



# REX INTERNATIONAL HOLDING LIMITED

(Company Registration Number: 201301242M)

## Unaudited Financial Statements and Dividend Announcement

For the Third Quarter  
Ended 30 September 2019

For the purpose of this announcement, the financial results of Rex International Holding Limited (the “**Company**”) and its subsidiaries (the “**Group**”) comprise the consolidated unaudited accounts of the Group for the three-month period ended 30 September 2019 (“**3Q FY2019**”) and the nine-month period ended 30 September 2019 (“**9M FY2019**”).

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group			Group		
	30-Sep-19	30-Sep-18	Change	30-Sep-19	30-Sep-18	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Revenue:</b>						
Service revenue	135	93	45	135	316	(57)
<b>Cost of sales:</b>						
Cost of services	(132)	(143)	(8)	(400)	(442)	(10)
Exploration and evaluation expenditure	(82)	(570)	(86)	(139)	(1,310)	(89)
<b>Gross loss</b>	(79)	(620)	(87)	(404)	(1,436)	(72)
Administration expenses	(2,842)	(2,445)	16	(8,750)	(8,338)	5
Other expense	(11)	–	NM	(83)	–	NM
Other income	2,489	16	NM	32,749	144	NM
<b>Results from operating activities</b>	(443)	(3,049)	(85)	23,512	(9,630)	NM
Finance income	148	211	(30)	676	666	2
Foreign exchange loss	(158)	(14)	NM	(1,275)	(289)	341
Finance costs	(444)	(414)	7	(1,468)	(1,050)	40
<b>Net finance costs</b>	(454)	(217)	109	(2,067)	(673)	207
<b>Profit/ (loss) before tax</b>	(897)	(3,266)	(11)	21,445	(10,303)	NM
Tax credit	1,564	1,548	1	4,455	3,669	21
<b>Profit/ (loss) for the period, net of tax</b>	667	(1,718)	NM	25,900	(6,634)	NM
<b>Profit/ (loss) attributable to:</b>						
Owners of the Company	582	(1,639)	NM	23,194	(6,431)	NM
Non-controlling interests	85	(79)	NM	2,706	(203)	NM
<b>Profit/ (loss) for the period, net of tax</b>	667	(1,718)	NM	25,900	(6,634)	NM

NM – Not meaningful

	Group			Group		
	Three Months Ended		Change	Nine Months Ended		Change
	30-Sep-19	30-Sep-18		30-Sep-19	30-Sep-18	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Other comprehensive income/ (loss)</b>						
- <i>Items that are or may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences from foreign operations	(396)	(16)	NM	218	130	68
<b>Other comprehensive (loss)/ income for the period, net of tax</b>	<b>(396)</b>	<b>(16)</b>	<b>NM</b>	<b>218</b>	<b>130</b>	<b>68</b>
<b>Total comprehensive income/ (loss) for the period, net of tax</b>	<b>271</b>	<b>(1,734)</b>	<b>NM</b>	<b>26,118</b>	<b>(6,504)</b>	<b>NM</b>
<b>Total comprehensive income/ (loss) attributable to:</b>						
Owners of the Company	258	(1,650)	NM	23,446	(6,251)	NM
Non-controlling interests	13	(84)	NM	2,672	(253)	NM
<b>Total comprehensive income/ (loss) for the period</b>	<b>271</b>	<b>(1,734)</b>	<b>NM</b>	<b>26,118</b>	<b>(6,504)</b>	<b>NM</b>

#### 1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

Profit/ (loss) before taxation is stated after (charging)/ crediting the following:

	Group			Group		
	Three Months Ended		Change	Nine Months Ended		Change
	30-Sep-19	30-Sep-18		30-Sep-19	30-Sep-18	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Depreciation	(83)	(9)	822	(344)	(41)	739
Amortisation of other intangible assets	(212)	(212)	-	(637)	(637)	-
Impairment of exploration and evaluation assets	(17)	(4)	325	(17)	(65)	(74)
Change in fair value of quoted investments	716	(88)	NM	1,792	(882)	NM
Gain/ (loss) on disposal of quoted investments	1	6	(83)	(41)	2	NM
Gain from sale of licences	2,000	-	NM	30,889	-	NM

