H2024, compared to a loss before tax of S$2.2 million in 2H2023. For the full year, the loss before tax was S$3.3 million in FY2024, compared to S$4.0 million in FY2023.

The loss attributable to the owners of the Group for FY2024 was approximately S$2.6 million, representing an improvement from the loss of S$3.3 million recorded in FY2023.

REVIEW OF FINANCIAL POSITION

The Group's Property, Plant, and Equipment ("**PPE**") increased from S$565k as of 31 December 2023, to S$1,052k as of 31 December 2024. This increase was primarily driven by the purchase of new PPE amounting to S$566k, partially offset by depreciation charges.

Right-of-use assets decreased from S$1.0 million as of 31 December 2023, to S$0.5 million as of 31 December 2024. This reduction was primarily due to the depreciation of right-of-use assets and the write-off of right-of-use assets following the relocation of the Shanghai office to achieve cost savings.

Other long-term investments increased from S$134k as of 31 December 2023, to S$369k as of 31 December 2024. This increase was primarily due to investments made in unquoted equity securities during the period.

Inventories increased from S$1.4 million as of 31 December 2023, to S$1.6 million as of 31 December 2024. This increase was primarily driven by strategic stockpiling efforts aimed at taking advantage of favourable pricing opportunities.

Current trade and notes receivables increased by approximately 63.64% from S$1.1 million as at 31 December 2023 to S$1.8 million as at 31 December 2024. This significant increase was primarily attributed to a rise in notes receivables of S$0.8 million. The Group's preference for accepting notes receivables over offering open terms to customers, which is also a common practice in China, is due to the enhanced security it provides.

Other receivables increased from S$781k as of 31 December 2023, to S$882k as of 31 December 2024. This increase was primarily due to a rise in input tax receivables.

Prepayments decreased from S$68k as of 31 December 2023, to S$35k as of 31 December 2024. Prepayments primarily consist of advances made to suppliers to secure favourable pricing terms.

Total cash and cash equivalents and fixed deposits dropped from S$16.4 million as at 31 December 2023 to S$8.9 million as at 31 December 2024 mainly due to (i) cash used in operations, (ii) investment in AR Bioenergy Tech Pte. Ltd. of S$1.3 million, (iii) investment in Matex YG (Shanghai) Material Tech Ltd. of S$0.2 million and (iv) repayment of loans and borrowings.

Trade payables experienced a substantial increase from S$0.2 million as at 31 December 2023 to S$1.3 million as at 31 December 2024, representing a 550% growth. This significant rise in trade payables was attributed to the Group's strategic decision to request longer credit terms from its suppliers.

Other payables and accruals decreased from S$5.6 million as of 31 December 2023, to S$4.4 million as of 31 December 2024. This reduction was primarily due to a refund made to the purchaser of the former subsidiary, Matex Chemicals (Taixing) Co., Ltd., related to an overpayment made during the repayment of outstanding intercompany payables.

Term loans decreased from S$2.3 million as of 31 December 2023, to S$1.1 million as of 31 December 2024. This reduction was primarily driven by the repayment of loans and borrowings during the period.

As a result of the above, the Group's equity decreased from S$12.2 million as at 31 December 2023 to S$8.0 million as at 31 December 2024. After excluding non-controlling interests, the Group's equity attributable to Owners of the Company dropped from S$12.7 million as at 31 December 2023 to S$9.0 million as at 31 December 2024.

MESSAGE TO SHAREHOLDERS

REVIEW OF CASH FLOW POSITION

Net cash used in operating activities

In FY2024, approximately S$2.4 million of net cash was used in operating activities, resulting from an operating loss before changes in working capital of S$2.5 million, net working capital outflows of approximately S$104k, and net interest and tax payments of S$230k.

Net cash used in investing activities

In FY2024, the Group's net cash outflow in investing activities amounted to approximately S$3.2 million, mainly due to investment in AR Bioenergy Tech Pte. Ltd., investment in Matex YG (Shanghai) Material Tech Ltd., refund made for the overpayment by the purchaser of former subsidiary (Matex Chemicals (Taixing) Co., Ltd.) on the repayment of outstanding intercompany payables and purchase of PPE.

Net cash used in financing activities

In FY2024, the Group's net cash outflow in financing activities amounted to approximately S$1.9 million, mainly due to loan repayment of S$1.3 million and lease liabilities repayment of S$582k.

FUTURE OUTLOOK

Global economic growth is projected to remain at 2.8% in 2025, unchanged from 2024, held back by the top two economies, the U.S. and China, according to a United Nations report released on Thursday, 9 January 2025[18].

Faced with a complex array of challenges still, like the interplay of geopolitical tensions, trade policies, and debt levels, these will influence economic trajectories. It is unavoidable that the Company will need to navigate these uncertainties to continue to foster sustainable development and economic resilience.

The global outlook for the dyes and textile market in 2025 is shaped by evolving consumer preferences, regulatory changes, and technological advancements. The industry is expected to grow moderately, driven by demand for sustainable and eco-friendly products. Governments and international bodies are enforcing stricter environmental regulations, prompting manufacturers to adopt greener production methods and biodegradable dyes.

Key trends include the expansion of digital printing in textiles, which is boosting demand for specialized dyes, and the increased adoption of smart and functional textiles, requiring advanced dyeing techniques. Asia-Pacific remains the dominant market, fueled by manufacturing hubs in China and India. However, challenges such as fluctuating raw material costs, energy price volatility, and supply chain disruptions may impact growth. Companies that invest in sustainable practices, innovation, and technology-driven efficiency are better-positioned to thrive in this evolving landscape. The outlook for the Company in 2025 is cautiously optimistic, as the Company focuses on leveraging strategic investments and partnerships to drive growth. Its subsidiary in Shanghai and the funding from Nanyang Commercial Management Pte. Ltd. are expected to enhance R&D capabilities, expand its product portfolio into sustainable and innovative materials, and strengthen its presence in key markets. Additionally, the Company's commitment to digital transformation, particularly through AI adoption, positions the company to improve efficiency and customer engagement. However, persistent revenue challenges and market competition highlight the need for good execution of these strategies to achieve sustainable growth and capitalize on emerging opportunities in the dyes and textile market.

The Company continues to be circular by investing, developing, and delivering suitable product lines in emerging industries such as health and well-being, environmental and clean energy solutions, active lifestyle wear with sustainable products, and solutions that the Company believes can add value to help its customers and stakeholders to differentiate and innovate. Adopting an asset-light strategy, the Company also continues its efforts in joint strategic partnerships by strengthening its distribution channels, innovating green product research and development, and optimizing its manufacturing needs.

The Company will be on the lookout for suitable opportunities for diversification and innovation and to also establish new and complementary businesses and partnerships to grow the Group's overall revenues and profits.

WORDS OF APPRECIATION

We very much like to extend our deepest gratitude to our valued customers, business partners, associates, and stakeholders for their continued support and collaborative efforts over the years. Together, we have worked to create new possibilities and drive meaningful change and progress.

We remain committed to building stronger partnerships and working even closer with you to achieve sustainable growth and deliver value that empowers and improves the lives of trillions globally.

To our dedicated Matex team, thank you for your steadfast commitment, resilience, and belief in the Company. Let us continue to stay vigilant, empowered, ready, and united as we embrace the opportunities and challenges ahead, to navigate, build, lead and scale even greater heights together. Forward Matex, Forward All!

Yours sincerely,

Mr. Wang DaoFu
Non-Executive Chairman and Independent Director

Dr. Tan Pang Kee
Chief Executive Officer / Managing Director

18 https://www.reuters.com/markets/un-predicts-world-economic-growth-remain-28-2025-2025-01-09

BOARD OF DIRECTORS

MR. WANG DAOFU ("MR. WANG")

Non-Executive Chairman and Independent Director

Mr. Wang was appointed as an Independent Director on 11 January 2017, and assumed the role of Chairman on 1 August 2024. He holds a Bachelor of Law degree from Peking University, earned in 1984. With a career spanning over four decades, Mr. Wang has developed comprehensive expertise in PRC legal practice, particularly in capital markets, corporate finance, and mergers and acquisitions. His professional experience includes serving as Chinese Legal Counsel for prominent Singapore law firms from 1993 to 2002 and founding Shanghai Yuantai Law Offices in 2004, where he remains a founding partner. Currently, Mr. Wang holds directorship positions in Sunpower Group Ltd. His extensive legal background and leadership experience in both Singaporean and Chinese business environments render him a valuable asset to the Board.

DR. TAN PANG KEE ("DR. TAN")

Chief Executive Officer/ Managing Director

Dr. Tan, a visionary leader with over three decades of industry experience, founded the Company in September 1989 and was appointed Managing Director on 23 March 1990. His expertise has been instrumental in shaping the Company's growth, focusing on corporate strategy, development management, and expansion initiatives. He spearheads new product development and identifies emerging markets for the Group. Dr. Tan's influence extends beyond the Company, having served as a member of the Pro-Enterprise Panel with the Ministry of Trade & Industry from 2016 to 2017, served on the Textile and Fashion Industry Training Center Academic and Examination Board from 2010 to 2015, and chaired the IPI Industry Advisory Panel with IPI Ltd from 2014 to 2016. His educational background includes a Bachelor of Science in Chemistry from the University of London and an Honorary Ph.D. in Business Administration from Honolulu University. Prior to founding the Company, Dr. Tan held roles such as Regional Technical Manager at Sandoz Division of F.E. Zuellig (Trading) Pte Ltd, Technical Supervisor at Guthrie (M.S.) Pte Ltd and Chemical Analyst in the Malaysia Chemistry Department. His diverse experience has equipped him with the expertise to guide the Company's strategic direction and foster innovation in product development and market expansion.

BOARD OF DIRECTORS

MR. FOO DER RONG ("MR. FOO")

Independent and Non-Executive Director

Mr. Foo, appointed as an Independent Director of the Company on 10 May 2016, brings a wealth of experience to his role. He holds a Bachelor of Commerce from the Nanyang University. He currently serves as the Director of Tian International Pte Ltd and sits on the boards of several companies, including Noel Gifts International Ltd, SLB Development Ltd, and Southern Lion Sdn Bhd. His extensive background encompasses business development, corporate restructuring, investment strategies, and operations management across various industries. Notably, Mr. Foo was formerly the Managing Director/Chief Executive Officer of Intraco Ltd from 2013 to 2015 and the Managing Director/Chief Executive Officer of Hanwell Holdings Ltd (currently known as PSC Corporation Ltd) from 2002 to 2012. In addition to his corporate roles, Mr. Foo maintains community involvement as a Patron of Teck Ghee Community Club, where he formerly served as Vice Chairman.

MR. CHIANG YAO CHONG ("MR. CHIANG")

Independent and Non-Executive Director

Mr. Chiang, appointed as an Independent Director on 1 May 2024, bringing a wealth of experience and expertise to our esteemed board.

As the current Chief Executive Office of Peirce Capital Pte Ltd, Mr. Chiang oversees the overall management of the company including company strategic directions, operations, business development, risk and compliance management.

Mr. Chiang is a highly seasoned banker with over 30 years of extensive experience in the financial services industry. He assumed senior leadership roles as Chief Executive Officer/Country Head of banks in Singapore during the last 10 years of his banking career. He has also held various senior roles in top global and regional banks in Asia when he was based in Singapore, Hong Kong/mainland China, Indonesia and India namely CTBC Bank, China CITIC Bank International, Standard Chartered Bank, Credit Suisse First Boston Bank, United Overseas Bank and Sumitomo Bank. His extensive banking career also covers a wide spectrum of banking roles in corporate and investment banking, private banking, treasury, risk management, finance and internal audit.

Mr. Chiang is an Independent Director and Chairman of Audit and Risk Management Committee of Tuas Power Group in Singapore. Tuas Power Group is a wholly owned subsidiary of Huaneng Power International (listed in Hong Kong and Shanghai), a major subsidiary of Chia Huaneng Group.

Mr. Chiang holds a Bachelor of Science (Economics) from the National University of Singapore and a Master of Applied Finance from Macquarie University, Australia. He also attended the Executive Program conducted by the Wharton Business School, University of Pennsylvania, USA.

BOARD OF DIRECTORS

MR. TAN GUAN LIANG (“MR. TAN”)

Executive Director

Mr. Tan, appointed as Director on 1 March 2010, oversees the Group’s businesses, branding projects, and product innovation. He contributes to the design and expansion of the Group’s infrastructure and actively participates in diversification initiatives complementing core businesses. His past and present industry involvement includes roles as Vice President of International Affairs at Textile and Fashion Federation Singapore, Associate Council Member (Sustainability) with the Singapore Fashion Council and membership on the Academic & Examination Board of the Textile and Fashion Training Center. With prior experience in architectural firms in Seoul and Singapore, Mr. Tan graduated from the National University of Singapore in 2008 with a Master of Architecture and Minor in Technopreneurship, focusing his research on sustainable suburban communities globally. His diverse background positions him to help drive and contribute to the Group’s growth and sustainability efforts.

MR. YEO HOCK HUAT (“MR. YEO”)

Non-Independent Non Executive Director

Mr. Yeo, appointed as Non-Independent Non-Executive Director on 10 August 2023, is a distinguished entrepreneur, philanthropist, and advocate for social change with over three decades of experience in business development across Asia Pacific and North America. He holds an Executive MBAs from the National University of Singapore and Tsinghua University China. He is the Founder and Chairman of JCS Group, a global advanced manufacturing conglomerate. Mr. Yeo’s commitment to community service is evident through his various leadership roles, including Chairman of the NUS Business School Chinese Alumni Association and Chairman of Hong Kah North Constituency Community Committee, as well as Advisor to the National Research Foundation and NUS Enterprise in Singapore. His multifaceted expertise and dedication to both business and social causes make him a valuable addition to the Board.

KEY MANAGEMENT

MR. TAN PANG SIM
Director/General Manager of Unimatex Sdn Bhd

Mr. Tan Pang Sim serves as the General Manager of Unimatex Sdn Bhd (USB) since September 2000, brings over three decades of experience in company administration, management, and financial planning to his role. He holds a diploma in commercial accounting from the Singapore Commercial Accounting Institute and an Associate Financial Planner certification from the Financial Planner Association of Malaysia, Mr. Tan Pang Sim oversees the management and development of corporate policies and procedures for USB. His extensive career began in 1971 as an Accountant and Office Administrator at Pacific Food Product Sdn Bhd, and he later held the position of Financial Controller/ Director at Macinda Sdn Bhd from 1989 to 2000. Mr. Tan Pang Sim's comprehensive background in accounting, financial planning, and corporate management makes him a valuable asset to the Company's leadership team.

MR. SEOW HAN KHYE ("MR. SEOW")
Chief Financial Officer and Joint Company Secretary

Mr. Seow serves as the Chief Financial Officer since April 2021, is responsible for overseeing the finance, accounting, taxation, and treasury functions of the Group. Beyond his financial responsibilities, he actively participates in line-of-business executive and operations management, while also assisting the Executive Directors in financial planning, business development, and strategic investment management. Prior to joining the Company, Mr. Seow served as the Chief Financial Officer at Luma Group and has accumulated extensive experience in senior management positions across various multinational companies. As a testament to his expertise, Mr. Seow holds the distinguished title of Fellow Member of the Association of Chartered Certified Accountants.

FINANCIAL HIGHLIGHTS

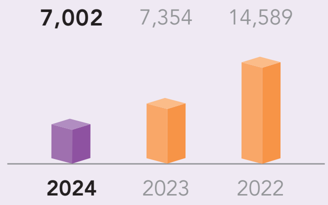
GROUP CONSOLIDATED STATEMENTS

	2024 $'000	2023 $'000	2022 $'000
Statement of Comprehensive Income ($'000)			
Revenue	**7,002**	7,354	14,589
Gross Profit	**1,465**	1,608	2,510
Net operating & financial expenses	**(4,872)**	(5,681)	(11,238)
Other Income	**191**	48	12,460
Share of associate's loss	**(60)**	–	–
(Loss)/Profit before tax	**(3,276)**	(4,025)	3,732
Income tax	**(13)**	(16)	(33)
(Loss)/Profit after tax	**(3,289)**	(4,041)	3,699
Attributable to:			
Owners of the parent	**(2,654)**	(3,310)	7,273
Non-controlling interests	**(635)**	(731)	(3,574)
	(3,289)	(4,041)	3,699
(Loss)/Earnings per share (cents)*	**(0.73)**	(0.98)	2.33
Balance Sheet ($'000)			
Non-current assets	**2,101**	1,735	1,802
Current assets	**13,143**	19,663	22,452
Less: current liabilities	**(6,969)**	(8,573)	(7,651)
Net current assets	**6,174**	11,090	14,801
Non-current liabilities	**(316)**	(579)	(1,504)
Net Assets	**7,959**	12,246	15,099
Owners of the company	**9,049**	12,701	14,875
Non-controlling interests	**(1,090)**	(455)	224
Total Equity	**7,959**	12,246	15,099
Net asset value per share (cents)**	**2.50**	3.51	4.77

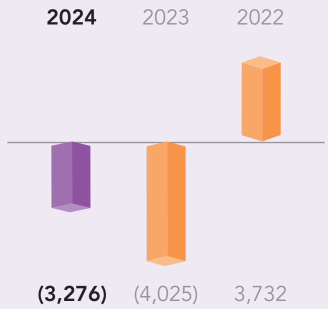
* (Loss)/Earnings per share is calculated by dividing the (loss)/profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during FY2024 of 361,698,153 (2023: 337,314,591/2022: 311,698,153) shares.

** The net asset value per share as at 31 December 2024 are computed based on 361,698,153 (2023: 361,698,153/2022: 311,698,153) ordinary shares.

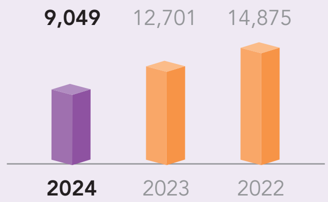
REVENUE ($'000)



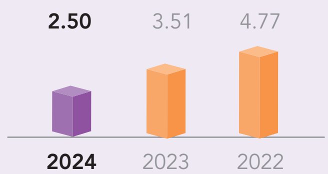
(LOSS)/PROFIT BEFORE TAX ($'000)



SHAREHOLDERS' EQUITY ($'000)



NET ASSET VALUE PER SHARE (CENTS)



FINANCIAL CONTENTS

SUSTAINABILITY REPORT

1. ABOUT THE REPORT

1.1 Board Statement

Matex International Limited ("**Matex**", "**MIL**", or the "**Company**" and together with its subsidiaries, the "**Group**"), is proud to present our sustainability report for the financial year ended 31 December 2024 (the "**Report**"). Our dedication to Environmental, Social, and Governance ("**ESG**") principles is outlined in this Report, along with our approach to tracking, evaluating, and reporting on sustainability projects. Our goal in publishing this Report is to encourage responsibility, motivate constructive change, and advance the Group's progress toward a more sustainable and responsible future by outlining its ESG accomplishments, difficulties, and upcoming projects.

The Board has ultimate responsibility for the Company's sustainability reporting process and sustainability report. We have established a robust governance structure to oversee our sustainability efforts, including a Sustainability Council that works under the guidance of the Board.

We are setting ambitious targets across short-, medium-, and long-term horizons to drive continuous improvement in our sustainability performance. We remain committed to the principles of the United Nations Global Compact and to advancing the United Nations Sustainable Development Goals ("**SDGs**").

As we move forward, sustainability will remain at the core of our business strategy. We will continue to be transparent in our reporting, demonstrating that sustainability is embedded in our way of doing business.

Sustainability is regarded as a key element in our pursuit of long-term value. The Group's management has pinpointed and assessed critical ESG factors. These factors are regularly monitored and managed by the Board, which also considers them in shaping the Group's strategic direction and policies. The Board affirms that it has considered sustainability issues as part of its strategic formulation, determined the material ESG factors, and overseen their management and monitoring.

Thank you for your continued support and interest in our sustainability journey.

1.2 Reporting Boundary and Scope

This Report is published for the period of 1 January 2024 to 31 December 2024 ("**FY2024**"). It provides an annual comprehensive overview of the Group's sustainability initiatives and performance, covering significant operations in Singapore.

SUSTAINABILITY REPORT

The Report encompasses details and endeavours of Matex, along with its six subsidiary companies:

Country	Entity
Singapore	• Matex Holdings Pte. Ltd. ("**MHPL**") • Matex Mega Pte. Ltd. ("**MMP**")
Malaysia	• Unimatex Sdn Bhd ("**USB**")
China	• Shanghai Matex Chemicals Co., Ltd. ("**SMC**") • Dedot Trading (Shanghai) Co., Ltd. ("**DTS**") • Matex Chemicals Technologies (Shanghai) Co., Ltd. ("**MTL**")

Matex YG (Shanghai) Material Tech Ltd. has been excluded from the scope of the study due to minimal activities and limited contribution to the Group's overall operations. Matex Holdings (HK) Limited has also been excluded from the scope of the study as it is currently dormant.

The Report emphasises the Group's operations and initiatives in the areas of economic, environment, social, and governance. The important disclosures and issues have been carefully chosen based on their significance to provide consistency for comparison. This Report offers insight into our strategy, aims, and targets while evaluating the Group's most important sustainability areas.

1.3 Approach and Methodology

This Report has been developed in alignment with the Global Reporting Initiative ("**GRI**") Standards, which were selected as the reporting framework due to their comprehensive guidelines and status as a global standard for disclosing governance practices, environmental impact, social responsibility, and economic performance of organisations.

Our organisation has selected the GRI framework for its sustainability reporting due to its recognition as a thorough and globally endorsed system for ESG performance disclosure. Adopting the GRI framework aligns our sustainability reporting with international norms, improves transparency, and enables comparison with the sustainability efforts of other companies. In implementing the GRI guidelines, our Group diligently gathers, evaluates, and communicates essential sustainability data. This encompasses a broad spectrum of subjects, including environmental effects and human rights. Such a detailed method furnishes our stakeholders with a clear and evolving picture of our commitment and advancements in sustainability.

SUSTAINABILITY REPORT

Additionally, the Report also incorporates the Task Force on Climate-related Financial Disclosures ("**TCFD**") Framework detailing clear and thorough information on our climate-related risks and opportunities. We recognised the importance of such disclosure for investors, stakeholders, and the larger global society. In view of the latest enhancement to the sustainability reporting regime announced by the SGX-ST on 23 September 2024, the Group will continue to work towards greater maturity of its climate-related disclosures by incorporating climate-related requirements in the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board ("**ISSB**") by the financial year ending 31 December 2026.

This Report also considers the Sustainability Reporting Guide in Practice Note 7F of the Listing Manual Section B: Rules of the Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the primary components outlined in Rule 711B of the Catalist Rules: Material ESG factors, Climate-Related Disclosures, Policies, Practices, and Performance, ESG Targets, Sustainability Reporting Framework, and the Board Statement.

The Group has adopted an operational control approach while consolidating the information. Through this carefully defined scope and boundary, we aim to present a clear and accurate account of our sustainability initiatives, challenges, and achievements.

1.4 Assurance

Internal data monitoring and verification has been utilised to ensure the accuracy of this Report. The reporting process and principles, aligned with GRI standards, have been internally reviewed by the independent internal auditor. This Report has been internally reviewed by the Board, and no external assurance was sought for this reporting year. The information presented in this Report has been carefully verified, and explained for changes from one year to the next, allowing for meaningful comparison. The purpose of the Report is to give readers a highlevel understanding of the sustainability practices and policies of the Group. We may consider external independent assurance for future sustainability reports.

1.5 Restatement

In Section 6.2.4 titled "Employee Benefits and Parental Leave", the data for FY2022 has been revised to incorporate executive directors in the calculation. As a result, the total number of employees eligible for Compassionate and Parental Leave has been adjusted from 87 to 89.

In Section 6.2.6 titled "Fair Employment Practices", the data for FY2022 has been revised to incorporate executive directors in the calculation. As a result, the total number of Local, Not Union Member and Not Collective Bargaining has been adjusted from 84 to 86, 65 to 67 and 33 to 35 respectively.

SUSTAINABILITY REPORT

1.6 Feedback

Matex is committed to enhancing our sustainability reporting and values input from all stakeholders. We invite you to share your thoughts and suggestions on our sustainability practices. For any inquiries or comments related to sustainability, please feel free to contact us at info@matex.com.sg and/or marketing@matex.com.sg.

2. CORPORATE PROFILE

2.1 Value Chain

Matex, headquartered in Singapore and established in 1989, has emerged as a leading player in the specialty chemical sector. Listed on the Singapore Exchange, we boast over three decades of experience in manufacturing, supplying, and marketing dyestuffs, specialty chemicals, colour measurement solutions, and innovative technology-aided products. Our clientele spans global markets, including the textile, paper, leather, detergent, and polymers industries.

Operating globally, we have established a network of offices, centres of excellence, agencies, and production facilities in numerous countries, supported by a dedicated workforce spanning various locations worldwide. With our Centre of Excellence in Singapore for People, Innovations, Products, Services, Technologies and Solutions to our Markets, we aspire to be a world-class integrated service provider in Clean Colour Science Technologies the World desires.

As a solutions provider, Matex aims to offers an extensive range of colourants, auxiliaries, and services, focusing on developing new sustainable product solutions, application development, process technologies, and services to improve sustainability performance, reduce costs, and minimise raw material usage.

In order to establish long-term, "win-win" strategic partnerships, we work to add value to our clients' products through improved performance, price competitiveness, quality, and environmental friendliness.

SUSTAINABILITY REPORT

2.2 Group Structure

Our Group Structure is designed to optimise both operational efficiency and sustainability across different markets and sectors. It is primarily composed of a network of subsidiaries. Each subsidiary operates with a high degree of autonomy, yet is aligned with the Group's overarching sustainability goals and ethical standards. Moreover, the structure ensures that sustainability practices are embedded at every level of the organisation, enabling us to collectively contribute towards our shared goals of environmental stewardship, social responsibility, and economic viability.

2.3 Events

As a global leader in sustainable chemical solutions, Matex actively participates in events that align with its mission to drive innovation, sustainability, and community well-being. These engagements reflect Matex's commitment to advancing the SDGs while fostering meaningful collaborations with industry peers and communities. Below are the key events Matex has been involved in:

- **Global Compact Network Singapore 20th Anniversary: "The Business of Better"**
  Matex celebrated the 20th anniversary of the Global Compact Network Singapore ("**GCNS**"), where it was featured as part of a unique collection of member success stories focused on advancing the SDGs. This event underscored Matex's dedication to integrating sustainability into its core business practices.

SUSTAINABILITY REPORT

- **16th GCNS Summit**
  As a participant in the 16th GCNS Summit, Matex reinforced its commitment to sustainability and innovation. Mebyo® is Matex's latest green bio technology that impacts and empowers, to improve and enhance health and well-being hygiene levels and offers preventive solutions towards Anti-Microbial Resistance and Biofilm, creating "Better Hygiene For All". This event provided a platform to engage with thought leaders, policymakers, and industry experts on strategies to address pressing environmental and social challenges.

- **ISS-Corporate Learning Centre ("CLC") Event 2024**
  Matex actively participated in the ISS-CLC Event 2024, aligning with its corporate social responsibility ("**CSR**") commitments to foster innovation and sustainability in business operations. Matex was very much honoured and glad to be chosen as a key knowledge and select partner, further providing protective Multi Hi-Tech Antiviral & Antibacterial Washable Comfort Masks and Mebyo solutions to the attendees to promote healthy and safe well-being for the event participants and their networks. This platform allowed Matex to engage with industry peers, sharing insights and best practices to drive sustainable development.

- **Matex x Ren Ci Community Hospital Initiative/Yong-en Care Centre Partnership/Prison Fellowship Singapore**
  In collaboration with Ren Ci Community Hospital, Yong-en Care Centre and Prison Fellowship Singapore, Matex extended its CSR efforts by supporting the healthcare community, underprivileged individuals as well as reintegration programs for ex-offenders. Multi Hi-Tech Antiviral & Antibacterial Reusable Face Masks were provided to achieve better health and hygiene protection. This collaboration reflects Matex's dedication to enhance patient care, contribute positively to the well-being of society's vulnerable groups and demonstrate commitment to second chances and community well-being.

- **Global Compact Network Singapore – COP 2024**
  Matex showcased its sustainability efforts through its Communication on Progress ("**COP**") 2024 at the GCNS platform. This highlighted Matex's initiatives toward achieving the SDGs and its ongoing contributions to a sustainable future.

- **CleanEnviro Summit Singapore 2024**
  At the CleanEnviro Summit Singapore 2024, Matex highlighted its sustainable products and solutions that address pressing environmental challenges. Matex continues to spread much needed awareness on the global pressing issues of Anti-Microbial Resistance. This participation reinforced Matex's leadership in promoting eco-friendly innovations in the chemicals industry.

SUSTAINABILITY REPORT

- **Matex x EMAS: Interclean Amsterdam 2024**
  Matex participated in Interclean Amsterdam 2024, the world's leading trade show for cleaning and hygiene, alongside its partner EMAS. This collaboration showcased Matex's innovative chemical solutions tailored for the cleaning industry, focusing on efficiency, sustainability, and performance. The event provided an excellent platform for Matex to engage with global industry leaders, explore emerging trends, and strengthen its commitment to delivering eco-friendly solutions that meet industry demands.

2.4 Partnerships

As a leader in sustainable chemical solutions, Matex has forged strategic partnerships with globally recognised organisations to drive innovation, sustainability, and responsible practices across industries. These collaborations reflect Matex's unwavering commitment to advancing environmental stewardship, ethical production, and circular economy principles. Below are some of Matex's key partnerships:

- **bluesign® System Partnership**
  Matex's collaboration with bluesign®, showcased at the Chemical Expert Group ("**CEG**") 2024 in Shanghai, underscores its commitment to sustainable manufacturing practices. As a bluesign® partner, Matex aligns its processes with stringent environmental and chemical management standards, delivering eco-friendly solutions to the textile and specialty chemical industries.

- **Global Organic Textile Standard ("GOTS")**
  Matex has partnered with the GOTS to support the latest Version 7.0. GOTS was developed by leading standard setters to define world-wide recognised requirements for organic textiles. From the harvesting of the raw materials, environmentally and socially responsible manufacturing to labelling, textiles certified to GOTS provide a credible assurance to the consumer. This partnership reflects Matex's dedication to sustainable textile production by adhering to globally recognised standards for organic fibres, responsible chemical use, and ethical production practices.

- **GCNS Cool Solution Ecosystem**
  As a solution partner of the GCNS Cool Solution Ecosystem, Matex contributes innovative, sustainable technologies to combat climate change. This partnership highlights Matex's proactive role in advancing low-carbon solutions and fostering cross-industry collaboration for environmental impact reduction.

- **Embracing Change with Singapore Fashion Council ("SFC")**
  Matex has formed a strategic partnership with the Singapore Fashion Council to spearhead innovative initiatives like "Be the Change" and the "Gala Kebaya Reimagined". These projects showcase Matex's commitment to transforming the fashion industry, emphasising sustainable practices and eco-friendly fashion. At the SFC Gala 2024, Matex was recognised for its role in the Eternally Circular Initiative. This partnership emphasises Matex's dedication to circularity in the fashion and textile sectors, promoting the reuse of materials and waste reduction through innovative, sustainable solutions.

SUSTAINABILITY REPORT

2.5 Awards and Achievements

Matex's dedication to sustainability, corporate responsibility, and innovation has been recognised through various prestigious awards. These accolades reaffirm the Group's commitment to environmental stewardship, low-carbon solutions, and positive social impact. Below are some of Matex's notable achievements:

- **Winner of the GCNS Singapore Apex Corporate Sustainability Award 2024**
  Matex was honoured as the winner of the GCNS Singapore Apex Corporate Sustainability Award 2024 in the LowCarbonSG Category. This award recognises Matex's outstanding efforts in reducing carbon emissions and integrating sustainable practices into its business operations. The achievement highlights Matex's leadership in driving decarbonization and contributing to Singapore's sustainability goals.

- **NVPC x Matex – Awarded "Company of Good" (3 Hearts)**
  Matex was awarded the "Company of Good" (3 Hearts) certification by the National Volunteer & Philanthropy Centre ("**NVPC**") in recognition of its impactful corporate social responsibility initiatives. This award highlights Matex's dedication to community engagement, sustainability, and ethical business practices, reinforcing its commitment to creating a positive social and environmental impact.

- **OEKO-TEX® ECO PASSPORT Certification**
  Matex has been granted the OEKO-TEX® ECO PASSPORT certification, a globally recognised standard that verifies the safety and sustainability of chemicals used in the textile and leather industries. This certification confirms that Matex's products meet stringent environmental and human health criteria, ensuring they are free from harmful substances. By achieving this milestone, Matex reinforces its commitment to responsible chemical management, sustainable production, and compliance with international safety standards.

3. OUR ESG APPROACH

3.1 Alignment with International Initiatives

3.1.1 Sustainable Development Goals (SDGs)

The General Assembly, which was established in 1945 under the United Nations Charter ("**UN**"), plays a pivotal role as the principal deliberative, policymaking, and representative body of the United Nations. It brings together all 193 United Nations members to provide a single forum for multilateral discussion of the entire spectrum of global issues covered by the Charter. In addition, it plays a crucial role in the processes of standard-setting and codification of international law.

On 25 September 2015, the United Nations General Assembly adopted the 17 SDGs as part of a new sustainable development agenda aimed at eradicating poverty, protecting the environment, and ensuring prosperity for all. Each objective has 15-year-long objectives that must be achieved. The SDGs urge governments, corporations, and civil society organisations to work together to end poverty and give everyone on Earth a life of dignity and opportunity.

SUSTAINABILITY REPORT

At Matex, the SDGs will serve as a guiding framework for our environmental initiatives. By aligning our strategies with these goals, we aim to enhance our reputation, attract socially conscious consumers, and foster trust among stakeholders. This commitment can also help mitigate risks associated with environmental and social issues, ensuring long-term business resilience. Ultimately, supporting the SDGs contributes to a more sustainable and equitable world, which is beneficial for both society and the Group's business. As we advance our sustainability efforts, we will continue to assess our alignment with the SDGs and, where necessary, realign our internal objectives and sustainability strategies to more effectively address these global targets.

SDGs	Relevant Targets to Our Businesses	Our Participation
3 GOOD HEALTH AND WELL-BEING	3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.	We have implemented the following measures: • Rigorous quality control measures, ensuring that clear product information and warnings are provided. • Quality assurance processes by conducting product safety testing and certifications. • Conducting regular safety training and audits. Providing personal protective equipment ("**PPE**") to employees.
6 CLEAN WATER AND SANITATION	6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	We have implemented water recycling and reuse systems as well as investing in water-saving technologies.
8 DECENT WORK AND ECONOMIC GROWTH	8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular, women migrants, and those in precarious employment.	We are committed to ensuring fair wages and benefits, enhancing employee satisfaction and retention as well as maintaining the records of zero workplace incident.

