

REX INTERNATIONAL HOLDING LIMITED

(Company Number: 201301242M)
(Incorporated in the Republic of Singapore)

**INTERESTED PERSON TRANSACTION
MOROXITE T AB – ADDENDUM**

*Unless otherwise defined, capitalised terms in this announcement shall have the same meaning given to them in the Company's announcements dated 30 December 2022 and 11 May 2023, in relation to the entry into the conditional share purchase agreement (the "**Agreement**") with Moroxite AB ("**MA**") to purchase the shares of Moroxite T AB ("**Moroxite T**") (the "**Acquisition**").*

1. INTRODUCTION

The board of directors (the "**Board**") of the Company wishes to update that the parties to the Agreement have, on 28 July 2023, entered into an addendum to the Agreement (the "**Addendum**") to amend certain terms and conditions of the Agreement.

This announcement should be read in conjunction with the announcement dated 30 December 2022 (the "**Announcement**") in relation to the Agreement.

Pursuant to the terms of the Agreement, in the event shareholders' approval to the Agreement is not obtained by the long stop date of 31 July 2023 (extended from 30 May 2023, as announced on 11 May 2023), the Company would be required to transfer the 100% interest in Moroxite T back to MA for SEK 1.00, and forfeit the initial non-refundable capital contribution of SEK 9,400,000 (approximately US\$0.9 million). Despite best efforts, the parties to the Agreement have acknowledged that it would be unlikely that the extraordinary general meeting will be held and correspondingly, the requisite shareholders' approval, be obtained by the extended long stop date of 31 July 2023.

MA, being the vendor, is unable to extend the long stop date as it limits MA's opportunities to obtain financing in accordance with the budget and plans agreed with the Company in December 2022. As the Company remains keen to pursue the opportunity to explore a sustainable business diversification strategy, for the reasons set out in the Announcement, the parties have agreed to material amendments to the transaction structure, which the Company believes to be more value accretive to the Company.

2. REVISED TERMS

Under the terms of the Addendum, the material amendments to the Agreement are as follows:

1. Moroxite Holding Pte. Ltd ("**MHPL**"), being the purchaser, has agreed to the transfer of a 30% shareholding interest in Moroxite T back to MA, the vendor. Such transfer constitutes a partial reversal of the initial transfer of 100% shareholding interest to MHPL;

2. MA's right to royalty payments on any sale of products by Moroxite T is removed;
3. MA's right to share of profits on any sale of licences by Moroxite T is removed;
4. MA's right to share of profits on any sale of Moroxite T's shares by MHPL is removed;
5. MHPL's undertaking to transfer Moroxite T's shares to MA in the event of an initial public offering of Moroxite T's shares on an internationally recognised securities exchange or a reverse takeover of Moroxite T is removed; and
6. The Agreement, as amended by the Addendum, is further subject to the condition that in the event that, *inter alia*, additional regulatory / statutory requirements be imposed on the Company, the transaction contemplated by the Addendum shall be automatically terminated. In such instance, the transfer of all the shares of Moroxite T held by the Company would not constitute a disposal as such transfer is due to the termination of the Agreement on the basis of the non-satisfaction of a condition of the Agreement.

MA shall refund SEK0.30 (approximately US\$0.03) to MHPL for the transfer of the 30% shareholding interest in Moroxite T by MHPL to MA. For the avoidance of doubt, the transfer of the 30% interest in Moroxite T to MA does not constitute a disposal, but an unwinding of the transaction to the extent necessary to give effect to the terms of the Addendum. Following from this, the consideration to purchase 70% of issued share capital of Moroxite T, comprising 700 shares, is at a nominal consideration of SEK 0.70 (approximately US\$0.07) (the "**Purchase Price**"), with a commitment to invest up to an additional SEK 43.2 million (approximately US\$4.12 million), subject to the fulfilment of certain conditions (the "**Revised Acquisition**").

The transfer of the 30% interest in Moroxite T arises from the re-negotiation of the terms of the transaction whereby MA has made commercial concessions such as the removal of profit-sharing and royalty payment arrangements. This would also allow the Company to recognise the non-refundable capital contribution. Accordingly, the Company is of the view that the transfer of the 30% interest in Moroxite T back to MA is a fair reciprocal concession, in light of the concessions made by MA to facilitate the progress of the transaction, and the Company has also agreed to keep its commitment to invest up to SEK 43.2 million in Moroxite T, upon fulfilment of certain conditions.

3. CHAPTER 9 OF THE MAINBOARD RULES

As set out in the Announcement, MA is 39.6% held by a company owned by Dr Lars Lidgren, brother to Dr Karl Lidgren and Mr Hans Lidgren. Dr Karl Lidgren and Mr Hans Lidgren are controlling shareholders of the Company and as such, the Revised Acquisition is an "interested person transaction" pursuant to Chapter 9 of the Mainboard Rules.

Also as set out in the Announcement, the total value of all interested person transactions with Mr Hans Lidgren or Dr Karl Lidgren (or their respective associates) for the financial year ended 31 December 2022 is US\$8.12 million, representing approximately 4.14% of the Group's audited net tangible assets of US\$196.74 million as at 31 December 2021.

As set out in the Announcement, the Company was to convene an extraordinary general meeting to seek shareholders' specific approval for the Acquisition in respect of Chapter 9 of the Mainboard Rules, as the aggregate amounts relating to the Acquisition (including any royalties and profits on license sales) could not be estimated by the Company. Following from the changes to the terms of the Agreement as set out in the Addendum, as MA will no longer receive any profit-share or royalty on sales of products achieved by Moroxite T, the aggregate amounts relating to the Revised Acquisition are fixed.

In this regard, as the aggregate value of all interested person transactions entered into with Mr Hans Lidgren or Dr Karl Lidgren or their associates in the financial year ended 31 December 2022 did not exceed 5% of the Group's audited net tangible assets as at 31 December 2021, no shareholders' approval will be required for the Revised Acquisition.

4. STATEMENT FROM THE AUDIT COMMITTEE

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

5. 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 Revised Acquisition, other than that arising from their respective capacity as Directors or shareholders of the Company.

BY ORDER OF THE BOARD OF
Rex International Holding Limited

Dan Broström
Executive Director and Chairman

28 July 2023