NM - Not meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	30-Sep-19 US\$'000	31-Dec-18 US\$'000	30-Sep-19 US\$'000	31-Dec-18 US\$'000
<b>Assets</b>				
Exploration and evaluation assets	93,865	136,060	–	–
Other intangible assets	4,427	5,065	–	–
Plant and equipment	1,080	70	60	9
Subsidiaries	–	–	101,108	102,426
Other receivables	15,435	–	–	–
<b>Non-current assets</b>	<b>114,807</b>	<b>141,195</b>	<b>101,168</b>	<b>102,435</b>
Inventories	2,304	2,304	–	–
Trade and other receivables	30,186	31,273	718	1,078
Quoted investments	24,373	28,819	22,905	27,775
Cash and cash equivalents	41,426	5,305	33,475	1,968
<b>Current assets</b>	<b>98,289</b>	<b>67,701</b>	<b>57,098</b>	<b>30,821</b>
<b>Total assets</b>	<b>213,096</b>	<b>208,896</b>	<b>158,266</b>	<b>133,256</b>
<b>Equity</b>				
Share capital	256,324	256,324	256,324	256,324
Reserves	5,260	5,551	578	1,152
Accumulated losses	(119,690)	(142,884)	(141,893)	(140,144)
<b>Total equity attributable to owners of the Company</b>	<b>141,894</b>	<b>118,991</b>	<b>115,009</b>	<b>117,332</b>
<b>Non-controlling interests</b>	<b>6,450</b>	<b>6,839</b>	<b>–</b>	<b>–</b>
<b>Total equity</b>	<b>148,344</b>	<b>125,830</b>	<b>115,009</b>	<b>117,332</b>
<b>Liabilities</b>				
Deferred tax liabilities	7,602	40,946	–	–
Provisions	11,798	11,331	–	–
Lease liabilities	786	–	–	–
<b>Non-current liabilities</b>	<b>20,186</b>	<b>52,277</b>	<b>–</b>	<b>–</b>
Loan and borrowings	28,578	26,413	–	–
Trade and other payables	15,752	4,376	43,217	15,924
Lease liabilities	236	–	40	–
<b>Current liabilities</b>	<b>44,566</b>	<b>30,789</b>	<b>43,257</b>	<b>15,924</b>
<b>Total liabilities</b>	<b>64,752</b>	<b>83,066</b>	<b>43,257</b>	<b>15,924</b>
<b>Total equity and liabilities</b>	<b>213,096</b>	<b>208,896</b>	<b>158,266</b>	<b>133,256</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

As at 30-Sep-19		As at 31-Dec-18	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
28,578	-	26,413	-

**Amount repayable after one year**

As at 30-Sep-19		As at 31-Dec-18	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	-

**Details of any collateral**

The credit facilities of the Group as at 30 September 2019 and 31 December 2018 were secured by:

- First priority assignment of tax refunds in Norway;
- First priority charge over certain bank accounts in Norway;
- First priority pledge of a certain subsidiary's participation interests in licences in Norway; and
- First priority assignment of certain insurance in Norway.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group		Group	
	Three Months Ended	Three Months Ended	Nine Months Ended	Nine Months Ended
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash flows from operating activities</b>				
Profit/ (loss) before tax for the period	(897)	(3,266)	21,445	(10,303)
Adjustments for:				
Depreciation	83	9	344	41
Amortisation of other intangible assets	212	212	637	637
Net finance costs	296	203	792	384
Gain from sale of licences	(2,000)	–	(30,889)	–
Impairment of exploration and evaluation assets	17	4	17	65
Change in fair value of quoted investments	(716)	88	(1,792)	882
(Gain)/ loss on disposal of quoted investments	(1)	(6)	41	(2)
Equity settled share-based payment transactions	72	31	177	219
	(2,934)	(2,725)	(9,228)	(8,077)
Changes in:				
Trade and other receivables	(67)	2,582	(34)	(7,653)
Trade and other payables	12,591	(12,034)	13,302	8,095
<b>Net cash from/ (used in) operating activities</b>	<b>9,590</b>	<b>(12,177)</b>	<b>4,040</b>	<b>(7,635)</b>
<b>Cash flows from investing activities</b>				
Interest received	148	211	676	666
Purchase of quoted investments	–	(21)	–	(21)
Proceeds from disposal of quoted investments	–	512	6,197	2,819
Proceeds from sale of licences	–	–	50,029	–
Proceeds from disposal of exploration and evaluation assets	–	–	–	263
Exploration and evaluation expenditure	(15,316)	(5,538)	(24,965)	(33,620)
Purchase of plant and equipment	–	(4)	(2)	(16)
<b>Net cash (used in)/ from investing activities</b>	<b>(15,168)</b>	<b>(4,840)</b>	<b>31,935</b>	<b>(29,909)</b>