SUSTAINABILITY REPORT

SDGs	Relevant Targets to Our Businesses	Our Participation
10 REDUCED INEQUALITIES	10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	We aim to foster a work environment for employees that promotes fairness, equality and respect for social and cultural diversity, regardless of their gender, age, race, religion, ethnicity or nationality. Therefore, we ensure equal opportunities in recruitment, fair compensation, career progression and access to training for all employees.
11 SUSTAINABLE CITIES AND COMMUNITIES	11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.	We extend our CSR efforts by supporting the healthcare community and prison fellowship. We provided Multi Hi-Tech Antiviral & Antibacterial Reusable Face Masks to achieve better health and hygiene protection.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	We have set environmental goals such as minimising paper waste and sourcing for more environmentally friendly packaging materials that are recyclable or made from biodegradable materials.
13 CLIMATE ACTION	13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	We have internally established procedures aimed at managing our electrical and water consumption efficiently as well as reducing greenhouse gas emissions ("**GHG**"). Our approach to mitigating climate change risk includes staff training, and the implementation of energy and water efficient measures.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.5: Substantially reduce corruption and bribery in all their forms. 16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels. 16.C: Promote and enforce non-discriminatory laws and policies for sustainable development.	We have internally established the following initiatives: • Anti-corruption policy • Whistleblowing Policy • Equal Employment opportunities • Non-discrimination procedures

SUSTAINABILITY REPORT

3.1.2 United Nations Global Compact

The United Nations Global Compact ("**UNGC**") is a United Nations initiative that promotes the adoption of sustainable and socially responsible practices by businesses across the globe, encouraging them to report on their progress. The UNGC provides a principle-based framework through its ten principles, which focus on human rights, labour standards, environmental protection, and anti-corruption efforts. Below, we outline how our report aligns with these ten principles of the UNGC.

UNGC Principle		Report Section
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	Customer Satisfaction and Retention
Principle 2	Make sure that they are not complicit in human rights abuses.	Customer Satisfaction and Retention
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Customer Privacy
Principle 4	Elimination of all forms of forced and compulsory labour.	Fair Employment Practices
Principle 5	Effective abolition of child labour.	Child Labour and Human Rights
Principle 6	Elimination of discrimination in respect of employment and occupation.	Employee Care
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges.	Environmental Sustainability
Principle 8	Undertake initiatives to promote greater environmental responsibility.	Environmental Sustainability
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	Material Management
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Anti-Corruption

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3.2 Stakeholder Engagement

At Matex, we understand the pivotal role of engaging with stakeholders in advancing our sustainability initiatives. Our objective is to cultivate a deeper comprehension of stakeholders' needs, expectations, and concerns through transparent and open communication channels. This approach has been instrumental in building trust and fostering positive relationships with our stakeholders. We are steadfast in our commitment to sustained engagement and collaboration.

Our organisation remains dedicated to actively involving stakeholders in our daily operations. We firmly believe that such endeavours are essential for ensuring that their needs and viewpoints guide our sustainability strategies. We are committed to continually seeking fresh avenues for meaningful engagement and collaboration.

Moreover, our senior management actively participates in industry conferences and dialogues, collaborating with pertinent associations to stay updated on industry trends and contribute to diverse sectors. These interactions play a crucial role for our organisation by offering invaluable insights into stakeholders' perspectives, identifying potential risks and opportunities, and facilitating informed decision-making and accountability.

The following table highlights our key stakeholders, their key concerns, mode and frequency of engagement:

Stakeholder	Topics of Concern	Communication Channels	Frequency of Communication
Customers	• Products and Pricings • Product Safety • Delivery and Returns • Sustainable Economics Solutions	• Sales Department • Technical Offices • Trade Fairs	• Weekly • As and When • At Least Once a Year
Employees	• Policies • Wages and Benefits • Company Culture • Talent Management • Training	• Human Resource	• As and When • Employee Handbook • Notices
Shareholders and Investors	• Group Economic Developments • Dividends and Returns • Investment Opportunities • New Projects	• SGXNet announcements • Corporate website • General meetings	• As and When • At Least Once a Year

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Stakeholder	Topics of Concern	Communication Channels	Frequency of Communication
Suppliers	• Delivery • New Products • Defects • Sustainable Sourcing and Tracing	• Supply Chain Department	• As and When
Government & Regulators	• New Policies • New Standards • Guidelines Compliance • Environment Safety and Compliance	• Management • Business Development Department • Technical Product Stewardship	• As and When
Communities	• Projects • Givebacks • Community Development	• Management • Business Development Department	• As and When
Media	• Feature • News Articles • Interviews	• Management • Business Development Department	• As and When
Consumers	• Product Launch (B2C) • Product Safety • Deliveries • Returns	• Matex E-SHOP • Business Development Department	• As and When

3.3 Materiality Assessment

As part of our commitment to sustainability reporting, we conducted a thorough materiality assessment to identify the most significant sustainability challenges affecting both our operations and stakeholders. Our materiality assessment commences by first identifying relevant ESG aspects. The relevant aspects are then systematically ranked and prioritised to ascertain the significant factors that warrant validation. The result of this process is a list of material factors disclosed in this Report.

Identification → Rank → Prioritisation → Validation

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Materiality assessment is conducted periodically to ensure that our material topics align with our business objectives. This assessment was comprehensive, drawing upon stakeholder feedback, internal data analysis, and comparisons with industry benchmarks and leading practices. Utilising a materiality matrix, we evaluated and ranked these sustainability issues based on their potential impact on our business and stakeholders, as well as their importance to our stakeholders.

The following topics have been identified and selected under ESG issues:

Material Topic	Impact	SDG Linkages
	Environment	
GHG Emissions Management	Failure to manage emissions effectively can lead to air population, climate change, regulatory non-compliance, financial penalties, and reputational damage. This may make Matex a target for criticism from stakeholders and environmentally conscious clients.	13 CLIMATE ACTION
Energy Management	Inefficient energy use increases operational costs and carbon emissions, negatively affecting profitability and environmental sustainability. A lack of energy management strategies could result in resource wastage and vulnerabilities to fluctuating energy prices.	13 CLIMATE ACTION
Water Management	Inadequate water management can lead to water pollution, resource scarcity, increased operational costs, and environmental degradation. Poor wastewater treatment or high-water usage could harm local ecosystems and damage relationships with communities and regulators.	6 CLEAN WATER AND SANITATION
Material Management	Relying on unsustainable or uncertified raw materials can lead to resource depletion, supply chain disruptions, and higher costs. It can also tarnish Matex's reputation if customers perceive the Group as contributing to environmental harm.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Social	
Employee Retention	Failure to provide stable and meaningful employment could lead to high turnover rates, reduced employee morale, and difficulty attracting talent. This may lower productivity and hinder innovation within the Group.	8 DECENT WORK AND ECONOMIC GROWTH
Employee Diversity	Failure to embrace diversity can limit access to talent, stifle innovation, and foster a non-inclusive workplace culture. This could result in discrimination, reputational damage and difficulties in retaining and engaging employees.	10 REDUCED INEQUALITIES

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Material Topic	Impact	SDG Linkages
Training and Development	A lack of employee training can result in skill gaps, lower productivity, development opportunities and reduced innovation. Employees may struggle to adapt to new technologies or sustainability practices, leading to inefficiencies and reduced competitiveness.	8 DECENT WORK AND ECONOMIC GROWTH
Occupational Health and Safety	Neglecting workplace safety can increase the risk of accidents, injuries, and fatalities, leading to operational downtime, legal liabilities, and higher insurance costs. This could harm employee morale and result in high turnover rates.	3 GOOD HEALTH AND WELL-BEING
Fair Employment Practices	Weak labour relations may result in employee dissatisfaction, workplace disputes, strikes, and operational disruptions. Poor communication and mistrust between management and employees could lead to lower productivity and reputational damage.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Customer Health and Safety	If Matex fails to prioritise product safety, it risks legal action, product recalls, and harm to its customers health. This could severely damage customer trust, market reputation, and long-term business viability.	3 GOOD HEALTH AND WELL-BEING
Product Safety and Quality	Subpar product safety and quality standards could result in defective products, regulatory non-compliance, recalls, safety hazards, and customer dissatisfaction. These issues can harm Matex's reputation, reduce market share, and lead to significant financial losses.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Governance		
Marketing and Labelling	Misleading marketing or inaccurate product labelling can erode customer trust, attract legal penalties, and damage Matex's brand image. This could also lead to lost business opportunities and reduced customer loyalty.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Anti-Corruption	Corruption within the Group could result in legal repercussions, financial losses, bribery, unethical business practices, and eroded stakeholder trust. It may also damage Matex's reputation, jeopardizing partnerships and long-term business success.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Non-Discrimination	Discriminatory practices can lead to a toxic workplace culture, legal challenges, and reputational harm. It may also hinder employee retention and diversity, impacting creativity and productivity.	10 REDUCED INEQUALITIES

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4. OUR SUSTAINABILITY AMBITION AND STRATEGIC TARGETS

At Matex, sustainability is a core pillar of our business strategy, guiding our commitment to responsible growth, environmental stewardship, social responsibility and strong governance practices. We recognise the critical role we play in driving sustainable innovation within the chemical industry and are dedicated to minimising our environmental impact while maximising value for our stakeholders.

To achieve this, we have established clear strategic targets that drive our sustainability efforts across key areas, including climate action, employee well-being and corporate governance. These targets are designed to enhance operational resilience, reduce our environmental footprint, and foster a diverse and inclusive workplace. By aligning our goals with global sustainability frameworks and industry best practices, we strive to contribute meaningfully to a greener and more resilient future.

The time horizons for our targets have been established as follows:

- Short-term: Within the next 1 to 2 years (Align with Matex's strategic and financial plan)

- Medium-term: Current year till 2030 (To meet Singapore Green Plan 2030)

- Long-term: 2030 till 2049 (To meet Net Zero Emission by 2050)

Please refer to the table below for our targets across various categories:

S/N	Particular	Targets
1	Green House Gas Emissions	• Short-term: 9.00 tCO2e/SGD 1,000,000 • Medium-term: 6.00 tCO2e/SGD 1,000,000 • Long-term: 3.00 tCO2e/SGD 1,000,000
2	Energy Management	• Short-term: 85.00 GJ/SGD 1,000,000 • Medium-term: 70.00 GJ/SGD 1,000,000 • Long-term: 50.00 GJ/SGD 1,000,000
3	Water Management	• Short-term: 90 m^3/SGD 1,000,000 • Medium-term: 80 m^3/SGD 1,000,000 • Long-term: 70 m^3/SGD 1,000,000
4	Material Management (Renewable Materials)	• Short-term: 85.0% • Medium-term: 95.0% • Long-term: 100.0%
5	Employee Hiring Rate	• Short-term: 8.0% • Medium-term: 10.0% • Long-term: 15.0%

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S/N	Particular	Targets
6	Employee Turnover	• Short-term: 8.0% • Medium-term: 6.0% • Long-term: 5.0%
7	Recordable Injuries	• To maintain a record of zero recordable injuries.
8	Customers	• To maintain a record of zero complaints on product quality. • To maintain a record of zero complaints from external parties or regulatory bodies regarding breaches of customer privacy.
9	Governance	• Maintain zero reported incidents of discrimination and corruption cases. • Continue to comply with the Code of Corporate Governance and meet all requirements that are expected of us by our stakeholders. • Maintain high standards of conduct and ethical behaviour in all our business activities and supporting a culture of compliance and good corporate governance.

5. ENVIRONMENTAL SUSTAINABILITY

5.1 Our Approach, Performance and Targets

Environmental sustainability is a core pillar of Matex's corporate identity and strategic vision. We are committed to minimising our environmental impact by proactively conserving resources, reducing emissions, and integrating eco-friendly technologies into our operations. Our initiatives focus on lowering emissions, optimising water consumption, and promoting circular practices such as recycling and reuse. Through continuous monitoring and evaluation, we ensure compliance with regulatory requirements while striving for ongoing improvements in our sustainability performance.

By prioritising sustainable practices, Matex not only contributes to global environmental well-being but also sets industry benchmarks for responsible and eco-conscious operations. Our commitment extends beyond our internal processes, as we actively engage and educate employees, suppliers, and the broader community to cultivate a culture of sustainability.

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Matex adheres to the ISO 14001 Environmental Management System, an internationally recognised standard that provides a structured framework for organisations to enhance environmental performance, comply with regulations, and drive continuous improvements in sustainability. It focuses on identifying and managing environmental risks, reducing waste, optimising resource use, and implementing eco-friendly operational practices. This system is an integral part of our corporate policies, alongside high-quality standards, environmental protection, and product safety. By obtaining ISO 14001 certification, Matex demonstrates its strong commitment to environmental responsibility and sustainable business operations. This certification enables us to systematically monitor and control key environmental aspects such as energy consumption, water usage, emissions, and waste management, ensuring compliance with global environmental standards. It also reinforces our ability to minimise environmental impact while enhancing operational efficiency and cost-effectiveness.

In product development, manufacturing, and application, we emphasise the efficient use of energy, water, and raw materials while minimising environmental pollution from waste, emissions, and effluents. To further advance sustainability, we provide customers with detailed guidance on utilising our products in the most environmentally responsible and effective manner.

Environmental Targets	Unit	FY2022 (Base Year)	FY2024 (Current Year)	FY2030 (Target Year)
Total GHG Emission	tCO2e/SGD 1,000,000	8.51	16.36	9.00
Total Energy Consumption	GJ/SGD 1,000,000	65.25	158.31	85.00
Total Water Consumption	Cubic Metre (m^3)/SGD 1,000,000	82.23	98.58	90.00
Total Renewable Materials Consumption	Percentage (%)	81.5	79.3	95.0

5.2 Green House Gas (GHG) Emission Management

At Matex, we recognise the environmental impact of our operations and remain committed to mitigating our carbon footprint through sustainable and innovative solutions. By continuously adopting energy-efficient practices, we strive to minimise emissions while promoting a cleaner and more sustainable future. Our dedication to environmental responsibility has earned us industry recognition, reinforcing our role as a pioneer in sustainable practices.

As part of our ongoing efforts to reduce carbon emissions, Matex has successfully transitioned from coal to natural gas, a cleaner and more eco-friendly energy source. This transition has significantly lowered our emissions, improved workplace conditions for employees, and reduced the carbon footprint of our products. By implementing these measures, we empower our customers to advance their own carbon neutrality goals while contributing to a more sustainable industry.

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Matex has been recognised with the LowCarbonSG Logo, awarded to companies demonstrating tangible progress in measuring, tracking, and reducing carbon emissions. The LowCarbonSG program, spearheaded by Carbon Pricing Leadership Coalition ("**CPLC**") Singapore, the decarbonization arm of GCNS is supported by the National Environment Agency and Enterprise Singapore.

The program aligns with the Singapore Green Plan 2030, aiming to simplify the decarbonisation process and guide local businesses in transitioning toward low-carbon operations and investments. By participating in LowCarbonSG, Matex reinforces its commitment to environmental accountability and continuous improvement in carbon footprint management, ensuring that sustainability remains at the core of our business operations.

Recognising electricity usage as the primary contributor to our GHG emissions, we quantify our carbon footprint in terms of carbon dioxide equivalent ("**CO2e**"). Our emissions encompass both Direct ("**Scope 1**") and Indirect ("**Scope 2**") emissions, excluding those from our suppliers ("**Scope 3**").

To identify opportunities for emission reduction, we continuously monitor and track our primary greenhouse gas emissions, focusing on carbon dioxide ("**CO2**") emanating from our operations. Through the implementation of carbon accounting solutions and processes, we are committed to enhancing energy efficiency and diminishing our carbon footprint across all emission scopes.

We present a comprehensive overview of our GHG emissions[1] profile for the current reporting year.

GHG Emission	Unit	FY2024	FY2023	FY2022 (Base Year)
Total GHG Emission	tCO2e	114.57	87.38	103.32
GHG Scope-wise Emissions				
GHG Scope 1	tCO2e	33.98	14.48	12.08
GHG Scope 2	tCO2e	80.59	72.90	91.24
Percentage (%)				
GHG Scope 1	Proportion	29.7%	16.6%	11.7%
GHG Scope 2	Proportion	70.3%	83.4%	88.3%
Intensity				
Total GHG Emissions	tCO2e/SGD 1,000,000	16.36	11.88	8.51
GHG Scope 1	tCO2e/SGD 1,000,000	4.85	1.96	1.00
GHG Scope 2	tCO2e/SGD 1,000,000	11.51	9.91	7.51

1 In calculating GHG emissions, GHG protocol Guidance and Reporting Standard has been followed. The emission factors used are taken from GHG Emission factor Hub, World Resource Institute Data Base and IGES emission factor list.

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Our performance for FY2024 reflects a shift in GHG emissions profile compared to the base year of FY2022. Total GHG emissions increased from 103.32 tCO2e in FY2022 to 114.57 tCO2e in FY2024. This increment is observed in Scope 1 emissions, with Scope 1 emissions increasing from 12.08 tCO2e to 33.98 tCO2e. Conversely, Scope 2 emissions saw a significant decrease from 91.24 tCO2e to 80.59 tCO2e, particularly in terms of electricity consumption.

The proportion of Scope 1 to total GHG emissions increased from 11.7% in FY2022 to 29.7% in FY2024, while the proportion of Scope 2 emissions correspondingly decreased from 88.3% to 70.3%.

In terms of intensity, the overall GHG emissions intensity saw an increase from 8.51 tCO2e/SGD 1,000,000 in FY2022 to 16.36 tCO2e/SGD 1,000,000 in FY2024. Specifically, the intensity of Scope 1 emissions increased nearly fivefold from 1.00 tCO2e/SGD 1,000,000 to 4.85 tCO2e/SGD 1,000,000, while Scope 2 intensity rose from 7.51 tCO2e/SGD 1,000,000 to 11.51 tCO2e/SGD 1,000,000.

Despite the ongoing initiatives to improve energy efficiency and reduce emissions, operational expansions and the shifts in energy use contributed to the increased emissions per unit of economic output. This highlights the increased efforts and challenges in reducing our carbon footprint per unit of economic output.

Building on our base year of FY2022, with a total GHG emissions intensity of 8.51 tCO2e/SGD 1,000,000, and moving to 16.36 tCO2e/SGD 1,000,000 in FY2024, we have set forth our future intensity targets as follows:

- Short-term (9.00 tCO2e/SGD 1,000,000)
- Medium-term (6.00 tCO2e/SGD 1,000,000)
- Long-term (3.00 tCO2e/SGD 1,000,000)

This marks our strategic commitment to reducing our carbon footprint in alignment with global sustainability goals.

5.3 Energy Management

At Matex, we recognise that effective energy management is a crucial component of our sustainability strategy. Our primary objective is to minimise our ecological footprint and reduce operational costs while ensuring the reliability and efficiency of our facilities. By implementing energy-efficient solutions and optimising resource utilisation, we actively work toward creating a more sustainable and responsible business model.

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To achieve this, we have adopted the following measures:

- Optimised Lighting Usage: Ensuring that lights are switched off in unoccupied areas, particularly during non-working hours, to minimise unnecessary energy consumption.

- Air Conditioning Efficiency: Maintaining air conditioning at optimal temperatures and ensuring it is switched off when not in use to reduce energy waste.

- Encouraging Energy-Saving Habits: Promoting awareness among employees to adopt simple yet effective practices, such as shutting down computers, laboratory equipment, and machinery after use.

- Regular Communication on Energy Conservation: Sharing tips and reminders on how to reduce electricity consumption in daily activities at the office, laboratory, and factory to cultivate energy-conscious behaviours.

We are also deeply committed to environmental responsibility and actively support brands, retailers, and industry partners in adopting sustainable textile production. Our goal is to help businesses meet quality and eco-requirements while ensuring the efficient use of limited natural resources. Megapro® is an innovative solution designed by Matex to enhance industrial efficiency, improve product quality, and reduce operational costs. By optimising raw material usage and lowering energy consumption, Megapro® enables textile manufacturers to replace traditional chemicals with sustainable alternatives, ultimately delivering higher-quality products while minimising environmental impact.

One of the key advancements in the Megapro® product line is Megapro ECO®, which revolutionises cotton dyeing by eliminating the need for salt additions. This breakthrough process offers multiple sustainability and cost-saving benefits, including:

- Reduced transportation costs by eliminating the need to purchase and transport large quantities of salt.

- Lower labour costs associated with handling, loading, and unloading salt.

- Optimised storage space, freeing up valuable facility areas for other economically beneficial uses.

- Enhanced plant efficiency, supporting the modernisation of production facilities.

Additionally, Megapro® builds on Matex's polyfunctional dyestuff range, Megafix® RE, which enables low-temperature cotton/reactive dyeing at 40°C. This innovation not only reduces energy consumption but also aligns with the needs of eco-conscious manufacturers seeking cost-effective and sustainable solutions. Through continuous innovation, Matex remains at the forefront of energy-efficient and environmentally responsible textile solutions, ensuring that our partners can operate efficiently, cost-effectively, and sustainably.

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As part of our commitment to transparency and continuous improvement, we publish our progress in energy management in our annual sustainability report. This includes detailed insights into our energy consumption patterns and greenhouse gas emissions, allowing stakeholders to assess our performance and sustainability impact. By openly sharing this data, we reaffirm our dedication to ethical and sustainable business practices while encouraging other organisations to prioritise energy management within their operations.

The accompanying Fuel and Electricity Consumption table for FY2024 provides a comprehensive overview of our energy usage, offering valuable insights into consumption trends. This data serves as a benchmark for future energy efficiency initiatives, reinforcing our commitment to transparency, accountability, and continuous improvement in energy conservation.

Energy Consumption	Unit	FY2024	FY2023	FY2022 (Base Year)
Total Energy Consumed	GJ	1,108.52	750.19	792.00
Electricity Consumed	GJ	459.61	474.52	562.97
Non-Renewable Source	GJ	459.61	474.52	562.97
Renewable Source	–	–	–	–
Fuel Energy Consumed	GJ	648.91	275.67	229.03
Percentage (%)				
Electricity	Proportion	41.5%	63.2%	71.1%
Fuel	Proportion	58.5%	36.8%	28.9%
Intensity				
Electricity Intensity	GJ/SGD 1,000,000	65.64	64.52	46.38
Fuel Intensity	GJ/SGD 1,000,000	92.67	37.48	18.87
Total Energy Intensity	GJ/SGD 1,000,000	158.31	102.00	65.25

In our sustainability report, a comparative analysis of energy consumption between FY2024 and FY2022 (our base year) highlights notable trends and shifts in our energy usage patterns. During FY2024, our total energy consumption saw an increase to 1,108.52 GJ from 792.00 GJ in FY2022. Specifically, electricity consumption decreases to 459.61 GJ in FY2024 from 562.97 GJ in FY2022, all sourced from non-renewable sources, indicating a focused reduction in our electrical energy usage.

Conversely, fuel energy consumption experienced an increase, rising to 648.91 GJ in FY2024 from 229.03 GJ in FY2022. This is primarily attributed to the expansion of our data collection scope. In FY2024, we incorporated the energy consumption data from our China entity, SMC, which was not previously accounted for. This broader reporting coverage has resulted in a higher recorded fuel consumption figure, reflecting a more comprehensive and accurate representation of our overall energy usage across all operational entities.

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The intensity metrics provide insight into our efficiency improvements and areas needing attention. Electricity intensity saw an increase to 65.64 GJ/SGD 1,000,000 in FY2024 from 46.38 GJ/SGD 1,000,000 in FY2022, while fuel intensity increased to 92.67 GJ/SGD 1,000,000 from 18.87 GJ/SGD 1,000,000. Overall, our total energy intensity also rose to 158.31 GJ/SGD 1,000,000 in FY2024 from 65.25 GJ/SGD 1,000,000 in FY2022, reflecting a complex interplay between our efforts to optimise energy use and the operational challenges encountered.

For our sustainability report, we have set short, medium, and long-term electricity intensity targets from the base year of FY2022, with a recorded intensity of 65.25 GJ/SGD, to a FY2024 level of 158.31 GJ/SGD.

Our future targets are structured as follows:

- Short-term (85.00 GJ/SGD 1,000,000)
- Medium-term (70.00 GJ/SGD 1,000,000)
- Long-term (50.00 GJ/SGD 1,000,000)

This reflects our commitment to continuous improvement in energy efficiency.

5.4 Water Management

At Matex, we recognise the critical importance of water in our operations and the communities we serve. Effective water management is not only essential for the long-term sustainability of our business but also for the preservation of this vital resource for future generations. As part of our commitment to responsible water stewardship, we actively implement the following strategies to reduce water consumption and minimise water pollution in our processes:

- Upgrading to Water-Efficient Equipment: To reduce overall water usage, Matex has replaced outdated equipment with modern, water-efficient models across various facilities. For example, low-water-use washing machines and low-flow faucets in offices and laboratories.

- Optimising Water Use in Production: We continuously assess and refine our production processes to enhance water efficiency. By monitoring and optimising water usage in manufacturing, we aim to reduce unnecessary water wastage while maintaining product quality and performance.

- Promoting Water Conservation Awareness: Matex encourages responsible water use among employees by sharing practical tips and reminders on reducing daily water consumption in office settings. This initiative fosters a culture of sustainability and reinforces the importance of water conservation in everyday activities.

- Regular Monitoring and Analysis: Matex closely monitors our monthly water bills and consumption levels, with a particular focus on high-usage areas such as the laboratory. Matex also ensure that wastewater quality complies with local discharge standards and regulations, preventing environmental pollution and maintaining responsible waste management practices.

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Matex is a strong advocate of the Zero Discharge of Hazardous Chemicals ("**ZDHC**") program, which aims to eliminate the use and discharge of hazardous substances in the fashion, textile, and leather industries. Our commitment to this initiative is demonstrated by the fact that 99 of our products have achieved ZDHC Level 3 certification, the highest standard in the certification framework.

The ZDHC Foundation is a non-governmental environmental organisation dedicated to raising environmental standards in the textile industry. The foundation operates a three-tier certification system to verify that products contain no hazardous chemicals and that manufacturers follow strict environmental controls. The higher the certification level, the more stringent the environmental standards met.

The ZDHC program promotes three key principles:

- Safer Chemicals – Replacing hazardous substances with environmentally friendly alternatives.
- Smarter Processes – Implementing efficient water management and reducing wastewater pollution.
- Better Outputs – Ensuring that wastewater treatment meets strict environmental standards before discharge.

As part of the ZDHC Level 3 compliance process, our products undergo rigorous Manufacturing Restricted Substances List ("**MRSL**") testing and on-site chemical management audits by third-party service providers. These audits help verify our chemical processes, ensuring that our manufacturing practices align with the highest environmental safety standards.

While carbon emissions are often at the centre of environmental discussions, toxic water pollution remains a significant global concern. The fashion and textile industries contribute significantly to water contamination, making responsible chemical management and wastewater treatment critical for sustainability. The ZDHC initiative was developed in response to growing concerns about hazardous chemical discharge into water bodies.

By achieving ZDHC certification, Matex reinforces its dedication to environmental responsibility and ensures that our water management practices align with global sustainability standards. Our efforts contribute to a cleaner and safer water ecosystem, benefiting not only the industry but also the broader environment.

Notably, Matex have also developed Megapro ECO®, which is designed to operate using existing dyeing equipment, making it a seamless upgrade for manufacturers looking to enhance their sustainability efforts. The system significantly reduces water, energy, and time-related costs while helping companies comply with stringent environmental regulations, including Total Dissolved Solids, Chemical Oxygen Demand, Biological Oxygen Demand and Colour requirement levels in wastewater effluent.

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By meeting the ZDHC guidelines, Megapro ECO® simplifies wastewater treatment, lowers overall effluent costs, and promotes a cleaner and more sustainable textile industry. Through continuous innovation, Matex remains at the forefront of environmentally responsible textile solutions, ensuring that our partners can operate efficiently, cost-effectively, and sustainably.

Presented below is a comprehensive table highlighting water consumption metrics across our Group for FY2024.

Water Consumption	Unit	FY2024	FY2023	FY2022 (Base Year)
Total Water Consumption	Cubic Metre (m^3)	690.30	767.00	998.18
Consumption				
Third-Party	Cubic Metre (m^3)	690.30	767.00	998.18
Percentage (%)				
Third-Party	Proportion	100.0%	100.0%	100.0%
Intensity				
Total Water Consumption	Cubic Metre (m^3)/SGD 1,000,000	98.58	104.29	82.23
Third Party	Cubic Metre (m^3)/SGD 1,000,000	98.58	104.29	82.23

In our commitment to sustainable resource management, a careful analysis of our water consumption patterns from FY2022 to FY2024 reveals noteworthy progress. The total water consumption decreased from 998.18 m^3 in FY2022 to 690.30 m^3 in FY2024. This reduction underscores our efforts in enhancing water efficiency across our operations. Despite the overall decrease in water usage, it's important to note an increase in water intensity, from 82.23 m^3/SGD 1,000,000 in FY2022 to 98.58 m^3/SGD 1,000,000 in FY2024 which is mainly due to a decrease in revenue. This indicates a higher water usage relative to our economic output, signalling areas for future improvement.

Our water supply remained entirely sourced from third parties, maintaining a 100% proportion for all 3 years. This consistency in our water sourcing highlights our reliance on external water supplies, reinforcing the importance of our ongoing strategies to optimise water use and reduce our environmental footprint.

In our sustainability efforts, we have outlined short, medium, and long-term targets for water consumption intensity from our base year of FY2022, with an intensity of 82.23 m^3/SGD 1,000,000, to 98.58 m^3/SGD 1,000,000 in FY2024.

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Our targets for the future are defined as:

- Short-term (90 m^3/SGD 1,000,000)
- Medium-term (80 m^3/SGD 1,000,000)
- Long-term (70 m^3/SGD 1,000,000)

This demonstrates our proactive approach to enhancing water efficiency across our operations. Matex remains committed to driving sustainability through responsible water usage, pollution reduction, and industry leadership in environmental stewardship.

5.5 Material and Product Management

At Matex, we are dedicated to sustainability at every stage of production across our product line. Our commitment extends beyond innovation and quality. We prioritise environmental responsibility, ensuring that our materials and products adhere to the highest safety, sustainability, and performance standards.

To maintain the integrity, safety, and sustainability of our products, we collaborate with globally recognised independent testing and certification bodies, ensuring that our materials meet stringent environmental and regulatory standards. Our products undergo frequent testing and certification by organisations such as:

- International Organisation for Standardization ("**ISO**")
- American Association of Textile Chemists and Colorists ("**AATCC**")
- Ecological and Toxicological Association of Dyes and Organic Pigments Manufacturers ("**ETAD**")
- Testex AG
- SGS Testing & Control Services
- Merchandise Testing Laboratories
- Intertek Testing Services
- Bureau Veritas
- GIC Testing & Inspection Services

By adhering to these stringent quality control and sustainability benchmarks, Matex ensures that our products meet the highest industry and environmental standards, reinforcing our position as a leader in responsible manufacturing. There were zero Incidents of non-compliance concerning the health and safety impacts of our products.

As part of our sustainable innovation efforts, Matex has developed Mebyo® Technology, an advanced green biotechnology solution designed to enhance hygiene, health, and well-being. Mebyo® is a patented symbiotic technology that combines probiotics and prebiotics to offer a sustainable alternative to conventional cleaning products and disinfectants. It provides a non-toxic and biodegradable cleaning alternative. Additionally, it minimises environmental pollution, requires less frequent cleaning, and lowers overall costs and manpower needs. Through Mebyo®, Matex reinforces its commitment to sustainability-driven innovation, offering clients effective, safe, and environmentally responsible solutions.

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Recognising the environmental impact of packaging waste, Matex also integrates sustainable materials into its product packaging. Currently, close to 80.0% of our packaging materials come from renewable sources, further reducing our carbon footprint and aligning with our sustainability goals. Matex remains committed to driving material innovation, reducing environmental impact, and promoting sustainable product solutions that benefit both our customers and the planet.

The details of our use of packaging materials are shared below.

Packaging Materials	Unit	FY2024	FY2023	FY2022 (Base Year)
Total Packaging Materials	Tonnes	42.55	46.47	39.46
Consumption				
Non-Renewable Materials	Tonnes	8.79	6.18	7.28
Renewable Materials	Tonnes	33.76	40.28	32.18
Percentage (%)				
Non-Renewable Materials	Proportion	20.7%	13.3%	18.5%
Renewable Materials	Proportion	79.3%	86.7%	81.5%

The total packaging materials consumption in FY2024 amounted to 42.55 tonnes, reflecting an increase from 39.46 tonnes in FY2022. Non-Renewable Materials usage increased from 7.28 tonnes in FY2022 to 8.79 tonnes in FY2024, representing a rise in proportion from 18.5% to 20.7% of total packaging materials. As such, there is a slight decrease in Renewable Materials consumption, with a reduction in proportion from 81.5% in FY2022 to 79.3% in FY2024.

This shift indicates a greater reliance on non-renewable materials compared to the base year, potentially due to supply chain constraints, material availability and operational adjustments. While the overall packaging material usage has decreased, efforts may be required to enhance the share of renewable materials to maintain sustainability commitments.

Our targets for the consumption of renewable materials in the future are defined as:

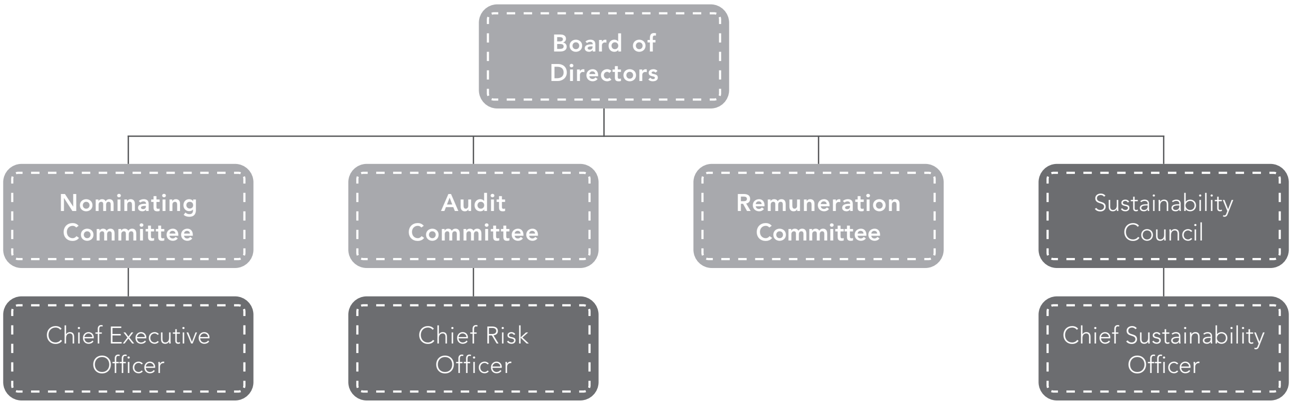
- Short-term: 85.0%
- Medium-term: 95.0%
- Long-term: 100.0%

SUSTAINABILITY REPORT

5.6 Managing Climate-Related Risks and Opportunities

5.6.1 Governance

Legend: **Board-level**
Management-level



At Matex, the Board is responsible for overseeing and governing the Group's approach to climate-related risks and opportunities. The Board, including specialised committees like audit, is informed about climate-related issues biannually. Recognising the increasing importance of climate change in corporate strategy, the Board plays a pivotal role in integrating climate considerations into our strategic review and decision-making processes, encompassing strategy, risk management, budgets, and business planning. Significantly, the Board is the ultimate governing body responsible for climate-related policies and strategies. They regularly evaluate and track progress against climate-related goals and targets during Board meetings.

