

MATEX INTERNATIONAL LIMITED
(Company Registration Number: 198904222M)
(Incorporated in the Republic of Singapore)

PROPOSED ISSUANCE OF CONVERTIBLE NOTES

1. INTRODUCTION

- 1.1. The Board of Directors (the “**Board**” or “**Directors**”) of Matex International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that on 23 January 2026, the Company entered into a subscription agreement (the “**Subscription Agreement**”) with Ascentas Capital Management Limited and Li Baohua (each a “**Subscriber**” and collectively, the “**Subscribers**”), pursuant to which the Subscribers have committed to provide funds of an aggregate of S\$4,158,000 to the Company (the “**Commitment**”) by subscribing for convertible notes, and the Company has agreed to issue (the “**Issuance**”) to the Subscribers S\$4,158,000 in aggregate principal amount of unsecured convertible notes (the “**Notes**”), convertible in whole or in part into fully-paid ordinary shares in the capital of the Company (“**Shares**”) at the Conversion Price (as defined below), subject to adjustments in accordance with the terms of the Subscription Agreement.
- 1.2. The Company will be making an additional listing application (through its sponsor) to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and quotation for the maximum number of new Shares of 210,000,000 which can be issued by the Company under the terms of the Subscription Agreement (the “**Conversion Shares**”) on the Catalist board of the SGX-ST. The Company will make the necessary announcement when the listing and quotation notice has been granted by the SGX-ST (“**SGX-ST Approval**”).
- 1.3. The Notes will not be listed or quoted on the Catalist board of the SGX-ST or any other stock exchange.
- 1.4. The Issuance of the Notes, including the allotment and issuance of the Conversion Shares, will not be issued (i) to transfer a controlling interest in the Company, or (ii) to any of the persons set out under Rule 812 of the SGX-ST Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”).
- 1.5. The Issuance of the Notes, including the allotment and issuance of the Conversion Shares, will be made pursuant to the exemptions under Section 272B of the Securities and Futures Act 2001 of Singapore (“**SFA**”) and in compliance with all the conditions of the exemptions in the SFA therein. As such, no prospectus or offer document or offer information statement will be issued by the Company and lodged with the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore, in connection with the Issuance.
- 1.6. No placement agent has been appointed in respect of the Issuance, and no introducer fee or commission is paid or payable by the Company in connection with the Issuance.
- 1.7. There is no moratorium imposed on the Conversion Shares.
- 1.8. There are no share borrowing arrangements entered into to facilitate the allotment and issuance of the Conversion Shares.

2. THE PRINCIPAL TERMS OF THE NOTES

2.1. The principal terms of the Notes as set out in the Subscription Agreement are as follows:

Principal amount:	S\$4,158,000
Interest:	Interest shall accrue on the Notes at the rate of 6% per annum upon disbursement, except that in the event the Company is unable to obtain the approval-in-principle of the listing and quotation notice from SGX-ST for the Conversion Shares within six (6) months from the date of the Subscription Agreement, interest shall accrue on the Notes at the rate of 8% per annum instead upon disbursement.
Commitment Period:	18 months from the date of the Subscription Agreement (the “ Commitment Period ”).
Title and transfer:	Title to the Notes passes only by transfer and registration in the register of Note holders.
Conversion Right:	Subject to the terms of the Subscription Agreement, each Note holder shall have the right at any time between the date of the Subscription Agreement and before the Maturity Date (as defined below) (the “Conversion Period”), to convert all or any of the Notes into the Conversion Shares, fully paid-up and unencumbered, effective as at the date of receipt by the Company (the “Conversion Date”) of a conversion notice in the agreed form (the “Conversion Notice”). For the avoidance of doubt, only the principal amount of the Notes shall be convertible into Conversion Shares, and any accrued interest shall be paid by the Company to the Note holder in cash upon conversion of the Notes.
Status of Conversion Shares:	The Conversion Shares when allotted and issued, shall (a) be duly authorised and free from all charges, liens, pledges and other encumbrances whatsoever, (b) be validly issued and credited as fully paid-up Shares which are not subject to further call, and (c) rank <i>pari passu</i> in all respects with the then existing Shares, save that they will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of the Conversion Shares.
Conversion Price:	S\$0.0198 per Conversion Share, which represents a 10% discount to the last traded price of S\$0.022 per Share for trades done on the SGX-ST on 15 July 2025, being the last market day on which the Shares were traded on the SGX-ST

prior to the suspension in trading of the Shares on the SGX-ST.