	Group		Group	
	Three Months Ended		Nine Months Ended	
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash flows from financing activities</b>				
Interest paid	(247)	(230)	(902)	(497)
Purchase of treasury shares	(716)	–	(716)	–
Acquisition of non-controlling interests in subsidiaries	–	–	–	(100)
Proceeds from bank loans	–	11,006	5,232	30,244
Repayment of bank loans	–	–	(1,708)	–
Dividends paid to non-controlling interests	–	–	(3,067)	–
Repayment of lease liabilities	(94)	–	(291)	–
<b>Net cash (used in)/from financing activities</b>	<b>(1,057)</b>	<b>10,776</b>	<b>(1,452)</b>	<b>29,647</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(6,635)</b>	<b>(6,241)</b>	<b>34,523</b>	<b>(7,897)</b>
Cash and cash equivalents at beginning of the period	47,043	10,699	5,305	11,700
Effect of exchange rate fluctuations on cash held	1,018	206	1,598	861
<b>Cash and cash equivalents at end of the period</b>	<b>41,426</b>	<b>4,664</b>	<b>41,426</b>	<b>4,664</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Attributable to owners of the Company						Non-controlling interests US\$'000	Total equity US\$'000	
	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Share-based payment reserve US\$'000	Translation reserve US\$'000	Accumulated losses US\$'000			Total US\$'000
<b>Group</b>									
At 1 January 2019	256,324	4,129	1,080	771	(429)	(142,884)	118,991	6,839	125,830
<b>Total comprehensive income for the period</b>									
Profit for the period	–	–	–	–	–	22,612	22,612	2,621	25,233
<b>Other comprehensive income</b>									
Foreign currency translation differences, representing total other comprehensive income	–	–	–	–	576	–	576	38	614
<b>Total comprehensive income for the period</b>	–	–	–	–	576	22,612	23,188	2,659	25,847
<b>Transactions with owners, recognised directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
Share-based payment transactions – performance share plan	–	–	–	102	–	–	102	3	105
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(3,065)	(3,065)
<b>Total transactions with owners</b>	–	–	–	102	–	–	102	(3,062)	(2,960)
At 30 June 2019	256,324	4,129	1,080	873	147	(120,272)	142,281	6,436	148,717



	Attributable to owners of the Company							Non-controlling interests US\$'000	Total equity US\$'000	
	Share capital US\$'000	Treasury shares US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Share-based payment reserve US\$'000	Translation reserve US\$'000	Accumulated losses US\$'000			Total US\$'000
<b>Group</b>										
At 1 July 2019	256,324	–	4,129	1,080	873	147	(120,272)	142,281	6,436	148,717
<b>Total comprehensive income for the period</b>										
Profit for the period	–	–	–	–	–	–	582	582	85	667
<b>Other comprehensive income</b>										
Foreign currency translation differences, representing total other comprehensive loss	–	–	–	–	–	(324)	–	(324)	(72)	(396)
<b>Total comprehensive income for the period</b>	–	–	–	–	–	(324)	582	258	13	271
<b>Transactions with owners, recognised directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Share-based payment transactions – performance share plan	–	–	–	–	71	–	–	71	1	72
Purchase of treasury shares	–	(716)	–	–	–	–	–	(716)	–	(716)
<b>Total transactions with owners</b>	–	(716)	–	–	71	–	–	(645)	1	(644)
At 30 September 2019	256,324	(716)	4,129	1,080	944	(177)	(119,690)	141,894	6,450	148,344

	Attributable to owners of the Company						Non-controlling interests US\$'000	Total equity US\$'000	
	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Share-based payment reserve US\$'000	Translation reserve US\$'000	Accumulated losses US\$'000			Total US\$'000
<b>Group</b>									
At 1 January 2018	255,758	4,129	1,080	1,070	977	(144,470)	118,544	6,610	125,154
<b>Total comprehensive loss for the period</b>	-	-	-	-	-	(4,792)	(4,792)	(124)	(4,916)
Loss for the period									
<b>Other comprehensive income</b>									
Foreign currency translation differences, representing total other comprehensive income	-	-	-	-	191	-	191	(45)	146
<b>Total comprehensive loss for the period</b>	-	-	-	-	191	(4,792)	(4,601)	(169)	(4,770)
<b>Transactions with owners, recognised directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
Issuance of shares	566	-	-	(566)	-	-	-	-	-
Share-based payment transactions – employee share option scheme and performance share plan	-	-	-	190	-	-	190	(2)	188
<b>Total contributions by and distributions to owners</b>	566	-	-	(376)	-	-	190	(2)	188
<b>Changes in ownership interests in subsidiaries</b>									
Acquisition of non-controlling interests without a change in control, representing total changes in ownership interests in subsidiaries	-	-	-	(3)	(61)	443	379	(479)	(100)
<b>Total transactions with owners</b>	566	-	-	(379)	(61)	443	569	(481)	88
At 30 June 2018	256,324	4,129	1,080	691	1,107	(148,819)	114,512	5,960	120,472