Acknowledging the pertinence of effective governance structure required for ESG matters, the Group took a significant step forward by establishing a Sustainability Council. The Sustainability Council is responsible for setting clear objectives and key performance indicators ("**KPIs**") related to sustainability.

The management also plays an important role in developing and implementing effective mitigation strategies to address potential risks, such as operational disruptions or regulatory compliance challenges, while also capitalising on opportunities like energy efficiency. They are responsible for conducting thorough assessments to understand the potential impacts on our business, ensuring that Matex is well-positioned to adapt and thrive in a changing climate. Through proactive engagement and innovation, management seeks to leverage climate-related opportunities while mitigating risks, aligning our business model with sustainable growth and resilience. They monitor progress and report on performance relative to climate goals, identifying and discussing any principal and emerging risks with the Board.

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The roles and responsibilities of our Sustainability Governance are as follows:

Board of Directors	• Responsible for the direction and overall sustainability strategy. • Oversees the implementation of sustainability strategy and related matters.
Risk Committee	• Oversight on broader sustainability trends, risk and opportunities to connect sustainability with the Group strategy. • Updates and communicates recommendations, findings, as well as significant issues and concerns relevant to sustainability to the Board.
Sustainability Council	• Engages leadership across business units and function, and provides further oversight and strategic guidance. • Formulates the sustainability objectives, targets, priorities, policies and goals. • Monitors and tracks the sustainability performance.
Sustainability Working Group	• Implementation of sustainability action plan. • Preparation and maintenance of the sustainability report and its disclosure. • Supports management in monitoring and tracking sustainability performance.

5.6.2 Strategy

Time Horizons

Matex has established short, medium, and long-term timeframes to identify climate risks and opportunities. In this process, the useful life of the organisation's assets or infrastructure and the fact that climate-related issues often manifest themselves over the medium and longer terms has been considered.

Time Frame	Year	Explanation
Short Term	Within the next 1-2 years	Align with Matex's strategic and financial plan
Medium Term	Current year till 2030	To meet Singapore Green Plan 2030
Long Term	2030 till 2049	To meet Net Zero Emission by 2050

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Identification of Climate-Related Risks and Opportunities

Climate risk assessment is a structured approach designed to identify, analyse, and address the potential effects of climate change on Matex. This process enables Matex to evaluate how climate-related risks may impact operations, financial performance, and long-term strategic objectives. By proactively assessing these risks, Matex can develop mitigation strategies to minimise negative consequences while also identifying ways to capitalise on emerging opportunities in a transitioning economy.

Similarly, climate-related opportunity assessment is a strategic evaluation that identifies and assesses the potential advantages that climate change and evolving market trends may bring. While climate change presents considerable risks, it also opens doors for innovation, adaptation, and growth. Our approach involves reevaluating products and services, supply and value chains, adaptation activities, and research and development ("**R&D**") investments. For Matex, leveraging these opportunities is essential to drive sustainable business expansion, enhance market competitiveness, and align with stakeholder expectations.

The identification, review, and management of climate-related risks and opportunities are conducted through peer benchmarking and engagement with Management. Recognising the financial implications of climate change, Matex has also broadened its assessment framework to incorporate qualitative scenario analysis, ensuring a more comprehensive evaluation of potential future impacts.

Presented below is the list of identified climate-related risks.

S/N	Identified Risk	Risk Type	Time Horizon	Description
1	Mandates on and regulation of existing products and services	Policy and Legal	Short, Medium & Long Term	Stricter environmental regulations, introduction of minimum standards or expectations on green credentials of product outputs and business operations.
2	Enhanced emissions reporting obligations	Policy and Legal	Short, Medium & Long Term	Rapid evolution of the regulatory environment, mandatory reporting and disclosures.
3	Unsuccessful investment in new technologies	Technology	Medium & Long Term	Chosen technology fails to deliver the expected performance, scalability, cost benefits, or when a better technology emerges shortly after an initial investment, rendering the earlier investment obsolete.
4	Changing customer behaviors	Market	Medium Term	Shifts in market demand toward more sustainable and eco-friendly products including a lower life cycle carbon footprint product and prioritisation of sustainable practices.
5	Increased cost of raw materials	Market	Short Term	Climate-related regulations, supply chain disruptions, or market shifts toward sustainable sourcing resulting in increased costs for key raw materials.

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Presented below is the list of identified climate-related opportunities.

S/N	Identified Opportunity	Opportunity Type	Time Horizon	Description
1	Use of more efficient production and distribution processes	Resource Efficiency	Short Term	Improving production efficiency through advanced manufacturing technologies, process optimisation, and energy-efficient equipment to reduce energy use, emissions, and waste.
2	Development of new products or services through R&D and innovation	Products and Service	Short & Medium Term	Developing environmentally friendly dyestuffs and specialty chemicals to open new markets.
3	Development and/ or expansion of low emission goods and services	Products and Service	Short & Medium Term	Expanding current portfolio to include low-emission or carbon-neutral chemicals and specialty products to differentiate from competitors and ensure alignment with regulatory trends and customer demands.
4	Access to new markets	Markets	Short Term	Increasing prioritisation of sustainability lead to a growing demand for sustainable products/materials, providing opportunities for organisation to position itself as a leader in supplying sustainable chemicals and solutions.
5	New products and services related to ensuring resiliency	Resilience	Short & Medium Term	Developing products and services that help other companies or industries improve their resilience to climate change, tapping into a growing market demand.
6	Resource substitutes/ diversification	Resilience	Short & Medium Term	Using more sustainable raw materials or diversifying the supply chain to reduce dependency on non-renewable resources.

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Climate Scenario Analysis

Climate scenario analysis is a critical tool recommended by TCFD to assess the potential resilience of an organisation's strategic plans against climate-related risks and opportunities. This forward-looking approach helps businesses understand the business and financial implications of different plausible climate scenarios, enabling them to make informed decisions to mitigate risks and capitalise on opportunities.

The primary objective of climate scenario analysis is to identify the specific risks and opportunities affecting different aspects of the business, such as countries, entities, assets, services, and products. By examining various climate-related scenarios, Matex can evaluate the potential impacts on business strategy, financial implication and ensure our operations remain resilient and adaptable in a rapidly changing climate landscape.

A critical aspect of scenario analysis is the selection of a set of scenarios that cover a reasonable variety of future outcomes, both favourable and unfavourable. This will allow us to better understand how a business might perform under different outcomes. Presented below is an overview of the selected set of scenarios to evaluate the potential business and financial impact of the identified climate-related risks and opportunities.

Climate Scenario Analysis	
Favourable, Low-Carbon Future (IEA[2] Beyond 2°C Scenario)	Unfavourable, Business-As-Usual (IEA Stated Policies Scenario)
• Orderly transition to limit global warming to well-below 2°C • Net-zero pledges are achieved, with advanced economies reaching net zero emissions by 2050 • Rise in climate policy ambition and coordination • Customers and investors are increasingly climate-conscious and prefer "green companies"	• Assumes a "business-as-usual" pathway towards 2050 • Explore the implementation of existing and announced policies • Does not consider additional policy implementation, instead looks at where the energy system might go without additional policy implementation • Does not take for granted that governments announced ambitions and targets will be met (e.g. To achieve net zero emissions by 2050)

2 The International Energy Agency (IEA) is at the heart of global dialogue on energy, provide authoritative analysis, data, policy recommendations, and real-world solutions to help countries provide secure and sustainable energy for all.

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5.6.3 Risks and Opportunities Management

Identified Risks	Potential Business and Financial Impact	Mitigation Measures	Monitoring of Mitigation Measures Effectiveness
Mandates on and regulation of existing products and services	• Cost of production, compliance, audit certification and license fee may increase significantly to meet the rise in mandatory requirements for Matex's existing products and services.	• Regularly audit products and services to ensure compliance with evolving climate regulations. • Proactively develop low-emission and environmentally friendly products that meet or exceed regulatory standards. • Engage with regulators to stay informed about upcoming mandates and collaborate on industry standards.	• Conduct internal audit to determine control needs in the current processes; ascertain policies and procedures are complied with regulations; and identify areas for improvement, where internal controls can be strengthened. • Track compliance reports and submission dates for mandatory disclosures, ensuring they meet regulatory requirements.
Enhanced emissions reporting obligations	• Non-compliance to SGX regulations may lead to consequences such as regulatory penalties and reputational damage which could negatively impact investor confidence and weaken stakeholder trust. • Increased compliance and administrative costs arise from the needs to meet evolving regulatory requirements, to implement enhanced governance frameworks, and ensure accurate financial and sustainability disclosures.	• External consultant hired to ensure Matex's sustainability report is in accordance with SGX regulations. • Sustainability working group is formed to monitor and track Matex's sustainability performance as well as to prepare and maintain sustainability report and its disclosure.	• Internal audit which is conducted in accordance with the International Standards for the Professional Practice of Internal Auditing, is engaged to review the sustainability reporting processes. • Board and management to internally review and verify the accuracy of the sustainability report before publication.

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Identified Risks	Potential Business and Financial Impact	Mitigation Measures	Monitoring of Mitigation Measures Effectiveness
Unsuccessful investment in new technologies	• Unsuccessful development of technologies can result in competitive disadvantages. • If the technology does not perform as expected, these costs may be unrecoverable, leading to significant financial losses.	• Conduct pilot testing to evaluate the feasibility, effectiveness, and potential challenges of the new technology before committing significant resources to large-scale technology development. For instance, Matex's Probiotic Cleaning Technology, Mebyo®, underwent extensive pilot testing in various real-world environments, including hospitals, industrial facilities, residential complexes, and commercial buildings. Throughout the trial phase, the team closely monitored performance, documented progress, and assessed key factors such as hygiene improvement, sustainability impact, and user satisfaction.	• Performance gap analysis to track the difference between expected and actual performance of new technologies. • Conduct post-investment assessments to evaluate whether the expected return or performance of the technology has been achieved.

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Identified Risks	Potential Business and Financial Impact	Mitigation Measures	Monitoring of Mitigation Measures Effectiveness
		• Collaborating with research institutions to share the cost and risk associated with the development of new technologies. For example, Matex has established a collaboration with the National University of Singapore on a project involving Hollow Fibre Membrane technology. This partnership not only accelerates the research and development process but also provides access to cutting-edge scientific resources and technical insights that may not be readily available internally. • Conduct due diligence testing on the technical aspects and functionality of the new product. This process involves comprehensive evaluations, including assessing the product's performance, safety, durability, and compliance with industry standards. By testing and validating the technical aspects, Matex can identify potential weaknesses, refine the product design, and ensure it meets the needs of the target market.	

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Identified Risks	Potential Business and Financial Impact	Mitigation Measures	Monitoring of Mitigation Measures Effectiveness
Changing customer behaviour	• Failing to meet customer expectations could lead to missed business opportunities and diminished demand for Matex's products, potentially impacting the Group's revenue, market position, and reputation. • Products that no longer align with consumer preferences could lead to excess inventory or require significant discounts to clear. This can result in inventory write-downs, impacting the Group's balance sheet and overall financial health. • Shifts in market demand toward more sustainable and eco-friendly products may necessitate changes in product formulations, potentially increasing R&D costs. This transition may involve initial financial outlays, such as increased material costs and investments in new processes.	• Continuously analyse customer trends to understand shifts in behaviour and preferences towards sustainability. • Emphasise sustainability in branding and marketing efforts to appeal to environmentally conscious consumers. • Obtain sustainability certifications (e.g. ISO, ETAD and the OEKO-TEX®) to increase consumer trust and align with their preferences for certified products. • Engaging in informal discussions with agents and representatives to gather real-time insights into market trends and evolving customer preferences. These conversations help Matex to stay ahead of shifting consumer demands, allowing for timely adjustments in product offerings and supply chain management.	• Moving forward, Matex plans to measure the percentage increase in sales of sustainable and innovative products.
Increased cost of raw materials	• Increased raw material costs can lead to reduced profit margins. This could necessitate price increases, which might not always be feasible in a competitive market, leading to potential loss of market share.	• Develop a diversified supply chain to avoid dependency on a single supplier and region vulnerable to extreme weather. This allow Matex to increase supply chain resiliency, manage cost whilst increasing flexibility and scalability.	• Track the percentage change in raw material costs over time.

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Identified Opportunities	Potential Business and Financial Impact	Mitigation Measures	Monitoring of Mitigation Measures Effectiveness
Use of more efficient production and distribution processes	• Improving production efficiency and distribution process through advanced manufacturing technologies and process optimisation to reduce turnaround time. • More efficient production can lower per-unit costs, leading to higher profit margins.	• Partnering with larger freight forwarding companies with extensive networks to optimise Matex's distribution processes and strengthening supply chain resilience. Larger freight forwarding companies typically have optimised shipping routes, bulk transportation discounts, and advanced logistics management systems. A robust distribution network through larger logistics partners can also help to mitigate supply chain disruptions caused by factors such as port congestion, customs delays, or natural disasters.	• Tracking the turnaround time. A reduced turnaround time indicates enhanced logistical efficiency, ensuring that products reach customers faster, minimising delays, and improving overall customer satisfaction. This metric can be monitored by comparing previous and current average shipping times and assessing how efficiently orders are fulfilled from dispatch to delivery. • Tracking the number of repeat or bulk orders. If customers place subsequent orders more quickly or increase their order quantities, it suggests improved reliability and trust in Matex's supply chain. Monitoring customer purchasing patterns and order trends helps assess service efficiency, inventory management effectiveness, and demand forecasting accuracy.

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Identified Opportunities	Potential Business and Financial Impact	Mitigation Measures	Monitoring of Mitigation Measures Effectiveness
Development of new products or services through R&D and innovation	• Developing new sustainable products and services can open new markets, expand Matex's share in existing markets and open new revenue streams. • The initial investment in R&D could be substantial, but the long-term financial gain from accessing new markets could outweigh these costs. • Developing green products can also reduce environmental impact and appeal to eco-conscious customers.	• Focus research and development on creating eco-friendly alternatives to traditional chemical products, such as biodegradable or non-toxic dyes and chemicals. • Partner with universities, research institutions, and other companies to foster innovation in green technologies and sustainable practices. • Conduct regular feasibility studies to evaluate the commercial viability of innovative products. • Trial sessions with clients to gather feedback ensuring the product meets industry needs, and identify any necessary improvements before a full-scale launch. Such trials provide valuable insights into performance, usability, and market fit reducing the risk of failure and increasing the likelihood of commercial success.	• Documenting trial sessions results to allow for a comparative analysis of product effectiveness. This includes evaluating performance improvements, customer feedback, and operational efficiencies. • Establishing key performance indicators specific to each product to ensure measurable and objective evaluation. Regularly monitoring these indicators helps determine whether a product aligns with strategic goals and whether adjustments are needed to improve performance. • Tracking the percentage of total revenue derived from newly developed products to gather insights on our market acceptance and financial contribution. This metric helps assess the success of product innovation efforts and whether our new offerings are effectively driving business growth.

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Identified Opportunities	Potential Business and Financial Impact	Mitigation Measures	Monitoring of Mitigation Measures Effectiveness
Development and/or expansion of low emission goods and services	• Expanding our portfolio to include low-emission or carbon-neutral chemicals and specialty products can differentiate Matex and align it with regulatory trends and customer demands. • Low-emission products can open doors to new markets focused on sustainability and increase revenue channels. • Being a leader in low-emission products can give Matex a competitive edge, attracting eco-conscious clients and partnerships.	• Expanding our product line with low-emission alternatives, such as green chemicals. One notable example is our Probiotic Cleaning Technology, Mebyo®, which leverages biotechnology to offer a safer and more sustainable alternative to traditional chemical-based cleaning solutions. Mebyo® has achieved the EU Ecolabel, a prestigious certification that verifies not only its environmental friendliness but also its positive environmental benefits. This certification demonstrates that Mebyo® meets stringent European Union criteria for low toxicity, biodegradability, and reduced ecological footprint, ensuring that it is both safe for users and beneficial for the planet. • Trial sessions with clients to gather feedback ensuring the product meets industry needs, and identifying any necessary improvements before a full-scale launch.	• Documenting trial sessions results to allow for a comparative analysis of product effectiveness. • Establishing key performance indicators specific to each product to ensure measurable and objective evaluation. • Tracking the percentage of total revenue deriving from newly developed products.

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Identified Opportunities	Potential Business and Financial Impact	Mitigation Measures	Monitoring of Mitigation Measures Effectiveness
Access to new markets	• Consumers are increasingly prioritising sustainability, leading to a growing demand for environmentally friendly products. As a chemical specialty manufacturer, we aim to leverage this trend by developing and marketing sustainable products. This provides opportunity for Matex to position ourself as a leader in supplying sustainable chemicals and solutions. • Access to new markets driven by sustainability trends can also lead to increased sales and diversification of revenue streams. By aligning our product offerings with consumer preferences, Matex aims to capture new customers and increase market share.	• Obtain sustainable product labelling and certificate to assure consumers that products meet high environmental standards. • Offer more customisable and eco-friendly products to meet consumer demand for sustainability and personalisation. • Becoming a member of industry associations to enhance our Group reputation, connecting with key industry players and potential customers to form strategic partnerships. • Develop marketing campaigns that highlight the sustainability benefits of products and services, aligning with consumers' desire for environmentally conscious brands. For example, Matex has participated in CleanEnviro Summit Singapore 2024 to spread much needed awareness on the global pressing issues of Anti-Microbial Resistance ("AMR") and how our innovative awards winning bio-based clean technology Mebyo® can effectively reduce AMR.	• Analysing sales data to determine the product success, including trends in demand and market preferences. Sales figures help determine whether a new product is gaining traction, identify which customer segments are responding positively, and guide pricing or promotional strategies to maximise profitability. • Post-marketing campaigns analysis such as customer engagement, sales conversions, and brand awareness, to determine if the campaigns is successfully and resonate with the target audience.

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Identified Opportunities	Potential Business and Financial Impact	Mitigation Measures	Monitoring of Mitigation Measures Effectiveness
New products and services related to ensuring resiliency	• Developing products and services that help other companies or industries improve their resilience to climate change can tap into a growing market demand. • Offering resiliency-focused products can diversify revenue streams, reducing reliance on traditional markets.	• Offer consulting or technical services to clients focused on climate adaptation and sustainability, helping them integrate resilience into their operations. • Dedicate R&D efforts to the development of chemicals and materials that improve the resilience of infrastructure, crops, or ecosystems affected by climate change.	• Track the development of new products or services designed to enhance climate resiliency. • Monitor the rate of adoption of new resiliency products in target markets. • Track the revenue growth from products or services aimed at improving resiliency.
Resource substitutes/ Diversification	• Diversifying raw material sources reduces vulnerability to supply chain disruptions and price volatility, ensuring stable input costs. • Over time, sustainable materials can also lead to cost savings, especially as technology improves and production scales increases.	• Diversify inputs across different sources to mitigate risks of resource scarcity or price volatility while reducing environmental impacts. • Testing and developing alternative sources to meet evolving requirements. By exploring new materials and technologies, we can reduce dependence on limited or high-risk resources, ensuring greater resilience against supply chain disruptions.	• Monitor the cost of goods regularly to mitigate price volatility risk and track fluctuations in raw material and production costs in real time. By analysing cost trends, Matex can implement proactive strategies such as bulk purchasing, supplier diversification, and price adjustments to maintain profitability. • Measure and track the diversity of suppliers, especially those providing alternative materials.

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5.6.4 Metrics and Targets

Matex systematically tracks, measures, and reports our environmental performance, focusing on key metrics such as carbon footprint, energy consumption, water usage, and material management. By closely monitoring these indicators, we can identify significant climate-related risks and refine our efforts to address them effectively.

In addition to disclosing our environmental performance, we have set specific climate-related targets to underscore our commitment to mitigating climate change. By publicly committing to these targets, we aim to not only enhance our environmental stewardship but also drive tangible improvements in our sustainability practices. Detailed information on these metrics and targets are provided in Section 4 titled "Our Sustainability Ambition and Strategic Targets" and Section 5, titled "Environmental Sustainability." Through these efforts, we hope to reduce our carbon footprint, support global climate goals, and foster greater trust and credibility with our stakeholders.

6. SOCIAL SUSTAINABILITY

6.1 Our Approach, Performance and Targets

Social responsibility is a cornerstone of sustainable business practices, reflecting the Group commitment to our employees and customers. Employees are the backbone of our organisation, and prioritising their safety and well-being fosters a motivated and engaged workforce. A focus on employee care fosters a positive, inclusive, and engaging workplace culture that attracts top talent and encourages collaboration and innovation. Our Employee Handbook serves as a detailed roadmap, delineating the rights and obligations of each employee while highlighting the diverse benefits and avenues for career advancement at Matex. Recognising that people are our greatest asset, we are committed to cultivating an inclusive and equal-opportunity work environment where everyone feels valued and respected.

Similarly, businesses have a responsibility to customers by delivering high-quality, safe, and ethically sourced products. Matex has always prioritised customer needs and satisfaction at the core of our Group's strategy. We continuously engage with our customers to understand their evolving preferences and requirements, ensuring that our products and services are tailored to meet their expectations. We emphasise high-quality products, product safety, exceptional customer service, and data privacy. By prioritising customer needs and maintaining transparency, we can build trust and foster long-term loyalty.

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The details of our performance are shown as follows:

Social Targets	Unit	FY2022 (Base Year)	FY2024 (Current Year)	FY2030 (Target Year)
Employee Hiring Rate	Percentage (%)	9.2	1.5	8.0
Employee Turnover	Percentage (%)	17.1	11.7	8.0
Recordable Injuries	Number of Cases	–	–	Target Met

6.2 Employee Care

6.2.1 Board and Employee Diversity

Board and employee diversity plays a crucial role in fostering innovation, enhancing decision-making, and driving business success. A diverse workforce and leadership team bring together individuals with varied backgrounds, experiences, and perspectives, leading to more comprehensive problem-solving, creative solutions, and better strategic planning.

At the board level, diversity ensures a broader range of insights that can improve governance, risk management, and responsiveness to global market trends. Companies with diverse boards are better equipped to understand diverse customer needs, navigate complex regulatory environments, and enhance stakeholder trust.

Within the workforce, diversity promotes an inclusive and equitable culture that enhances employee engagement, retention, and productivity. It fosters collaboration, innovation, and adaptability, ultimately strengthening Matex's competitive edge. Organisations that prioritise diversity are also more attractive to top talent, enabling them to build a high-performing, forward-thinking workforce.

Beyond business benefits, embracing diversity aligns with corporate social responsibility ("**CSR**") and sustainability goals, demonstrating Matex's commitment to ethical practices, equal opportunities, and long-term social impact. By cultivating an environment where all employees feel valued and empowered, businesses can drive greater financial performance, innovation, and long-term success.

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Our board diversity, workforce diversity and employment position are shown as follows:

Board Diversity:

Board Diversity	Unit	FY2024	FY2023	FY2022 (Base Year)
Directorship Concentration				
Board of Director Positions	Number of Headcount	6	6	5
Type of Directorships				
Executive Directorship	Number of Headcount	2	2	2
Independent Non-Executive Directorship	Number of Headcount	3	4	3
Non-Independent Non-Executive Directorship	Number of Headcount	1	–	–
Percentage (%)				
Executive Directorship	Proportion	33.3%	33.3%	40.0%
Independent Non-Executive Directorship	Proportion	50.0%	66.7%	60.0%
Non-Independent Non-Executive Directorship	Proportion	16.7%	–	–
Gender Diversity				
Male	Number of Headcount	6	6	5
Female	Number of Headcount	–	–	–
Percentage (%)				
Male	Proportion	100.0%	100.0%	100.0%
Female	Proportion	–	–	–
Age Diversity				
< 30	Number of Persons	–	–	–
30 to 50	Number of Persons	1	1	1
> 50	Number of Persons	5	5	4
Percentage (%)				
< 30	Proportion	–	–	–
30 to 50	Proportion	16.7%	16.7%	20.0%
> 50	Proportion	83.3%	83.3%	80.0%

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At Matex, we believe that board diversity is fundamental to effective governance and strategic decision-making. As such, a board diversity policy is adopted to foster a balanced, inclusive, and forward-thinking leadership team that enhances corporate governance and strategic decision-making. By formally committing to diversity, Matex ensures that our leadership reflects a wide range of perspectives, skills, and experiences, which is crucial for navigating complex business landscapes and addressing stakeholder expectations. Beyond business benefits, board diversity aligns with ESG principles, contributing to stronger corporate social responsibility efforts. By ensuring fair representation across gender, ethnicity, age, and professional backgrounds, Matex fosters a culture of inclusivity and progressive leadership, driving long-term resilience and competitiveness.

Target: We strive to maintain and foster a well-rounded Board with a balanced representation of skills, knowledge, and perspectives in order to enhance its ability to navigate challenges, seize opportunities, and drive sustainable growth.

Employee Diversity:

Particulars	Unit	FY2024	FY2023	FY2022 (Base Year)
Executive Directors	Number of Persons	2	2	2
Senior Management	Number of Persons	6	7	9
Manager	Number of Persons	9	13	18
Non-Manager	Number of Persons	48	50	60
Total	Number of Persons	65	72	89
Percentage (%)				
Executive Directors	Proportion	3.1%	2.8%	2.3%
Senior Management	Proportion	9.2%	9.7%	10.1%
Manager	Proportion	13.9%	18.1%	20.2%
Non-Manager	Proportion	73.8%	69.4%	67.4%

Gender Distribution:

Particulars	Unit	FY2024	FY2023	FY2022 (Base Year)
Gender				
Male	Number of Persons	38	43	54
Female	Number of Persons	27	29	35
Total	Number of Persons	65	72	89

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Percentage (%)				
Male	Proportion	58.5%	59.7%	60.7%
Female	Proportion	41.5%	40.3%	39.3%

Senior Management Distribution:

Particulars	Unit	FY2024	FY2023	FY2022 (Base Year)
Gender				
Male	Number of Persons	4	5	7
Female	Number of Persons	2	2	2
Total	Number of Persons	6	7	9
Percentage (%)				
Male	Proportion	66.7%	71.4%	77.8%
Female	Proportion	33.3%	28.6%	22.2%
Age Group				
< 30	Number of Persons	–	–	–
30 to 50	Number of Persons	2	3	4
> 50	Number of Persons	4	4	5
Total	Number of Persons	6	7	9
Percentage (%)				
< 30	Proportion	–	–	–
30 to 50	Proportion	33.3%	42.9%	44.4%
> 50	Proportion	66.7%	57.1%	55.6%

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Manager Distribution:

Particulars	Unit	FY2024	FY2023	FY2022 (Base Year)
Gender				
Male	Number of Persons	5	8	13
Female	Number of Persons	4	5	5
Total	Number of Persons	9	13	18
Percentage (%)				
Male	Proportion	55.6%	61.5%	72.2%
Female	Proportion	44.4%	38.5%	27.8%
Age Group				
< 30	Number of Persons	–	–	–
30 to 50	Number of Persons	5	6	11
> 50	Number of Persons	4	7	7
Total	Number of Persons	9	13	18
Percentage (%)				
< 30	Proportion	–	–	–
30 to 50	Proportion	55.6%	46.2%	61.1%
> 50	Proportion	44.4%	53.8%	38.9%

Non-Manager Distribution:

Particulars	Unit	FY2024	FY2023	FY2022 (Base Year)
Gender				
Male	Number of Persons	27	28	32
Female	Number of Persons	21	22	28
Total	Number of Persons	48	50	60

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Particulars	Unit	FY2024	FY2023	FY2022 (Base Year)
Percentage (%)				
Male	Proportion	56.3%	56.0%	53.3%
Female	Proportion	43.7%	44.0%	46.7%
Age Group				
< 30	Number of Persons	1	20	3
30 to 50	Number of Persons	30	24	35
> 50	Number of Persons	17	6	22
Total	Number of Persons	48	50	60
Percentage (%)				
< 30	Proportion	2.1%	40.0%	5.0%
30 to 50	Proportion	62.5%	48.0%	58.3%
> 50	Proportion	35.4%	12.0%	36.7%

Target: We aim to foster a diverse and inclusive workplace, focusing on merit-based hiring and promotions, ensuring equal opportunities for skill development, and holding leadership accountable for progress while continually measuring and adapting our efforts.

6.2.2 Employee Retention

Employee retention is crucial for Matex's stability, productivity, and long-term success. High retention rates ensure that Matex is able to retain experienced talent, reduce hiring and training costs, and maintain continuity in operations. A committed workforce leads to higher efficiency, stronger team cohesion, and better knowledge retention, which are key to sustaining growth and innovation.

Retaining employees also enhances our culture and morale, fostering a positive work environment where employees feel valued and engaged. When employees stay longer, they develop a deeper understanding of Matex's goals, processes, and customers, contributing to higher performance and service quality.

Additionally, strong retention strategies strengthen Matex's branding, making us more attractive to top talent. Ultimately, a stable and satisfied workforce drives long-term business success, improving innovation, customer satisfaction, and overall profitability.

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New Hire Distribution:

Particulars	Unit	FY2024	FY2023	FY2022 (Base Year)
Gender				
Male	Number of Persons	–	2	5
Female	Number of Persons	1	3	2
Total	Number of Persons	1	5	7
Percentage (%)				
Male	Proportion	–	40.0%	71.4%
Female	Proportion	100.0%	60.0%	28.6%
Age Group				
< 30	Number of Persons	–	2	1
30 to 50	Number of Persons	1	3	6
> 50	Number of Persons	–	–	–
Total	Number of Persons	1	5	7
Percentage (%)				
< 30	Proportion	–	40.0%	14.3%
30 to 50	Proportion	100.0%	60.0%	85.7%
> 50	Proportion	–	–	–

Since our base year of FY2022, the number of new hires has declined. In FY2022, we welcomed seven new team members, reflecting a hiring rate[3] of 9.2%. However, in FY2024, this decreased to just one new hire, resulting in a hiring rate of 1.5%. This was due to a higher retention rate and reduced voluntary departures, decreasing the necessity for new recruitment. Additionally, as Matex is undergoing restructuring, we have implemented temporary hiring freezes, limiting new recruitment efforts.

Matex is committed to reinforcing our workforce, fostering diversity, and enhancing our organisational capabilities to meet future challenges and opportunities. We are setting our sights on future growth with short, medium, and long-term hiring targets.

Our targets for the future are defined as:

- Short-term (8.0%)
- Medium-term (10.0%)
- Long-term (15.0%)

3 Hiring Rate is calculated using total new hires divided by average headcount (Beginning + End).

SUSTAINABILITY REPORT

Resigned Employees Distribution:

Particulars	Unit	FY2024	FY2023	FY2022 (Base Year)
Gender				
Male	Number of Persons	5	4	5
Female	Number of Persons	3	2	8
Total	Number of Persons	8	6	13
Percentage (%)				
Male	Proportion	62.5%	66.7%	38.5%
Female	Proportion	37.5%	33.3%	61.5%
Age Group				
< 30	Number of Persons	–	2	–
30 to 50	Number of Persons	2	3	9
> 50	Number of Persons	6	1	4
Total	Number of Persons	8	6	13
Percentage (%)				
< 30	Proportion	–	33.3%	–
30 to 50	Proportion	25.0%	50.0%	69.2%
> 50	Proportion	75.0%	16.7%	30.8%

In FY2024, our organisation experienced a turnover rate[4] of 11.7%, with 8 employees choosing to resign. This rate is an essential indicator of our workforce stability and employee satisfaction, prompting us to closely examine our workplace environment, career development opportunities, and overall employee engagement strategies. While turnover is a natural aspect of any organisation's lifecycle, understanding the underlying reasons behind these departures is crucial for us to implement effective measures aimed at improving retention and maintaining a committed and motivated workforce. Our focus remains on creating a supportive and enriching work environment that not only attracts talent but also encourages long-term career growth and satisfaction among our team members.

From our base year of FY2022, where we saw 13 employees resign, to a reduced number of 8 resignations in FY2024, reflecting a decrease in turnover rate from 17.1% to 11.7%, we are committed to setting strategic short, medium, and long-term targets to further decrease turnover and enhance employee retention.

4 Turnover Rate is calculated using total resignees divided by average headcount (Beginning + End).

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Our targets for the future are defined as:

- Short-term (8.0%)
- Medium-term (6.0%)
- Long-term (5.0%)

6.2.3 Training and Development

Training and development play a vital role in enhancing employee skills, workplace safety, and long-term career growth, ultimately contributing to the overall success of Matex. A well-structured training program ensures that employees remain competent, confident, and up to date with industry advancements, leading to increased productivity and efficiency.

At Matex, employee development is a key priority as reflected in our Training and Development Policy. We provide regular safety training for laboratory staff, ensuring a secure working environment and compliance with safety regulations. Funding support for external education and training programs is also provided, enabling employees to expand their expertise and stay ahead in their respective fields.

Recognising the needs of employees approaching retirement, we have implemented pre-retirement planning and retraining opportunities to facilitate a smooth transition to the next phase of life. In accordance with Section 4 of the Retirement and Reemployment Act, we provide severance pay based on age and years of service. For those who choose to continue working, we offer job placement services and part-time re-employment opportunities to help them remain active in the workforce.

Our performance review profile is shown as follows:

Particulars	Unit	FY2024		FY2023		FY2022 (Base Year)	
Employee Category		**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
Executive Directors	Number of Persons	2	–	2	–	2	–
Percentage (%)	Proportion	100.0%	–	100.0%	–	100.0%	–
Senior Management	Number of Persons	4	2	5	2	7	2
Percentage (%)	Proportion	66.7%	33.3%	71.4%	28.6%	77.8%	22.2%
Manager	Number of Persons	5	4	8	5	13	5
Percentage (%)	Proportion	55.6%	44.4%	61.5%	38.5%	72.2%	27.8%
Non-Manager	Number of Persons	27	21	28	22	32	28
Percentage (%)	Proportion	56.3%	43.7%	56.0%	44.0%	53.3%	46.7%

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Investing in professional growth enables our employees to remain competitive and adaptable to evolving industry demands, which in turn drives innovation and efficiency within the Group. Therefore, we ensure that effective career development and performance management are established through clear, measurable goals that align with the Group's strategic objectives. We collaborate with employees to create personalised development plans that identify career aspirations, required skills, and timelines for achieving milestones.

