

REX INTERNATIONAL HOLDING LIMITED

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

**REX TO HOLD ITS INTERESTS IN LIME PETROLEUM AND
PORTO NOVO RESOURCES UNDER NEW JOINT VENTURE**

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 International Investments Pte. Ltd. (“**RII**”) has entered into a joint venture (“**Joint Venture**”) agreement (the “**JVA**”) on 18 June 2024 with Monarch Marine Holding Ltd (“**MMH**”) and Peter M. Steimler (“**PS**”), to hold Lime Petroleum AS (“**LPA**”) and Porto Novo Resources Ltd (“**PNR**”) under a new joint venture company incorporated under the laws of Norway (the “**JVCo**”).

Rex currently holds a 91.65% interest in LPA, which has interests in offshore licences in Norway. PNR, which was incorporated on 19 December 2023 in the British Virgin Islands to own and operate offshore oil and gas assets in Africa, including 100% in Akrake Petroleum Benin AS, is 67.9% held by Rex International Holding Ltd. (incorporated in the British Virgin Islands) (“**RIHBVI**”), 29.1% held by MMH and 3% held by PS.

Each of RII, MMH and PS will purchase, from a shelf company provider in Norway, the following shares in a shelf company in Norway, which will be the JVCo (“**Purchase**”).

Shareholder	Number of Shares
Rex	25,122
Monarch	4,422
PS	456

The shelf company has a fully paid-up share capital of NOK30,000 comprising of 30,000 shares with a nominal value of NOK1 per share. The aggregate purchase price for the shelf company will be NOK50,000 (approximately US\$4,677.50) (“**Shelf Company Purchase Price**”). The Company deems it more expedient to purchase a shelf company from an independent corporate secretarial firm to facilitate the Joint Venture rather than incorporating a new company. The shelf company was previously dormant and not engaged in any business activities.

The JVCo will become an indirect subsidiary of the Company held through RII.

After the completion of the Purchase, each of MMH and PS will contribute all of their shares in PNR to the JVCo and the Group will contribute all of its shares in LPA and PNR to the JVCo, in exchange for such number of additional shares in the JVCo to maintain the following Shareholding Interests (“**Contribution**”).

Shareholder	Shareholding Interest
Rex	83.74%
Monarch	14.74%
PS	1.52%

The Shareholding Interests are in proportion to the aggregate of the reserves (based on external reports and estimates as at 31 December 2023) and relative shares in LPA and/or PNR to be contributed by each party pursuant to the JVA.

Completion of the investments into the JVCo pursuant to the JVA (“**Completion**”) shall take place within 90 days of the date of the JVA or such date as determined by Rex. Upon Completion, the Group’s effective interests in LPA will be reduced to 76.75% and the Group’s interests in PNR will increase to 83.74%.

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, and also holds direct interests of 1.09% in the Company. Accordingly, Dr Karl Lidgren is deemed interested in 35.80% of the Company’s shares.

MMH is 40% held by Cresta, 40% held by Riton Holding Ltd (100% held by Mr Hans Lidgren), and 20% held by Mr Svein Kjellesvik, Chief Operating Officer of the Company and a substantial shareholder of the Company. As such, MMH is an “interested person” pursuant to Chapter 9 of the Mainboard Rules (the “**Mainboard Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Accordingly, entry into agreements in connection with the JVCo between the Group and MMH is an “interested person transaction” pursuant to Chapter 9 of the Mainboard Rules.

As at the date of this announcement, other than the Joint Venture and exploration costs in PNR group of US\$0.55 million, 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 2024 (“**FY2024**”).