	Attributable to owners of the Company						Non-controlling interests US\$'000	Total equity US\$'000	
	Share capital US\$'000	Merger reserve US\$'000	Capital reserve US\$'000	Share-based payment reserve US\$'000	Translation reserve US\$'000	Accumulated losses US\$'000			Total US\$'000
<b>Group</b>									
At 1 July 2018	256,324	4,129	1,080	691	1,107	(148,819)	114,512	5,960	120,472
<b>Total comprehensive loss for the period</b>									
Loss for the period	-	-	-	-	-	(1,639)	(1,639)	(79)	(1,718)
<b>Other comprehensive income</b>									
Foreign currency translation differences, representing total other comprehensive loss	-	-	-	-	(11)	-	(11)	(5)	(16)
<b>Total comprehensive loss for the period</b>	-	-	-	-	(11)	(1,639)	(1,650)	(84)	(1,734)
<b>Transactions with owners, recognised directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
Share-based payment transactions – employee share option scheme and performance share plan, representing total transactions with owners	-	-	-	31	-	-	31	-	31
At 30 September 2018	256,324	4,129	1,080	722	1,096	(150,458)	112,893	5,876	118,769

	Share capital US\$'000	Treasury shares USD\$'000	Capital reserve US\$'000	Share-based payment reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
<b><u>Company</u></b>						
At 1 January 2019	256,324	–	505	647	(140,144)	117,332
<b>Total comprehensive loss for the period</b>						
Loss for the period, representing total comprehensive loss for the period	–	–	–	–	(532)	(532)
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Share-based payment transactions						
– performance share plan, representing total transactions with shareholders	–	–	–	79	–	79
At 30 June 2019 and 1 July 2019	256,324	–	505	726	(140,676)	116,879
<b>Total comprehensive loss for the period</b>						
Loss for the period, representing total comprehensive loss for the period	–	–	–	–	(1,217)	(1,217)
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Share-based payment transactions						
– performance share plan	–	–	–	63	–	63
Purchase of treasury shares	–	(716)	–	–	–	(716)
Total transactions with shareholders	–	(716)	–	63	–	(653)
At 30 September 2019	256,324	(716)	505	789	(141,893)	115,009

	Share capital US\$'000	Capital reserve US\$'000	Share-based payment reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
<b>Company</b>					
At 1 January 2018	255,758	505	988	(135,248)	122,003
<b>Total comprehensive loss for the period</b>					
Loss for the period, representing total comprehensive loss for the period	–	–	–	(2,974)	(2,974)
<b>Transactions with owners, recognised directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Issuance of shares	566	–	(566)	–	–
Share-based payment transactions					
– performance share plan	–	–	173	–	173
<b>Total transactions with shareholders</b>	566	–	(393)	–	173
At 30 June 2018 and 1 July 2018	256,324	505	595	(138,222)	119,202
<b>Total comprehensive loss for the period</b>					
Loss for the period, representing total comprehensive loss for the period	–	–	–	(872)	(872)
<b>Transactions with owners, recognised directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Share-based payment transactions					
– performance share plan, representing total transactions with shareholders	–	–	26	–	26
At 30 September 2018	256,324	505	621	(139,094)	118,356

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Share Capital and Treasury Shares

The Company's issued and fully paid-up capital as at 30 September 2019 comprised 1,291,220,451 (31 December 2018: 1,291,220,451) ordinary shares, of which 13,187,000 (31 December 2018: Nil) were held by the Company as treasury shares. The number of issued shares, excluding treasury shares, were 1,278,033,451.

The treasury shares held represent 1.03% (3Q FY2018: Nil%) of the total number of issued shares (excluding treasury shares).

In 3Q FY2019, the Company purchased 13,187,000 (3Q FY2018: Nil) of its ordinary shares by way of on-market purchases at share prices ranging from S\$0.064 to S\$0.079 per share (3Q FY2018: Not applicable). The total amount paid to purchase the shares was US\$0.72 million (3Q FY2018: US\$Nil).