Our training profile is shown as follows:

Training	Unit	FY2024	FY2023	FY2022 (Base Year)
Total Training Hours	Hours	504.00	548.00	516.00
Total Number of Employees (Year End)	Number of Persons	65	72	89
Average Training Hours per Employee	Hours/Person	7.75	7.61	5.80
Average Training Hours				
Employment Position				
Executive Directors	Hours/Person	–	21.00	–
Senior Management	Hours/Person	15.67	57.00	99.00
Manager	Hours/Person	10.94	140.00	105.00
Non-Manager	Hours/Person	6.49	331.00	312.00
Gender				
Male	Hours/Person	7.75	6.67	7.06
Female	Hours/Person	7.76	9.00	3.86

By investing in training and development, we not only enhance employee capabilities but also foster loyalty, job satisfaction, and long-term retention. A well-trained workforce ensures higher operational efficiency, better adaptability to industry changes, and a strong culture of continuous learning, reinforcing our commitment to both employee well-being and business success.

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Our sustainability training profile is shown as follows:

Sustainability Training	Unit	FY2024	FY2023	FY2022 (Base Year)
Total Training Hours	Hours	124.00	–	8.00
Total Number of Employees who attended training on Sustainability	Number of Persons	7	–	2

To strengthen our expertise in sustainability practices, we actively send key personnel to industry-leading training programs and seminars. These initiatives equip our team with the latest knowledge and strategies to enhance our sustainability efforts across operations.

Our employees have participated in:

- Seminar on Sustainability for Business: Provides insights into integrating sustainable practices into corporate strategies and operations.
- Sustainable Manufacturing Program "*Understanding Purpose-Driven Sustainability and Strategy*": Focuses on aligning manufacturing processes with sustainability goals, fostering resource efficiency, and minimising environmental impact.
- Navigating Consistency in Sustainability Reporting "*Exploring Greenwashing and Legal Risks*": This session emphasises the importance of transparent and credible sustainability reporting, addressing potential legal and reputational risks associated with greenwashing.

6.2.4 Employee Benefits and Parental Leave

Offering comprehensive employee benefits and parental leave is essential for fostering a supportive and inclusive workplace while enhancing employee well-being, job satisfaction, and retention. These benefits not only improve work-life balance but also demonstrate Matex's commitment to its employees' personal and professional needs.

Providing employee benefits, such as healthcare, disability and invalidity coverage, compassionate leave, retirement plans, and financial assistance, ensures that our employees feel valued and supported, leading to higher productivity and morale. These benefits also contribute to talent attraction and retention, as employees are more likely to remain with companies that prioritise their well-being.

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Parental leave is a critical component of workplace support, allowing employees to care for their newborns or newly adopted children without financial or job security concerns. By offering paid parental leave, Matex aims to help employees manage family responsibilities while ensuring a smooth transition back to work. Our robust parental leave policy also fosters gender equality, encouraging both mothers and fathers to take time off to care for their children.

Employee benefits

Particulars	Unit	FY2024	FY2023	FY2022 (Base Year)
Benefits				
Life Insurance	Number of Persons	29	26	35
Health Care	Number of Persons	24	70	21
Disability and Invalidity Coverage	Number of Persons	24	22	6
Retirement Provision	Number of Persons	13	12	19
Compassionate Leave	Number of Persons	65	56	89
Parental Leave	Number of Persons	56	63	89
Percentage (%)				
Life Insurance	Proportion	44.6%	36.1%	39.1%
Health Care	Proportion	36.9%	97.2%	24.1%
Disability and Invalidity Coverage	Proportion	36.9%	30.6%	6.9%
Retirement Provision	Proportion	20.0%	16.7%	21.8%
Compassionate Leave	Proportion	100.0%	77.8%	100.0%
Parental Leave	Proportion	86.2%	87.5%	100.0%

Parental Leave

Particulars	FY2024		FY2023		FY2022 (Base Year)	
	Male	Female	Male	Female	Male	Female
Employees entitled to parental leave	34	22	35	28	55	34
Employees that took parental leave	No employees took parental leave				–	1
Employees that returned to work after Parental Leave ended	No employees took parental leave				–	1

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Ultimately, investing in employee benefits and parental leave strengthens workplace culture, increases employee loyalty, and enhances the Matex's reputation as an employer of choice, driving long-term business success.

6.2.5 Occupational Health and Safety

Occupational health and safety ("**OHS**") is a fundamental priority in ensuring the well-being of employees and the overall sustainability of business operations. A safe, secure, and supportive work environment not only protects employees from workplace hazards but also enhances productivity, reduces absenteeism, and fosters a culture of responsibility and care.

As a responsible employer, Matex is committed to maintaining high safety standards through the implementation of robust work safety management systems, comprehensive emergency preparedness plans, and environmentally sustainable practices across all operations. These initiatives help mitigate risks, prevent workplace accidents, and ensure compliance with regulatory requirements.

To reinforce our commitment to workplace safety, our management systems align with OHSAS 18001:2007 standards, a globally recognised framework for occupational health and safety. This ensures a structured approach to hazard identification, risk assessment, and the implementation of preventive measures, further strengthening our ability to create a safer and healthier work environment. Employees are required to follow Matex's safety procedures, including the proper use of personal protective equipment during operations, to minimise workplace hazards and prevent accidents.

To enhance workplace safety, we have implemented a comprehensive Emergency Response Plan ("**ERP**") designed to effectively manage emergencies, minimise risks, and protect employees, facilities, and the surrounding environment. This plan outlines clear protocols for incident response, evacuation procedures, and hazard containment, ensuring that all employees are well-prepared to handle emergencies efficiently.

A critical component of our ERP is dangerous waste management, which focuses on the proper handling, storage, and disposal of hazardous materials to mitigate risks associated with chemical exposure, contamination, and environmental harm. We enforce strict waste segregation procedures, conduct regular audits, and comply with regulatory standards to ensure safe and sustainable hazardous waste management.

We have obtained the National Environment Agency and Singapore Police Force licenses for hazardous chemicals storage in our R&D Laboratory, demonstrating our commitment to regulatory compliance, workplace safety, and environmental responsibility. These licenses ensure that our storage, handling, and usage of hazardous chemicals adhere to strict safety regulations and best practices, minimising potential risks to our employees, facilities, and the surrounding community. As part of this compliance, we have implemented comprehensive safety protocols, including proper chemical labelling, secure storage systems and ventilation controls to prevent accidents such as leaks, spills, or exposure.

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Additionally, we conduct regular risk assessments and maintain a risk register to proactively identify, evaluate, and address potential workplace hazards. These assessments help us stay ahead of emerging risks by continuously monitoring safety conditions, implementing necessary control measures, and updating our protocols to reflect industry best practices and regulatory requirements. By fostering a culture of safety and preparedness, we aim to prevent accidents, reduce operational disruptions, and safeguard the well-being of our workforce.

Our employees' health and safety incidents profile are shown as follows:

Performance Indicator	Unit	FY2024	FY2023	FY2022 (Base Year)
Recordable Injuries	Number of Person	No recordable injuries		

In FY2024, we are pleased to report that there were no reportable work-related injuries, demonstrating the effectiveness of our safety initiatives and the collective dedication of our workforce to maintaining a secure workplace. By prioritising occupational health and safety, we protect our employees, enhance operational efficiency, and contribute to the long-term success of our business, while upholding our responsibility to our workforce and the wider community.

6.2.6 Fair Employment Practices

Operating within a diverse cultural landscape, characterised by varying customs and racial backgrounds, the Group's HR policies are crafted to be adaptable and culturally sensitive, in full compliance with applicable laws and regulations. Guiding our HR practices is the Tripartite Alliance for Fair and Progressive Employment Practices ("**TAFEP**"), which ensures our adherence to fair employment standards and alignment with Singapore's best practices.

Notably, Matex is honoured to be an early adopter and advocate of the Tripartite Standard on Age-Friendly Workplace Practices ("**AFW**"), a key initiative that aligns with our commitment to facilitate continued employability and the management of career endings resulting from retirement. Trainings are provided to older employees to ensure that they perform their jobs effectively and workplace health programmes for older employees are also implemented. We strongly believe that fostering an age-friendly workplace is essential not only for retaining older employees but also for enabling them to continue contributing meaningfully to the organisation. Older employees bring invaluable expertise, experience, and mentorship to the workplace, enriching Matex's culture and supporting knowledge transfer to younger generations. By creating a workplace that accommodates their needs, we ensure that these employees can extend their productivity and remain engaged in their work, sharing insights that help drive innovation and success.

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Additionally, in adherence to our commitment to transparent and fair employment practices, we provide a minimum notice period of one month to employees and their representatives prior to the implementation of significant operational changes that may substantially impact them. This notice period allows ample time for effective communication, consultation, and negotiation where necessary, ensuring that all parties involved are adequately informed and have the opportunity to provide input. Additionally, for organisations with collective bargaining agreements, the minimum notice period and provisions for consultation and negotiation are explicitly outlined within these agreements, further reinforcing our dedication to fostering collaborative and mutually beneficial relationships with our workforce.

Our profiles for demographic distribution and membership status are presented below.

Employee Profile	Unit	FY2024	FY2023	FY2022 (Base Year)
Total Number of Employees (Year End)	Number of Persons	65	72	89
Number of Employees (Location-wise)				
Local	Number of Persons	63	70	86
Foreign	Number of Persons	2	2	3
Percentage (%)				
Local	Proportion	96.9%	97.2%	96.6%
Foreign	Proportion	3.1%	2.8%	3.4%
Number of Employees (Union Member-wise)				
Union Member	Number of Persons	–	–	22
Not Union Member	Number of Persons	65	72	67
Percentage (%)				
Union Member	Proportion	–	–	24.7%
Not Union Member	Proportion	100.0%	100.0%	75.3%
Number of Employees (Collective Bargaining-wise)				
Collective Bargaining	Number of Persons	–	–	54
Not Collective Bargaining	Number of Persons	65	72	35
Percentage (%)				
Collective Bargaining	Proportion	–	–	60.7%
Not Collective Bargaining	Proportion	100.0%	100.0%	39.3%

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Matex is committed to fair employment practices, ensuring equal treatment for all employees while adhering to local labour regulations, including minimum wage laws. These efforts not only contribute to a positive workplace culture but also reinforce Matex's reputation as an employer of choice. By attracting and nurturing top talent, we hope to strengthen our organisational capabilities and drive sustainable growth.

6.2.7 Child Labour and Human Rights

Our commitment to ethical business practices extends to opposition against child labour and forced labour in any form. We adhere to strict policies that ensure our operations and those of our supply chain partners are free from these unethical practices. We recognise that child labour and forced labour are not only violations of human rights but also impediments to sustainable development. Therefore, we conduct rigorous audits and maintain close surveillance of our operations and suppliers to ensure compliance with local and international labour laws and standards.

Our zero-tolerance approach to child and forced labour reflects our dedication to protecting workers' rights and promoting a fair, safe, and ethical working environment. This commitment is ingrained in our corporate ethos and is a non-negotiable aspect of our business operations, aligning with our broader sustainability objectives and social responsibilities.

Continuing our dedication to inclusivity and alignment with global human rights standards, Matex regularly evaluates and updates its Employee Handbook to reflect the principles outlined in the Universal Declaration of Human Rights, ensuring clarity on employee entitlements and organisational resources.

6.3 Customer Health and Safety

6.3.1 Customer Satisfaction and Retention

At Matex, customer satisfaction and retention are at the core of our business strategy, reflecting our commitment to delivering high-quality products, exceptional service, and long-term value to our clients. We understand that building strong, lasting relationships with our customers is essential for sustained business growth and industry leadership. Our records show that we received zero complaints during the year, and consequently, there were no unresolved complaints or issues awaiting resolution.

To ensure we consistently meet and exceed customer expectations, we actively engage in continuous product innovation, leveraging cutting-edge technology and sustainable solutions to address evolving market needs. Our dedicated customer service team provides personalised support, ensuring prompt responses to inquiries, efficient order processing, and effective after-sales assistance.

Matex has also implemented a comprehensive approach that focuses on quality service, proactive engagement, and continuous improvement. Our measures include:

- Direct Interactions: We actively engage with our customers through direct communication channels, including meetings, feedback sessions, and surveys. This allows us to understand their needs, address concerns promptly, and build strong, long-term relationships.

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- Market Analysis: We conduct thorough market research and data analysis to gain insights into evolving customer preferences and industry trends. This enables us to refine our product offerings, enhance service quality, and stay ahead of market demands.

- Contract Management and Relations: We foster transparent and professional relationships through effective contract management. By ensuring clear communication, compliance with agreed terms, and proactive issue resolution, we build trust and reinforce customer confidence in our services.

- Equipment and Crew Competency: We prioritise maintaining high standards in equipment functionality and crew expertise. By ensuring that our teams are well-trained and our facilities are well-equipped, we can consistently meet customer expectations and deliver reliable, high-quality solutions.

- Employee Training and Development: Matex invests significantly in training programs to enhance employee competencies, ensuring they are well-equipped to deliver exceptional service. Our training initiatives cover technical skills, customer service excellence, and industry best practices, reinforcing our commitment to customer satisfaction.

Furthermore, Matex places great emphasis on collaborative partnerships with our clients, working closely with them to develop tailored solutions that enhance their operational efficiency and sustainability goals. By maintaining transparency, reliability, and consistent quality, we strive to strengthen our customer relationships and ensure long-term retention in a highly competitive market.

6.3.2 Customer Privacy

At Matex, we recognise that customer privacy is paramount in maintaining trust and fostering strong, long-term relationships. We are committed to protecting the confidentiality and security of all customer information by implementing stringent data protection measures and adhering to regulatory compliance standards.

To safeguard customer privacy, we have established robust data management policies that govern the collection, storage, and handling of sensitive information. Our cybersecurity measures, including encryption protocols and secure access controls, ensure that customer data remains protected against unauthorised access or breaches.

We have received no substantiated complaints from external parties or regulatory bodies regarding breaches of customer privacy. We are also pleased to report that there have been no identified incidents of data leakage, theft, or loss. This demonstrates our effective measures and commitment to protecting customer information.

By prioritising customer privacy and data security, Matex reinforces its commitment to ethical business practices and strengthens customer confidence in our ability to protect their sensitive information.

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6.3.3 Product Quality and Safety

At Matex, product quality and safety are at the core of our operations, ensuring that our customers receive reliable, high-performance, and environmentally responsible solutions. We are dedicated to strict regulatory compliance and the continuous improvement of our products to meet industry standards and customer expectations.

To uphold our commitment, we adhere to regulatory requirements, including the Material Safety Data Sheets ("**MSDS**"), which comply with the United Nations Global Harmonized System ("**GHS**"). Each MSDS provides detailed insights into:

- Product classification and composition, including hazardous ingredients.
- Potential health and environmental hazards associated with usage.
- Safe handling, storage, and disposal instructions to minimise risks.
- Personal Protective Equipment ("**PPE**") recommendations to ensure workplace safety.
- First-aid and emergency response measures in case of accidental exposure.

Additionally, our packaging labels feature hazard pictograms and warnings derived from the MSDS, ensuring compliance with both GHS and local regulatory standards. This labelling process is streamlined through our global module system, YONYOU, which directly integrates with label printers across all our packaging sites, guaranteeing accuracy and consistency in hazard communication.

To reinforce quality assurance, regulatory compliance, and environmental responsibility, Matex collaborates with internationally recognised third-party certification bodies. These certification bodies play a crucial role in validating product safety, sustainability, and environmental impact, helping customers and industry partners trust the reliability of our offerings.

Key certification bodies and partnerships include:

- Bluesign Technologies AG: Recognises products and processes that meet stringent environmental and worker safety standards in the textile industry.
- Ecological and Toxicological Association of Dyes and Organic Pigments Manufacturers ("**ETAD**"): Ensures that our dyes and chemicals comply with toxicological and environmental safety regulations.
- Cradle-to-Cradle Products Innovation Institute: Certifies products that adhere to circular economy principles, focusing on material health, renewable energy use, water stewardship, and social fairness.

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Matex has obtained ISO 9001 Quality Management System certification, demonstrating its unwavering commitment to product quality, operational efficiency, and customer satisfaction. ISO 9001 is an internationally recognised standard that sets criteria for a strong quality management system, ensuring that organisations consistently deliver high-quality products and services that meet both regulatory requirements and customer expectations. By integrating ISO 9001 principles into its daily operations, Matex enhances efficiency, reduces waste, and ensures consistent product quality, ultimately reinforcing its position as a trusted industry leader in sustainable and innovative textile solutions.

7. GOVERNANCE

7.1 Our Approach, Performance and Targets

Compliance with rules and regulations is paramount. Matex strictly adheres to the local laws and industry regulations relating to corporate governance and code of conduct including anti-discrimination, anti-bribery, anti-corruption, fraud and confidentiality.

We are pleased to announce that in FY2024, there were no reported cases of bribery, corruption, or regulatory non-compliance. The Group will ensure strict compliance with applicable laws and regulations.

Governance Targets	Unit	FY2022 (Base Year)	FY2024 (Current Year)	FY2030 (Target Year)
No. of reported incidents of discrimination	Number	Ensure that there are no incidents of discrimination.	– (Target Met)	Maintain Target To Be Met
No. of reported incidents of non-compliance	Number	Continue to comply with the Code of Corporate Governance and meet all requirements that are expected of us by our stakeholders.	– (Target Met)	Maintain Target To Be Met
No. of reported incidents of bribery and corruption	Number	High standards of conduct and ethical behaviour in all our business activities and supporting a culture of compliance and good corporate governance with zero reported incidents of corruption.	– (Target Met)	Maintain Target To Be Met

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7.2 Compliance with Laws and Regulations

Our approach to sustainability is deeply rooted in strong governance practices. We believe that effective governance is essential for achieving our sustainability objectives and maintaining the trust of our stakeholders. To this end, our governance framework is designed to ensure accountability, transparency, and ethical decision-making at all levels of our organisation. We have established clear policies and procedures to guide our operations, manage risks, and ensure compliance with legal and regulatory requirements.

Regular reviews and audits are conducted to assess our performance and identify areas for improvement. By integrating sustainability considerations into our governance structures, we are committed to delivering long-term value to our stakeholders and contributing positively to the broader society and environment in which we operate.

We pledge to remain committed to regulatory mandates and undertake necessary actions to ensure continual compliance. This dedication is intrinsic to our comprehensive sustainability strategy, demonstrating our unwavering resolve to conduct operations responsibly and sustainably, to the mutual advantage of all stakeholders involved.

7.3 Corporate Governance

7.3.1 Code of Governance

Matex is committed to upholding high standards of corporate governance and ensuring full compliance with the Principles of the Code of Corporate Governance. We recognise that strong corporate governance is fundamental to maintaining transparency, accountability, and ethical business conduct, which are essential for sustainable growth and long-term stakeholder trust.

Our governance framework is built upon the following key pillars:

- Board Leadership and Oversight: Our Board of Directors plays a crucial role in providing strategic direction, overseeing risk management, and ensuring compliance with legal, ethical, and regulatory requirements.

- Transparency and Accountability: Matex upholds clear and open communication with stakeholders through timely and accurate disclosures in financial reporting, corporate announcements, and sustainability reports.

- Internal Controls and Risk Management: We have established robust internal controls and risk management frameworks to safeguard the integrity of our business operations and protect shareholder interests.

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- Ethical Business Conduct: Matex enforces a strict Code of Ethics and Conduct, ensuring that all employees and management adhere to high ethical standards in business dealings and decision-making.

- Stakeholder Engagement: We actively engage with our investors, customers, employees, and regulatory bodies to uphold best practices and align our governance policies with evolving industry standards.

By complying with the Code of Corporate Governance, Matex ensures that our business operates with the highest levels of integrity, professionalism, and accountability, fostering a culture of responsible corporate citizenship and sustainable success.

7.3.2 Anti-Corruption

Matex enforces a zero-tolerance policy towards corruption, bribery, and unethical business practices. We have implemented strict internal controls and compliance measures to prevent fraud and misconduct, ensuring that all employees and business partners uphold integrity in every transaction.

Our anti-corruption framework includes:

- Compliance with Laws and Regulations: Adherence to Singapore's Prevention of Corruption Act ("**PCA**") and international anti-bribery laws to ensure lawful and ethical business practices.

- Employee Awareness: Stringent anti-corruption and anti-bribery stance, as detailed in the accessible Employee Handbook, which outlines the Group's policies and procedures regarding such violations. Employees are equipped with guidance on identifying, addressing, and reporting instances of corruption or bribery. All employees are briefed on the ramifications of corruption and bribery violations, with senior management committed to training junior and mid-level staff to prevent such occurrences.

- Whistleblowing Policy: A confidential and secure whistleblowing channel that allows employees and stakeholders to report any suspected corruption or unethical behaviour without fear of retaliation.

- Third-Party Due Diligence: Rigorous vetting processes for suppliers, partners, and contractors to ensure compliance with our ethical standards. The Group pledges to comply with all pertinent regulations, selecting business partners and opportunities through a transparent and equitable bidding process to foster market competitiveness and prevent corruption.

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7.3.3 Non-Discrimination

Matex values diversity, equality, and inclusivity, ensuring a workplace free from discrimination and harassment. The Human Resources department and senior management collaborate closely to ensure all employees enjoy equitable access to resources and are treated with fairness and respect.

Key initiatives include:

- Equal Employment Opportunities: Hiring and promotions are based on merit, skills, and experience, regardless of race, gender, age, religion, disability, or any other protected characteristic.

- Fair Compensation and Benefits: A transparent compensation structure that ensures fair and equal pay for employees in similar roles and responsibilities.

- Harassment-Free Workplace: A grievance resolution mechanism is in placed to address concerns swiftly and effectively.

Moreover, Matex advocates for ethical workplace standards among its external partners, fostering a positive and collaborative business atmosphere. In pursuit of transparency and accountability, the Group has instituted a whistleblowing system to address potential concerns. As of now, no grievances have been lodged through this channel.

The Group remains committed in its dedication to fostering a workplace culture that embraces diversity, equity, and inclusion, evident in the absence of reported discrimination incidents throughout the year. All employees are encouraged to report any discrimination they encounter or witness, with the Group implementing robust processes and mechanisms to support them. The lack of discrimination cases reported underscores Matex's unwavering commitment to providing a secure and inclusive work environment for all its employees.

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8. GRI Index

Matex has reported the information cited in this GRI content index for the 1 January 2024 to 31 December 2024 with reference to the GRI Standards.

GRI Reference		Disclosure	Reference
General Standard Disclosure			
The organisation and its reporting practices	2-1	Organisational details	SR: Section 2
	2-2	Entities included in the organisation's sustainability reporting	SR: Section 1.2
	2-3	Reporting period, frequency and contact point	SR: Section 1.2 & 1.6
	2-4	Restatements of information	SR: Section 1.5
	2-5	External assurance	SR: Section 1.4
Activities and workers	2-6	Activities, value chain and other business relationships	SR: Section 2.1 AR: Corporate Structure, Operations and Financial Review
	2-7	Employees	SR: Section 6.2
	2-8	Workers who are not employees	Not applicable
Governance	2-9	Governance structure and composition	SR: Section 5.6 & 6.2 AR: Corporate Governance Report
	2-10	Nomination and selection of the highest governance body	AR: Corporate Governance Report
	2-11	Chair of the highest governance body	AR: Corporate Governance Report
	2-12	Role of the highest governance body in overseeing the management of impacts	SR: Section 5.6 & 7.3 AR: Corporate Governance Report
	2-13	Delegation of responsibility for managing impacts	SR: Section 1.1, 5.6 & 7 AR: Corporate Governance Report
	2-14	Role of the highest governance body in sustainability reporting	SR: Section 1.1 & 5.6 AR: Corporate Governance Report
	2-15	Conflicts of interest	AR: Corporate Governance Report

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GRI Reference		Disclosure	Reference
	2-16	Communication of critical concerns	SR: Section 7.3 AR: Corporate Governance Report
	2-17	Collective knowledge of the highest governance body	AR: Corporate Governance Report
	2-18	Evaluation of the performance of the highest governance body	AR: Corporate Governance Report
	2-19	Remuneration policies	AR: Corporate Governance Report
	2-20	Process to determine remuneration	AR: Corporate Governance Report
Strategy, policies and practices	2-22	Statement on sustainable development strategy	SR: Section 3.1
	2-23	Policy Commitments	SR: Section 3 to 7
	2-24	Embedding policy commitments	SR: Section 3 to 7
	2-25	Processes to remediate negative impacts	SR: Section 7.3 AR: Corporate Governance Report
	2-26	Mechanisms for seeking advice and raising concerns	SR: Section 7.3 AR: Corporate Governance Report
	2-27	Compliance with laws and regulations	SR: Section 7.2 AR: Corporate Governance Report
	2-28	Membership associations	SR: Section 2.4
Stakeholder Engagement	2-29	Approach to stakeholder engagement	SR: Section 3.2
	2-30	Collective bargaining agreements	SR: Section 6.2
Disclosures on Material Topics	3-1	Process to determine material topics	SR: Section 3.3
	3-2	List of material topics	SR: Section 3.3
	3-3	Management of material topics	SR: Section 3.3, 5 to 7

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GRI Reference		Disclosure	Reference
Economic			
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	SR: Section 7.3
	205-3	Confirmed incidents of corruption and actions taken	SR: Section 7.1 & 7.3
Non-Discrimination	406-1	Incidents of discrimination and corrective actions taken	SR: Section 7.1 & 7.3
Environment			
Materials	301-1	Materials used by weight or volume	SR: Section 5.5
Energy	302-1	Energy consumption within the organisation	SR: Section 5.3
	302-3	Energy intensity	SR: Section 5.3
Water	303-1	Interaction with water as shared resource	SR: Section 5.4
	303-3	Water withdrawal	SR: Section 5.4
	303-5	Water consumption	SR: Section 5.4
Emissions	305-1	Direct (Scope 1) GHG emissions	SR: Section 5.2
	305-2	Energy indirect (Scope 2) GHG emissions	SR: Section 5.2
	305-4	GHG emissions intensity	SR: Section 5.2
Social			
Employment	401-1	New employee hires and employee turnover	SR: Section 6.2
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR: Section 6.2
	401-3	Parental leave	SR: Section 6.2

SUSTAINABILITY REPORT

GRI Reference		Disclosure	Reference
Labour/ Management Relations	402-1	Minimum notice periods regarding operational changes	SR: Section 6.2
Occupational Health and Safety	403-1	Occupational health and safety management system	SR: Section 6.2
	403-8	Workers covered by an occupational health and safety management system	SR: Section 6.2
	403-9	Work-related injuries	SR: Section 6.2
Training and Education	404-1	Average hours of training per year per employee	SR: Section 6.2
	404-2	Programs for upgrading employee skills and transition assistance programs	SR: Section 6.2
	404-3	Percentage of employees receiving regular performance and career development reviews	SR: Section 6.2
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	SR: Section 6.2
Customer Health and Safety	416-1	Incidents of non-compliance concerning the health and safety impacts of products and services	SR: Section 5.5

SUSTAINABILITY REPORT

9. TCFD Index

Topic	Disclosure	Reference
Governance	Describe the board of directors' oversight of climate-related risks and opportunities	SR Section 5.6.1
	Describe management's role in assessing and managing risks and opportunities.	
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	SR Section 5.6.2
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	
Risk management	Describe the organisation's processes for identifying and assessing climate-related risks	SR Section 5.6.3
	Describe the organisation's processes for managing climate-related risks	
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	
Metrics and targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	SR Section 5.2, 5.6.3 & 5.6.4
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	

CORPORATE GOVERNANCE REPORT

The board of directors (the "**Board**") and the management (the "**Management**") of Matex International Limited (the "**Company**") and its subsidiaries (the "**Group**") are committed to achieving high standards of corporate governance to ensure investor confidence in the Group as a trusted business enterprise. The Board and the Management of the Company continue to uphold good corporate governance practices to enhance long-term sustainability of the Group's business, performance, and shareholders' interests.

This Report describes the Group's corporate governance structures and practices for the financial year ended 31 December 2024 ("**FY2024**"), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**") and the accompanying Practice Guidance. This Report is required as part of the continuing obligations of the Company pursuant to the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The Board is pleased to confirm that for FY2024, the Group has adhered to the principles and provisions as set out in the Code and in respect of any deviation from any provisions of the Code, it has explicitly stated the provision from which it has varied, explained the reason for variation, and explained how the practices it had adopted are consistent with the intent of the relevant principle.

A. **BOARD MATTERS**
B. **REMUNERATION MATTERS**
C. **ACCOUNTABILITY AND AUDIT**
D. **SHAREHOLDER RIGHTS AND ENGAGEMENT**
E. **MANAGING STAKEHOLDERS RELATIONSHIP**

A. BOARD MATTERS

THE 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.***

Provision 1.1. – ***Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.***

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 shareholders. It has oversight responsibility over the management of the business and affairs of the Group. The Board also sets the tone for the Group where ethics and values are concerned.

The Company is headed by an effective Board of six (6) directors (the "**Directors**"), comprising two (2) executive Directors ("**Executive Directors**"), one (1) non-independent and non-executive Director and three (3) independent and non-executive Directors (the "**Independent Directors**") (including the Chairman). Together, the Directors have a wide range of business, legal and financial experience that collectively contribute to the success of the Group.

CORPORATE GOVERNANCE REPORT

The Board acts objectively in the best interests of the Company and is collectively responsible and works with Management for the long-term success of the Company, to protect and enhance long-term value and returns for shareholders.

The Board also:

1. provides leadership and guidance on the overall strategic direction, oversees the proper conduct of the business, performance and affairs of the Group and ensures that the necessary financial, human and operational resources are in place for the Group to meet its objectives;

2. sets appropriate tone-from-the-top in relation to ethics, values and desired organizational culture;

3. ensures proper accountability within the Company;

4. sets objective performance criteria to evaluate the Board, individual Directors and Board Committees' performance and succession planning process;

5. reviews the adequacy and effectiveness of the Group's risk management and internal controls framework including financial, operational, compliance and information technology controls and establishing risk appetite and parameters to safeguard shareholders' interests and the Group's assets;

6. reviews and approves key operational and business initiatives, major funding proposals, significant investment and divestment proposals and other corporate actions and strategic initiatives proposed by Management;

7. reviews the Group's operating and financial performance and approves the Group's annual budgets and capital expenditure and the release of the Group's half year and full year financial results;

8. approves all Board appointments/re-appointments and appointment of key management personnel (persons having authority and responsibility for planning, directing and controlling the activities of the Company) ("**Key Management Personnel**" or "**KMP**"), evaluates their performance and reviews their remuneration packages;

9. establishes goals and priorities for Management and reviews Management's performance by monitoring the achievement of these goals;

10. approves the nominations by the Nominating Committee;

11. reviews recommendations made by the Audit Committee on the appointment, re-appointment or removal of the Group's Chief Financial Officer, and the external and internal auditors;

12. reviews recommendations made by the Remuneration Committee and approves the remuneration packages for the Board and KMP;

CORPORATE GOVERNANCE REPORT

13. identifies the key stakeholder groups and recognises that their perceptions affect the Company's reputation;

14. sets the Company's values and standards (including ethical standards), and ensures that obligations to shareholders and other stakeholders are understood and met; and

15. considers sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

Independent Judgement

All Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group. The Directors have the appropriate core competencies and diversity of experience that enable them to contribute effectively. They are able to objectively raise issues and seek clarification as and when necessary, from the Board and the Management on matters pertaining to their area of responsibilities, actively help the Management in the development of strategic proposals and overseeing the effective implementation by the Management to achieve the objectives.

Conflicts of Interest

Every Director is required to disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as practicable after the relevant facts have come to his/her knowledge. On an annual basis, each Director is also required to submit details of his/her associates for the purpose of monitoring interested person transactions. When there is an actual or potential conflicts of interest, the concerned Director shall, abstain from voting, and recuse himself from discussions and decisions involving the issues of conflict.

Sanctions-related risks

In view of recent geopolitical developments, while the Company is currently not subject to any sanctions-related laws, the Board and the Audit Committee will continue to monitor such developments and assess the Company's risk of becoming subject to, or violating, any sanctions law. The Board and the Audit Committee will also ensure timely and accurate disclosure to the SGX-ST and other relevant authorities on such risks where applicable, and if deemed necessary, engage relevant professional advisers to assist them in such matters.

CORPORATE GOVERNANCE REPORT

Provision 1.2 – *Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.*

Upon the appointment of a new Director, the Company will provide a formal letter to the new Director, setting out his duties and obligations. Appropriate orientation programmes and briefings are conducted for all new Directors to familiarise them with the Company's business, board processes, internal controls and governance practices. The Company will also arrange for first-time Directors to attend relevant training in relation to the roles and responsibilities of a director of a listed company and in areas such as accounting, legal and industry-specific knowledge as appropriate. The training of the directors will be arranged and funded by the Company.

Directors are also encouraged to keep themselves abreast of the latest developments relevant to the Group and attend appropriate courses and seminars that will be arranged and funded by the Company. The external auditors, Moore Stephens LLP ("**External Auditor**") during their presentation of the audit plan annually, will update the Directors on the new or revised financial reporting standards. Regular updates on developments and amendments to the Companies Act, corporate governance and listing rules are circulated by the Sponsor and the Company Secretary to the Board. In addition, the Executive Directors will regularly update Board members on the business and strategic developments of the Group as well as overview of industry trends at scheduled Board meetings and ad-hoc Board meetings.

Further, in line with the requirement of the Task Force for Climate-related Financial Disclosures ("**TCFD**") and climate-related disclosures, all Directors of the Company, save for the first-time Director, Mr. Chiang, have attended the mandatory training on Environmental, Social and Governance ("**ESG**"). Mr. Chiang has not completed all of the mandatory training modules. He will endeavour to complete the required training by 23 Jul 2025, based on the currently available training schedule from Singapore Institute of Directors.

Provision 1.3 – *The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.*

The Group has adopted internal guidelines governing matters that require the Board's approval which has been clearly communicated to the Management.

The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those prescribed limits to Board Committees and specific KMP via a structured Delegation of Authority matrix, which is reviewed on a regular basis and revised when necessary.

CORPORATE GOVERNANCE REPORT

The matters which require Board's approval include:

- material acquisition and disposal of assets/investments;
- corporate/financial restructurings or corporate exercise;
- incorporation of new entities;
- issuance of shares, declaration of dividends and other returns to shareholders;
- risk appetite and risk tolerance for different categories of risk;
- nomination of Directors and KMP;
- matters as specified under the Catalist Rules in relation to interested person transactions;
- announcement of the Group's half year and full year results and the release of the annual reports; and
- any other matters as prescribed under the relevant legislations and regulations, as well as the provisions of the Company's Constitution.