Adjustment Events:

The Conversion Price and the number of Conversion Shares to be issued upon conversion of a Note shall be subject to adjustment from time to time in any of the following applicable transactions or events (each an “**Adjustment Event**”):

- (a) any consolidation or subdivision of Shares;
- (b) any issue by the Company of Shares credited as fully paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature, other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) to Shareholders;
- (c) an offer or invitation made by the Company to Shareholders under which they may acquire or subscribe for Shares by way of rights.

In an Adjustment Event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Adjustment Event by the following fraction:

$$\frac{A}{B}$$

Where:

- (i) A is the total number of issued Shares immediately before such Adjustment Event; and
- (ii) B is the total number of issued Shares immediately after such Adjustment Event.

Such adjustment to the Conversion Price shall be effective on the date on which the change in the total number of issued Shares takes effect.

In the event that any adjustment to the Conversion Price shall be necessary as a result of any proposed Adjustment Event, the Company shall ensure that it does not undertake such proposed Adjustment Event, save and except where all applicable governmental and regulatory approvals (including without limitation the approval of the SGX-ST) required in connection with the adjustment of the Conversion Price and/or the issue of any additional Conversion Shares to be issued pursuant to the adjusted Conversion Price, is obtained and not revoked.

The Company shall announce any adjustment or amendment made to the terms of the Subscription Agreement. In the case of an adjustment, the announcement must state the specific formula, whether the adjustment has been reviewed to be in accordance with the formula, the identity of the reviewer and its relationship to the Company. The Company shall appoint an approved bank (being any reputable bank, merchant bank, financial institution or holder of a capital markets services licence in Singapore that is regulated, licensed or approved by the Monetary Authority of Singapore) or the auditors for the time being of the Company to determine whether the adjustment (or modification or variation, if any) is fair and reasonable.

Alteration to terms: Pursuant to Rule 829(3) of the Catalist Rules, any material amendment to the terms of the Subscription Agreement after the issue thereof to the advantage of the Note holders shall be subject to the prior approval of Shareholders in a general meeting, except where the amendment is made pursuant to the terms and conditions of the Subscription Agreement.

Maturity and redemption: Each Note shall mature on the date falling 18 months from the date of the Subscription Agreement (the “**Maturity Date**”).

On the Maturity Date, the Company will redeem the Notes by paying the Note holder the principal amount together with the total accrued interest in cash.

Notice of Maturity Date: The Company shall, not later than one (1) month before the Maturity Date, announce the Maturity Date on the SGXNet. Additionally, the Company shall, not later than one (1) month before the Maturity Date, take reasonable steps to notify the Note holders in writing of the Maturity Date and such notice shall be delivered to the address or email address of the Note holders.

Conditions Precedent: The obligation of the Subscribers to subscribe for the Notes is subject to the fulfilment by the Company (or waiver thereof by the Subscribers) on the Completion Date of, *inter alia*, the following conditions:

- (a) no Event of Default (as defined below) has occurred and is continuing; and
- (b) all representations and warranties of the parties set out in the Subscription Agreement remaining true and correct.

Events of Default:

The Subscription Agreement sets out certain events, the occurrence of which are events of default or deemed events of default. Upon the occurrence of any of the following events, a Note holder may, at his sole discretion, by notice in writing to the Company, require the Company to redeem the Note in cash at the principal amount together with accrued interest within ten (10) Business Days of receipt of such notice in writing.

“Events of Default” include, *inter alia*, any of the following:

- (a) the Company does not perform or comply with any one or more of its obligations under the Subscription Agreement and, if that default is capable of remedy and such default is not remedied to the satisfaction of the Subscribers (acting reasonably) within 14 days of its occurrence;
- (b) any representation, warranty or statement by the Company in the Subscription Agreement or in any document delivered under the Subscription Agreement, is not complied with or is or proves to have been materially incorrect when made or deemed to be made;
- (c) (a) the Company (i) is or will be unable to, or admits inability, to pay its debts as they fall due, (ii) suspends or threatens to suspend making payments on any of its debts, or (iii) enters into liquidation whether compulsorily or voluntarily or compounds with its creditors or has a receiver, judicial manager or similar officer appointed for all or any part of its assets or suffers any similar actions in consequence of debt (or commences negotiations with its creditors with a view to rescheduling any of its indebtedness), (b) the value of the Company's assets is less than its liabilities (taking into account contingent and prospective liabilities), (c) a moratorium takes effect by operation of law or is declared in respect of any indebtedness of the Company, provided that if a moratorium occurs or is declared, the ending of the moratorium will not remedy any Event of Default caused by that moratorium, (d) any expropriation, attachment, sequestration, distress or execution (or any analogous process in any jurisdiction) affects any asset or assets of the Borrower and is not discharged within 7 days, or (e) the Borrower fails to comply with or pay by the required time any sum due from it under any final judgment or any final order made or given by a court or arbitral tribunal or other arbitral body, in each case of competent jurisdiction;