The Company did not issue any new shares in 3Q FY2019.

There were no subsidiary holdings as at 30 September 2019 and 30 September 2018.

Employee Share Option Scheme (the "ESOS")

The total number of Options outstanding pursuant to the Company's ESOS as at 30 September 2019 was Nil (30 September 2018: 2,287,500 Options exercisable into 2,287,500 shares).

Performance Shares Plan (the “PSP”)

Details of the awards of ordinary shares granted under the PSP (“Awards”), including those granted but not yet vested as at 30 September 2019, are as follows:

Date of grant of Awards	Number of shares which are the subject of Awards granted as at 1-Jul-19	Number of shares which are the subject of Awards adjusted in 3Q FY2019	Number of shares which are the subject of Awards granted in 3Q FY2019	Number of shares which are the subject of Awards which had lapsed/ cancelled in 3Q FY2019	Number of shares which are the subject of Awards vested in 3Q FY2019	Number of shares which are the subject of Awards granted as at 30-Sep-19	Number of holders
29.04.19	127,456,080 <sup>(1)</sup>	–	–	(788,160) <sup>(2)</sup>	–	126,667,920	14

(1) If the Average Performance Market Price is S\$0.15 and above, 50% of the number of shares in the Awards shall be released after the vesting period. If the Average Performance Market Price is S\$0.30 and above, an additional 50% of the number of shares in the Awards shall be released. If the Average Performance Market Price is less than S\$0.15, none of the Shares in the Award shall be released unless otherwise determined by the committee administering the PSP. Please refer to the Company’s announcement dated 29 April 2019 for further details.

(2) 788,160 shares in the Awards were cancelled in 3Q FY2019 due to the cessation of employment of an eligible employee.

The total number of shares which are the subject of Awards granted but not yet vested as at 30 September 2019 was 127,456,080 shares (30 September 2018: 156,288,800 shares).

Save for the aforementioned Awards, the Company did not have any other outstanding convertibles as at 30 September 2019 and 30 September 2018.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Company	
30-Sep-19	31-Dec-18

Total number of issued shares excluding treasury shares	1,278,033,451	1,291,220,451
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The Company held 13,187,000 treasury shares as at 30 September 2019 (31 December 2018: Nil).

**1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

In 3Q FY2019, the Company purchased 13,187,000 (3Q FY2018: Nil) of its ordinary shares by way of on-market purchases at share prices ranging from S\$0.064 to S\$0.079 per share (3Q FY2018: Not applicable). The total amount paid to purchase the shares was US\$0.72 million (3Q FY2018: US\$Nil). There were no transfers, cancellation and/or use of treasury shares as at 30 September 2019.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Other than disclosed in paragraph 5 below, there were no further changes in accounting policies and methods of computation adopted in the financial statements of the current reporting period as compared to the most recently audited annual financial statements as at 31 December 2018.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted all the new/revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") applicable for the financial period and beginning 1 January 2019 and the following standard has an impact on the Group's financial information:

SFRS(I) 16: Leases

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. The adoption of SFRS(I) 16 results in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Exceptions to this standard are short-term and low value leases. The accounting for lessors has not changed significantly.

Under the standard, an asset (being a right-of-use ("**ROU**") asset) and a financial liability to pay rentals are recognised in the balance sheet and depreciation charge on the ROU assets and interest expenses on the lease liabilities are recognised in the income statement.

The Group applied SFRS(I) 16 on 1 January 2019, using the modified retrospective approach. The cumulative effect of adopting SFRS(I) 16 is recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. The Group applied the practical expedient to grandfather the definition of a lease on transition. SFRS(I) 16 will be applied to lease contracts entered before 1 January 2019 and are identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4. The application of SFRS(I) 16 has not resulted in an adjustment to the opening balance of retained earnings as at 1 January 2019.



The adoption of SFRS(I) 16 has resulted in an increase in right-of-use assets (classified within plant and equipment) and an increase in lease liabilities (classified within non-current lease liabilities and trade and other payables) of the statement of financial position as at 1 January 2019. Operating cash flows will increase and financing cash inflows decrease as repayment of the principal portion of the lease liabilities will be classified as cash inflows from financing activities.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**

- (a) based on the weighted average number of ordinary shares in issue; and  
 (b) on a fully diluted basis (detailing any adjustments made to the earnings).