Provision 1.4 – ***Board committees, including Executive Committees if any, are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities are disclosed in the company's annual report.***

To assist in the execution of its responsibilities, the Board had established 3 Board Committees, namely the Audit Committee ("**AC**"), Nominating Committee ("**NC**"), and Remuneration Committee ("**RC**") (collectively, the "**Board Committees**"), and delegates specific areas of responsibilities to these Board Committees. Each of these Board Committees functions within clearly written terms of reference ("**TOR**"), setting out their compositions, authorities and duties, which have been approved by the Board. The effectiveness of each Board Committee is also constantly being monitored by the Board. The composition of the Board Committees for FY2024 is set out below:

	Board Committees		
Directors	**AC**	**NC**	**RC**
Wang DaoFu ("**Mr. Wang**")	Member	Member	Chairman
Tan Pang Kee ("**Dr. Tan**")	–	–	–
Foo Der Rong ("**Mr. Foo**")	Member	Chairman	Member
Chiang Yao Chong ("**Mr. Chiang**")	Chairman	Member	Member
Tan Guan Liang ("**Mr. Tan**")	–	–	–
Yeo Hock Huat ("**Mr. Yeo**")	–	–	–

The Board Committees have the delegated power to deliberate on any issue that arises in their specific areas of responsibilities within their respective TOR and report to the Board with their decisions and/or recommendations. The ultimate responsibility and authority for the decisions and actions on all matters rest with the Board. Each Board Committee's activities and roles are further elaborated in Provisions 4.1, 6.1 and 10.1.

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Provision 1.5 – ***Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.***

The number of meetings held by the Board and Board Committees and attendance records taken during FY2024 are as follows:

	Board Meetings		**Nominating Committee Meeting**		**Remuneration Committee Meeting**		**Audit Committee Meetings**		**General Meetings**	
Name of Director	**No. Held**	**No. Attended**	**No. Held**	**No. Attended**	**No. Held**	**No. Attended**	**No. Held**	**No. Attended**	**No. Held**	**No. Attended**
Mr. Wang^	2	2	1	1	1	1	2	2	1	1
Dr. Tan	2	2	1	1*	1	1*	2	2*	1	1
Mr. Foo	2	2	1	1	1	1	2	2	1	1
Mr. Chiang#	2	1	1	0	1	0	2	1	1	0
Mr. Tan	2	2	1	1*	1	1*	2	2*	1	1
Mr. Yeo	2	1	1	1*	1	0	2	2*	1	1
Dr John Chen Seow Phun@ ("**Dr Chen**")	2	1	1	1	1	1	2	1	1	1

* By Invitation
^ Mr. Wang was redesignated as Non-Executive Chairman and Independent Director on 1 August 2024
\# Mr. Chiang was appointed as Independent and Non-Executive Director on 1 May 2024
@ Dr Chen retired as Non-Executive Chairman and Independent Director on 26 April 2024

All Directors attend and actively participate in Board and Board Committee meetings, and have ensured sufficient time and attention are given to the affairs of the Company. The Directors' involvement and participation are further elaborated in Provision 1.6 below.

Provision 1.6 – ***Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.***

Management recognises that the flow of relevant, adequate, complete and accurate information on a timely basis is critical for the Board to discharge its duties effectively.

CORPORATE GOVERNANCE REPORT

Management provides the Board with half-yearly accounts, as well as relevant background or explanatory information relating to the matters that would be discussed at Board meetings, prior to the scheduled meetings. Presentations are also made by the senior executives on the performance and strategies of the Group's various businesses at these meetings. This allows the Board to have a good understanding of the Group's operations and be actively engaged in robust discussions with the Group's senior executives. Directors are entitled and encouraged to request for further explanation, briefings, or discussions on any aspect of the Group's operations or business from Management to aid them in their understanding and discussion.

Other than formal Board meetings, all Directors are also furnished with updates and material developments of the Group as and when necessary. Directors can also request to visit the Group's operating facilities and meet with Management to gain a better understanding of the Group's business operations and corporate governance practices. As and when required, Board members meet to exchange views outside the formal environment of Board meetings and may have informal discussions on matters requiring urgent attention, which would then be formally confirmed and approved by circulating resolutions in writing. Ad-hoc meetings are also convened whenever circumstances require. The Constitution of the Company provides for Board and Board Committee meetings to be held by way of telephonic and videoconferencing.

Provision 1.7 – *Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.*

The Directors have separate and independent access to the Management and the Company Secretary and where required, can obtain additional information to facilitate informed decision-making. Information includes background or explanatory materials related to matters to be reviewed and matters under review by the Board, copies of disclosure documents, budgets, forecasts, and internal financial statements. Any material variance between the projections and actual results in respect of budgets, is also disclosed and explained.

Minutes of all Board Committee meetings are circulated to the Board so that Directors are aware of and kept updated on the proceedings and matters discussed during such meetings.

The Company Secretary that attends Board and Board Committees meetings is responsible for ensuring that Board procedures are observed, and that applicable rules and regulations are complied with. The Company Secretary also periodically updates the Board on relevant regulatory changes affecting the Company. The appointment and removal of the Company Secretary are subject to the approval of the Board.

The Company has in place the procedure to enable the Directors, whether as a group or individually, to obtain independent professional advice at the Company's expense as and when necessary in the furtherance of their duties. Independent advisors include, *inter alia*, legal, financial, tax, board compensation and M&A functions. The appointment of such professional advisor is subject to the approval of the Board.

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION AND GUIDANCE

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.***

Provision 2.1 – ***An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.***

Provision 2.2 – ***Independent directors make up a majority of the Board where the Chairman is not independent.***

Provision 2.3 – ***Non-executive directors make up a majority of the Board.***

The Board presently comprises six (6) Directors, three (3) of whom (Including the Chairman) are Independent Directors, one (1) is Non-independent Non-Executive Director and two (2) are Executive Directors. Majority of the Board is made up of Non-Executive Directors and the Chairman is independent, which is in compliance with the Code and Rule 406(3)(c) of the Catalist Rules. The composition of the Board is as follows:

Mr. Wang	(Non-Executive Chairman and Independent Director)
Dr. Tan	(Chief Executive Officer/Managing Director)
Mr. Foo	(Independent and Non-Executive Director)
Mr. Chiang	(Independent and Non-Executive Director)
Mr. Tan	(Executive Director)
Mr. Yeo	(Non-Independent Non-Executive Director)

The NC reviews annually the independence of each Director by taking into account the existence of relationships or circumstances, including those provided in the Code. Every Independent Director is required to complete a confirmation of independence form drawn up based on the Principle 2 of the Code for the NC to review and recommend to the Board.

Taking into consideration the foregoing, Mr. Wang, Mr. Foo and Mr. Chiang, have confirmed their independence.

After due consideration, (with each Independent Director abstaining from the discussion and decision-making process with respect to his independence), the NC has determined that each of the Independent Directors has demonstrated independence in character and judgement in the matter, in which he has discharged his responsibilities as a director of the Company.

Taking into account the views of the NC and the annual confirmation from the Independent Directors, the Board considers each of the Independent Directors to be independent.

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The Company recognises that Independent Directors may over time develop significant insights into the Group's business and operations and can continue to provide noteworthy and valuable contributions objectively to the Board as a whole. The independence of the Independent Directors must be based on the substance of their professionalism, integrity, and objectivity, and not merely based on form, such as the number of years which they have served on the Board.

The dates of initial appointment and last re-election of each Director are set out below:

Name of Director	Position	Date of Initial Appointment	Date of last re-election
Mr. Wang	Non-Executive Chairman and Independent Director	11 January 2017	26 April 2024
Dr. Tan	Chief Executive Officer/ Managing Director	23 March 1990	29 April 2022
Mr. Foo	Independent and Non-Executive Director	10 May 2016	27 April 2023
Mr. Chiang	Independent and Non-Executive Director	1 May 2024	NA
Mr. Tan	Executive Director	1 March 2010	27 April 2023
Mr. Yeo	Non-Independent Non-Executive Director	10 August 2023	26 April 2024

Pursuant to Rule 406(3)(d)(iv) of the Catalist Rules, a director of the issuer for an aggregate period of more than nine (9) years will not be independent. The NC noted that none of the Independent Directors has served on the Board for 9 or more years from the date of his first appointment.

Mr. Foo, who has been re-elected on 27 April 2023, would have served in the Board for 9 years on 10 May 2025. Mr. Foo will retire as an Independent and Non-Executive Director by rotation pursuant to Regulation 89 of the Company's Constitution at the forthcoming annual general meeting ("**AGM**"). His retirement from the Board will take effect upon the conclusion of the AGM. Accordingly, Mr. Foo will cease to be the Chairman of the NC and member of the AC and RC of the Company. The NC and the Board noted that Mr. Foo's long and commendable role on the Board in discharging his duties professionally, ethically and with integrity.

The Company is in the process of identifying a suitable candidate and will appoint a new Independent Director to fill the vacancy within two (2) months, but in any case, not later than three (3) months.

CORPORATE GOVERNANCE REPORT

Provision 2.4 – *The Board and board committees 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 avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.*

The Company's Board Diversity Policy upholds the principle that an effective Board is one constituted with the right core competencies, with an appropriate balance and mix of skills, experience, knowledge, among other aspects of diversity. A diverse board will have a broad range of views and perspectives which are essential to foster constructive discussions and promote effective decision-making. The NC reviews and assesses the size and composition of the Board and Board Committees, and recommends the appointment of new directors to the Board for approval. The diversity of the Directors' experience in business and industry skills and expertise, and other relevant aspects of diversity (such as age, gender, tenure, board independence and cultural ethnicity) allows for the useful exchange of ideas and views to avoid group think and foster constructive debate. The Directors are individuals with leadership experience in business and have a broad diversity of expertise and experience including legal, finance, sustainability and business management, both domestically and internationally. In addition, the Board also comprises Directors of different nationalities. They bring with them different perspectives of the business, locally and internationally, especially in China where almost 70% of the Group's revenue are generated. Each Director provides a valuable network of industry contacts and a resource of his knowledge of different legal and regulatory regimes and corporate governance practices. The Board notes that gender diversity on the Board is also one of the recommendations under the Code to provide an appropriate balance of diversity. Although there is currently no female Director appointed to the Board, the Board has started to search and identify suitable female candidates to come on-board. The search has taken longer than anticipated as gender is not the sole requirement for selecting potential candidates; the potential candidates should possess the right blend of skills, industry knowledge, relevant experience and suitability. Nonetheless the Board hopes to have a female Board member on board in the future. The NC reviews its targets for diversity from time to time and may recommend changes or additional targets to achieve greater diversity. In addition, the NC reviews the Company's Board Diversity Policy from time to time, as appropriate, to ensure its continued effectiveness and relevance, and any revisions, where necessary, will be recommended to the Board for approval.

The NC will review the size and composition of the Board and Board Committees annually to ensure that the Board and Board Committees have an appropriate level of independence and diversity of thought and background in their respective compositions to enable the Board and Board Committees to make decisions in the best interests of the Company. The NC and the Board, taking into account the nature of operations of the Group, consider the current size of the Board and Board Committees to be adequate for effective decision-making, and based on the current composition, the Board and Board Committees are able to exercise objective judgement on corporate affairs and provide sufficient diversity of expertise to lead and govern the Company effectively. The NC and the Board are satisfied that no individual member of the Board dominates the Board's decision-making and that there is sufficient accountability and capacity for independent decision-making. The profile and information of the Directors as at the date of this report are set out under the "Board of Directors" section of this Annual Report.

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Provision 2.5 – *Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.*

The Independent and Non-Executive Directors exercise objective judgment on the Group's affairs independently from Management. The Independent and Non-Executive Directors also contribute to the Board process by monitoring and reviewing Management's performance against goals and objectives. Their views and opinions provide alternate perspectives to the Group's business. When challenging Management's proposals or decisions, they bring independent judgment to bear on business activities and transactions that involve conflicts of interest and other complexities.

The Independent and Non-Executive Directors meet among themselves without the presence of the Management when necessary to discuss matters in relation to the corporate development of the Group to ensure effective and independent review of the Management and provide feedback to the Board and/or Chairman as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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.*

Provision 3.1 – *The Chairman and the Chief Executive Officer ("CEO") are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.*

Provision 3.2 – *The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.*

The Board is chaired by Mr. Wang, the Non-Executive Chairman and Independent Director. Dr. Tan, the Chief Executive Officer/Managing Director ("**CEO/MD**"), is assisted by the Management.

There is a clear separation of responsibilities between the Chairman and the CEO/MD, to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision-making. The Chairman and the CEO/MD are not related to each other.

The responsibilities of the Chairman are as follows:

- Leading the Board in a strategic effective and decisive way;
- Setting the agenda and ensuring adequate time is available to discuss all agenda items, in particular, strategic issues;
- Ensuring that the Board is properly organised, functioning effectively and meeting its obligations and responsibilities;
- Promoting a culture of openness and debate within the Board;
- Ensuring that the Directors receive complete, adequate, and timely information;

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- Encouraging constructive relationships within the Board and between the Board and Management;
- Ensuring effective communication with the shareholders and stakeholders;
- Ensuring Non-Executive and Independent Directors contribute effectively and their contributions are taken into account by the Board; and
- Promoting high standards of corporate governance.

The responsibilities of the CEO/MD are as follows:

- Developing, with the Board, a consensus for the Company's vision and mission;
- Making strategic proposals for the Company and the Group to the Board;
- Overseeing the implementation and execution of the Board's strategies and policies;
- Assuming the executive responsibility of the day-to-day management of the Company, with the support of the Management; and
- Ensuring that the Board is informed about the Company's key activities and issues.

Provision 3.3 – *The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.*

Given the Chairman's independence, separation of roles between the Chairman and CEO/MD, the Board is of the view that there are adequate safeguards and checks in place to ensure the objective assessment of the Group's ongoing affairs. The current structure also facilitates a decision-making process by the Board that is based on the collective decision of all Directors, without any concentration of power or influence residing in any one individual. In view of this, the appointment of a Lead Independent Director is not considered by the Board to be necessary.

BOARD MEMBERSHIP

Principle 4: *The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.*

Provisions 4.1 – *The Board establishes a Nominating Committee ("NC") to make recommendations to the Board on relevant matters relating to: (a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel; (b) the process and criteria for evaluation of the performance of the Board, its board committees and directors; (c) the review of training and professional development programmes for the Board and its directors; and (d) the appointment and re-appointment of directors (including alternate directors, if any).*

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Provision 4.2 – *The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.*

Nominating Committee

The Company's NC presently comprises Mr. Foo, Mr. Wang and Mr. Chiang who are all Independent Directors. Hence, the Company is in compliance with Provision 4.2 of the Code.

The NC is responsible for *inter alia* establishing a formal and transparent process for the appointment of new directors and the re-appointment of Directors retiring by rotation, as well as to assess the effectiveness of the Board and the overall contribution of each Director towards the effectiveness of the Board.

The NC's responsibilities as set out in its TOR include the following:

a) to make recommendations to the Board on all Board appointments, and re-appointment of Directors or alternate Directors (if any), having regard to that Director's contribution and performance (e.g. attendance, preparedness, participation and candour) where applicable;

b) to ensure that all Directors submit themselves for re-nomination and re-election at regular intervals and at least once in every three years;

c) to review succession plans for Directors, in particular, the appointment and/or replacement of the Executive Chairman, the CEO and KMP;

d) to review the size and composition of the Board with the objective of achieving a balanced board in terms of the mix of experience and expertise;

e) to decide on how the Board's performance may be evaluated and recommend objective performance criteria for the Board's approval;

f) to assess the effectiveness of the Board as a whole, and the contribution of each Director to the effectiveness of the Board;

g) to review and make recommendations to the Board on training and professional development programs for the Board and its Directors;

h) to ensure complete disclosure of key information of Directors in the Company's annual reports as required under the Code;

i) to review the independence of the Directors annually; and

j) to carry out such other duties as may be agreed to by the NC and the Board.

CORPORATE GOVERNANCE REPORT

Provision 4.3 – *The company discloses the process for the selection, appointment, and reappointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.*

Pursuant to Rule 720(4) of the Catalist Rules and the Company's Constitution, all Directors are required to submit themselves for re-nomination and re-election at least once every 3 years, and at least one-third of the Directors for the time being to retire from office by rotation. New Directors appointed during the year are subject to retirement and re-election at the following AGM of the Company.

Dr. Tan, Mr. Foo, Mr. Chiang and Mr. Tan are subject to re-nomination pursuant to Rule 720(4) of the Catalist Rules and Regulations 88 and 89 of the Company's Constitution respectively at the forthcoming AGM of the Company. Dr. Tan, Mr. Chiang and Mr. Tan, being eligible for re-appointment, have offered themselves for re-election. Mr. Foo has communicated his wish to retire from the board. His retirement from the Board will take effect upon the conclusion of the AGM. Accordingly, Mr. Foo will cease to be the Chairman of the NC and a member of the AC and RC of the Company upon his retirement.

Each of these Directors, being interested in the matter, had abstained from all discussions and recommendations in respect of their own re-election. Mr. Chiang is considered independent pursuant to Rule 704(7) of the Catalist Rules.

Having regard to the above and taking into consideration the retiring Directors' attendance, participation and contribution to the business and operations of the Company as well as Board processes, the NC had recommended their nominations for re-election at the forthcoming AGM of the Company. The Board concurred with the NC's recommendation.

In general, in the event that there is a need to change the structure of the Board, the chairmanship of the Company or the membership of the Board Committees, the NC will review the proposed changes and will make the appropriate recommendations to the Board.

In this regard, the NC will, in consultation with the Board and the Company's professional advisors, examine the existing strengths, and capabilities of the existing Board and the KMP. In addition, the NC will consider the contributions (such as the skills, knowledge and experience) of the existing Directors and the KMP as well as taking into account the future needs of the Company. Through this process, the NC, together with the Board, may seek new candidates. New Directors are appointed by way of a Board Resolution or at Board of Directors' Meetings, after the NC has reviewed the resumé of the proposed director, conducted appropriate interviews and recommended the appointment to the Board. In its search and selection process for new Directors, other than through formal search, the NC also taps on the resources of Directors' personal contacts and recommendations of potential candidates and appraises the nominees to ensure that the candidates possess relevant experience and have the calibre to contribute to the Group and its businesses, having regard to the attributes of the existing Board and the requirements of the Group.

CORPORATE GOVERNANCE REPORT

The NC had reviewed, taking into account the individual performance assessment and their actual conduct on the Board and concluded that each Director had adequately carried out their duties as a Director of the Company and spent sufficient time and attention on the Company's affairs despite having multiple board representations and principal commitments.

The NC believes that putting a maximum limit on the number of directorships a director can hold is arbitrary, given that time requirement for each directorship varies and thus should not be prescriptive. The NC considers that the multiple board representations held presently by some Directors do not impede their performance in carrying out their duties to the Company and in fact, enhances the performance of the Board as it broadens the experience and knowledge of the Board.

Information regarding the Directors nominated for re-appointment, including the information required under Appendix 7F of the Catalist Rules is given in the "Board of Directors" section, pages 124 to 129 of this Annual Report.

Provision 4.4 – *The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.*

The NC is guided by the definition and criteria of independence as set out in the Catalist Rules and the Code in determining if a Director is independent.

The NC has on an annual basis, and as and when circumstances require, determined if a Director was independent pursuant to the circumstances set forth in Provision 2.1 and any other salient factors of the Code. Further details on the NC's evaluation are set out on pages 93 to 94 of the Annual Report under Provision 2.1.

Each Independent Director is required to complete a Confirmation of Independence form drawn up based on Principle 2 of the Code for the NC's review and recommendation to the Board. None of the Independent Directors has any relationship with the Company, its related corporations, its substantial shareholders or its officers, save for the provision of legal services by Shanghai Yuantai Law Offices, a law firm in China in which Mr. Wang is a partner of, which was required by the Company for its business activities in China. For FY2024, the Company did not engage the services of YuanTai Law Offices. In view of this, Chinese walls within Shanghai Yuantai Law offices where the services were provided by another lawyer and not by Mr. Wang, the NC is of the view that Mr. Wang is considered to be independent.

Accordingly, the Board concurred with the NC's view that the three (3) Independent Directors are independent in character and judgement and there were no circumstances which would likely affect or appear to affect their judgement.

During FY2024, there was no appointment of alternate Directors on the Board.

CORPORATE GOVERNANCE REPORT

Provision 4.5 – ***The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.***

To ensure that the new Directors are aware of their duties and obligations, a formal letter of appointment explaining their duties and obligations as Director is provided to every new Director upon appointment. The formal letter of appointment sets out the time commitment required of the Director and the Director's roles and responsibilities, including disclosure requirements and best practices relating to dealings in securities under applicable laws and regulations.

Where a Director has multiple Board representations, the NC will determine if the Director has been able to devote sufficient time and attention to the Company's affairs and if he has been adequately carrying out his duties as a Director. The recommendation of the NC for the nomination of a Director for re-election is then made to the Board. The Board will review the NC's recommendation.

The NC is of the view that the number of directorships a Director can hold and his principal commitments should not be prescriptive as the time commitment for each board membership may vary. The NC will review the number of listed company board representations which each Director holds on an annual basis or from time to time when the need arises. In this respect, the NC believes that it would not be necessary to prescribe a maximum number of listed company board representations a Director may hold. The Board affirms and supports this view.

During the year, the NC had reviewed the directorships and principal commitments disclosed by each Director and was of the view that the existing directorships and principal commitments of the respective Directors have not impinged on their abilities to discharge their duties. The Board concurred with the NC.

CORPORATE GOVERNANCE REPORT

The table below sets out the disclosure of directorships and chairmanships held over the preceding three years in other listed companies as well as other principal commitments of each respective Director:

Key Information of Directors

Name of Director	Board appointment whether executive or non-executive	Past Directorships in other listed companies and other major appointments over the preceding three years	Present Directorships in other listed companies and other major appointments
Mr. Wang	Non-executive/ Independent	• SGD Investment Pte Ltd • MOBO Information Technology Pte Ltd • Poceq Trading (Shanghai) Co. Ltd	• Sunpower Group Ltd
Dr. Tan	Executive	Nil	Nil
Mr. Foo	Non-executive/ Independent	• Aedge Group Limited • Aedge Holdings Pte Ltd • Pavillon Holdings Ltd. • Trans Asia Investments Pte Ltd	• Southern Lion Sdn Bhd • Noel Gifts International Ltd • Tian International Pte Ltd • SLB Development Ltd
Mr. Chiang	Non-executive/ Independent	Nil	• Tuas Power Ltd • Tuas Power Generation Pte. Ltd. • TP Utilities Pte. Ltd. • Peirce Capital Pte. Ltd. • Giga Merit International Pte. Ltd.
Mr. Tan	Executive	Nil	Nil

CORPORATE GOVERNANCE REPORT

Name of Director	Board appointment whether executive or non-executive	Past Directorships in other listed companies and other major appointments over the preceding three years	Present Directorships in other listed companies and other major appointments
Mr. Yeo	Non-executive/ Non-independent	• 1V Capital Pte Ltd • JPS Advance Technology Pte Ltd • MEMSing Pte Ltd • JCS INVH Pte Ltd • Mclean Technologies Pte Ltd • Mclean Precision Pte Ltd • JCS Invk Pte Ltd • JCS Invd Pte Ltd • Mclean Technologies Bhd	• Global Prestige Oil And Gas Pte Ltd • I.Epoch Capital Vcc • JCS Aerospace International Pte. Ltd. • JCS Aerospace Technology Pte. Ltd. • JCS Biotech Pte Ltd • JCS Greentech Pte Ltd • JCS Group Pte Ltd • JCS INVB Pte. Ltd. • JCS INVC Pte. Ltd. • JCS INVF Pte Ltd • JCS INVG Pte. Ltd. • JCS INVJ Pte. Ltd. • JCS Vanetec Pte Ltd • JCS Venture Lab Pte Ltd • Komme International Pte. Ltd. • Korls Arts & Tech Innovation Pte. Ltd. • Kru Energy Asia Pte. Ltd. • La Cura Mobility Pte. Ltd. • Singapore Dragon Art Gallery Pte. Ltd. • Singapore Tea Museum Private Limited • Iff International Pte Ltd • Jiangxi JCS Energy Co Ltd • JCS Biotech Ltd • Shen Yao Holdings Limited

CORPORATE GOVERNANCE REPORT

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.***

Provision 5.1 – ***The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.***

Provision 5.2 – ***The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.***

Based on the recommendation by the NC, the Board has established processes and objective performance criteria for evaluating the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution of the Chairman and each individual Director. Such processes aim to *inter alia* assess whether each Director continues to contribute effectively and demonstrate commitment to the role.

In evaluating the Board's performance, the NC considers a set of quantitative and qualitative performance criteria. The performance criteria for the Board evaluation are in respect of board size and composition, board process, board information and accountability, board performance and board committee performance in relation to discharging its principal functions and responsibilities and financial targets, and deliberation of the Company's long-term strategy. The individual Directors' performance criteria were in relation to their industry knowledge and/or functional expertise, contribution and workload requirements, sense of independence and attendance at the board and committee meetings.

The NC evaluated the performance of the Board as a whole taking into consideration the above criteria. The NC considered the Board, the Board Committee and the individual Director's performance to be satisfactory. The Board concurred with the NC's recommendation.

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 KMP. No Director is involved in deciding his or her own remuneration.***

Provision 6.1 – ***The Board establishes a Remuneration Committee ("RC") to review and make recommendations to the Board on: (a) a framework of remuneration for the Board and key management personnel; and (b) the specific remuneration packages for each director as well as for the key management personnel.***

CORPORATE GOVERNANCE REPORT

Provision 6.2 – *The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.*

Provision 6.3 – *The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.*

Provision 6.4 – *The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.*

Remuneration Committee

The Company's RC presently comprises Mr. Wang, Mr. Foo and Mr. Chiang, who are all Independent Directors, and hence in compliance with Provision 6.2 of the Code.

The RC's recommendations are made in consultation with the Chairman and CEO/MD and submitted for endorsement by the Board.

No Director or member of the RC is involved in deciding his own remuneration, except for providing information and documents specifically requested by the RC to assist it in its deliberations.

RC reviews and makes recommendations to the Board on the framework of remuneration for the Board and KMP and the specific remuneration packages for each of the Directors and senior management. There are appropriate and meaningful measures in place for the purpose of assessing the performance of Directors and senior management staff.

In determining the remuneration packages of Executive Directors and senior management, the RC will ensure that the Executive Directors and senior management are adequately but not excessively rewarded. In consultation with the Board, the RC will consider amongst other things, their responsibilities, skills, expertise, and contribution to the Company's performance and whether the remuneration packages are competitive and sufficient to ensure that the Company is able to attract and retain the best available executive talent.

In reviewing and recommending the remuneration of the Independent Directors, the RC will consider, in consultation with the Board, the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Independent Directors. The RC will ensure that the Independent Directors are not over-compensated to the extent that their independence may be compromised.

The RC reviews the Company's obligations arising in the event of termination of Executive Directors and senior management's contracts of service to ensure such contracts of service contain fair and reasonable termination clauses.

The Company does not engage any remuneration consultants.

CORPORATE GOVERNANCE REPORT

LEVEL AND MIX OF REMUNERATION

Principle 7: ***The level and structure of remuneration of the Board and KMP are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the company.***

Provision 7.1 – ***A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.***

Provision 7.2 – ***The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.***

Provision 7.3 – ***Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.***

In setting remuneration packages, the RC takes into account the pay and employment conditions within the same industry and in comparable companies, as well as the Company's relative performance and the performance of individual Directors. The RC also ensures that the remuneration policies support the Company's objectives and strategies.

The RC will also consider the performance of the Group as well as that of the Executive Directors and KMP, aligning their interests with those of shareholders and linking rewards to corporate and individual performance as well as industry benchmarks. It ensures that remuneration package is appropriate to attract, retain and motivate the Executive Directors and KMP to provide good stewardship of the Group and successfully manage the Group for the long term.

Executive Directors do not receive directors' fees. The remuneration policy for Executive Directors and KMP consists fixed cash and annual variable components. The fixed component includes salary and other allowances. The variable component comprises performance-based bonus which forms a significant proportion of the total remuneration package of the Executive Directors and is payable on the achievement of individual and corporate performance targets.

The service contracts for the two Executive Directors contain a fixed appointment period of three years and clauses relating to early termination. The Executive Directors' contract is renewable and would be subject to the RC and the Board's approval. None of the service contracts has any onerous removal clauses.

Independent Directors and non-executive directors, including the Chairman, have no service contract with the Company and their terms are specified in the Constitution of the Company. Independent Directors and non-executive directors are paid a basic fee for serving as a Director and any of the Board Committees roles. 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 lump sum payment at the AGM of the Company.

CORPORATE GOVERNANCE REPORT

The Company currently has no employee share option schemes or other long-term incentive scheme in place.

There are, at present, no contractual provisions allowing the Company to reclaim incentive components of remuneration from Executive Directors and executive officers in exceptional circumstances such as misstatement of financial results, or misconduct resulting in financial loss to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

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.*

Provision 8.1 – *The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) each individual director and the CEO; and (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel.*

Directors

The table below sets out the Directors' remuneration and breakdown for FY2024:

Name of Director	Salary	Bonus/Profit sharing	Other benefits[1]	Fees	Total
	$	$	$	$	$
Mr. Wang[3]	–	–	–	40,433	40,433
Dr. Tan	283,320	–	14,492	–	297,812
Mr. Foo	–	–	–	33,600	33,600
Mr. Chiang	–	–	–	22,400	22,400
Mr. Tan	229,872	–	16,252	–	246,124
Mr. Yeo	–	–	–	33,600	33,600
Dr. Chen[2]	–	–	–	16,400	16,400
Total	**513,192**	–	**30,744**	**146,433**[4]	**690,369**

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Notes:

(1) Other benefits refer to benefits-in-kind such as the provision of a Company car for the use of the Director.
(2) Dr. Chen retired as Non-Executive Chairman and Independent Director on 26 April 2024.
(3) Mr. Wang redesignated as Non-Executive Chairman and Independent Director on 1 August 2024.
(4) S$134,400 of the total Directors' fees of S$146,433 was approved on AGM dated 26 April 2024. Resolution for the approval of remaining S$12,033 Directors' fees will be tabled at the forthcoming AGM to be held on 28 April 2025.

Top 3 KMP (who are not Directors or CEO/MD of the Company)

The table below sets out the top 3 KMP's remuneration in bands of S$250,000 and breakdown for FY2024:

	Salary	Bonus	Other Benefits[2]	TOTAL
Remuneration Band[1] & Name of Key Management Personnel	**99.73%**	**–**	**0.27%**	**100.00%**
Below $250,000				
Seow Han Khye	100.00%	–	–	100.00%
Lok Fong Meng	100.00%	–	–	100.00%
Tan Pang Sim	98.65%	–	1.35%	100.00%

Notes:

(1) Remuneration amounts are inclusive of salary, bonus, incentives, and Central Provident Fund contributions.
(2) Other benefits refer to allowances.

Due to sensitivities and confidentiality reasons, the Company believes that disclosure of the KMPs' remuneration in bands of S$250,000 should be sufficient to provide an insight into the link between their compensation and performance. Further details are deemed to be not in the interest of the Company due to the competitiveness of the industry for key talents. The aggregate remuneration paid to the aforesaid KMPs in FY2024 amounted to S$335,004.

Provision 8.2 – *The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.*

The Company's Executive Director, Mr. Tan, is the son of the CEO/MD, Dr. Tan. His remuneration is disclosed above.

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Mr. Tan Pang Sim and Mr. Tan Pang Jang, General Manager and Regional Sales Manager of Unimatex Sdn. Bhd. (a wholly-owned subsidiary of the Company) respectively, are brothers of Dr. Tan. Ms Lim Kooi Yee, Technical Head of Department of the Company, is the daughter-in-law of Dr. Tan and spouse of Mr. Tan. Each of Mr. Tan Pang Sim, Mr. Tan Pang Jang and Ms Lim Kooi Yee's remuneration package for FY2024 is less than S$100,000.

The basis of determining the remuneration of the related employees is the same as the basis of determining the remuneration of other unrelated employees.

Provision 8.3 – *The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.*

Apart from the remuneration disclosed above, the Company does not have any share-based compensation scheme or any long-term incentive scheme involving the offer of shares or options in place.

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.*

Provision 9.1 – *The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.*

The Board has overall responsibilities for the governance of risk and exercises oversight of the significant risks in the Group's business. The Board ensures that the Management maintains a sound system of internal controls and effective risk management policies to safeguard shareholders' interests and the Group's assets and in this regard, is assisted by the AC which reviews the adequacy and effectiveness of the Group's internal controls and risk management systems.

The Board did not establish a separate board risk committee to review and assess the internal controls systems and risk management framework. The Board is currently assisted by the AC, internal and external auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies.

The Company's internal auditor, CLA Global TS Risk Advisory Pte. Ltd. ("**Internal Auditor**") reports to the AC on the Group's risks profile on a yearly basis, conducts a review of the adequacy and effectiveness of the Company's internal controls, evaluates results and proposes counter measures to mitigate the identified potential risks.

The Board has adopted an Enterprise Risk Management ("**ERM**") framework that comprises five (5) principal risk categories, namely strategic, financial, operational, information technology control and compliance risks.

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The ERM framework is reviewed regularly taking into account changes in the Group's business and operating environment as well as evolving corporate governance requirements.

The identification and management of risks are delegated to the CEO/MD and KMP, who assume ownership and day-to-day management of these risks. CEO/MD and KMP are responsible for the effective implementation of the risk management strategy, policies and processes to facilitate the achievement of business plans and goals within the risk tolerance established by the Board. Key business risks are proactively identified, addressed and reviewed on an ongoing basis. Identified risks that affect the achievement of the Group's business objectives are compiled in the Group Risks Register and are ranked according to the likelihood and consequential impact on the Group as a whole.

The main risks arising from the Group's financial operations are liquidity risk, foreign currency risk, credit risk, equity price risk and interest rate risk. Details on these risks are set out in the Notes to the Financial Statements. These risks are monitored by AC and the Board on a yearly basis.

The Internal Auditor has reviewed key internal controls as part of the internal audit plan and has independently reported its assessment to the AC and the Board on the adequacy, effectiveness and integrity of the Group's internal controls and risk management systems.

The Internal Auditor presents its findings to the AC on a yearly basis. The internal audit report, comprising details of any non-compliance or internal control weaknesses and significant deficiencies noted during the audit, the corresponding recommendations for improvement and the CEO/MD and/or KMP's responses, were submitted and presented to the AC. The AC will then review the adequacy and effectiveness of the risk management and internal control system.

Provision 9.2 – *The Board requires and discloses in the company's annual report that it has received assurance from: (a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.*

For the financial year under review:–

(a) Written assurance was received from CEO/MD and CFO that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) Written assurance was received from CEO/MD, Executive Director and CFO that the Group's risk management and internal controls systems in place were adequate and effective to address the financial, operational, compliance and information technology risks in the context of the current scope of the Group's business operations.