- (d) an event or circumstance having or is reasonably expected to have a material adverse effect on the financial position or business of the Company and/or its subsidiaries, or on the Company's ability to perform the Subscription Agreement having occurred or is existing;
 - (e) (a) it is or becomes unlawful for the Company to perform any of its obligations under the Subscription Agreement, (b) the Subscription Agreement is not effective in accordance with its terms for any reason, or (c) the Subscription Agreement is not or ceases to be full force and effect.
- 2.2. Pursuant to the terms of the Subscription Agreement, the Company will, through its sponsor, apply for and obtain an approval-in-principle of the listing and quotation notice from SGX-ST for the Conversion Shares within six (6) months from the date of the Subscription Agreement.
- 2.3. The terms of the Subscription Agreement have been arrived at between the Company and the Subscribers, taking into consideration the projected working capital requirements of the Group, the prevailing interest rate environment and general market conditions.

3. RATIONALE AND USE OF PROCEEDS

- 3.1. Based on the unaudited consolidated financial statements of the Group for the financial period ended 30 June 2025, the Group had recorded a total comprehensive loss of approximately S\$2,349,000. This has led to a substantial reduction in the working capital available to the Group. After a strategic review of its existing business and operations, the Group intends to gear up its operations in the current financial year ending 31 December 2026. In addition, following approval from Shareholders at the extraordinary general meeting of the Company on 13 January 2026, the Group intends to commence operations in the trading of commodities (the "**Commodities Trading Business**") and is actively seeking potential opportunities for the strategic short-term investments in high-growth potential companies (the "**Strategic Investments Business**", and together with the Commodities Trading Business, collectively known as the "**New Businesses**"). The Group anticipates that the plans to gear up its operations and the entry into the New Businesses will correspondingly lead to an increase in the Group's working capital requirement in the current financial year. Accordingly, the Group has undertaken the Issuance to raise funds to meet the expected working capital requirements of the Group. The net proceeds raised from the Issuance will also allow the Group to capitalise on potential business opportunities that present themselves to the Group.
- 3.2. The estimated net proceeds to be raised from the Issuance, after deducting estimated expenses of approximately S\$53,000, is expected to be approximately S\$4,105,000 (the "**Net Proceeds**").
- 3.3. The Company intends to use 50% of the Net Proceeds for working capital purposes of the Group, and the remaining 50% will be used for investment in potential business opportunities that may arise.
- 3.4. The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed or utilised and whether such a use is in accordance with the stated use. Where there is any material deviation from the stated use of the Net Proceeds,

the Company will announce the reasons for such deviation. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full year financial results announcements, and the annual report of the Company. Where such proceeds are to be used for working capital, the Company will disclose a breakdown with specific details on the use of the proceeds for working capital in its announcements and annual reports.

4. INFORMATION ON THE SUBSCRIBERS

4.1. The details of the Subscribers are as follows:

- (a) Ascentas Capital Management Limited ("**Ascentas**") is a company incorporated in Hong Kong, with its registered address at 28/F, Unit 2818-19, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Hong Kong. Ascentas is a Hong Kong based investment company that focuses on venture investments. The sole shareholder and sole director of Ascentas is Mr Lam Yee Yin Dickson ("**Mr Lam**"), a businessman.
- (b) Mr Li Baohua is a Chinese businessman.

4.2. The subscription details of each of the Subscribers are set out as follows:

Subscriber	Commitment Amount	No. of Conversion Shares to be issued upon full conversion	Shareholding interest on the enlarged share capital of the Company ⁽¹⁾ upon full conversion
Ascentas Capital Management Limited	S\$2,079,000	105,000,000	14.47%
Li Baohua	S\$2,079,000	105,000,000	14.47%

Note:

- (1) Based on the enlarged share capital of the Company of 725,698,153 Shares (assuming the allotment and issuance of the maximum number of 210,000,000 Conversion Shares).

The issue of the Conversion Shares upon full conversion of the Notes will not result in the transfer of a controlling interest to any Subscriber. As at the date of this announcement, each of the Subscribers and Mr Lam does not hold, whether directly or indirectly, any Shares in the Company.

