

**REX INTERNATIONAL HOLDING LIMITED**  
(Company Number: 201301242M)  
(Incorporated in the Republic of Singapore)

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**REX SUBSIDIARY INCREASES STAKE IN MASIRAH OIL LIMITED TO 91.81%**

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**1. INTRODUCTION**

The board of directors (the “**Board**”) of Rex International Holding Limited (the “**Company**” or “**Rex**” and together with its subsidiaries, the “**Group**”) wishes to announce that its indirect wholly owned subsidiary, Rex Oman Ltd (“**Rex Oman**”) has on 22 November 2021, entered into sale and purchase agreements to acquire a total of 10,978 preference shares from 10 parties in the Group’s 86.37% subsidiary Masirah Oil Limited (“**MOL**”) (the “**Acquisition**”). As of the date of this announcement, Rex Oman holds 29,015 preference shares in MOL, a company incorporated in the British Virgin Islands and is an oil exploration and production company. Rex Oman will be acquiring preference shares from the individuals and entities as listed in Appendix A to this announcement.

The total consideration for the Acquisition is US\$2,710,469.80. The consideration will be satisfied in full in cash on the date of completion of the Acquisition, and will be funded by internal resources generated from oil sales. The consideration was arrived at on a willing buyer willing seller basis, taking into account the future potential of oil prices and MOL’s oil production rate. Upon conversion of the preference shares, Rex Oman will hold approximately 91.81% of the total issued capital of MOL, an increase of approximately 5.43%.

The unaudited net asset value/net tangible asset of MOL as at 30 June 2021 was approximately US\$106.62 million.

**2. RATIONALE FOR THE ACQUISITION**

Pursuant to the Acquisition, the Group’s indirect shareholding in MOL through Rex Oman will increase from 86.37% to 91.81%. This will allow the Group to have greater control over the day-to-day operations of MOL, which has become an oil-producing company in the last two years.

**3. CHAPTER 9 OF THE CATALIST RULES**

Dr Karl Lidgren and Mr Hans Lidgren are controlling shareholders of the Company with a 34.71% deemed interest in the Company held through Limea Ltd. (“**Limea**”), in which each of Mr Hans Lidgren and Cresta Group Ltd (“**Cresta**”) have a 50% shareholding interest respectively. Cresta is in turn wholly owned by Dr Karl Lidgren.

Of the 10,769 MOL preference shares to be acquired, 3,618 MOL preference shares are held by Orango Oil Ltd (“**Orango**”), which is 40:40:20 held by Dr Karl Lidgren, Mr Hans Lidgren and Mr Svein Kjellesvik respectively (“**IPT Preference Share Acquisition**”). The total consideration for

the IPT Preference Share Acquisition is US\$864,159.30. The consideration was arrived at on a willing buyer willing seller basis, taking into account the future potential of oil prices and MOL's oil production rate.

Dr Karl Lidgren is also a Non-Independent and Executive Director of the Company. As such, Orango is an "interested person" pursuant to Chapter 9 of Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Accordingly, Rex Oman's acquisition of the MOL preference shares constitutes an "interested person transaction" ("**IPT**") pursuant to Chapter 9 of the Catalist Rules.

On 12 November 2021, the Group's indirect wholly owned subsidiary, Rex International Holding Ltd (British Virgin Islands) entered into a joint venture ("**Joint Venture**") agreement with Monarch Marine Holding Ltd ("**MMH**") to incorporate a joint venture company ("**JV Company**") to own marine assets such as vessels, Mobile Offshore Production Units and other associated equipment. The total value of the Joint Venture is US\$10.64 million, which represents approximately 7.77% of the Group's latest audited net tangible assets of US\$136.86 million as at 31 December 2020. The Joint Venture falls under the exception pursuant to Rule 916(1) of the Catalist Rules, where shareholders' approval is not required to be obtained pursuant to Catalist Rule 906. It will nonetheless, be aggregated with other IPTs between interested persons of the same group under Catalist Rule 905(2).

On 5 July 2021, the Company's wholly owned subsidiary Rex Technology Investments Pte Ltd ("**RTI**") entered into a conditional subscription agreement with Xer Technologies Pte. Ltd. ("**Xer**") to subscribe for 33,333 shares in Xer, an approximate 40% shareholding interest in the Singapore-registered commercial drone company at a consideration of US\$1 million (the "**Xer Acquisition**"). Cresta and Limea each held 70% and 25% of the shareholding interest in Xer respectively, prior to completion of the Xer Acquisition. Upon completion, Cresta and Limea hold 42% and 15% shareholding interest in Xer respectively.

Save as disclosed above, there are no other IPTs entered into between the Group and any interested person, excluding any transaction below S\$100,000, in the current financial year ending 31 December 2021.

As the aggregate value of IPTs (excluding the Joint Venture) of approximately US\$4.86 million represents 3.55% of the Group's latest audited net tangible assets, the Company is not required to obtain shareholders' approval in respect of the IPT Preference Share Acquisition pursuant to Catalist Rule 906.