CORPORATE GOVERNANCE REPORT

Based on the internal control and risk management systems established and maintained by the Group, the review performed by the external and internal auditors and the review by the AC of the implementation of the recommendations of the internal and external auditors as aforesaid, the Board, with the concurrence of the AC, is of the opinion that the internal control and risk management systems maintained by the Group, addressing the financial, operational, compliance and information technology risks are adequate and effective as at 31 December 2024 to address the risks that the Group considers relevant and material to its operations, while noting that no system of internal control could provide absolute assurance against the occurrence of errors, fraud, or other irregularities.

The AC, CEO/MD, Executive Director and CFO will continue to review and strengthen the Group's controls environment and allocate more resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls.

AUDIT COMMITTEE

Principle 10: ***The Board has an Audit Committee which discharges its duties objectively.***

Provisions 10.1 – ***The duties of the AC include: (a) 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; (b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems; (c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements; (d) 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; (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and (f) 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.***

Provision 10.2 – ***The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.***

Provision 10.3 – ***The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two 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.***

CORPORATE GOVERNANCE REPORT

Provision 10.4 – ***The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.***

Audit Committee

The Company's AC presently comprises Mr. Chiang, Mr. Foo and Mr. Wang, all of whom are Independent Directors. The AC Chairman, Mr. Chiang and Mr. Foo, have recent and relevant accounting or related financial management expertise or experience. Hence, Provision 10.2 of the Code has been complied with.

The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation, and hence, is in compliance with Provision 10.3 of the Code.

The AC has the explicit authority to investigate any matter within its TOR. It has full access to, and the co-operation of the Management and full discretion to invite any Executive Director or KMP to attend its meetings. The AC members have industry knowledge and professional expertise in the financial or business spheres, and have adequate resources, including access to external consultants and auditors, to discharge their responsibilities properly.

The AC met twice during FY2024 and all the Executive Directors were invited to attend the meetings.

The Board is of the view that the members of the AC have sufficient financial management expertise and experience to discharge their responsibilities.

The AC's key functions as set out in its TOR include the following:

- review with the Company's external auditors their audit plan, their evaluation of the system of internal accounting controls in the course of the external audit, their letter to the Management and the Management's response and results of the Company's audit conducted by internal and external auditors;

- review the reports of the Company's external auditors as well as the independence and objectivity of the external auditors;

- review the co-operation given by the Company's officers to the external auditors;

- review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules and regulations which has or is likely to have a material adverse impact on the Group's operating results or financial position and the Management's response;

- make recommendations to the Board on the proposal to the shareholders on the appointment, re-appointment and removal of external auditors and approve the remuneration and terms of engagement of the external auditors;

CORPORATE GOVERNANCE REPORT

- review the financial results announcements and annual financial statements, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the SGX-ST Listing Manual and any other relevant statutory or regulatory requirements;

- review the significant reporting issues and judgements so as to ensure integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;

- review the material internal control procedures, comprising financial, operational, compliance and information technology controls and ensure co-ordination between the external auditors and the Management, and review the assistance given by the Management to the external auditors, and discuss problems and concerns, if any, arising from audits, and any matters which the external auditors may wish to discuss (in the absence of the Management, where necessary);

- approve the Group's internal audit plans;

- monitor the implication of outstanding internal control weaknesses highlighted by the internal and external auditors;

- review interested person transactions (if any) falling within the scope of Chapter 9 of the Catalist Rules (including any entrusted loans that may be provided to interested persons prior to such loans being entered into to ensure that (i) the terms and (ii) the grant of the entrusted loans (taking into account various factors that may include but are not limited to the rationale for the grant, the creditworthiness of the borrower and the interest rate payable to the Group) are not prejudicial to the Group and the shareholders);

- review and consider transactions in which there may be potential conflicts of interest between the Group and the interested persons and recommend whether those who are in a position of conflict should abstain from participating in any discussions or deliberations of the Board or voting on resolutions of the Board or the shareholders in relation to such transactions as well as to ensure that proper measures to mitigate such conflicts of interest have been put in place;

- review key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review will be disclosed in the annual reports or if there are material findings, to be immediately announced via SGXNet;

- review and recommend to the Board hedging policies and instruments, if any, to be implemented by the Company;

- review the effectiveness of the Company's internal audit function, if applicable;

- undertake such other reviews and projects as may be requested by the Board, and report to the Board its finding from time to time on matters arising and requiring the attention of the AC;

CORPORATE GOVERNANCE REPORT

- undertake such other functions and duties as may be required by statute or the Catalist Rules, or by such amendments as may be made thereto from time to time;
- review the assurance from the CEO and CFO on the financial records and financial statements;
- review at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;
- review the adequacy, effectiveness, independence, scope and results of the external audit and internal audit functions;
- review 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
- review the consolidated financial statements of the Company, including the consolidated statement of financial position and statement of changes in equity of the Company before their submission to the Board.

External Audit

The AC reviews the scope and results of the audit carried out by the External Auditor, as well as the cost effectiveness of the audit and the independence and objectivity of the External Auditor. The AC always seeks to balance the maintenance of objectivity of the External Auditor and its ability to provide professional advice and solutions. The AC undertook the review of the independence and objectivity of the External Auditor, Moore Stephens LLP ("**MS**"), through discussions with MS as well as reviewing the non-audit services provided and the fees paid to it. Based on the review, the AC is of the opinion that MS is, and is perceived to be, independent for the purpose of the Group's statutory audit. The fees payable to the MS are set out below:

	S$'000	**%**
Audit fees	89	100.00
Non-audit fees	–	–
Total	**89**	**100.00**

In reviewing the nomination of MS for re-appointment for the financial year ending 31 December 2025, the AC has considered the adequacy of the resources, experience, and competence of MS, and has taken into account the Audit Quality Indicators relating to MS at the firm level and on the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members in handling the audit. The AC also considered the audit team's ability to work in a co-operative manner with Management whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed timelines.

On the basis of the above, the AC is satisfied with the standard and quality of work performed by MS. It has recommended to the Board that MS be nominated for re-appointment as external auditor of the Company at the forthcoming AGM of the Company. The Company has complied with the requirements of Rules 712, 715 and 716 of the Catalist Rules in relation to the appointment of its external auditor.

CORPORATE GOVERNANCE REPORT

Internal Audit

The primary role of internal audit is to assist the AC by evaluating the reliability, adequacy and effectiveness of the internal controls and risk management processes of the Group, undertaking investigations as directed by the AC, and conducting regular in-depth audits of high-risk areas, to ensure that the Company maintains sound systems of internal controls and risk management.

The Company's internal audit function are outsourced to CLA Global TS Risk Advisory Pte. Ltd. ("**CLA Global TS**") since 2016. CLA Global TS possesses vast experience in providing internal audits, risk management services and advisory services. The internal audit team from CLA Global TS comprises the engagement director, a manager and experienced staff members. The engagement director is a Chartered Accountant and a member of the Institute of Internal Auditors Singapore, has more than 16 years of relevant experience in professional services firms. The AC is satisfied that the internal audit team is staffed with professionals with relevant qualifications and experience to perform its function effectively.

The internal audit team reports primarily to the Chairman of the AC and has unrestricted access to the documents, records, properties and personnel of the Company and of the Group.

The AC examines the internal audit plan, determines the scope of audit examination and approves the internal audit budget. It also oversees the implementation of the improvements required on internal control weaknesses identified and ensures that Management provides the necessary co-operation to the internal audit team.

The AC annually reviews the adequacy, effectiveness and independence of the internal audit team and is satisfied with the aforesaid aspects.

Whistle-Blowing Policy

The Group has in place a whistle-blowing policy ("**Policy**") to ensure independent investigations of such matters and for appropriate follow up action. The Policy is aimed at encouraging the reporting of such matters in good faith, with the confidence that staff of the Company and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal.

Whistle-blowers may use independent communication channels to make a report to AC Chairman who is responsible for overseeing and the monitoring of whistleblowing.

The whistle-blower can report any possible improprieties directly to AC Chairman, via ACChairman@matex.com.sg. There was no whistle blowing report received during FY2024.

Provision 10.5 – *The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.*

The AC meets with the External Auditor and the Internal Auditor, at least once a year, without the presence of the Management, to review any matter that might be raised. These meetings enable the auditors to raise any issues in the course of their work directly to the AC.

CORPORATE GOVERNANCE REPORT

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.***

Provision 11.1 – ***The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.***

Provision 11.2 – ***The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.***

Conduct of General Meetings

The Company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders. Notices for general meetings are announced via SGXNet. In line with changes to the Catalist Rules, the Company has implemented electronic transmission of documents to shareholders. The notices, together with relevant documents (such as the annual report, letter to shareholders or circular) will be published on both SGXNet and the Company's corporate website at www.Matex.com.sg.

In order to provide ample time for the shareholders to review the annual report for FY2024 ("**Annual Report 2024**"), the notice of AGM together with proxy form and request form to receive printed copy of the Annual Report 2024 are despatched to all shareholders at least 14 days before the scheduled AGM date on 28 April 2025. Shareholders are invited to attend the general meetings to put forth any questions they may have on the motions to be debated and decided upon. The Company will endeavour to address substantial and relevant questions related to the ordinary resolution to be tabled for approval at the AGM.

All shareholders are entitled to vote in accordance with the established voting rules and procedures at the AGM. Each share is entitled to one vote.

An external firm shall be appointed as the scrutineer for the AGM voting process, which is independent of the firm appointed to undertake the poll voting process. This is in compliance with the Rule 730A(a) of the Catalist Rules.

The Company conducts poll voting for all resolutions tabled at the general meetings either through manual or electronic polling. The rules, including the voting procedures, will be clearly explained by the scrutineers at such general meetings. Announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentage to the audience at the general meeting will be released on SGXNet on the same day.

CORPORATE GOVERNANCE REPORT

Substantially separate items are each tabled at the general meetings via separate resolutions, including the election or re-election of each Director.

Detailed information on each item in the AGM agenda is provided in the explanatory notes to the Notice of AGM in the Annual Report 2024.

Provision 11.3 – ***All directors attend general meetings of shareholders, and the external auditors are also presented to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.***

At general meetings of the Company, shareholders are given the opportunity to communicate their views and are encouraged to ask the Directors and the KMP questions regarding matters affecting the Company.

The Chairman and the Chairpersons of the AC, NC and RC were present at the last AGM in 2024. All Directors will endeavour to be present at the Company's forthcoming AGM to address shareholders' questions relating to the work of these Committees.

The Company's External Auditor, Moore Stephens LLP, will be present at the AGM and are available to assist the Directors in addressing any relevant queries by shareholders relating to the conduct of the audit and the preparation and content of its auditor's report.

Provision 11.4 – ***The company's Constitution (or other constitutive documents) allows for absentia voting at general meetings of shareholders.***

If shareholders are unable to attend the meetings, the Constitution of the Company allows for shareholders who are not relevant intermediaries to appoint up to two proxies to attend, speak and vote at general meetings in their absence, and shareholders who are relevant intermediaries may appoint more than two proxies to attend, speak and vote at general meetings. In order to have a valid registration of proxy, the proxy forms must be sent in advance to the place(s) as specified in the notice of the general meetings at least 48 hours before the time set for the general meetings.

Subject to the Company's Constitution and any applicable legislation, the Board may, at its sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

CORPORATE GOVERNANCE REPORT

Provision 11.5 – ***The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.***

The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the resolutions tabled for approval and/or ask the Directors or the Management questions regarding the Company and its operations. Minutes of the general meetings which include substantial and relevant comments and queries from shareholders relating to the agenda of the general meetings together with the responses from the Board and Management are prepared and confirmed as true record of the proceedings of the general meetings. The minutes of the general meetings will be published on the Company's corporate website and the SGXNet as soon as practicable, and no later than one month from the date of the meeting.

Provision 11.6 – ***The company has a dividend policy and communicates it to shareholders.***

The Company does not have a formal dividend policy. The form, frequency and amount of any proposed dividends will take into consideration the Group's profit growth, cash position, positive cash generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. The Company endeavours to pay dividends and where dividends are not paid, the Company will disclose its reason(s) accordingly.

The Company did not declare any dividends for FY2024 as the Group was in an operational loss.

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.***

Provision 12.1 – ***The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.***

Provision 12.2 – ***The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.***

Provision 12.3 – ***The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.***

Disclosure of information on a timely basis

The Board is mindful of its obligations to provide shareholders with timely disclosure of material information presented in a fair and objective manner.

CORPORATE GOVERNANCE REPORT

The Company does not practice selective disclosure. In line with the continuing obligations of the Company pursuant to the Catalist Rules, the Board's policy is that all shareholders will be equally informed of all major developments and/or transactions impacting the Group.

Half yearly and yearly results of the Company are published through the SGXNet, news releases and the Company's website. All information on the Company's new initiatives will be first disseminated via SGXNet. Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Results and annual reports are announced or issued within the period as prescribed by the SGX-ST and are available on the SGXNet and the Company's website at www.Matex.com.sg.

The Company sincerely welcomes the views of its shareholders and has in place an investor relations policy where its website provides an enquiry form that allows the Company to learn about shareholders' requirements and queries. The Group provides shareholders with an assessment of the Company's performance, position and prospect on a half-yearly basis. This is carried out via half-yearly announcement of results and other ad-hoc announcements primarily via SGXNet. The Company's Annual Report and other Information are also accessible via the above channels. In addition, shareholders are given the opportunity to submit their questions in advance prior to any AGM or EGM, or may ask questions "live" at the general meetings and the Company will endeavour to address substantial and relevant questions related to the resolutions to be tabled for approval at the general meetings.

E. MANAGING STAKEHOLDERS RELATIONSHIPS

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.***

Provision 13.1 – ***The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.***

Provision 13.2 – ***The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.***

ENGAGEMENT WITH STAKEHOLDERS

The Group has regularly engaged its stakeholders through various mediums and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns to improve services and products' standards, as well as to sustain business operations for long term growth.

The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are able to impact the Group's business and operations.

CORPORATE GOVERNANCE REPORT

Six (6) stakeholder groups have been identified through an assessment of their significance to the business operations, namely, suppliers, customers, employees, community, investors, and regulators.

The Company has undertaken a process to determine the environmental, social and governance (ESG) issues which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually.

Having identified the stakeholders and the material issues, the Company has mapped out the key areas of focus in relation to the management of the respective stakeholder relationships.

Please refer to the Sustainability Report on pages 17 to 85 of this Annual Report for further details.

Provision 13.3 – *The company maintains a current corporate website to communicate and engage with stakeholders.*

All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNet, press releases and the Company's website. The Company does not practice selective disclosure of material information. All materials on the half year and full year financial results are available on the Company's website at www.Matex.com.sg. The comprehensive website, which is updated regularly, contains various information on the Group and the Company which serves as an important resource for investors and all stakeholders.

F. OTHER CORPORATE GOVERNANCE MATTERS

DEALING IN SECURITIES

In compliance with Rule 1204(19) of the Catalist Rules on best practices in respect of dealing in securities, the Group has in place an internal compliance policy which prohibits the Company's Directors, KMP and their connected persons from dealing in the Company's shares during the period beginning one (1) month immediately preceding the announcement of the Company's half year and full year results respectively ("**Prohibited Periods**"), or if they are in possession of unpublished price-sensitive information of the Group.

In addition, Directors, KMP and connected persons are required to comply with and observe laws on insider trading even when dealing in the Company's shares outside the Prohibited Periods. They are also refrained from dealing in the Company's shares on short-term considerations.

All Directors are required to seek Board's approval before trading in the Company's shares and are also required to notify the Company Secretary of any change in his interest in the Company's shares within two business days of the change.

There was no trading of the Company's shares by insiders during FY2024.

CORPORATE GOVERNANCE REPORT

MATERIAL CONTRACTS

Pursuant to Rule 1204(8) of the Catalist Rules, no material contracts had been entered into by the Company and its subsidiaries involving the interests of any Director or controlling shareholder, which are either still subsisting at the end of the financial year or if not then subsisting, entered into during the financial year.

INTERESTED PERSON TRANSACTIONS

To ensure compliance with Chapter 9 of the Catalist Rules, in FY2024, the AC and the Board met half yearly to review if the Company will be entering into any interested person transactions ("**IPTs**").

If the Company is intending to enter into an IPT, the AC and the Board will ensure that the transaction is carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

The Group does not have a general mandate from shareholders for IPTs pursuant to Rule 920 of the Catalist Rules.

The aggregate value of IPT entered into by the Group for FY2024 is as follows:

CORPORATE GOVERNANCE REPORT

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Mr. Yeo	Non-Executive Non-Independent Director of the Company.	Mr. Yeo through JCS Group Pte. Ltd. has a 10% shareholdings interest in Matex YG (Shanghai) Material Tech Ltd.. The agreed investment in Matex YG (Shanghai) Material Tech Ltd. amounting to RMB3,000,000 (equivalent to S$548,100).	Not applicable

Save as disclosed above, there were no other IPT entered into by the Group during FY2024.

NON-SPONSOR FEES

In compliance with Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees paid or payable to the Company's sponsor, RHT Capital Pte. Ltd., during FY2024.

USE OF PROCEEDS

CORPORATE GOVERNANCE REPORT

The Company raised net proceeds of S$3.9 million from the placement of 154,000,000 shares completed on 24 January 2025 ("**Proposed Subscription**"). As disclosed in the Company's circular dated 23 December 2024 in relation to the Proposed Subscription, the net proceeds will be used on the following (i) 30% for market expansion of existing and new products in respect of its core business activities ("**Market Expansion**"), (ii) 20% for low cost sourcing strategies of existing and new products in respect of its core business activities ("**Low Cost Sourcing**"), (iii) 30% for identifying potential new businesses other than its existing principal business activities ("**Potential New Business**") and (iv) 20% for the purposes of working capital of the Group ("**Working Capital**").

As of the date of the annual report, the net proceeds have not been utilized and the balance is as follows:

	S$'000
Gross proceeds received	4,158
Less: Share issuance expenses	(217)
Net proceeds available	3,941

	Allocation of net proceeds	**Amount utilized**	**Balance**
	S$'000	**S$'000**	**S$'000**
Market Expansion	1,182	–	1,182
Low Cost Sourcing	788	–	788
Potential New Business	1,182	–	1,182
Working Capital	789	–	789
Total	**3,941**	**–**	**3,941**

APPENDIX – INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION

CORPORATE GOVERNANCE REPORT

Name of Director	Dr. Tan Pang Kee ("Dr. Tan")	Tan Guan Liang ("Mr. Tan")	Chiang Yao Chong ("Mr. Chiang")
Date of appointment	23 March 1990	1 March 2010	1 May 2024
Date of last election	29 April 2022	27 April 2023	–
Age	77	43	61
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on the NC's recommendation for re-election	The Board of Directors of the Company has accepted the NC's recommendation, who has reviewed and considered Dr. Tan's performance as a CEO/MD of the Company.	The Board of Directors of the Company has accepted the NC's recommendation, who has reviewed and considered Mr. Tan's performance as an Executive Director of the Company.	The Board of Directors of the Company has accepted the NC's recommendation, who has reviewed and considered Mr. Chiang's performance as an Independent and non-executive director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive Responsible for overseeing the operations of the Company's business of trading.	Executive Responsible for and oversees the Group's businesses, branding, innovation, design and development of products, as well as the Group's buildings and infrastructures.	Non-Executive
Job title	CEO/MD	Executive Director	Non-Executive and Independent Director, Chairman of Audit Committee, Member of Nominating Committee and Remuneration Committee
Professional qualifications	Doctor of Philosophy in Business Administration	Master of Architecture and Minor in Technopreneurship at the National University of Singapore	International Business Management Program at the Wharton School Master of Applied Finance at the Macquarie University Bachelor of Science (Economics) at the National University of Singapore

CORPORATE GOVERNANCE REPORT

Name of Director	Dr. Tan Pang Kee ("Dr. Tan")	Tan Guan Liang ("Mr. Tan")	Chiang Yao Chong ("Mr. Chiang")
Working experience and occupations(s) during past 10 years	Matex International Limited 23 March 1990 to current – Founding Director and Chief Executive Officer/ Managing Director	Executive Director of the Company	March 2021 to present: CEO of Pierce Capital Pte. Ltd. February 2015 to present: Independent Board Director and Chairman of Audit and Risk Management Committee of Tuas Power Group, Singapore November 2017 to June 2020: CEO of CTBC Bank Co., Ltd (Taiwan), Singapore Branch. February 2008 to October 2017: Executive GM of China CITIC Bank international Ltd, Hong Kong, China.
Shareholdings interest in the listed issuer and its subsidiaries	Dr. Tan owns 87,972,630 (17.06%) ordinary shares in the paid-up share capital of the Company	Mr. Tan owns 826,000 (0.16%) ordinary shares in the paid-up share capital of the Company	NIL
Any relationship (including immediate family relationships) with any existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Father to Mr. Tan, Executive Director of the Company	Mr. Tan is the son of Dr. Tan, CEO/MD and substantial shareholder of the Company	None
Conflicts of interest (including any competing business)	None	None	None
Undertaking (in the format set out in Appendix 7H under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

CORPORATE GOVERNANCE REPORT

Name of Director	Dr. Tan Pang Kee ("Dr. Tan")	Tan Guan Liang ("Mr. Tan")	Chiang Yao Chong ("Mr. Chiang")
Other Principal Commitments including Directorships	Past (for the last 5 years) Amly Chemicals Co Ltd Matex Chemicals (Taixing) Co Ltd Dedot Sdn Bhd Dedot Pte Ltd Present Matex International Limited Shanghai Matex Chemicals Co., Ltd Unimatex Sdn Bhd. Dedot Trading (Shanghai) Co., Ltd Matex Holdings Pte. Ltd. Matex Chemicals Technologies (Shanghai) Co., Ltd. Matexmega Pte. Ltd. Matex Holdings (HK) Limited	Past (for the last 5 years) Amly Chemicals Co Ltd Matex Chemicals Co Ltd Dedot Sdn Bhd Dedot Pte Ltd AR Bioenergy Tech Pte. Ltd. Present Matex International Limited Shanghai Matex Chemicals Co., Ltd. Unimatex Sdn. Bhd. Dedot Trading (Shanghai) Co., Ltd. Matex Holdings Pte. Ltd. Matex Chemicals Technologies (Shanghai) Co., Ltd. Matexmega Pte. Ltd. Matex Holdings (HK) Limited	Principal Commitments: Peirce Capital Pte. Ltd. (Chief Executive Officer) Past (for the last 5 years) NIL Present Tuas Power Ltd Tuas Power Generation Pte. Ltd. TP Utilities Pte. Ltd. Peirce Capital Pte. Ltd. Giga Merit International Pte. Ltd.
The general statutory disclosures of the Directors are as follows:			
(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 partner or at any time within 2 years from the date, he ceased to be a partner?	No	No	No
(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 any 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, that business trust, on the ground of insolvency?	No	No	No

CORPORATE GOVERNANCE REPORT

Name of Director	Dr. Tan Pang Kee (“Dr. Tan”)	Tan Guan Liang (“Mr. Tan”)	Chiang Yao Chong (“Mr. Chiang”)
(c) Whether there is any unsatisfied judgement against him?	No	No	No
(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 of which he is aware) for such purpose?	No	No	No
(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 (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgement 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?	No	No	No
(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?	No	No	No

CORPORATE GOVERNANCE REPORT

Name of Director	Dr. Tan Pang Kee ("Dr. Tan")	Tan Guan Liang ("Mr. Tan")	Chiang Yao Chong ("Mr. Chiang")
(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?	No	No	No
(i) Whether he has ever been the subject of any order, judgement 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	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	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	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	No

CORPORATE GOVERNANCE REPORT

Name of Director	Dr. Tan Pang Kee ("Dr. Tan")	Tan Guan Liang ("Mr. Tan")	Chiang Yao Chong ("Mr. Chiang")
(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	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceeding, 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	No

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The directors present their statement together with the audited consolidated financial statements of the Group for the financial year ended 31 December 2024 and statement of financial position as at 31 December 2024 and statement of changes in equity of the Company for the financial year ended 31 December 2024.

In the opinion of the directors:

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company 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 2024, and 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; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 Directors

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

Dr Tan Pang Kee
Mr Foo Der Rong
Mr Tan Guan Liang (Chen Guanliang)
Mr Wang Dao Fu
Mr Yeo Hock Huat
Mr Chiang Yao Chong (appointed on 1 May 2024)

2 Arrangements to Enable Directors to Acquire Benefits by Means of the Acquisition of Shares and Debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Directors' Interests in Shares and Debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, 1967, an interest in shares of the Company as stated below:

	Direct interest		Deemed interest	
	At the beginning of the financial year	At the end of the financial year	At the beginning of the financial year	At the end of the financial year
Ordinary shares of the Company				
Dr Tan Pang Kee	87,972,630	87,972,630	–	–
Mr Tan Guan Liang (Chen Guanliang)	826,000	826,000	–	–
Mr Yeo Hock Huat	–	–	50,000,000	50,000,000

By virtue of Section 7 of the Singapore Companies Act 1967, Dr Tan Pang Kee is deemed to have an interest in all the subsidiaries to the extent held by the Company.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2025.

Except as disclosed in this statement, 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.

4 Share Options

(a) Option to take up unissued shares

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

(b) Option exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5 Audit Committee

The audit committee ("AC") carried out its functions in accordance with section 201B(5) of the Singapore Companies Act 1967, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;

- Reviewed the half yearly financial results and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors;

- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;

- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;

- Reviewed the nature and extent of non-audit services provided by the external auditor (if any);

- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;

- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate; and

- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5 Audit Committee (Continued)

The AC, having reviewed all non-audit services provided by the external auditor to the Group (if any), is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

The AC convened two meetings during the year with full attendance from all members. 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.

6 Auditors

The independent auditors, Moore Stephens LLP, have expressed their willingness to accept re-appointment as auditors.

On behalf of the board of directors:

Dr Tan Pang Kee
Director

Mr Tan Guan Liang
(Chen Guanliang)
Director

Singapore
2 April 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MATEX INTERNATIONAL LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Matex International Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement 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 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 provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") 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 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the 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") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have 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 judgement, 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 MATEX INTERNATIONAL LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Key Audit Matter	Our audit performed and responses thereon
Valuation of trade receivables We refer to Note 2.15, Note 3.2(a), Note 15 and Note 30(a) to the financial statements. As at 31 December 2024, the carrying amount of the Group's trade receivables amounted to S$851,000, net of allowance for expected credit loss ("ECL") of S$2,189,000. We focus on this area because there are judgements and estimates involved in the application of the ECL model and loss allowance provision.	We obtained understanding of the credit policy of the Group and evaluated the process for monitoring of trade receivables. We reviewed the Group's control over the receivables collection processes, analysed the ageing of trade receivables and reviewed the Group's loss allowance against trade receivables and its disclosures about the degree of estimation involved in arriving at the expected credit loss. We found the estimates used by management in deriving the expected credit loss model and impairment provision adequate.
Valuation of inventories We refer to Note 2.17, Note 3.2(b) and Note 14 to the financial statements. The carrying amount of the Group's inventories amounted to S$1,551,000 as at 31 December 2024. Inventories are carried in the financial statements at the lower of cost and net realisable value. There are judgements and estimates involved in determining the amount of write down for slow-moving and obsolete inventories by considering factors such as the condition and age of inventories, future market demand, environmental regulations requirements and pricing competition.	We designed and performed the following key procedures, among others: – We checked and analysed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventories obsolescence. – We evaluated management's process in determining the write down of inventory, taking into consideration inventory ageing, physical condition of the inventories, past and expected future sales. – We evaluated and tested management's assessment of inventories to state them at the lower of cost and net realisable value. We found the estimates used by management in deriving the write down for inventory obsolescence to be within a reasonable range.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MATEX INTERNATIONAL LIMITED

Report on the Audit of the Financial Statements (Continued)

Other Information

Management is responsible for the 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.

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 the provisions of the Act and SFRS(I)s, 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MATEX INTERNATIONAL LIMITED

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.

- 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 control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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.

- 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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MATEX INTERNATIONAL LIMITED

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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, related safeguards.

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 year 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 Act to be kept by the Company 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 Mr. Neo Keng Jin.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
2 April 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 $'000	Group 2023 $'000
Revenue	4	**7,002**	7,354
Cost of sales		**(5,537)**	(5,746)
Gross profit		**1,465**	1,608
Other income		**191**	48
Selling and distribution expenses		**(924)**	(1,070)
Administrative expenses		**(4,058)**	(4,961)
Other operating expenses		**(124)**	(36)
Finance income	5	**285**	270
Finance expenses	5	**(51)**	(122)
Write back of loss allowance on trade receivables		**–**	238
Share of associate's loss		**(60)**	–
Loss before taxation	7	**(3,276)**	(4,025)
Income tax expense	8	**(13)**	(16)
Loss for the year		**(3,289)**	(4,041)
Other comprehensive loss/(income):			
Item that will not be reclassified subsequently to profit or loss			
Net loss on the fair value change of equity investments at fair value through other comprehensive income		**(1,065)**	–
Item that will be reclassified subsequently to profit or loss			
Currency translation difference		**67**	(62)
Other comprehensive loss for the year, net of tax		**(998)**	(62)
Total comprehensive loss for the year		**(4,287)**	(4,103)
Loss attributable to:			
Owners of the Company		**(2,654)**	(3,310)
Non-controlling interests		**(635)**	(731)
		(3,289)	(4,041)
Total comprehensive loss attributable to:			
Owners of the Company		**(3,652)**	(3,424)
Non-controlling interests		**(635)**	(679)
		(4,287)	(4,103)
Loss per share (cents per share)			
– Basic and diluted	27	**(0.73)**	(0.98)

The accompanying notes form an integral part of the financial statements

STATEMENTS OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024	2023	2024	2023
		$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment	9	**1,052**	565	**137**	160
Right-of-use assets	10	**515**	1,036	**178**	200
Investment in subsidiaries	11	**–**	–	**1,279**	1,279
Investment in an associate	12	**165**	–	**–**	–
Other long-term investments	13	**369**	134	**369**	134
		2,101	1,735	**1,963**	1,773
Current assets					
Inventories	14	**1,551**	1,378	**–**	–
Trade and notes receivables	15	**1,819**	1,067	**570**	579
Other receivables and deposits	16	**882**	781	**2,856**	2,094
Prepayments		**35**	68	**16**	53
Fixed deposits	17	**2,702**	5,269	**2,702**	5,269
Cash and bank balances	17	**6,154**	11,100	**3,286**	3,746
		13,143	19,663	**9,430**	11,741
Total assets		**15,244**	21,398	**11,393**	13,514
Current liabilities					
Trade payables	18	**1,278**	235	**–**	–
Other payables and accruals	19	**4,390**	5,625	**386**	259
Contract liabilities	4	**32**	10	**–**	–
Tax payables		**4**	–	**–**	–
Lease liabilities	10	**205**	615	**18**	18
Term loans	20	**1,060**	2,088	**–**	–
		6,969	8,573	**404**	277
Net current assets		**6,174**	11,090	**9,026**	11,464

The accompanying notes form an integral part of the financial statements

STATEMENTS OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Non-current liabilities					
Deferred tax liabilities	21	**76**	66	**–**	–
Other payables	19	**14**	13	**–**	–
Term loan	20	**–**	247	**–**	–
Lease liabilities	10	**226**	253	**83**	101
		316	579	**83**	101
Net assets		**7,959**	12,246	**10,906**	13,136
Equity					
Share capital	22	**25,853**	25,853	**25,853**	25,853
Capital reserve	23	**294**	294	**–**	–
Enterprise expansion reserve	24	**4,349**	4,349	**–**	–
General reserve	24	**4,349**	4,349	**–**	–
Translation reserve	25	**(3)**	(70)	**–**	–
Fair value reserve	26	**(1,065)**	–	**(1,065)**	–
Accumulated losses		**(24,728)**	(22,074)	**(13,882)**	(12,717)
		9,049	12,701	**10,906**	13,136
Non-controlling interests		**(1,090)**	(455)	**–**	–
Total equity		**7,959**	12,246	**10,906**	13,136

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Attributable to equity holders of the Company									
	Share capital $'000	Capital reserve $'000	Enterprise expansion reserve $'000	General reserve $'000	Translation reserve $'000	Fair value reserve $'000	Accumulated losses $'000	Equity attributable to owners of the Company, total $'000	Non-controlling interests $'000	Equity total $'000
Group										
Opening balance as at 1 January 2024	**25,853**	**294**	**4,349**	**4,349**	**(70)**	**–**	**(22,074)**	**12,701**	**(455)**	**12,246**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(2,654)**	**(2,654)**	**(635)**	**(3,289)**
Other comprehensive income/(loss) for the year	**–**	**–**	**–**	**–**	**67**	**(1,065)**	**–**	**(998)**	**–**	**(998)**
Total comprehensive income/(loss) for the year	**–**	**–**	**–**	**–**	**67**	**(1,065)**	**(2,654)**	**(3,652)**	**(635)**	**(4,287)**
Closing balance as at 31 December 2024	**25,853**	**294**	**4,349**	**4,349**	**(3)**	**(1,065)**	**(24,728)**	**9,049**	**(1,090)**	**7,959**
Opening balance as at 1 January 2023	24,603	294	4,349	4,349	44	–	(18,764)	14,875	224	15,099
Loss for the year	–	–	–	–	–	–	(3,310)	(3,310)	(731)	(4,041)
Other comprehensive (loss)/income for the year	–	–	–	–	(114)	–	–	(114)	52	(62)
Total comprehensive loss for the year	–	–	–	–	(114)	–	(3,310)	(3,424)	(679)	(4,103)
Issue of ordinary shares	1,250	–	–	–	–	–	–	1,250	–	1,250
Closing balance as at 31 December 2023	25,853	294	4,349	4,349	(70)	–	(22,074)	12,701	(455)	12,246

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Share capital $'000	Fair value reserve $'000	Accumulated losses $'000	Total $'000
Company				
Opening balance as at 1 January 2024	**25,853**	**–**	**(12,717)**	**13,136**
Loss for the year	**–**	**–**	**(1,165)**	**(1,165)**
Other comprehensive loss	**–**	**(1,065)**	**–**	**(1,065)**
Closing balance as at 31 December 2024	**25,853**	**(1,065)**	**(13,882)**	**10,906**
Opening balance as at 1 January 2023	24,603	–	(11,447)	13,156
Loss for the year	–	–	(1,270)	(1,270)
Issue of ordinary shares	1,250	–	–	1,250
Closing balance as at 31 December 2023	25,853	–	(12,717)	13,136

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	2024 $'000	2023 $'000
Cash flows from operating activities		
Loss before taxation	**(3,276)**	(4,025)
Adjustments:		
Interest expense on borrowings and lease liabilities	**51**	122
Interest income	**(285)**	(270)
Write back of loss allowance on trade receivables	**–**	(238)
(Gain)/Loss on disposal of property, plant and equipment	**(5)**	5
Right-of-use assets written off	**121**	4
Depreciation of property, plant and equipment	**91**	80
Depreciation of right-of-use assets	**584**	591
Reversal of inventories written down	**(6)**	–
Inventories written down	**7**	335
Share of associate's loss	**60**	–
Exchange differences	**129**	(172)
Operating cash flows before changes in working capital changes	**(2,529)**	(3,568)
(Increase)/Decrease in inventories	**(169)**	1,498
(Increase)/Decrease in trade and notes receivables	**(747)**	1,306
(Increase)/Decrease in other receivables and prepayments	**(63)**	255
Increase/(Decrease) in trade and other payables	**853**	(107)
Increase/(Decrease) in contract liabilities	**22**	(5)
Cash used in operations	**(2,633)**	(621)
Interest paid	**(51)**	(122)
Interest received	**285**	270
Income tax (paid)/refunded	**(4)**	17
Net cash flows used in operating activities	**(2,403)**	(456)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(566)**	(298)
Proceeds from disposal of property, plant and equipment	**5**	15
Purchase of other long-term investment	**(1,300)**	(134)
Payment to acquire an associate	**(225)**	–
Net cash inflow on disposal of subsidiaries	**–**	1,157
(Refund to)/Repayment from former subsidiary	**(1,138)**	3,078
Net cash flows (used in)/generated from investing activities	**(3,224)**	3,818

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 $'000	2023 $'000
Cash flows from financing activities			
Proceeds from issuance of ordinary shares from placement		**–**	1,250
Payment of principal portion of lease liabilities		**(582)**	(667)
Repayment of loans and borrowings		**(1,294)**	(665)
Amount due to former subsidiary		**–**	1,199
Net cash flows (used in)/generated from financing activities		**(1,876)**	1,117
Net (decrease)/increase in cash and cash equivalents		**(7,503)**	4,479
Effect of exchange rate changes on cash and cash equivalents		**(10)**	(34)
Cash and cash equivalents at the beginning of the year		**16,369**	11,924
Cash and cash equivalents at the end of the year	17	**8,856**	16,369

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

1 GENERAL

Matex International Limited (the "Company") is a limited liability company, which is incorporated and domiciled in the Republic of Singapore and publicly traded on the Singapore Exchange Securities Trading Limited.