- 4.3. The Subscribers were introduced to the Company through the business network of Nanyang Commercial Management Pte. Ltd., a controlling Shareholder of the Company, and the Subscribers are undertaking the Issuance for their own personal investment purposes. Notwithstanding the foregoing, the Subscribers have represented and warranted to the Company, *inter alia*, that (i) none of the Subscribers and Mr Lam is related to the Group, the Company's Directors or substantial Shareholders or controlling Shareholders and their respective associates, (ii) Ascentas and Mr Lam are not acting in concert with Mr Li Baohua; and (iii) the Subscribers and Mr Lam are not acting in concert with any other Shareholder of the Company.

5. DIRECTORS' OPINION

- 5.1. The Directors are of the opinion that, (i) after taking into consideration the Group's internal resources and present banking facilities, the working capital available to the Group is sufficient to meet its present requirements; and (ii) after taking into consideration the Group's internal resources and present banking facilities as well as the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the foregoing, the Company needs to bolster its cash position in view of the Group's plans to gear up its operations and the entry into the New Businesses in the current financial year, which will correspondingly lead to an increase in the working capital requirements of the Group.

6. AUTHORITY TO ISSUE THE CONVERSION SHARES

- 6.1. The Conversion Shares will be allotted and issued pursuant to the general share issue mandate (the "**General Mandate**") obtained from Shareholders at the annual general meeting of the Company held on 28 April 2025 (the "**2025 AGM**"), which authorises the Directors to allot and issue new Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to Shareholders does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2025 AGM.
- 6.2. As at the date of the 2025 AGM, the Company had a total of 515,698,153 issued Shares. As no new Shares were previously issued under the General Mandate, the maximum number of Shares that can be issued other than on a *pro rata* basis is 257,849,076.
- 6.3. Assuming that there are no Adjustment Events and the Notes are converted in full, based on the Conversion Price of S\$0.0198, the maximum number of Conversion Shares that may be issued by the Company is 210,000,000 Shares. Based on the Company's total issued Shares of 515,698,153¹ as at the date on which the Subscription Agreement was signed, the percentage shareholding each Subscriber would potentially hold of the total percentage of the Company's enlarged share capital is approximately 14.47%. Accordingly, the total maximum number of Conversion Shares that may be allotted and issued is within the limits of the General Mandate.

7. PRO FORMA FINANCIAL EFFECTS OF THE ISSUANCE OF THE CONVERSION SHARES

- 7.1. The pro forma financial effects of the issuance of the Conversion Shares presented below are strictly for illustrative purposes only, and do not reflect the actual financial position and/or results of the Group's operations following the completion of the issuance of the Conversion Shares and are not indicative of the future financial position and performance of the Group.
- 7.2. The illustrative pro forma financial effects of the issuance of the Conversion Shares are as follows:
- (a) Share Capital

Assuming the Subscription Agreement was entered into on 31 December 2024 and the issuance and allotment of the maximum number of 210,000,000 Conversion Shares (assuming no Adjustment Events) had been completed on 31 December 2024, and based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2024 ("**FY2024**"), the financial effects on the share capital of the Company

¹ The Company has no outstanding convertibles, treasury shares and subsidiary holdings as at the date on which the Subscription Agreement and as at the date of this announcement.

as at 31 December 2024 would be as follows:

As at 31 December 2024	Before the issue of Conversion Shares	After the issue of Conversion Shares⁽¹⁾
Number of Shares ('000)	361,698	571,698
Issued and paid-up share capital (S\$'000)	25,853	30,011

Note:

- (1) The figures presented do not take into account the subscription of 154,000,000 Shares by Nanyang Commercial Management Pte. Ltd. (the “**Nanyang Subscription**”), which was completed on 24 January 2025. Including the Nanyang Subscription, after the issue of the maximum number of 210,000,000 Conversion Shares, there will be 725,698,153 Shares with an issued and paid-up capital of S\$34,168,707.