#### 4. RELATIVE FIGURES

Based on the latest announced unaudited consolidated financial statements of the Group for the six months ended 30 June 2021 ("**1HFY2021**"), the relative figures for the Acquisition on the bases set out in Catalist Rule 1006 are as follows:

Rule 1006	Bases	Relative Figures
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value.	Not applicable <sup>(1)</sup>
(b)	The net profits <sup>(2)</sup> attributable to the assets acquired of, compared with the Group's net profits.	6.13% <sup>(3)</sup>
(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	0.98% <sup>(4)</sup>
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable <sup>(5)</sup>
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable <sup>(6)</sup>

**Notes:**

- (1) Catalyst Rule 1006(a) is not applicable to an acquisition of assets.
- (2) Net profits means profit before income tax and non-controlling interests.
- (3) Computed based on 6.13% of the net profits attributable to MOL of approximately US\$1,550,000, compared with the Group's net profits of approximately US\$25,269,000 for 1HFY2021.
- (4) Computed based on the total consideration for the Acquisition of US\$2,710,469.80, and the Company's market capitalisation of approximately US\$277.22 million (equivalent to S\$379.76 million based on the exchange rate of S\$1 : US\$0.73 as at 22 November 2021). The Company's market capitalisation was derived from the total number of issued shares (excluding treasury shares) of the Company of 1,302,320,991 shares and the volume weighted average price of S\$0.2916 per share, as at 22 November 2021 (being the last market day preceding the date of the SPA).
- (5) Catalyst Rule 1006(d) is not applicable as no equity securities will be issued by the Company as consideration for the Acquisition.
- (6) Catalyst Rule 1006(e) is not applicable to an acquisition of assets.

The Acquisition constitutes a discloseable transaction under Chapter 10 of the Catalyst Rules as the relative figure set out under Catalyst Rule 1006(b) exceeds 5%.

## 5. PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITION

**For illustrative purposes only:** The pro forma financial effects of the Acquisition on the net tangible assets of the Group ("NTA") per share and earnings per share ("EPS") of the Group based on the latest announced audited financial statements of the Group for the most recently completed financial year ended 31 December 2020 ("FY2020") are as follows:

### Effect on NTA

Assuming the Acquisition had been effected as at the end of the most recently completed financial year ended 31 December 2020, the financial effect on NTA per share of the Group for FY2020 is as follows:

	Before the Acquisition	After the Acquisition <sup>##</sup>
Net tangible assets <sup>#</sup> (US\$'000)	136,861	117,561
Number of issued shares (excluding treasury shares)	1,302,320,991	1,302,320,991
NTA per share (US cents)	10.51	9.03

<sup>#</sup>Net tangible assets as disclosed above includes non-controlling interests and net of transaction costs.

<sup>##</sup>Assuming cash consideration of approximately US\$2.71 million, preferred dividend of preference shares of approximately US\$19.00 million are paid out to non-controlling interests' holders in MOL and an effective increase of approximately 5.43% of issued capital of MOL.

### Effect on EPS

Assuming the Acquisition had been effected as at the beginning of the financial year ended 31 December 2020, being 1 January 2020, the financial effect on the EPS of the Group for FY2020 is as follows:

	Before the Acquisition	After the Acquisition*
Net loss attributable to owners of the Company (US\$'000)	(14,218)	(33,518)
Weighted average number of issued shares (excluding treasury shares)	1,301,678,160	1,301,678,160
EPS (US cents)	(1.09)	(2.58)

\*Assuming after approximately US\$19.00 million of preferred dividend of preference shares are paid out to non-controlling interests' holders in MOL and an increase of approximately 5.43% of issued capital of MOL.

## 6. STATEMENT FROM THE AUDIT COMMITTEE

Having considered the terms and conditions of, as well as the rationale for the Acquisition, the audit committee of the Company is of the view that the Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

## 7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed above, none of the Directors and to the best of the Directors' knowledge, none of the controlling shareholders of the Company or their respective associates has any interest,

direct or indirect, in the Acquisition, other than that arising from their respective capacity as Directors or shareholders of the Company.

**8. NO SERVICE CONTRACTS**

No directors are proposed to be appointed to the board of directors of the Company in connection with the Acquisition.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the sale purchase agreements entered into between the parties are available for inspection during normal business hours, with prior appointment, at 80 Robinson Road, #02-00, Singapore 068898 for three (3) months from the date of this announcement.

**BY ORDER OF THE BOARD OF**

Rex International Holding Limited

Dan Broström  
Executive Director and Chairman

22 November 2021

*This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.*

*This announcement has not been examined or approved by 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 Sponsor has also not drawn on any specific technical expertise in its review of this announcement.*

*The contact person for the Sponsor is Mr Pong Chen Yih, Chief Operating Officer, 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.*

**APPENDIX A****List of individuals / entities and the preference shares to be purchased by MOL:**

	<b>Name of Individuals / Entities</b>	<b>Number of Preference Shares to be purchased</b>
1.	Schroder & Co Banque S.A.	4,965
2.	John Pringle	210
3.	Orango Oil Ltd	3,618
4.	Comek Petrogas Limited	1,809
5.	Simon Comina	199
6.	Philippe Cottier	7
7.	Erik Herlyn	50
8.	Quiz Oil Ltd	99
9.	Kouassi Kouame	4
10.	Daniel Udry	17