

REX INTERNATIONAL HOLDING LIMITED

(Company Number: 201301242M)

(Incorporated in the Republic of Singapore)

INTERESTED PERSON TRANSACTION – MOROXITE T AB

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 the Company’s wholly-owned subsidiary Moroxite Holding Pte. Ltd. (“**MHPL**”) has entered into a conditional share purchase agreement on 30 December 2022 (the “**Agreement**”) with Moroxite AB (“**MA**”) to purchase the entire issued share capital of Moroxite T AB (“**Moroxite T**”), comprising 1,000 shares, at a nominal consideration of SEK 1 (approximately US\$0.10) (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 “**Acquisition**”). Moroxite T is a Sweden-incorporated company with a total issued and paid-up share capital of SEK 25,000, divided into 1,000 fully paid-in registered shares with a nominal value of SEK 25 each.

Details of the additional SEK 43.2 million (approximately US\$4.12 million) payment by MHPL are as follows:

- a) a non-refundable capital contribution of SEK 9,400,000 (approximately US\$0.90 million), to be paid in a manner to be agreed to between the Parties and Moroxite T (“**Capital Contribution**”);
- b) paying to MA an additional purchase price of SEK 15,000,000 (approximately US\$1.43 million) (“**Additional Purchase Price**”) following the fulfilment of certain conditions pertaining to (i) getting at least one patent granted by either European or US patent authorities, and (ii) approval of the Acquisition by Rex’s shareholders at an extraordinary general meeting before 30 May 2023;
- c) Providing Moroxite T additional financing of up to SEK 18,800,000 (approximately US\$1.79 million) upon completion of additional milestones pertaining to, among others, successful scientific studies, clinical trials as well as marketing and production plans (“**Additional Financing**”).

The initial consideration of SEK 1 (approximately US\$0.10) and subsequent capital commitment of up to SEK 43.2 million (approximately US\$4.12 million) (collectively, the “**Consideration**”), to be fully satisfied in cash, was determined based on a willing buyer willing seller basis after negotiations between MA and MHPL and taking into consideration the rationale for the Acquisition and the potential of Moroxite T, as set out in section 3 of this announcement.

2. CHAPTER 9 OF THE MAINBOARD 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.

MA is 39.6% held by a company owned by Dr Lars Lidgren, brother to Dr Karl Lidgren and Mr Hans Lidgren. The remainder 60.4% is held by other investors. Upon Completion, MHPL will hold 100% of Moroxite T. Dr Karl Lidgren is also a Non-Independent and Executive Director of the Company. As such, MA is an "interested person" pursuant to Chapter 9 of Mainboard Rules (the "**Mainboard Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Accordingly, entry into the agreements between MHPL and MA as an "interested person", is an "interested person transaction" pursuant to Chapter 9 of the Mainboard Rules.

The total Consideration of up to SEK 43.2 million (approximately US\$4.12 million) represents approximately 2.10% of the Group's latest audited net tangible assets as at 31 December 2021, being US\$196.74million ("**NTA**").

As at the date of this announcement, save for the transaction with Xer Technologies Pte. Ltd. announced on 30 December 2022, there are no other transactions with Mr Hans Lidgren or Dr Karl Lidgren or their respective associates for the current financial year ending 31 December 2022 (excluding the Acquisition). Accordingly, the current total of all transactions with Mr Hans Lidgren or Dr Karl Lidgren or their respective associates for the financial year ending 31 December 2022 is US\$8.12 million, representing approximately 4.14% of the Group's latest audited NTA as at 31 December 2021.

Under the terms and conditions of the share purchase agreement, MA will receive from Moroxite T, a 5% royalty on sales of products achieved by Moroxite T. If an Initial Public Offering ("**IPO**") or Reverse Takeover ("**RTO**") of Moroxite T takes place, MA's right to royalty shall remain for 8 years (unless a sale occurs) from the IPO/RTO, but at a rate of 3%. Until a sale of Moroxite T takes place or until an IPO and/or RTO of Moroxite T, MA shall receive 40% of the profit on any license sales by the Company. Please refer to paragraph 3.2 of this announcement for further details. As the aggregate amounts relating to the Acquisition (including any royalties and profits on license sales) cannot currently be estimated by the Company, the Company will be convening an extraordinary general meeting to seek shareholders' specific approval for the Acquisition in respect of Chapter 9 of the Mainboard Rules.

Save as disclosed above, there have been no other interested person transactions entered into between the Group and any interested person, excluding any transaction below S\$100,000, in the current financial year ending 31 December 2022.

3. THE ACQUISITION

3.1 About Moroxite T

Moroxite T is a Sweden-incorporated medical-technology ("**med tech**") company with a focus on hindering tumour progression and preventing metastasis i.e., the development of secondary malignant growths at a distance from a primary site of cancer. Its protected unique carrier

platform for targeted cancer therapy uses a combination of nano and micro apatite particles for local delivery.