(b) Net Tangible Assets (“**NTA**”)

Assuming the Subscription Agreement was entered into on 31 December 2024 and the issuance and allotment of the maximum number of 210,000,000 Conversion Shares (assuming no Adjustment Events) had been completed on 31 December 2024, and based on the audited consolidated financial statements of the Group for FY2024, the financial effects on the consolidated NTA of the Group as at 31 December 2024 are as follows:

As at 31 December 2024	Before the issue of Conversion Shares	After the issue of Conversion Shares⁽¹⁾
NTA attributable to owners of the Company (S\$'000)	9,049	12,905
Number of Shares ('000)	361,698	571,698
NTA per Share (in cents)	2.50	2.26

Note:

- (1) The figures presented do not take into account the Nanyang Subscription, which was completed on 24 January 2025. Including the Nanyang Subscription, after the issue of the maximum number of 210,000,000 Conversion Shares, the Group's NTA attributable to owners of the Company will be S\$16,882,000 with 725,698,153 Shares, and NTA per Share of S\$0.023.

(c) Loss per Share (“**LPS**”)

Assuming the Subscription Agreement was entered into on 1 January 2024 and the issuance and allotment of the maximum number of 210,000,000 Conversion Shares (assuming no Adjustment Events) had been completed on 1 January 2024, and based on the audited consolidated financial statements of the Group for FY2024, the financial effects on the LPS of the Group for FY2024 are as follows:

For FY2024	Before the issue of Conversion Shares	After the issue of Conversion Shares⁽¹⁾
Net loss attributable to owners of the Company (S\$'000)	(2,654)	(2,956)
Weighted average numbers of Shares ('000)	361,698	571,698
LPS (in cents)	(0.73)	(0.52)

Note:

- (1) The figures presented do not take into account the Nanyang Subscription, which was completed on 24 January 2025. Including the Nanyang Subscription, after the issue of the maximum number of 210,000,000 Conversion Shares, the Group's net loss attributable to owners of the Company will be S\$3,137,000 with a weighted average of 725,698,153 Shares, and LPS of S\$0.43.

8. CHANGES IN SHAREHOLDINGS

The shareholding interests of the Directors and substantial Shareholders of the Company as at the date of this announcement and immediately after the allotment and issuance of the maximum number of 210,000,000 Conversion Shares (assuming no Adjustment Events) to the Subscribers, are set out below:

	As at date of this announcement				After issue of Conversion Shares			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Directors								
Mr James Kho Chung Wah	-	-	-	-	-	-	-	-
Mr Liu Shen	-	-	-	-	-	-	-	-
Mr Chng Hee Kok	-	-	-	-	-	-	-	-
Substantial Shareholders (other than Directors)								
Nanyang Commercial Management Pte. Ltd.	154,000,000	29.86%	-	-	154,000,000	21.22%	-	-
Mr Tan Pang Kee	87,972,630	17.06%	-	-	87,972,630	12.12%	-	-
Mr Li Baohua	-	-	-	-	105,000,000	14.47%	-	-
Ascentas Capital Management Limited	-	-	-	-	105,000,000	14.47%	-	-
CSF Fund I Pte. Ltd.	50,000,000	9.70%	-	-	50,000,000	6.89%	-	-
Mr Wang Weidong	-	-	154,000,000 ⁽³⁾	29.86%	-	-	154,000,000 ⁽³⁾	21.22%
Mr Lam Yee Yin Dickson	-	-	-	-	-	-	105,000,000 ⁽⁴⁾	14.47%
Mr Yeo Hock Huat	-	-	50,000,000 ⁽⁵⁾	9.70%	-	-	50,000,000 ⁽⁵⁾	6.89%

Notes:

- (1) The percentages of issued and paid-up share capital are calculated based on 515,698,153 issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of this announcement.
- (2) The percentages of issued and paid-up share capital are calculated based on 725,698,153 issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company immediately after the issue of the maximum number of 210,000,000 Conversion Shares.
- (3) Mr Wang Weidong is deemed to be interested in the Shares of the Company held by Nanyang Commercial Management Pte. Ltd.
- (4) Mr Lam Yee Yin Dickson is deemed to be interested in the Shares of the Company held by Ascentas Capital Management Limited.
- (5) Mr Yeo Hock Huat is deemed to be interested in the Shares of the Company held by CSF Fund I Pte. Ltd.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement and save for interests arising from their respective shareholding interests in the Company and/or directorships in the Group, as the case may be, none of the Directors, or substantial Shareholders has any interest, direct or indirect, in the Subscription Agreement and the Issuance.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Issuance, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

The Subscription Agreement is available for inspection at the registered office of the Company at 1003 Bukit Merah Central, #01-10, Singapore 159836, during normal office hours, for a period of three (3) months commencing from the date of this announcement.

BY ORDER OF THE BOARD

James Kho Chung Wah
Independent Chairman
23 January 2026

*This announcement has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

The contact person for the Sponsor is Ms. Goh Mei Xian, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.