
RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE REGULATION

The Board of Directors (the “**Board**”) of Matex International Limited (the “**Company**” together with its subsidiaries, collectively the “**Group**”) refers to the Company’s announcement dated 1 November 2024 in relation to incorporation of a joint venture company in Shanghai, China.

The Board wishes to announce the following in response to queries raised by the Singapore Exchange Regulation on 4 November 2024.

SGX queries:

We refer to the Company’s announcement on 1 November 2024 titled “Incorporation of a Joint Venture Company in Shanghai, China” (“Announcement”).

We note that the joint venture company was incorporated by the Company on 3 January 2024 (“Incorporation”) but an announcement on the Incorporation was only made on 1 November 2024.

1) Please explain the reasons for the delay in announcing the Incorporation.

The Announcement stated that the Company incorporated the joint venture company, Matex YG (Shanghai) Material Tech Ltd. (the “**JVC**”) on 3 January 2024. The JVC has a registered capital of RMB12,000,000, to be contributed proportionately with reference to each party’s shareholding interests. The constitution of the JVC signed on 29 November 2023 (the “**Original Constitution**”) contained a material error. It stated that each shareholder of the JVC had to pay up its respective contributions (proportionately to its shareholding therein) towards the registered capital of the JVC by 29 November 2024.

After checking with the relevant competent authority in the People’s Republic of China (“**PRC**”), the Company learnt that under PRC laws, each party to such a joint venture can pay up its respective registered capital contributions in two tranches – the first 40% by 31 December 2024 and the remaining 60% by 31 December 2028. All the three parties to the JVC however had to re-execute a new constitution of the JVC (the “**New Constitution**”) to replace the Original Constitution and re-submit the New Constitution to the relevant competent authority in the PRC.

The Company received confirmations from JCS Group Pte. Ltd (the 10% shareholder in the JVC) and Zhenghe New Materials Technology (Tianjin) Co., Ltd (the 65% shareholder in the JVC) on 31 October 2024 via tele-communication agreeing to execute the New Constitution.

The Company thus announced the incorporation of the JVC on 1 November 2024 only after obtaining the respective confirmations from the other two shareholders that the New Constitution would be executed, which is paramount to the formation of a valid Sino-foreign joint venture under PRC laws.

One of the Company’s existing ordinary businesses is in the area of research and development of nano membrane systems. The JVC through its prospective 65% equity shareholder, Zhenghe New Materials Technology (Tianjin) Co., Ltd, will have access to the requisite raw materials and technical knowhow to produce higher quality nano membrane systems with the technical capability to better filter impurities from dye-stuff products. This transaction is in relation to one of the Company’s existing core businesses, namely, to develop nano membrane systems to better service its customers. The Company’s proposed

investment in the JVC would thus be in relation to the ordinary course of one of the Company's businesses.

The Company made the Announcement to enable the market to understand the relationship between the introducer company (where one of the shareholders thereof is also an indirect shareholder of the JVC) and the Company in the context of the proposed subscription of new shares in the Company by Nanyang Commercial Management Pte. Ltd., which the Company announced on 3 November 2024.

2) Did the Company enter into any joint venture agreement or shareholders' agreement with the other joint venture partners? If yes, please disclose the material terms of such agreement(s).

As of the date hereof, the Company has not entered into any joint venture agreement or shareholders' agreement with the other parties. The proposed joint venture will be governed by the following terms which are set out in the New Constitution:

- The proposed JVC and the New Constitution will be governed by the laws of PRC.
- The JVC shall have three shareholders:
 - o Zhenghe New Materials Technology (Tianjin) Co., Ltd. (65%);
 - o Matex Chemicals Technologies (Shanghai) Co., Ltd. (25%); and
 - o JCS Group Pte. Ltd. (10%).
- The shareholders of the JVC will appoint an Executive Director, a manager and a supervisor, in a shareholders' meeting. Each of these positions will have a term of three years, renewable upon expiry.
- The JVC will have a term of 30 years.
- The scope of business of the JVC includes:
 - Research and development of new material technology to develop higher quality nano membranes.
 - Promotion of new material technology services.
 - Sale of non-metallic minerals, diatomites, activated carbon and products.
 - Water environment pollution control services.
 - Sewage treatment and its recycling.
 - Sale of special environmental protection equipment.
 - Sale of ecological environment materials.
 - Environmental protection consulting services.
 - Water conservancy-related consulting services.
 - Sale of special chemical products (excluding hazardous chemicals).
 - Sale of industrial textile products.
 - Sale of new catalytic materials and additives.
 - Research and development of online energy monitoring technology.
 - Research and development of emerging energy technology.
 - Research and development of biomass liquid fuel production processes.
 - Sale of biomass liquid fuel production equipment.
 - Research and development of greenhouse gas emissions control technology.
 - Research and development of renewable energy systems.

3) Please provide more details on the business of the joint venture company.

With reference to the response to Query 1 above, the JVC is in the business of sourcing for raw materials and producing higher quality nano membrane systems with the technical capability to better filter impurities from dye-stuff products. The prospective investment in the JVC will enable the Company to secure a reliable supply of new materials to enhance the quality and to increase the efficiency of the Company's existing nano membrane systems. This is envisaged to have a positive impact on the Company's future revenue from the sale of higher quality nano membrane systems in addition to enhancing its services to its customers.

BY ORDER OF THE BOARD

Dr Tan Pang Kee
Chief Executive Officer / Managing Director
7 November 2024

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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