As a long-term project, Moroxite T is developing a new device or a combined pharma med tech product in the tumour area, for which the global market opportunities are growing. The World Health Organisation (WHO) estimated that cancer was imposing an enormous financial burden of US\$1.16 trillion on economies worldwide in 2010¹. In 2019, WHO estimated that cancer is the first or second leading cause of death before the age of 70 years in 112 of 183 countries². Moroxite T aims to bring its proof of concept to a point where value of the product can be assessed by a global pharma company. In-house production of a closed mixing and delivery system is expected to be a game changer for early market entry.

The unaudited net asset value of Moroxite T as at 30 June 2022 was SEK 25,000 (approximately US\$2,387).

3.2 Details of the Acquisition

Upon Completion in accordance with the terms and conditions of the share purchase agreement, Moroxite T will become a subsidiary of the Company.

While the Acquisition is also subject to the requirements of Chapter 10 of the Mainboard Rules, the transaction constitutes a non-discloseable transaction where the relative figures computed on the applicable bases set out under Mainboard Rule 1006 is less than 5%. Accordingly, the Company is not required to make an announcement in respect to the transaction.

In the event that the Acquisition is not approved at a Rex extraordinary general meeting by 30 May 2023, the share purchase agreement shall be automatically terminated. MHPL shall transfer back the Moroxite T shares to MA and MA shall accept this transfer by paying back to MHPL the Purchase Price (i.e. SEK 1). In such case, any transactions made between Moroxite T and MHPL shall be reversed. However, the Capital Contribution shall be kept by Moroxite T and, thus, indirectly be transferred to MA.

Until a license sale or a sale of Moroxite T shares takes place, MA shall receive from Moroxite T a 5% royalty on sales of products achieved by Moroxite T. If an IPO or RTO takes place, MA's right to royalty shall remain for 8 years (unless a sale occurs) from the IPO/RTO, but at a rate of 3%. Until a sale takes place or until an IPO and/or RTO of Moroxite T, MA shall receive 40% of the profit on any license sales by Moroxite T. In the event of any sale of Moroxite T shares by MHPL prior to an IPO and/or RTO of Moroxite T, MA shall receive 50% of the proceeds.

For the sake of clarity, any profit sharing will be calculated on any sums earned net of any tax payable by MHPL and/or Moroxite T. For the avoidance of doubt, profit sharing on license sales and profit sharing on any sale of Moroxite T shares by MHPL shall only apply once MHPL has recovered the full amount actually invested (which may include the Purchase Price, the Capital

¹ World Health Organization, Fact in Pictures - Cancer, 2 February 2022

² Hospital Healthcare Europe, Globally, breast cancer now most common form of the disease, 8 February 2021

Contribution, the Additional Purchase Price, the Additional Financing and/or any additional funding paid by MHPL), whether through license sales or through the sale of Moroxite T shares.

In case of an IPO or an RTO, following which no other profit sharing shall apply, MHPL undertakes to transfer Moroxite T shares to MA corresponding to:

- a. 50% of MHPL's holding in Moroxite T prior to the IPO/RTO, if the IPO/RTO is effective in 2023;
- b. 37.5% of MHPL's holding in Moroxite T prior to the IPO/RTO, if the IPO/RTO is effective in 2024; and
- c. 25% of MHPL's holding in Moroxite T prior to the IPO/RTO, if the IPO/RTO is effective after 2024 (i.e. from 1 January 2025).

3.3 Rationale for the Acquisition

Rex shareholders had in 2019, approved the Group's business diversification mandate to diversify the Group's business to include sustainable solutions for energy production and materials used in various industries. The Company had since gone on to invest in commercial drone company Xer Technologies Pte. Ltd..

Oil prices have been volatile over the past decade, exacerbated over the past few years by the global Covid-19 pandemic, the Russia-Ukraine political situation and rising inflation worldwide. Sentiments regarding action against climate change and hydrocarbon exploration and production have also escalated. While the Company intends to continue as an oil and gas exploration and production company for many years to come, it intends to seize business opportunities to invest in projects that have unicorn business potential with limited risks, without any material change to the Company's business profile and risks, as a sustainable business diversification strategy. The Company is of the view that the Acquisition does not change the risk profile of the Company.

A circular ("**Circular**") regarding the Acquisition would be sent to Rex shareholders in due course.

4. STATEMENT FROM THE AUDIT COMMITTEE

The Audit Committee of the Company ("**Audit Committee**") will be obtaining an opinion from an independent financial adviser before forming its view on whether the Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders. The Audit Committee's view will be set out in the Circular.

5. APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Company will appoint an independent financial adviser to advise the Directors who are independent for the purposes of the Acquisition and the Audit Committee on the Acquisition as an interested person transaction.

6. CONVENING OF EXTRAORDINARY MEETING TO OBTAIN SHAREHOLDERS' APPROVAL

The Company will be seeking shareholders' approval in due course to approve the Acquisition. The Circular containing, among others, the notice of the extraordinary general meeting, details of the Acquisition, the opinion of an independent financial adviser, and the recommendations of the Directors and the Audit Committee, will be disseminated to shareholders in due course.

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.

BY ORDER OF THE BOARD OF
Rex International Holding Limited

Dan Broström
Executive Director and Chairman

30 December 2022