The registered office and principal place of business of the Company is located at 1003, Bukit Merah Central, #01-10 Inno Centre, Singapore 159836.

The principal activities of the Company are the formulation, manufacturing and sale of specialty chemicals focusing on dyestuff and auxiliaries for the textile industry.

The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

The financial statements for the financial year ended 31 December 2024 were approved and authorised for issue by the board of directors in accordance with a resolution of the directors on the date of the Directors' Statement.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (the "SFRS(I)") and the provision of the Singapore Companies Act 1967. The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) and all values are rounded to the nearest thousand ($'000) except when otherwise indicated.

2.2 Adoption of new and amended standards and interpretations

(a) *Adoption of New and Revised SFRS(I) issued which are effective*

On 1 January 2024, the Group has adopted the new or amended SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INTs") that are mandatory for application for the 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) INTs. The adoption of the new or amended SFRS(I) and SFRS(I) INTs did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Adoption of New and Revised SFRS(I) issued but not yet effective

At the date of authorisation of these financial statements, the following standards that have been issued and are relevant to the Group and Company but not yet effective:

		Effective for annual financial periods beginning on or after
Amendments to SFRS(I) 1-21	*The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*	1 January 2025
Amendments to SFRS(I) 9 and SFRS(I) 7	*Amendments SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Amendments to SFRS(I)s	*Annual Improvements to SFRS(I)s – Volume 11*	1 January 2026
Amendments to SFRS(I) 9 and SFRS(I) 7	*Contracts Referencing Nature-dependent Electricity*	1 January 2026
Amendments to SFRS(I) 18	*Presentation and Disclosure in Financial Statements*	1 January 2027
Amendments to SFRS(I) 19	*Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to SFRS(I) 10 and SFRS(I) 1-28	*Amendments to SFRS(I) 10 and SFRS(I) 1-28 Investments in Associates and Joint Ventures – Sale or contribution of assets between an investor and its associate or joint venture*	Deferred indefinitely, early application is still permitted

SFRS(I) 18: Presentation and Disclosure in Financial Statements

This standard will replace SFRS(I) 1-1 *Presentation of Financial Statements*. Whilst many of the requirements will remain consistent, the new standard will have impacts on the presentation of the Consolidated Statement of Comprehensive Income and consequential impacts on the Consolidated Statement of Cash Flows. It will also require the disclosure of the non-SFRS(I) management performance measures and may impact the level of aggregation and disaggregation throughout the primary financial statements and the notes.

An entity is required to apply the amendments to SFRS(I) 1-1 for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. SFRS(I) 18 requires retrospective application with specific transition provisions.

Other than the above, the Directors do not expect any material impact from the application of these standards.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

When the Group loses control of a subsidiary, it:

- derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest (including any components of other comprehensive income attributable to them);
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained in the former subsidiary at its fair value;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate; and
- recognises any resulting difference in profit or loss.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

The Group applies the acquisition method to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether an integrated set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create output. The Group has an option to apply a 'fair value concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test can be applied on a transaction-by-transaction basis. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the test is not met, or if the Group elects not to apply the test, a detailed assessment must be performed applying the normal requirements in SFRS(I) 3.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising from the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are depreciated using the straight-line method against the cost (in the case of People's Republic of China ("PRC") subsidiary companies, less estimated residual value of the fixed asset at 10% of cost), over their estimated useful lives. The estimated useful lives have been taken as follows:

Leasehold properties	5 to 91 years
Plant and equipment	3 to 10 years
Renovation, electrical and fittings	5 to 10 years
Motor vehicles	5 to 10 years

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.8 Land use rights

Land use rights relate to property in the PRC.

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation. The land use rights are amortised on a straight-line basis over the lease term of 20 years.

An assessment of the carrying value of land use rights is made when there are indications that the assets have been impaired or the impairment losses recognised in prior years no longer exist.

Gains or losses arising from the retirement or disposal of land use rights are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Intangible assets relate to software and is amortised on a straight-line basis over a period of 5 years.

2.10 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of 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 costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where 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.

Impairment losses are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Impairment of non-financial assets (Continued)

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.12 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.13 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Goodwill on acquisition of associates represents the excess of the cost of acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associates is included in the carrying amount of the investments. Gains and losses on the disposal of associates include the carrying amounts of goodwill relating to the entity sold.

Investments in associates are accounted for using the equity method of accounting less impairment losses, if any. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

When the Group reduces its ownership interest in an associate, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 **SUMMARY OF MATERIAL ACCOUNTING POLICIES** (CONTINUED)

2.13 **Associates** (Continued)

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equal or exceed its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate is recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.14 **Financial instruments**

(a) *Financial assets*

Initial recognition and measurement

Debt instruments

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 **SUMMARY OF MATERIAL ACCOUNTING POLICIES** (CONTINUED)

2.14 **Financial instruments** (Continued)

(a) *Financial assets* (Continued)

Initial recognition and measurement (Continued)

Equity instruments

Financial assets that are equity instruments comprise mainly investment in equity securities. The Group classified these assets as fair value through profit or loss (FVPL), except for those that the Group has designated as Fair Value through Other Comprehensive Income (FVOCI). The FVOCI designation is irrevocable, and is not permitted for held-for-trading financial assets and financial assets that represent contingent consideration in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent pattern of short-term profit taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Subsequent measurement

Investment in debt instruments at amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Equity instruments

Subsequent to initial recognition, all equity investments are measured at fair value. Changes in the fair value of FVPL equity instruments are recognised in profit or loss, while changes in the fair value of FVOCI equity investments are recognised in other comprehensive income. All dividend income is recognised in profit and loss, except for dividends from FVOCI equity instruments that clearly represent a recovery of the cost of investment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (Continued)

(a) *Financial assets* (Continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continue to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset that is a debt instrument, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, for a financial asset that is a debt instrument at FVOCI, the cumulative gain or loss previously accumulated in the fair value adjustment reserve is reclassified to profit or loss.

On derecognition of an equity instrument at FVOCI, this difference is instead recognised directly in equity as part of retained earnings. Cumulative gains and losses previously accumulated in equity are also transferred directly to retained earnings upon derecognition of FVOCI equity investments.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (Continued)

(b) *Financial liabilities* (Continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.15 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. 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 recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For notes receivables, the Group applies 12-month ECL in calculating ECLs.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and fixed deposits. Cash equivalents are short-term, highly liquid investments readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Inventories

Inventories are stated 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:

(a) Raw materials: purchase costs on a weighted average basis;

(b) Finished goods and work-in-progress: cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items 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.

2.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using current pre-tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in provision due to passage of time is recognised as a finance cost.

2.19 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.20 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Employee benefits

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. In addition, the subsidiary companies in the PRC pay fixed contributions to the retirement insurance and medical insurance schemes organised by the social security bureau and have no further payment obligations once the contributions have been paid. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

2.22 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.

(i) *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). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Office premises	3 to 5 years
Land use rights	20 years
Motor vehicles	5 years
Office equipment	10 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.22 Leases (Continued)

As lessee (Continued)

(i) *Right-of-use assets* (Continued)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.11.

(ii) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.23 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

The Group produces and supplies dyestuffs, auxiliaries and textile chemical products to manufacturers mainly in the textile industry.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation is satisfied at a point in time and accordingly, revenue is recognised at a point in time.

Revenue is recognised when the goods or services are delivered to the customer and all criteria for acceptance have been satisfied. The amount of revenue recognised is based on the transaction price which comprises the contractual price. There are no variable considerations that would modify transaction price and accordingly, no significant judgement is involved in estimating the revenue.

2.24 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred income tax is provided, using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.24 Taxes (Continued)

(b) *Deferred tax* (Continued)

Deferred tax liabilities are recognised for all temporary differences, except:

– where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.24 Taxes (Continued)

(b) *Deferred tax* (Continued)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

2.25 Contingencies

A contingent liability is:

(a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

Critical judgement is required in the application of accounting policies when preparing the financial statements. Management is of the opinion that the instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimates.

3.2 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 are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) *Allowance for expected credit losses of trade receivables*

The Group determines ECLs and impairment of trade receivables by making debtor-specific assessment of expected impairment loss for long overdue trade receivables, and using a provision matrix for the remaining trade receivables.

The provision matrix is based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 30(a) to the financial statements.

The carrying amount of the Group and the Company's trade receivables as at 31 December 2024 are $851,000 (2023: $931,000) and $570,000 (2023: $579,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

(b) *Allowance for slow-moving and obsolete inventories*

A review of the realisable value of the inventories is performed periodically for slow-moving, obsolete, and inventories which have a decline in net realisable value below cost. An allowance is recorded against the inventory balance for any such declines. These reviews require management to estimate future market demand for the products, pricing competitions, environmental regulations requirements and age of the inventories. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 14 to the financial statements.

The carrying amount of the Group's inventories as at 31 December 2024 is $1,551,000 (2023: $1,378,000).

(c) *Impairment of non-financial assets (property, plant and equipment and right-of-use assets)*

The recoverable amounts of the cash generating units ("CGU") are determined based on value in use, which are computed using a discounted cash flow model. This assessment required management to exercise significant judgement over various inputs and assumptions such as revenue growth rates, gross margins and discount rate. The key assumptions applied in the determination of the value in use of property, plant and equipment and right-of use assets are disclosed in Note 9 and 10 to the financial statements respectively.

The carrying amount of the Group's property, plant and equipment and right-of-use assets as at 31 December 2024 is $1,052,000 and $515,000 (2023: $565,000 and $1,036,000) respectively.

4 REVENUE

(a) *Disaggregation of revenue*

	Group	
	2024	**2023**
	$'000	**$'000**
Primary geographical markets		
People's Republic of China ("PRC")	**4,785**	5,040
Malaysia	**657**	834
Singapore	**1,560**	1,480
Sale of goods at a point in time	**7,002**	7,354

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4 **REVENUE** (CONTINUED)

(b) *Receivables and contract liabilities*

Information about receivables and contract liabilities from contracts with customers is disclosed as follows:

	Group		
			1 January
	2024	**2023**	**2023**
	$'000	**$'000**	**$'000**
Receivables from contract with customers (Note 15)	**851**	931	1,157
Contract liabilities	**32**	10	16

Contract liabilities relate primarily to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers. Contract liabilities are recognised as revenue as the Group performs under the contract.

Significant changes in contract liabilities are explained as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**10**	16
Increase due to cash received, excluding amounts recognised as revenue during the year	**(32)**	(10)

5 **FINANCE INCOME/(EXPENSES)**

	Group	
	2024	**2023**
	$'000	**$'000**
Finance income		
– Interests from fixed deposits and bank balances	**285**	270
Finance expenses		
– Interest on term loans	**(25)**	(75)
– Interest on lease liabilities	**(26)**	(47)
	(51)	(122)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

6 PERSONNEL EXPENSES

The following personnel expenses include directors' remuneration.

	Group	
	2024	**2023**
	$'000	**$'000**
Salaries and bonuses	**2,839**	3,173
Defined contribution plans	**136**	143
Other personnel expenses	**79**	86
	3,054	3,402

7 LOSS BEFORE TAXATION

This is determined after charging the following:

	Group	
	2024	**2023**
	$'000	**$'000**
Depreciation of property, plant and equipment	**(91)**	(80)
Depreciation of right-of-use assets	**(584)**	(591)
Inventories recognised as an expense in cost of sales (Note 14)	**(5,537)**	(5,746)
Audit fees paid to:		
– Auditor of the Company	**(89)**	(89)
– Other auditors (network firm)	**(5)**	(6)
– Other auditors (non-network firm)	**(44)**	(45)
Non-audit fees paid to:		
– Auditor of the Company	**–**	–
– Other auditors (non-network firm)	**–**	(3)
Personnel expenses (Note 6)	**(3,054)**	(3,402)
Inventories written down (Note 14)	**(7)**	(335)
Reversal for inventories written down (Note 14)	**6**	–
Foreign exchange gain/(loss)	**230**	(254)
Gain/(Loss) on disposal of property, plant and equipment	**5**	(5)
Right-of-use assets written off	**(121)**	(4)
Transportation expense	**(19)**	(19)
Government grants	**8**	7

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

8 INCOME TAX EXPENSE

The major components of income tax expense for the year ended 31 December are:

	Group	
	2024	**2023**
	$'000	**$'000**
Statement of comprehensive income:		
Current income tax:		
– Current income taxation	**3**	9
Deferred tax		
– Current year charge (Note 21)	**10**	7
Income tax expense recognised in the statement of comprehensive income	**13**	16

Relationship between tax expense and accounting loss

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 31 December 2024 and 2023 is as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
Loss before taxation	**(3,276)**	(4,025)
Tax at domestic tax rate of 17% (2023: 17%)	**(557)**	(684)
Adjustments:		
Non-deductible expenses	**295**	417
Income not subject to taxation	**(50)**	(43)
Difference in tax rates applicable to overseas operations	**(117)**	(167)
Utilisation of deferred tax assets previously not recognised	**(79)**	(76)
Deferred tax assets not recognised	**521**	569
Income tax expense recognised in the statement of comprehensive income	**13**	16

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9 PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties $'000	Plant and equipment $'000	Renovation, electrical and fittings $'000	Motor vehicles $'000	Construction-in-progress $'000	Total $'000
Group						
Cost						
At 1 January 2024	**1,331**	**13,707**	**1,016**	**816**	**517**	**17,387**
Additions	**–**	**3**	**1**	**–**	**562**	**566**
Disposals/written off	**–**	**(60)**	**(58)**	**(34)**	**–**	**(152)**
Exchange differences	**21**	**11**	**6**	**10**	**–**	**48**
At 31 December 2024	**1,352**	**13,661**	**965**	**792**	**1,079**	**17,849**
Cost						
At 1 January 2023	1,352	13,664	1,021	939	457	17,433
Additions	–	66	2	170	60	298
Disposals/written off	(18)	(14)	(4)	(287)	–	(323)
Exchange differences	(3)	(9)	(3)	(6)	–	(21)
At 31 December 2023	1,331	13,707	1,016	816	517	17,387
Accumulated depreciation and impairment loss						
At 1 January 2024	**1,222**	**13,615**	**878**	**650**	**457**	**16,822**
Charge for the year	**3**	**12**	**50**	**26**	**–**	**91**
Disposals/written off	**–**	**(60)**	**(58)**	**(34)**	**–**	**(152)**
Exchange differences	**9**	**12**	**5**	**10**	**–**	**36**
At 31 December 2024	**1,234**	**13,579**	**875**	**652**	**457**	**16,797**
At 1 January 2023	1,233	13,622	839	922	457	17,073
Charge for the year	3	16	46	15	–	80
Disposals/written off	(3)	(14)	(4)	(282)	–	(303)
Exchange differences	(11)	(9)	(3)	(5)	–	(28)
At 31 December 2023	1,222	13,615	878	650	457	16,822
Net carrying amount						
At 31 December 2023	109	92	138	166	60	565
At 31 December 2024	**118**	**82**	**90**	**140**	**622**	**1,052**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold properties $'000	Plant and equipment $'000	Renovation, electrical and fittings $'000	Motor vehicles $'000	Total $'000
Company					
2024					
Cost					
As at 1 January 2024	**162**	**519**	**1**	**170**	**852**
Additions	**–**	**–**	**2**	**–**	**2**
Disposal	**–**	**–**	**(2)**	**–**	**(2)**
As at 31 December 2024	**162**	**519**	**1**	**170**	**852**
Accumulated depreciation					
At 1 January 2024	**162**	**518**	**1**	**11**	**692**
Charge for the year	**–**	**1**	**1**	**23**	**25**
Disposal	**–**	**–**	**(2)**	**–**	**(2)**
At 31 December 2024	**162**	**519**	**–**	**34**	**715**
Net carrying amount					
At 31 December 2024	**–**	**–**	**1**	**136**	**137**
2023					
Cost					
As at 1 January 2023	162	527	1	282	972
Additions	–	1	–	170	171
Disposal	–	(9)	–	(282)	(291)
As at 31 December 2023	162	519	1	170	852
Accumulated depreciation					
At 1 January 2023	162	525	1	282	970
Charge for the year	–	2	–	11	13
Disposal	–	(9)	–	(282)	(291)
At 31 December 2023	162	518	1	11	692
Net carrying amount					
At 31 December 2023	–	1	–	159	160

Cash outflow on property, plant and equipment

The cash outflow on the acquisition of property, plant and equipment by the Group during the year amounted to $566,000 (2023: $298,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment of assets

During the current financial year, the Group carried out a review of the recoverable amount of its production facility and equipment, which is defined as the cash generating units ('CGUs') due to losses incurred.

There is no additional impairment loss recognised for the financial years ended 31 December 2024 and 31 December 2023.

The recoverable amounts were computed based on value in use using a discounted cash flow projection. The post-tax discount rates used were 14.41% (Singapore), 15.85% (Malaysia) and 15.07% (PRC) (2023: 13.38% and 17.95% (Singapore), 18.12% (Malaysia) and 15.14% (PRC)).

10 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has lease contracts for various items of leasehold land, office premises, motor vehicles and office equipment used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Group	Office premises $'000	Land use rights[1] $'000	Motor vehicles $'000	Office equipment $'000	Total $'000
2024					
Cost					
At 1 January 2024	3,174	370	301	20	3,865
Additions	170	–	–	8	178
Disposal/Written off	(1,335)	–	–	(20)	(1,355)
Exchange differences	13	4	5	–	22
At 31 December 2024	2,022	374	306	8	2,710
Accumulated depreciation and impairment loss					
At 1 January 2024	2,340	370	101	18	2,829
Depreciation charge for the year	560	–	22	2	584
Disposal/Written off	(1,214)	–	–	(20)	(1,234)
Exchange differences	7	4	5	–	16
At 31 December 2024	1,693	374	128	–	2,195
Net carrying amount					
At 31 December 2024	329	–	178	8	515

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Group	Office premises $'000	Land use rights[1] $'000	Motor vehicles $'000	Office equipment $'000	Total $'000
2023					
Cost					
At 1 January 2023	3,223	384	111	20	3,738
Additions	–	–	215	–	215
Disposal/Written off	–	–	(20)	–	(20)
Exchange differences	(49)	(14)	(5)	–	(68)
At 31 December 2023	3,174	370	301	20	3,865
Accumulated depreciation and impairment loss					
At 1 January 2023	1,797	384	101	14	2,296
Depreciation charge for the year	566	–	21	4	591
Disposal/Written off	–	–	(16)	–	(16)
Exchange differences	(23)	(14)	(5)	–	(42)
At 31 December 2023	2,340	370	101	18	2,829
Net carrying amount					
At 31 December 2023	834	–	200	2	1,036

(1) The land use rights held by the Group relate to property at Plot 43/1 Hong Si Cun, Tang-Zhen Pudong, Shanghai, the PRC. The land use rights have 20 years tenure commencing from 2006. As at 31 December 2024, the remaining amortisation period of the land use rights in Tang-Zhen Pudong is 2 years.

Company – right-of-use assets and lease liabilities

As at 31 December 2024, the right-of-use assets and lease liabilities of the Company comprise motor vehicle with a carrying amount of $178,000 (2023: $200,000).

Assets pledged as security

The Group's motor vehicles with a carrying amount of $178,000 (2023: $200,000) are mortgaged to secure the Group's finance lease liabilities.

Impairment of assets

During the current financial year, the Group carried out a review of the recoverable amount of its right-of-use assets due to losses incurred. There is no additional impairment loss recognised for the financial years ended 31 December 2024 and 31 December 2023. The recoverable amount is computed based on value in use using a discounted cash flow projection. The post-tax discount rate used is 15.07% (2023: 15.14%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Impairment of assets (Continued)

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 20 and the maturity analysis of lease liabilities is disclosed below and in Note 30(b).

The following are the amounts recognised in profit or loss:

	Group	
	2024	**2023**
	$'000	**$'000**
Depreciation of right-of-use assets	**584**	591
Interest on lease liabilities	**26**	47

Total cash outflows for leases amounted to S$582,000 (2023: S$667,000).

Future minimum lease payments are disclosed as follows:

	Group	
	Minimum payments	**Present value of payments**
	2024	**2024**
	$'000	**$'000**
Not later than one year	**216**	**205**
One to six years	**245**	**226**
Total minimum lease payments	**461**	**431**
Less: amounts representing finance charges	**(30)**	**–**
Present value of minimum lease payments	**431**	**431**

	Group	
	Minimum payments	**Present value of payments**
	2023	**2023**
	$'000	**$'000**
Not later than one year	642	615
One to six years	276	253
Total minimum lease payments	918	868
Less: amounts representing finance charges	(50)	–
Present value of minimum lease payments	868	868

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10 **RIGHT-OF-USE ASSETS AND LEASE LIABILITIES** (CONTINUED)

Future minimum lease payments are disclosed as follows: (Continued)

	Company	
	Minimum payments 2024 $'000	**Present value of payments 2024 $'000**
Not later than one year	**22**	**18**
One to six years	**99**	**83**
Total minimum lease payments	**121**	**101**
Less: amounts representing finance charges	**(20)**	**–**
Present value of minimum lease payments	**101**	**101**

	Company	
	Minimum payments 2023 $'000	**Present value of payments 2023 $'000**
Not later than one year	22	18
One to six years	121	101
Total minimum lease payments	143	119
Less: amounts representing finance charges	(24)	–
Present value of minimum lease payments	119	119

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10A INTANGIBLE ASSETS

	Group Software $'000	Company Software $'000
2024		
Cost		
At 1 January 2024 and 31 December 2024	**1,035**	**807**
Accumulated amortisation		
At 1 January 2024 and 31 December 2024	**1,035**	**807**
Net carrying amount		
At 31 December 2024	**–**	**–**
2023		
Cost		
At 1 January 2023 and 31 December 2023	1,035	807
Accumulated amortisation		
At 1 January 2023 and 31 December 2023	1,035	807
Net carrying amount		
At 31 December 2023	–	–

Amortisation of intangible assets is charged to general and administrative expenses in the consolidated statement of comprehensive income.

Software pertains to an enterprise-wide information system designed to coordinate information on resources, and activities needed to enable the conduct of the business. As at 31 December 2024 and 2023, there is no remaining amortisation period of software.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11 INVESTMENT IN SUBSIDIARIES

	Company 2024 $'000	Company 2023 $'000
Unquoted equity shares, at cost	**4,733**	4,733
Less: Impairment losses	**(3,454)**	(3,454)
	1,279	1,279

(a) *Composition of the Group*

The Group has the following investment in subsidiaries:

Name of subsidiaries	Principal activities	Country of incorporation	Proportion (%) of ownership interest 2024 %	2023 %
Held by the Company				
Matex Holdings Pte Ltd ("MHPL")[3]	General wholesale trading & dyestuffs manufacturing	Singapore	**100**	100
Shanghai Matex Chemicals Co., Ltd ("SMC")[2]	Sale of dyestuffs	PRC	**60**	60
Unimatex Sdn Bhd ("USB")[1]	Formulating, manufacturing and sale of dyestuffs, auxiliaries and optical brighteners	Malaysia	**100**	100
Matex Chemicals Technologies (Shanghai) Co., Ltd ("MTL")[2]	General wholesale trading	PRC	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) *Composition of the Group* (Continued)

Name of subsidiaries	Principal activities	Country of incorporation	Proportion (%) of ownership interest 2024 %	2023 %
<u>**Held through a subsidiary**</u>				
Dedot Trading (Shanghai) Co., Ltd ("DTS")[(2)]	Import, export and wholesale of all kinds of garments, textile products and chemical products	PRC	**100**	100
MatexMega Pte. Ltd. ("MMP")[(3)]	Manufacture and repair of measuring devices, process control equipment and related products	Singapore	**65**	65
Matex Holdings (HK) Limited ("MHK")[(4)]	Wholesale trade of variety of goods without a dominant product	Hong Kong	**100**	100

(1) Audited by Moore Stephens Associates PLT, Malaysia (a member firm of Moore Global Network Limited);

(2) Audited by Shanghai ZhongHui, Certified Public Accountants in the PRC;

(3) Audited by AccAssurance LLP, Chartered Accountants in Singapore;

(4) Currently dormant entity.

During the previous financial year, the Company has subscribed additional 4,000,000 shares in Matex Chemicals Technologies (Shanghai) Co., Ltd ("MTL") at a par value of CNY1 per share which is equivalent to approximately S$763,000.

<u>Impairment on investment in subsidiaries</u>

Management has performed an impairment assessment for subsidiaries with indicators of impairment based on their estimation of recoverable amount. Due to stringent environmental and safety compliance measures implemented by the government of the PRC in recent years, the production facilities located in China had to undergo retrofitting work by phases. These have disrupted production due to restricted capacity and resulted in low sales and losses recorded by these subsidiaries.

As at 31 December 2024, an impairment loss of S$3,454,000 (2023: S$3,454,000) was made on the investment in subsidiaries. Recoverable amount of the equity investments, based on value in use calculation, was projected to be below each Company's cost of investment. Cash flows in the value in use calculation were discounted between 14.4% and 15.1% (2023: 13.4% and 15.1%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) *Interest in subsidiaries with material non-controlling interest ("NCI")*

The Group has the following subsidiary that have NCI that are material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest	Loss allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period
31 December 2024:				
Shanghai Matex Chemicals Co., Ltd	**PRC**	**40%**	**(626)**	**(1,114)**
31 December 2023:				
Shanghai Matex Chemicals Co., Ltd	PRC	40%	(731)	(490)

(c) *Summarised financial information about subsidiaries with material NCI*

Summarised financial information including consolidation adjustments but before intercompany eliminations of subsidiary with material non-controlling interests are as follows:

Summarised statement of financial position

	Shanghai Matex Chemicals Co., Ltd ("SMC")	
	2024	**2023**
	$'000	**$'000**
Current		
Assets	**2,720**	3,592
Liabilities	**(6,297)**	(5,530)
Net current liabilities	**(3,577)**	(1,938)
Non-current		
Assets	**928**	772
Liabilities	**(135)**	(59)
Net non-current assets	**793**	713
Net liabilities	**(2,784)**	(1,225)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) *Summarised financial information about subsidiaries with material NCI* (Continued)

Summarised statement of comprehensive income

	SMC	
	2024	**2023**
	$'000	**$'000**
Revenue	**3,160**	3,355
Loss before taxation	**(1,566)**	(1,827)
Income tax expense	**–**	–
Loss after tax	**(1,566)**	(1,827)
Other comprehensive income	**–**	–
Total comprehensive loss	**(1,566)**	(1,827)

12 INVESTMENT IN AN ASSOCIATES

	Group	
	2024	**2023**
	$'000	**$'000**
Cost of investment	**225**	–
Share of loss of associate	**(60)**	–
	165	–

The Group, through its wholly owned subsidiary, Matex Chemicals Technologies (Shanghai) Co., Ltd., has incorporated an associate company, Matex YG (Shanghai) Material Tech Ltd. in Shanghai, China on 3 January 2024, with a registered capital of RMB12,000,000, comprising of 2 phases of paid-up capital; 1st phase of 40% had been fully paid up as at 31 December 2024 and 2nd phase of 60% to be paid-up by 31 December 2028. The Group has a 25% shareholding interest in Matex YG (Shanghai) Material Tech Ltd.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

12 INVESTMENT IN AN ASSOCIATES (CONTINUED)

The summarised financial information of the Group's significant associate namely Matex YG (Shanghai) Material Tech Ltd., based on its financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements was as follows:

Summarised statement of financial position

	2024 $'000
Current	
Assets	507
Liabilities	(3)
Net current assets	504
Non-current	
Assets	157
Net assets	661
Proportion of Group's ownership	25%
Group's share of net assets	165
Carrying amount of the investment	165

Summarised statement of comprehensive income

	2024 $'000
Revenue	–
Loss before taxation	(241)
Income tax expense	–
Loss after tax	(241)
Other comprehensive income	–
Total comprehensive loss	(241)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13 OTHER LONG-TERM INVESTMENTS

	Group and Company	
	2024	**2023**
	$'000	**$'000**
Equity investment measured at fair value through other comprehensive income		
Unquoted equity securities		
– Ucars Pte. Ltd.	**–**	134
– AR Bioenergy Tech Pte. Ltd.	**369**	–
	369	134

These investments in unquoted equity securities represent the interest in Ucars Pte. Ltd, a company that is engaged in wholesales of motor vehicles except motorcycles, scooters and internet search engines and AR Bioenergy Tech Pte. Ltd., a company that is engaged in engineering design and consultancy services in energy management and clean energy systems. These investments have been classified as equity investments at FVOCI, which the Group considers to be reflective of the Group's investment policy to hold it for long-term strategic benefits instead of short-term fair value gains.

During the current financial year, a fair value loss of approximately S$1,065,000 had been recognised in fair value reserve (Note 26).

14 INVENTORIES

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Statement of financial position				
Raw materials	**361**	385	**–**	–
Work-in-progress	**1**	2	**–**	–
Finished goods	**1,189**	991	**–**	–
Total inventories at lower of cost and net realisable value	**1,551**	1,378	**–**	–
Statement of comprehensive income:				
Inventories recognised as an expense in cost of sales	**5,537**	5,746	**–**	–
Inventories written down charged to the income statement	**7**	335	**–**	–
Reversal of inventories written down	**(6)**	–	**–**	–

During the current financial year, the Group has a reversal of inventories written down of S$6,000 as the net realisable value of certain inventories were above the carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15 TRADE AND NOTES RECEIVABLES

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables				
– Third parties	**851**	931	**–**	–
– Amount due from a subsidiary	**–**	–	**570**	579
	851	931	**570**	579
Notes receivables	**968**	136	**–**	–
Total trade and notes receivables	**1,819**	1,067	**570**	579
Add:				
Other receivables (Note 16)	**808**	716	**18**	8
Deposits (Note 16)	**41**	41	**1**	1
Amount due from subsidiaries (Note 16)	**–**	–	**2,837**	2,085
Cash and bank balances (Note 17)	**6,154**	11,100	**3,286**	3,746
Fixed deposits (Note 17)	**2,702**	5,269	**2,702**	5,269
Total financial assets carried at amortised cost	**11,524**	18,193	**9,414**	11,688

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables denominated in foreign currencies (other than the respective functional currency of the Group entities) at 31 December are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
United States Dollar	**192**	228	**570**	579

The notes receivables are with financial institutions in the PRC which are non-interest bearing and have repayment terms ranging from 1 to 12 months (2023: 1 to 12 months). All note receivables are trade-related.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15 TRADE AND NOTES RECEIVABLES (CONTINUED)

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL is as follows:

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Movement in allowance accounts:				
At 1 January	**2,265**	2,622	**600**	883
Written-back	**–**	(238)	**–**	(283)
Exchange differences	**(76)**	(119)	**–**	–
At 31 December	**2,189**	2,265	**600**	600

16 OTHER RECEIVABLES AND DEPOSITS

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Other receivables	**808**	716	**18**	8
Deposits	**41**	41	**1**	1
Tax recoverable	**33**	24	**–**	–
Amounts due from subsidiaries	**–**	–	**2,837**	2,085
	882	781	**2,856**	2,094

The amounts due from subsidiaries are non-trade related, unsecured, non-interest bearing and repayable on demand and are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

17 CASH AND CASH EQUIVALENTS

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Cash at banks and on hand	**6,154**	11,100	**3,286**	3,746
Fixed deposits	**2,702**	5,269	**2,702**	5,269
	8,856	16,369	**5,988**	9,015

Cash at bank earned interest at rates based on daily bank deposit rates ranging from 0.05% to 0.25% (2023: 0.05% to 0.25%) per annum.

Fixed deposits were placed with financial institutions for varying periods of between 1 month to 3 months depending on the immediate cash requirements of the Group. The fixed deposits earned interest at fixed deposit rates ranging from 0.25% to 5.20% (2023: 0.25% to 5.25%) per annum.

Cash and cash equivalents denominated in currencies (other than the respective functional currency of the Group entities) at 31 December are as follows:

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
United States Dollar	**5,783**	8,526	**5,664**	8,276

18 TRADE PAYABLES

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Trade payables	**1,278**	235	**–**	–
Add:				
Other payables and accruals* (Note 19)	**4,404**	5,638	**386**	259
Lease liabilities (Note 10)	**431**	868	**101**	119
Term loans (Note 20)	**1,060**	2,335	**–**	–
Less:				
Provision for unutilised leave	**(37)**	(38)	**(22)**	(21)
Total financial liabilities at amortised cost	**7,136**	9,038	**465**	357

* including non-current amounts

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18 TRADE PAYABLES (CONTINUED)

Trade payables are non-interest bearing and are normally settled on 30 to 90 days' terms.