Earnings/(Loss) per ordinary share ("EPS"/"LPS")	Group		Group	
	Three months ended		Nine months ended	
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
Net profit/ (loss) attributable to owners of the Company (US\$)	582,000	(1,639,000)	23,194,000	(6,431,000)
Weighted average number of ordinary shares	1,286,204,103	1,291,220,451	1,289,529,960	1,287,511,921
Basic and fully diluted EPS/ (LPS) (US cents)	0.05	(0.13)	1.80	(0.50)

As at 30 September 2019, nil Options (30 September 2018: 2,287,500 Options) and 127,456,080 share awards (30 September 2018: 156,288,800 share awards) were excluded from the diluted weighted average number of ordinary shares calculation as they either had no impact or their effect would have been anti-dilutive. As such, the basic and fully diluted EPS/ (LPS) were the same for the respective financial periods.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
- (a) **current financial period reported on; and**  
(b) **immediately preceding financial year.**

	Group		Company	
	30-Sep-19	31-Dec-18	30-Sep-19	31-Dec-18
Net asset value# (US\$)	148,344,000	125,830,000	115,009,000	117,332,000
Total number of issued shares excluding treasury shares	1,278,033,451	1,291,220,451	1,278,033,451	1,291,220,451
Net asset value per ordinary share based on number of shares in issue as at the end of the financial period/ year (US cents)	11.61	9.75	9.00	9.09

# Net asset value as disclosed above includes non-controlling interests.

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
(b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

#### Consolidated Statement of Comprehensive Income

The Group recorded service revenue of US\$0.14 million in 3Q FY2019 and US\$0.09 million in the comparative three-month period ended 30 September 2018 ("**3Q FY2018**") from technical services rendered to external clients by Rex Technology Management ("**RTM**"). Corresponding cost of service relating to fixed costs of services incurred in the ordinary business activities, of US\$0.13 million and US\$0.14 million were approximately the same as recorded in 3Q FY2019 and 3Q FY2018 respectively.

The Group recorded exploration and evaluation ("**E&E**") expenditure of US\$0.08 million and US\$0.57 million in 3Q FY2019 and 3Q FY2018 respectively. The lower E&E expenditure recorded in 3Q FY2019 was due to a decrease in exploration consulting fees and expensed exploration activities in Norway for the period.

As a result of the above, the Group recorded a lower gross loss of US\$0.08 million in 3Q FY2019, as compared to a gross loss of US\$0.62 million in 3Q FY2018.

Administrative expenses increased slightly to US\$2.84 million in 3Q FY2019, from US\$2.45 million in 3Q FY2018, as a result of an increase in the Group's operational costs, such as professional fees, in 3Q FY2019.

Other income rose to US\$2.49 million in 3Q FY2019, from US\$0.02 million in 3Q FY2018, mainly due to 1) gain from sale of interests in licences to a third party of US\$2.00 million in 3Q FY2019 as the requirements of the contingent payment have been satisfied, and 2) gain in the fair value of quoted investments as a result of better performance in the bond market.

Finance income of US\$0.15 million and US\$0.21 million were recorded in 3Q FY2019 and 3Q FY2018 respectively, mainly from interest income generated from quoted investments. Finance costs of US\$0.44 million and US\$0.41 million were recorded in 3Q FY2019 and 3Q FY2018 respectively, mainly due to 1) short-term bank borrowings; 2) recognition of lease liabilities in accordance to SFRS(I) 16; and 3) unwinding of long-term decommissioning provision.

The Group recorded tax credit of US\$1.56 million and US\$1.55 million in 3Q FY2019 and 3Q FY2018 respectively, from the Norwegian authorities in relation to the exploration costs incurred in Norway.

Overall, the Group registered profit after tax of US\$0.67 million in 3Q FY2019, as compared to loss after tax of US\$1.72 million in 3Q FY2018.

#### Statement of Financial Position

Non-current assets of the Group decreased to US\$114.81 million as at 30 September 2019, from US\$141.20 million as at 31 December 2018, mainly to the sale of interests in licences to a third party in 9M FY2019. The decrease was partially offset by the recognition of long-term tax receivables of US\$15.44 million as at 30 September 2019 from the Norwegian tax authorities in relation to exploration costs incurred in Norway.

Trade and other receivables of the Group decreased to US\$30.19 million as at 30 September 2019, from US\$31.27 million as at 31 December 2018, mainly due to the reduction of prepayments to the operator in relation to the Group's exploration activities in Norway in 9M FY2019, and is partially offset by the consideration receivables of US\$2 million from the sale of interests in licences to a third party

Quoted investments decreased to US\$24.37 million as at 30 September 2019, from US\$28.82 million as at 31 December 2018, due to the maturity of certain quoted investments in 9M FY2019.

