
QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2015

With effect from 5 March 2013, Matex International Ltd (the “Company”) was included on the Watch-List pursuant to Listing Rule 1311.

Pursuant to Listing Rule 1313(2), the Board of Directors of the Company wishes to provide the following updates on the Company and its subsidiaries (collectively “the Group”) for the three months ended 31 March 2015.

Update on Financial Situation

For the three months ended 31 March 2015, the Group recorded revenue of S\$ 22,549,000, a decrease of S\$ 5,142,000 compared to its revenue of S\$ 27,691,000 achieved in the first quarter of year 2014. The decrease in revenue was mainly attributed from the reduction of selling price in the industry.

As a result of the decrease in revenue that the Group recorded an unaudited consolidated pre-tax loss of S\$ 1,185,000, of which S\$ 906,000 loss after tax is attributable to equity holders of the Company for the three months ended 31 March 2015.

Update on Future Direction

Extension of time granted to meet Watch-list exit requirement

With effect from 5 March 2013, the Company was placed on the Watch-List up to 4 March 2015. On 2 March 2015, the SGX-ST granted the Company an extension of time of up to 12 months to 4 March 2016 to meet the requirements of Rule 1314 of the Listing Manual and apply for removal from the Watch-list, subject to the following conditions:

- (a) the Company providing a quarterly update on the timeline of the RTO for the next 12 months via SGXNet; and
- (b) the Company to make announcement in respect to the following where these information were included in announcement released on 2 March 2015.
 - i. the period of extension granted,
 - ii. the reasons for seeking the extension, and
 - iii. the conditions for the extension granted.

Proposed Acquisition of Blackgold Holdings HongKong Limited

Pursuant to the signing of a legally binding Heads of Agreement with Blackgold International Holdings Limited ("Vendor"), a company listed on the Australian Securities Exchange, in relation to the proposed acquisition of the Vendor's entire equity interest in its wholly-owned subsidiary, Blackgold Holdings Hong Kong Limited. The Group has on 31 March 2015, entered into

- (a) a conditional sale and purchase agreement with the Vendor in respect of the Proposed Acquisition; and
- (b) a conditional sale and purchase agreement with M Global Limited, a company incorporated under the laws of the Cayman Islands for the proposed disposal of the Company's subsidiaries, associated companies, business, assets and liabilities of any kind, existing as at the date of the sale and purchase agreement and on or prior to Disposal Completion Date.

Save as those disclosed, no material development that may have significant impact on the financial position and performance of the Group has occurred since its last update on 26 February 2015.

BY ORDER OF THE BOARD

Dr Tan Pang Kee
Chief Executive Officer / Managing Director

15 May 2015