Trade payables denominated in currencies (other than the respective functional currency of the Group entities) at 31 December are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
United States Dollar	**170**	46	**–**	–

19 OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Other payables	**4,052**	5,286	**159**	23
Accrued operating expenses	**161**	190	**140**	141
Accrued payroll related expenses	**191**	162	**87**	95
	4,404	5,638	**386**	259

Other payables and accruals are presented as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Current liabilities	**4,390**	5,625	**386**	259
Non-current liabilities	**14**	13	**–**	–
	4,404	5,638	**386**	259

Other payables are non-interest bearing and are generally settled on 30 to 90 days' terms.

Other payables comprise mainly dividend payable to minority interest shareholder of S$2,537,000 (2023: S$2,511,000) and amount due to a former subsidiary of Nil (2023: $1,199,000). The amount due to a former subsidiary was unsecured, interest-free and fully settled during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20 TERM LOANS

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
SGD loan	**247**	661	**–**	–
Chinese Renminbi ("RMB") loans	**813**	1,674	**–**	–
	1,060	2,335	**–**	–

The term loans are presented as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Current	**1,060**	2,088	**–**	–
Non-current	**–**	247	**–**	–
	1,060	2,335	**–**	–

SGD loan: The temporary bridging loan of $2,000,000 has an interest rate of 2.50%. The $2,000,000 loan is repayable over 5 years and is secured by corporate guarantee provided by the Company.

RMB loans: These loans are drawn down by subsidiaries in the PRC. They are repayable within 12 months from the date of draw down but can be rolled over at the bank's discretion. These loans are due between March 2025 and September 2025. Other than RMB2,000,000 (S$424,000) loan which is at an interest rate of 20 basis point below bank's prime rate, the other RMB loan bear the same rate as the bank's prime rate. The loans are secured by corporate guarantee provided by the Company and joint and several guarantees of the directors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20 TERM LOANS (CONTINUED)

A reconciliation of liabilities arising from financing activities is as follows:

	1 January 2024 $'000	Net cash flows $'000	Non-cash changes Addition S$'000	Non-cash changes Accretion of interest for lease liabilities $'000	Non-cash changes Foreign exchange movement $'000	Others $'000	31 December 2024 $'000
Term loans	**2,335**	**(1,294)**	**–**	**–**	**19**	**–**	**1,060**
Lease liabilities (Note 10)							
– current	**615**	**(582)**	**114**	**26**	**(58)**	**90**	**205**
– non-current	**253**	**–**	**64**	**–**	**(1)**	**(90)**	**226**
Total	**3,203**	**(1,876)**	**178**	**26**	**(40)**	**–**	**1,491**

	1 January 2023 $'000	Net cash flows $'000	Non-cash changes Addition S$'000	Non-cash changes Accretion of interest for lease liabilities $'000	Non-cash changes Foreign exchange movement $'000	Others $'000	31 December 2023 $'000
Term loans	3,062	(665)	–	–	(62)	–	2,335
Lease liabilities (Note 10)							
– current	565	(667)	104	47	(49)	615	615
– non-current	771	–	111	–	(14)	(615)	253
Total	4,398	(1,332)	215	47	(125)	–	3,203

The 'other' column relates to reclassification of non-current portion of lease liabilities to current.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

21 DEFERRED TAX

Deferred tax liabilities as at 31 December relate to the following:

	Group	
	2024	**2023**
	$'000	**$'000**
Undistributed earnings of subsidiaries	**76**	66

An analysis of the deferred tax liabilities is as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
At 1 January	**66**	59
Movement in deferred taxes:		
– current financial year	**10**	7
At 31 December	**76**	66

Unrecognised tax losses and deductible temporary differences

The Group has unutilised tax losses and deductible temporary differences of approximately $39,741,000 (2023: $37,141,000) and $196,000 (2023: $196,000) respectively and the Company has unutilised tax losses of $22,856,000 (2023: $22,806,000) that are available for offset against future taxable incomes of the entities in which the tax losses arose, for which no deferred tax asset was recognised due to uncertainty of its recoverability. The use of these tax losses and deductible temporary differences are subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the entities operate. The tax losses have no expiry date except for the tax losses from the PRC as shown below.

Year incurred	**Expiry date**	**Unrecognised tax losses $'000**
2020	31 December 2025	1,817
2021	31 December 2026	2,419
2022	31 December 2027	2,302
2023	31 December 2028	2,149
2024	31 December 2029	1,566

The unabsorbed tax losses from the PRC which expired during the current year was $2,545,000 (2023: $2,932,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

21 DEFERRED TAX (CONTINUED)

Temporary differences relating to investments in subsidiaries

At the end of the reporting period, $76,000 (2023: $66,000) of deferred tax liabilities have been recognised for taxes that would be payable on the undistributed earnings of the Group's subsidiaries.

22 SHARE CAPITAL

	Group and Company			
	2024		2023	
	Number of shares '000	$'000	Number of shares '000	$'000
Issued and fully paid ordinary shares:				
At beginning of the year	**361,698**	**25,853**	311,698	24,603
Issue of ordinary shares	**–**	**–**	50,000	1,250
At end of the year	**361,698**	**25,853**	361,698	25,853

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

23 CAPITAL RESERVE

This pertains to a non-distributable capital income arising from the restructuring of subsidiary companies in prior years.

24 ENTERPRISE EXPANSION AND GENERAL RESERVE

This pertains to a general reserve fund and an enterprise expansion reserve fund set up by the Group's subsidiaries in the PRC, in accordance with local laws and regulations, by way of appropriation from their net profit at a rate determined by the companies. The respective board of directors of the subsidiaries have decided that 20% of the profit after taxation be appropriated each year, of which 10% be appropriated to the general reserve fund and 10% be appropriated to the enterprise expansion reserve fund.

The general reserve and the enterprise expansion reserve may be used to offset accumulated losses or increase the registered capital of the subsidiaries, subject to approval from the authorities of the PRC. The reserves are not available for dividend distribution to the shareholders.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

25 TRANSLATION RESERVE

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.

26 FAIR VALUE RESERVE

The fair value reserve represents the cumulative fair value changes, net of tax, of long-term unquoted equity securities carried at fair value through other comprehensive income.

27 LOSS PER SHARE

Loss per share is calculated by dividing the net losses attributable to owners of the Company of $2,654,000 (2023: $3,310,000) by the weighted average number of ordinary shares outstanding during the year of 361,698,153 (2023: 337,314,591) shares.

Diluted earnings per share is the same as basic earnings per share as there were no dilutive potential ordinary shares as at 31 December 2024 and 2023.

28 RELATED PARTY TRANSACTIONS

There were no related party transactions during the year by the Group other than the compensation of key management personnel below.

Compensation of key management personnel

	Group	
	2024	**2023**
	$'000	**$'000**
Short-term employee benefits	**895**	876
Defined contribution plans	**52**	46
Other short-term benefits	**78**	78
	1,025	1,000
Comprise amounts paid to:		
– Directors of the Company	**690**	674
– Other key management personnel	**335**	326
	1,025	1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29 SEGMENT INFORMATION

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment information is presented in respect of the Group's geographical segments only as it is not meaningful to present segmental reporting by business segments since revenue of the Group is primarily derived from the manufacture and sale of dyestuffs, auxiliaries and textile chemical products.

Inter-segment pricing is determined on an arm's length basis. The Group's operating businesses are organised and managed separately by geographical segments based on location of assets. Revenue, assets and additions to property, plant and equipment are based on the location of those assets.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total costs incurred during the financial year to acquire segment assets that are expected to be used for more than one year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29 SEGMENT INFORMATION (CONTINUED)

	PRC		Other Asia Pacific Countries		Elimination		Note	Group	
	2024	2023	2024	2023	2024	2023		2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000		$'000	$'000
Revenue									
External customers	**4,785**	5,040	**2,217**	2,314	–	–		**7,002**	7,354
Inter-segment	**3,068**	276	**60**	66	**(3,128)**	(342)	A	**–**	–
Total revenue	**7,853**	5,316	**2,277**	2,380				**7,002**	7,354
Results									
Cost of sales	**(7,016)**	(4,514)	**(1,651)**	(1,576)	**3,130**	344	B	**(5,537)**	(5,746)
Interest income	**11**	61	**274**	209	**–**	–		**285**	270
Depreciation and amortisation	**(449)**	(457)	**(226)**	(214)	**–**	–		**(675)**	(671)
Interest expense	**(27)**	(77)	**(24)**	(45)	**–**	–		**(51)**	(122)
Other non-cash (expenses)/income	**(10)**	(357)	**(7)**	6	**–**	11	C	**(17)**	(340)
Segment loss	**(1,355)**	(1,951)	**(1,928)**	(2,102)	**7**	28	D	**(3,276)**	(4,025)
Income tax expense	**(13)**	(13)	**–**	(3)	**–**	–		**(13)**	(16)
Assets									
Additions to non-current assets	**722**	62	**1,547**	585	**–**	–	E	**2,269**	647
Segment assets	**9,693**	9,531	**13,823**	16,261	**(8,272)**	(4,394)	F	**15,244**	21,398
Segment liabilities	**9,754**	8,255	**4,920**	4,386	**(7,389)**	(3,489)	G	**7,285**	9,152

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29 SEGMENT INFORMATION (CONTINUED)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

A Inter-segment revenues are eliminated on consolidation.

B Inter-segment cost of sales are eliminated on consolidation.

C Other non-cash (expenses)/income consist of (loss)/gain on disposal of plant and equipment and inventories written down/(written back) as presented in the respective notes to the financial statements.

D The following items are added to segment loss to arrive at "loss before taxation" presented in the consolidated statement of comprehensive income:

	2024 $'000	2023 $'000
Loss from inter-segment sales	**7**	28

E Additions to non-current assets consist of additions to property, plant and equipment, right-of-use assets, other long-term investments and investment in an associate.

F The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2024 $'000	2023 $'000
Inter-segment assets	**(1,389)**	(1,407)
Intercompany balances	**(6,883)**	(2,987)
	(8,272)	(4,394)

G The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2024 $'000	2023 $'000
Inter-segment liabilities	**76**	66
Intercompany balances	**(7,465)**	(3,555)
	(7,389)	(3,489)

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The board of directors reviews and agrees on policies for managing each of these risks and they are summarised below. It is, and has been, throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) *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 and the Company's exposure to credit risks arises primarily from trade receivables. For other financial assets (including cash and cash equivalents and notes receivables), the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

It is the Group's and the Company's policy to provide credit terms to creditworthy customers where credit terms granted are usually due within 30 to 90 days from the date of billing. Receivable balances are monitored on an ongoing basis. The Group has strict credit policy for new customers by requesting for 20% to 30% of the contractual sum as advance payment for PRC customers. The Group and the Company do not expect to incur material credit losses except as provided for in the financial statements.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group and the Company have determined the default event on a financial asset to be when the counterparty fails to make contractual payments, after a year they fall due for customers located in the PRC and after 180 days for customers located in Asia Pacific, which are derived based on the Group's and the Company's historical information.

The Group and the Company consider available reasonable and supportive forwarding-looking information which includes the following indicators:

– Internal credit rating

– External credit rating

– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations

– Actual or expected significant changes in the operating results of the borrower

– Significant increases in credit risk on other financial instruments of the same borrower

– Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements

– Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and the Company and changes in the operating results of the borrower.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) *Credit risk* (Continued)

Regardless of the analysis above, 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. Evidence that a financial asset is credit-impaired includes observable data about the following events:

– There is significant difficulty of the issuer or the borrower

– A breach of contract, such as a default or past due event

– It is becoming probable that the borrower will enter bankruptcy or other financial re-organisation

– There is a disappearance of an active market for that financial asset because of financial difficulty.

The Group and the Company categorise a receivable for potential write-off when a debtor fails to make contractual payments more than a year past due. It is a common practice in the Group's industry for payments to be made 3 to 12 months after the offered credit term, particularly for PRC, where it is common for debtors to make payment after the due date. Financial assets are potentially written off after 5 years when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables have been written off, the Group and the Company continue to engage enforcement activity such as sending demand or lawyer letters to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Trade receivables

The Group and the Company provide for lifetime expected credit losses for its trade receivables using a provision matrix. The provision rates are determined based on Group's historical credit loss experience, that is taking 10 years average of impairment made during the year over the net trade receivables as at each year end. Information regarding loss allowance movement of trade receivables is disclosed in Note 15 to the financial statements. The expected credit losses also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) *Credit risk* (Continued)

Trade receivables (Continued)

PRC:

	Current $'000	Less than 3 months due $'000	3 months to 6 months due $'000	6 to 12 months due $'000	More than 12 months due $'000	Total $'000
At 31 December 2024						
Gross carrying amount	**304**	**4**	**4**	**–**	**2,239**	**2,551**
Loss allowance provision	**–**	**–**	**–**	**–**	**(2,180)**	**(2,180)**
Net carrying amount	**304**	**4**	**4**	**–**	**59**	**371**

Other Asia Pacific:

	Current $'000	Less than 3 months due $'000	3 months to 6 months due $'000	6 to 12 months due $'000	More than 12 months due $'000	Total $'000
At 31 December 2024						
Gross carrying amount	**322**	**131**	**–**	**36**	**–**	**489**
Loss allowance provision	**–**	**(9)**	**–**	**–**	**–**	**(9)**
Net carrying amount	**322**	**122**	**–**	**36**	**–**	**480**

PRC:

	Current $'000	Less than 3 months due $'000	3 months to 6 months due $'000	6 to 12 months due $'000	More than 12 months due $'000	Total $'000
At 31 December 2023						
Gross carrying amount	241	117	1	–	2,345	2,704
Loss allowance provision	–	–	–	–	(2,261)	(2,261)
Net carrying amount	241	117	1	–	84	443

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) *Credit risk* (Continued)

Trade receivables (Continued)

Other Asia Pacific:

	Current $'000	Less than 3 months due $'000	3 months to 6 months due $'000	6 to 12 months due $'000	More than 12 months due $'000	Total $'000
At 31 December 2023						
Gross carrying amount	283	150	51	–	8	492
Loss allowance provision	–	–	(2)	–	(2)	(4)
Net carrying amount	283	150	49	–	6	488

Notes receivables

Management monitors and assess at each reporting date on any indicator of significant increase in credit risk for the notes receivables (Note 15). In the assessment for indicators, management took into account information that are available internally about these counterparties and if the entities had defaulted in their debts. Management has determined that the credit risk for these assets has not increased significantly since their initial recognition, and is subject to immaterial credit loss.

Excessive risk concentration

Concentration arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. One way is to increase its market shares outside PRC.

There is no credit risk concentration other than those described below.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) *Credit risk* (Continued)

Credit risk concentration profile

Group

The Group determines concentrations of credit risk by monitoring the geographical profile of its trade receivables on an on-going basis. The Group provides expected credit loss for its trade receivables. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2024		2023	
	$'000	% of total	$'000	% of total
By geographical region:				
PRC	**371**	**44**	443	48
Other Asia Pacific countries	**480**	**56**	488	52
	851	**100**	931	100

Company

At the end of the reporting period, approximately 100% (2023: 100%) of the Company's trade and other receivables were balances with subsidiaries.

(b) *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 objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, finance lease and stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with few different banks.

The Group monitors its liquidity risk and maintains adequate level of cash and cash equivalents to finance the Group's operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) *Liquidity risk* (Continued)

Analysis of financial instruments by remaining contractual maturities

The table below summaries the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	One year or less $'000	One to five years $'000	Total $'000
Group			
2024			
Financial assets:			
Trade, notes and other receivables	**2,668**	**–**	**2,668**
Cash and bank balances	**6,154**	**–**	**6,154**
Fixed deposits	**2,702**	**–**	**2,702**
Total undiscounted financial assets	**11,524**	**–**	**11,524**
Financial liabilities:			
Trade and other payables	**5,682**	**–**	**5,682**
Lease liabilities	**216**	**245**	**461**
Term loans	**1,074**	**–**	**1,074**
Total undiscounted financial liabilities	**6,972**	**245**	**7,217**
Total net undiscounted financial assets/(liabilities)	**4,552**	**(245)**	**4,307**
2023			
Financial assets:			
Trade, notes and other receivables	1,824	–	1,824
Cash and bank balances	11,100	–	11,100
Fixed deposits	5,269	–	5,269
Total undiscounted financial assets	18,193	–	18,193
Financial liabilities:			
Trade and other payables	5,873	–	5,873
Lease liabilities	642	276	918
Term loans	2,292	355	2,647
Total undiscounted financial liabilities	8,807	631	9,438
Total net undiscounted financial assets/(liabilities)	9,386	(631)	8,755

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) *Liquidity risk* (Continued)

	One year or less $'000	One to five years $'000	Total $'000
Company			
2024			
Financial assets:			
Trade and other receivables	**3,426**	**–**	**3,426**
Cash and bank balances	**3,286**	**–**	**3,286**
Fixed deposits	**2,702**	**–**	**2,702**
Total undiscounted financial assets	**9,414**	**–**	**9,414**
Financial liabilities:			
Trade and other payables	**386**	**–**	**386**
Lease liabilities	**22**	**99**	**121**
Total undiscounted financial liabilities	**408**	**99**	**507**
Total net undiscounted financial assets/(liabilities)	**9,006**	**(99)**	**8,907**
2023			
Financial assets:			
Trade and other receivables	2,673	–	2,673
Cash and bank balances	3,746	–	3,746
Fixed deposits	5,269	–	5,269
Total undiscounted financial assets	11,688	–	11,688
Financial liabilities:			
Trade and other payables	259	–	259
Lease liabilities	22	121	143
Total undiscounted financial liabilities	281	121	402
Total net undiscounted financial assets/(liabilities)	11,407	(121)	11,286

(c) *Foreign currency risk*

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily USD. These give rise to foreign currency risk. However, the Group tries to match the timing of its receipts and payments in the same foreign currency in an effort to reduce foreign currency risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) *Foreign currency risk* (Continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss before taxation with a reasonably possible change in the USD against the respective functional currencies of the Group's entities, with all other variables held constant.

		Group	
		2024	**2023**
		Increase/(Decrease)	
		Loss before tax	**Loss before tax**
		$'000	**$'000**
USD/SGD	– strengthened 3% (2023: 3%)	**(145)**	(217)
	– weakened 3% (2023: 3%)	**145**	217

31 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount at which the financial instruments could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Fair value of financial instruments that are carried at fair value

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group				
31.12.2024				
Unquoted equity securities (Note 13)	**–**	**–**	**369**	**369**
31.12.2023				
Unquoted equity securities (Note 13)	–	–	134	134

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of financial instruments that are carried at fair value (Continued)

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 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)

There has been no transfer of financial instruments between Level 1 and Level 2 during the financial years ended 31 December 2024 and 31 December 2023.

The fair value of the unquoted equity securities are based on the net assets value (2023: recent right issue price).

Assets and liabilities that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of current trade and notes receivables, other receivables and deposits, cash and cash equivalents, trade and other payables, current lease liabilities and term loans approximate their respective fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of non-current other payables, term loans and lease liabilities approximate fair value, which were determined and estimated by discounting future cash flows at market incremental interest rate for similar type of borrowings or leasing arrangement at the reporting date.

32 CAPITAL COMMITMENT

Capital expenditure contracted for as at the end of reporting period but not recognised in the financial statements is as follows

	2024 $'000	2023 $'000
Commitments in respect of property, plant and equipment	4,864	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

33 CAPITAL MANAGEMENT

Capital includes debt and equity items as disclosed in the table below.

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 2024 and 31 December 2023.

As disclosed in Note 24 to the financial statements, subsidiaries in the PRC are required to contribute and maintain non-distributable general and enterprise expansion reserve fund, whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiaries for the financial years ended 31 December 2024 and 31 December 2023.

The Group monitors capital using gearing ratio. The Group's debt includes loans and lease liabilities. Total equity includes all share capital and reserves of the Group.

	Group	
	2024	**2023**
	$'000	**$'000**
Debts	**1,491**	3,203
Cash and bank balances	**(8,856)**	(16,369)
Net cash	**(7,365)**	(13,166)
Total equity	**7,959**	12,246
Gearing ratio	**N.M.**	N.M.

N.M. – Not meaningful

34 EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 24 January 2025, the Company completed the proposed subscription with Nanyang Commercial Management Pte. Ltd. for the issuance and allotment of an aggregate number of 154,000,000 new ordinary shares in the capital of the Company for an aggregate consideration of S$4,158,000. Total number of issued and paid-up share capital of the Company has increased from 361,698,153 Shares to 515,698,153 Shares, being the enlarged issued and paid-up share capital (excluding treasury shares) of the Company.

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2025

Class of Shares	:	Ordinary shares
No. of Shares (excluding treasury shares and subsidiary holdings)	:	515,698,153
Voting Rights	:	One vote per share
No. of Treasury Shares and percentage	:	Nil
Number of Subsidiary Holdings and percentage	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	39	4.20	380	0.00
100 – 1,000	93	10.01	88,000	0.02
1,001 – 10,000	251	27.02	1,490,900	0.29
10,001 – 1,000,000	507	54.57	72,951,668	14.14
1,000,001 AND ABOVE	39	4.20	441,167,205	85.55
TOTAL	**929**	**100.00**	**515,698,153**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	NANYANG COMMERCIAL MANAGEMENT PTE. LTD.	154,000,000	29.86
2	TAN PANG KEE	87,972,630	17.06
3	CSF FUND I PTE. LTD.	50,000,000	9.70
4	DBS NOMINEES (PRIVATE) LIMITED	21,176,800	4.11
5	RAFFLES NOMINEES (PTE.) LIMITED	14,375,580	2.79
6	PHILLIP SECURITIES PTE LTD	12,289,320	2.38
7	GOH GUAN SIONG (WU YUANXIANG)	11,514,000	2.23
8	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	8,812,810	1.71
9	TAN EE SOON	8,337,582	1.62
10	SIM TECK HUAT	8,100,000	1.57
11	LEE KANG HUAT	8,000,000	1.55
12	ABN AMRO CLEARING BANK N.V.	5,012,700	0.97
13	BENEDICT NICHOLAS CHONG WEI LIANG	3,500,300	0.68
14	LIM CHIN HOCK	3,500,000	0.68
15	TAN CHAI CHIN	3,370,688	0.65
16	TAN GUAN YU, DARREL	2,921,400	0.57
17	LOH POH LIM	2,683,400	0.52
18	EST OF TAN YAM SOON, DEC'D	2,586,332	0.50
19	TAN YEOK KOON (CHEN YUKUN)	2,520,000	0.49
20	ONG SWEE WHATT	2,389,900	0.46
	TOTAL	**413,063,442**	**80.10**

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2025

SUBSTANTIAL SHAREHOLDERS AS AT 18 MARCH 2025

(as recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Nanyang Commercial Management Pte. Ltd.	154,000,000	29.86%	–	–
Tan Pang Kee	87,972,630	17.06%	–	–
CSF Fund I Pte. Ltd.	50,000,000	9.70%	–	–
Wang Weidong	–	–	154,000,000[Note 1]	29.86%
Yeo Hock Huat	–	–	50,000,000[Note 2]	9.70%

Notes:

1. Mr. Wang Weidong is deemed to be interested in the shares of Matex International Limited held by Nanyang Commercial Management Pte. Ltd.
2. Mr Yeo Hock Huat is deemed to be interested in the shares of Matex International Limited held by CSF Fund I Pte. Ltd.

PERCENTAGE OF SHAREHOLDINGS HELD IN PUBLIC'S HANDS

As at 18 March 2025, 43.22% of the Company's shares are held in the hand of public. Accordingly, the Company complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited which requires at least 10% of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed to be in the hand of the public.

NOTICE OF 35TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Fifth Annual General Meeting of the Company ("**AGM**" or **Meeting**) will be held at 1003 Bukit Merah Central, #01-10, Inno Centre, Singapore 159836 on Monday, 28 April 2025 at 10.00 a.m. (Singapore Time) for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary resolutions as set out below:

Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2024 and the Auditor's Report thereon. **[Resolution 1]**

2. To re-elect Dr. Tan Pang Kee who is retiring pursuant to Rule 720(4) of the Catalist Rules, as Director of the Company.

   Note: Dr. Tan Pang Kee is the Chief Executive Officer/Managing Director of the Company and he will, upon re-election as a Director of the Company, remain as the Chief Executive Officer/Managing Director. **[Resolution 2]**

3. To re-elect Mr. Chiang Yao Chong who is retiring in accordance with Regulation 88 of the Company's Constitution, as Director of the Company.

   Note: Mr. Chiang Yao Chong is an Independent and Non-Executive Director and he will, upon re-election as a Director of the Company, remain as an Independent and Non-Executive Director, Chairman of Audit Committee and member of the Nominating Committee and Remuneration Committee. He will be considered independent for the purposes of Rule 704(7) of the Catalist Rules. **[Resolution 3]**

4. To re-elect Mr. Tan Guan Liang (Chen Guanliang) who is retiring in accordance with Regulation 89 of the Company's Constitution, as Director of the Company.

   Note: Mr. Tan Guan Liang (Chen Guanliang) is the Executive Director of the Company and he will, upon re-election as a Director of the Company, remain as the Executive Director. **[Resolution 4]**

5. To note the retirement of Mr. Foo Der Rong as Director pursuant to Regulation 89 of the Constitution of the Company and will not be seeking for re-election.

6. To approve a sum of S$12,033 as additional Directors' fees for the financial year ended 31 December 2024.

   Note: The payment includes S$5,200 payable to Dr. John Chen Seow Phun, the former Non-Executive Chairman and Independent Director, for his tenure as Director from February 2024 until his retirement on 26 April 2024. The remaining S$6,833 is payable to Mr. Wang DaoFu for his re-designation as Non-Executive Chairman and Independent Director on 1 August 2024. **[Resolution 5]**

7. To approve a sum of up to S$184,400 as directors' fees for the financial year ending 31 December 2025, to be paid quarterly in arrears. (2024: S$134,400) **[Resolution 6]**

NOTICE OF 35TH ANNUAL GENERAL MEETING

8. To re-appoint Moore Stephens LLP as auditors and to authorise the Directors to fix their remuneration. **[Resolution 7]**

9. To transact any other business that may be properly transacted at an AGM.

Special Business

10. To consider and if thought fit, to pass the following resolution as ordinary resolution, with or without modification:–

Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual Section B: Rules of Catalist (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited (the "SGX-ST")

That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of Catalist Rules, the Directors of the Company be authorised and empowered to:

(a) (i) allot and issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares pursuant to any Instruments made or granted by the Directors of the Company while this Resolution was in force,

(the "**Share Issue Mandate**")

provided that:

(1) the aggregate number of Shares (including Shares to be issued pursuant to the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued (including Shares to be issued pursuant to the Instruments) other than on a pro-rata basis to existing shareholders of the Company shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

NOTICE OF 35TH ANNUAL GENERAL MEETING

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and that may be issued under sub-paragraph (1) above, the total number of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution provided the options or awards were granted in compliance with the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with (2)(a) or (2)(b) 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 passing of the Share Issue Mandate.

(3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law and the Catalist Rules to be held, whichever is earlier or (ii) in the case of Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Shares in accordance with the terms of the Instruments.

[See Explanatory Note (1)] **[Resolution 8]**

By Order of the Board

Dr. Tan Pang Kee
Chief Executive Officer/Managing Director
11 April 2025

NOTICE OF 35TH ANNUAL GENERAL MEETING

Explanatory Notes:

1. The **Ordinary Resolution 8**, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to existing shareholders of the Company.

   For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued Shares in the capital of the Company will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

Notes relating to conduct of Meeting

1. The members of the Company are invited to **attend physically** at the AGM. **There will be no option for the members to participate virtually.**

2. This Notice of AGM, Proxy Form, Request Form (to request for printed copy of the Annual Report), and the Annual Report will be sent to members by electronic means via publication on the Company's corporate website at the URL: https://matex.com.sg/ and will also made available on SGXNET at the URL: https://www.sgx.com/securities/company-announcements.

3. Printed copies of this Notice of AGM, Proxy Form, and Request Form, will also be sent by post to members. No printed copy of Annual Report will be sent. Members who wish to receive a printed copy of the Annual Report are required to complete the Request Form and return it to the Company by 18 April 2025 via post.

4. Please bring along your NRIC/passport to the AGM so as to enable the Company to verify your identity.

Voting by proxy

5. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.

6. A proxy need not to be a member of the Company.

7. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instruction as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.

8. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.

NOTICE OF 35TH ANNUAL GENERAL MEETING

9. The instrument appointing a proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be submitted either:

   (a) if send personally or by post, the proxy form must be lodged at the Company's registered office at 1003 Bukit Merah Central, #01-10, Inno Centre, Singapore 159836; or

   (b) if by email, the proxy form must be received at eagm@matex.com.sg;

   In either case, **by no later than 25 April 2025, 10.00 a.m., being seventy-two (72) hours before the time appointed for holding the Meeting**.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

   The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.

10. (a) A member who is not a relevant intermediary* is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

    (b) A member who is a relevant intermediary* is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

    * "**Relevant Intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

    (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; or

    (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 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 Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

11. CPF Investor and/or SRS Investor may attend and cast his vote(s) at the Meeting in person. If they are unable to attend the Meeting but would like to vote may inform their respective CPF Agent Banks or SRS Operators to appoint the Chairman of the Meeting to act as their proxy at least seven (7) working days before the Meeting, in which case, the relevant CPF and SRS Investors shall be precluded from attending the Meeting.

12. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument.

NOTICE OF 35TH ANNUAL GENERAL MEETING

Submission of questions prior to the AGM

13. Shareholders may submit questions relating to the resolutions to be tabled for approval at the AGM or in advance of the AGM no later than 10.00 a.m. on 18 April 2025:

    (a) by email to eagm@matex.com.sg; or

    (b) in physical copy by depositing the same at the registered office of the Company at 1003 Bukit Merah Central, #01-10, Inno Centre, Singapore 159836.

    Shareholders submitting questions are required to state: (a) their full name; (b) their identification/registration number, and (c) the manner in which his/her/its shares in the Company are held (e.g. via CDP, CPF, SRS and/or scrip), failing which the Company shall be entitled to regard the submission as invalid and not respond to the questions submitted.

    All questions submitted in advance of the AGM must be received by the Company by the time and date stated above to be treated as valid.

14. The Company will endeavour to address all relevant and substantial questions (as may be determined by the Company in its sole discretion) relating to the resolutions to be tabled and for approval at the AGM prior to or at the AGM. The responses to these questions will be published on or before 22 April 2025 via SGXNet and the Company's website or if answered during the AGM, will be included in the minutes of the AGM which shall be published on the SGXNet and the Company's website within one month after the date of AGM.

PERSONAL DATA PRIVACY

By (a) attending, speaking or voting at the AGM and/or adjournment thereof; (b) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof; or (c) submitting any questions prior to, or at, the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM of the Company (Including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines and (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), 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 member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

MATEX INTERNATIONAL LIMITED
(Company Registration No. 198904222M)
(Incorporated In the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING
(Please see notes overleaf before completing this Form)

IMPORTANT:
1. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) may appoint more than two (2) proxies to attend, speak and vote at the AGM.
2. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") may attend and cast his vote(s) at the Meeting in person. If they are unable to attend the Meeting but would like to vote, may inform their respective CPF Agent Banks or SRS Operators to appoint the Chairman of the Meeting to act as their proxy at least seven (7) working days before the Meeting, in which case, the relevant CPF and SRS Investors shall be precluded from attending the Meeting.
3. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 April 2025.

I/We*, ______________________________ (Name)

NRIC No./Passport No./Company Registration No.* ______________________________

of ______________________________ (Address)
being a member/members* of **MATEX INTERNATIONAL LIMITED** ("**Company**"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her/them*, the Chairman of the Annual General Meeting ("**AGM**" or the "**Meeting**"), as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the Meeting of the Company to be held at 1003 Bukit Merah Central, #01-10, Inno Centre, Singapore 159836 on Monday, 28 April 2025 at 10.00 a.m. (Singapore Time), and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her/their* discretion. In appointing the Chairman of the Meeting as proxy, Shareholders (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

No.	Resolutions relating to:	No. of Votes 'For'**	No. of Votes 'Against'**	No. of Votes 'Abstain'**
Ordinary Business:–				
1	To receive and adopt the Audited Financial Statements and the Directors' Statement of the Company for the financial year ended 31 December 2024 together with the Auditor's Report thereon.			
2	To re-elect Dr. Tan Pang Kee as a Director.			
3	To re-elect Mr. Chiang Yao Chong as a Director.			
4	To re-elect Mr. Tan Guan Liang (Chen Guanliang) as a Director.			
5	Approval of additional Directors' fee of S$12,033 for the financial year ended 31 December 2024.			
6	Approval of Directors' fees up to S$184,400 for the financial year ending 31 December 2025, to be paid quarterly in arrears.			
7	To re-appoint Moore Stephens LLP as auditors of the Company and to authorise the Directors to fix their remuneration.			
Special Business:–				
8	Authority to allot and issue shares.			

* Delete where inapplicable

** If you wish to exercise all your votes 'For', 'Against' or 'Abstain from Voting', please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this ________ day of ____________________ 2025

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Shareholder(s)
and/or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.

2. A proxy need not to be a member of the Company.

3. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

4. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instruction as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion. In appointing the Chairman of the Meeting as proxy, Shareholders (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.

6. The instrument appointing a proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be submitted either:

   (a) if send personally or by post, the proxy form must be lodged at the Company's registered office at 1003 Bukit Merah Central, #01-10, Inno Centre, Singapore 159836; or

   (b) if by email, the proxy form must be received at eagm@matex.com.sg;

   In either case, **by no later than 25 April 2025, 10.00 a.m., being seventy-two (72) hours before the time appointed for holding the Meeting**.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

   The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.

7. (a) A member who is not a relevant intermediary* is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

   (b) A member who is a relevant intermediary* is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

   * "**Relevant Intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

   (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; or

   (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 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 Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

8. CPF Investor and/or SRS Investor may attend and cast his vote(s) at the Meeting in person. If they are unable to attend the Meeting but would like to vote may inform their respective CPF Agent Banks or SRS Operators to appoint the Chairman of the Meeting to act as their proxy at least seven (7) working days before the Meeting, in which case, the relevant CPF and SRS Investors shall be precluded from attending the Meeting.

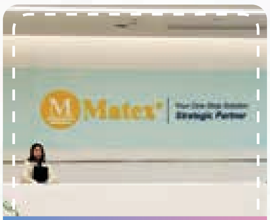
General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

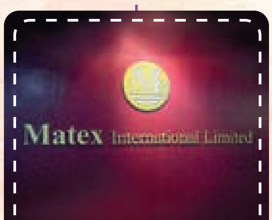
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 April 2025.

OUR GLOBAL PRESENCE



SHANGHAI

MALAYSIA



HQ-SINGAPORE

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万得国际有限公司

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