The Group recorded decommissioning provisions of US\$11.80 million and US\$11.33 million as at 30 September 2019 and 31 December 2018 respectively, in relation to exploration activities undertaken in Oman.

Deferred tax liabilities decreased to US\$7.60 million as at 30 September 2019, from US\$40.95 million as at 31 December 2018, due to the sale of interests in licences in Norway in 9M FY2019.

As a result of the adoption of SFRS(I)16 on 1 January 2019, the Group recorded total current and non-current lease liabilities of US\$1.02 million as at 30 September 2019.

The Group recorded short-term borrowings of US\$28.58 million and US\$26.41 million as at 30 September 2019 and 31 December 2018 respectively, from the drawn-down credit facilities to fund exploration activities in Norway.

Trade and other payables increased to US\$15.75 million as at 30 September 2019, from US\$4.38 million as at 31 December 2018, due mainly to exploration activities in Norway in 9M FY2019.

Working capital increased to US\$53.72 million as at 30 September 2019, from US\$36.91 million as at 31 December 2018. This was largely due to an increase in cash and cash equivalents, mainly due to the sale of interests in licences to a third party in 9M FY2019.

#### Statement of Cash Flows

The Group reported net cash of US\$9.59 million generated from operating activities in 3Q FY2019, after accounting for movements in working capital. This was primarily due to changes in working capital, offset by administrative and operational expenses incurred in relation to the Group's business.

Net cash used in investing activities of US\$15.17 million in 3Q FY2019 was largely attributable to exploration and evaluation expenditure incurred in exploration activities in Norway.

Net cash used in financing activities of US\$1.06 million in 3Q FY2019 was mainly attributable to purchases of treasury shares of US\$0.72 million and interests paid of US\$0.25 million in relation to short-term borrowings.

The Group recorded an overall net decrease in cash and cash equivalents of US\$6.64 million in 3Q FY2019, as compared to an overall net decrease in cash and cash equivalents of US\$6.24 million in 3Q FY2018.

As at 30 September 2019, the Group's cash and cash equivalents and quoted investments totalled US\$65.80 million (31 December 2018: US\$34.12 million); with cash and cash equivalents at US\$41.43 million (31 December 2018: US\$5.30 million) and quoted investments at US\$24.37 million (31 December 2018: US\$28.82 million).

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Brent prices fell by 8.7% to close at US\$60.78 per barrel as at 30 September 2019, from US\$66.55 per barrel as at 28 June 2019<sup>1</sup>. The initial surge in Brent crude oil prices following the attacks on major Saudi Arabian oil infrastructure on 14 September 2019 was quickly reversed on 30 September 2019, when Brent posted its biggest quarterly loss in 2019 on demand fears due to the escalating US-China trade war<sup>2</sup>.

Crude oil prices have been oscillating within a US\$50-70 per barrel range throughout the year, amid the overhang of the US-China trade tiffs, unrest in the Middle East, a major crude oil inventory build in the US in mid-October 2019<sup>3</sup>, Brexit, and concerns over a global economic slowdown. In August 2019, the International Energy Agency (IEA) revised its global oil demand growth forecasts downwards for 2019 and 2020 for the second time during the year<sup>4</sup>. The US Energy Information Administration (EIA) expects Brent spot prices to average US\$59 per barrel in the fourth quarter of 2019 and fall further to US\$57 per barrel by the second quarter of 2020<sup>5</sup>. The Group will continue to monitor oil price movements closely.

Having monetised the Rolvsnes discovery and related assets in Norway in the first quarter, and farmed in and participated in the drilling on PL838 in the Norwegian Sea which yielded an oil and gas discovery in the third quarter, the Group will focus its efforts on drilling an appraisal well in Oman in end-2019 and achieving oil production in 1Q-2020.

The Group will update the market whenever there are material developments to its operations.

Footnotes:

<sup>1</sup> Bloomberg data

<sup>2</sup> Reuters, Oil falls, Brent posts biggest quarterly drop this year on demand fears, 30 September 2019  
<https://www.reuters.com/article/us-global-oil/oil-falls-brent-posts-biggest-quarterly-drop-this-year-on-demand-fears-idUSKBN1WF013>

<sup>3</sup> Oil Price, API: Supersized crude build sends oil prices down, 16 October 2019  
<https://oilprice.com/Latest-Energy-News/World-News/API-Supersized-Crude-Build-Sends-Oil-Prices-Down.html>

<sup>4</sup> Financial Times, IEA cuts oil demand forecast as 'economic woes' trump geopolitics, 9 August 2019  
<https://www.ft.com/content/b83e89a2-ba78-11e9-96bd-8e884d3ea203>

<sup>5</sup> U.S Energy Information Administration, Short-Term Energy Outlook, October 2019  
[https://www.eia.gov/outlooks/steo/pdf/steo\\_full.pdf](https://www.eia.gov/outlooks/steo/pdf/steo_full.pdf)

**11. Dividend**

**a) Current financial period reported on**

No dividend has been declared or recommended for 3Q FY2019.

**b) Corresponding period to immediately preceding financial year**

No dividend has been declared or recommended for 3Q FY2018.

**c) Date payable**

Not applicable.

**d) Book closure date**

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for 3Q FY2019 for the Company as the Group has only just recently turned profitable as a result of the completion of the sale of interests in licences to a third party.

13. **If the Group has obtained a general mandate from shareholders for Interested Person Transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for IPTs. There were no IPT transactions of S\$100,000 and above during 3Q FY2019.

14. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

The Company confirms that undertakings have been procured from the Board of Directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

15. **Use of proceeds pursuant to Rule 704(30)**

The Company had on 6 November 2013, completed a placement of 70 million new ordinary shares at an issue price of S\$0.755 per share (the “2013 Placement”), raising net proceeds of S\$50.87 million (after deducting placement expenses of S\$1.98 million). As at the date of this announcement, the Company had utilised all the 2013 Placement proceeds except for the amount allocated to the share buyback mandate of S\$5.96 million.

The Company had utilised S\$0.99 million in relation to the share buyback exercise in 3Q FY2019, and the ending balance of the amount allocated to the share buyback mandate as at 30 September 2019 was S\$4.97 million.

16. **Use of funds/ cash by mineral, oil and gas companies pursuant to Rule 705(6)**

Actual use of funds/ cash for 3Q FY2019

Purpose	Amount
	US\$'000
Exploration and drilling activities in Oman	645
Exploration and drilling activities in Norway*	3,600
General working capital	1,123
<b>Total</b>	<b>5,368</b>

\* Net of tax refund receivables from the Norwegian tax authorities in relation to the exploration costs incurred in Norway. LPA is a pre-qualified oil company in Norway which is eligible to receive a cash tax refund of 78% of exploration costs annually.

In 3Q FY2019, US\$0.65 million and US\$3.60 million were used for exploration related activities in Oman and Norway respectively. US\$1.12 million was used for the Singapore and RTM offices’ staff costs, operational expenses, and consultancy and professional fees.

The actual amounts of funds used for exploration activities in Oman and Norway were US\$3.06 million lower and US\$1.30 million higher than the projected amounts in 2Q FY2019 respectively. The lower projected amount in Oman was due to fewer exploration activities than expected in 3Q FY2019. The higher projected amount in Norway was due to additional data gathering that

was required for the exploration activities in 3Q FY2019. The actual amount of funds used for general working capital was fairly consistent with the projected amount in 2Q FY2019.

The total actual use of funds for 3Q FY2019 amounted to US\$5.37 million, which was US\$1.93 million lower than the projected amount in 2Q FY2019.

Projection on the use of funds/ cash in 4Q FY2019

Purpose	Amount
	US\$'000
Exploration and drilling activities in Oman	8,200
Exploration and drilling activities in Norway*	1,400
General working capital	1,384
<b>Total</b>	<b><u>10,984</u></b>

\* Net of tax refund receivables from the Norwegian tax authorities in relation to the exploration costs incurred in Norway.

- 17. Pursuant to Rule 705(7) - Details of exploration (including geophysical surveys), development and/or production activities undertaken by the issuer and a summary of the expenditure incurred on those activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated.**

In 3Q FY2019, the Group incurred US\$14.67 million and US\$0.65 million for seismic studies and exploration activities in Norway and Oman respectively.

The Group's exploration work is an ongoing process. The exploration activities fulfilled in 3Q FY2019 included Rex Virtual Drilling, preparatory work in Oman and actual exploration activities in Norway.

- 18. Negative Confirmation by the Board pursuant to Rule 705(5) and Rule 705(6)(b) of Catalyst Listing Manual.**

The Board confirms that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for 3Q FY2019 and the above information provided to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD OF**  
Rex International Holding Limited

Dan Broström  
Executive Director and Chairman

14 November 2019

*This announcement has been prepared by the Company and reviewed by the 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.*

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