Based on the Company’s financial statements for the financial year ending 31 December 2023, the Group’s latest audited net tangible assets (“**NTA**”) as at 31 December 2023 is US\$95.02 million. Based on the net asset value (“**NAV**”) as at 31 December 2023, the value of 91.65% of the shares in LPA is US\$0.33 million and the value of 67.9% of the shares in PNR is US\$1.02 million. The aggregate value of the Contribution (including related professional fees) made by the Group is US\$1.38 million (“**Value of the Contribution**”). The aggregate value of all transactions entered into with Dr Karl Lidgren, Mr Hans Lidgren and their associates in FY2024 (which includes the purchase price to be paid by RII for the Purchase, the Value of the Contribution and exploration costs in PNR group) is US\$1.93 million, representing approximately 2.03% of the Group’s latest audited NTA as at 31 December 2023. As such, the set-up of JVCo is an IPT which value is less than 3% of the Group’s latest audited NTA.

3. RATIONALE FOR THE JOINT VENTURE

The Joint Venture allows the Company to amalgamate the LPA and PNR assets in Norway and Africa under a single entity, in order to leverage on LPA's access to the buoyant Norwegian bond market to raise funds in USD at the subsidiary level, for the refinancing LPA's existing bond, as well as for exploration, development and production activities and general working capital in Norway and Africa, against the backdrop of more and more banks shying away from financing fossil fuel companies.

4. STATEMENT FROM THE AUDIT COMMITTEE

Notwithstanding that the set-up of JVCo constitutes less than 3% of the Group's latest audited NTA as at 31 December 2023, the Company has been advised that the investment in JVCo will fall within Rule 916(2) of the Mainboard Rules, if:

- (a) the risks and rewards are in proportion to the equity of each joint venture partner;
- (b) the issuer confirms by an announcement that its audit committee is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders; and
- (c) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture.

For the purposes of the Joint Venture, the Company's Audit Committee has considered the terms and conditions of, as well as the rationale for the Joint Venture, and is of the view that the Joint Venture is made on normal commercial terms and that the risks and rewards of the Joint Venture are in proportion to the joint venture parties' respective equity interests in the JVCo, and the terms of the Joint Venture are not prejudicial to the interests of the Company and its minority shareholders.

The Company's Audit Committee has also received confirmation that Dr Karl Lidgren and Mr Hans Lidgren, controlling shareholders of the Company, and their associates (as defined by the Mainboard Rules of the SGX-ST) do not have an existing equity interest in the shelf company in Norway which will be the JVCo.

5. CHAPTER 10 OF THE LISTING MANUAL

The Joint Venture will see an effective disposal of 14.90% of the Group's interests in LPA (the "Disposal") and an effective acquisition of 15.84% of the Group's interests in PNR (the "Acquisition"). Details of the calculations are set out in the Appendix.

Based on the Group's latest audited consolidated financial statements for the financial year ended 31 December 2023 ("FY2023"), the relative figures of the Disposal and the Acquisition computed on the bases of Rule 1006 of the Mainboard Rules are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The NAV of the assets to be disposed of, compared with the Group's NAV. This basis is not applicable to an acquisition of assets.	Disposal: -0.05% ¹ Acquisition: Not applicable
(b)	The net profits attributable to the shares in LPA and PNR effectively acquired or disposed of, compared with the Group's net profits.	Disposal: -5.91% ² Acquisition: Nil ³
(c)	The aggregate value of the consideration ⁴ received for the Disposal, or given for the Acquisition, compared with the Company's market capitalisation ⁵ based on the total number of issued shares (excluding treasury shares).	Disposal: 0.04% Acquisition: 0.20%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable as there will be no issuance of shares as consideration for the Acquisition.
(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.	Disposal: 11.82% Acquisition: Not applicable

Notes:

- (1) As at 31 December 2023, the net liabilities value of LPA was US\$354,000, compared to the Group's NAV of US\$114.77 million.
- (2) In FY2023, the net loss of LPA was US\$22.47 million and accordingly, the net loss attributable to 14.90% of LPA is US\$3.35 million, compared to the Group's net loss of US\$56.89 million.
- (3) In FY2023, there was no net profit/loss of PNR since PNR was incorporated on 19 December 2023 and the acquisition will have no material impact on the financials as at 31 December 2023.
- (4) For the purposes of the Joint Venture, given that no proceeds will be received or paid for the disposal and acquisition, the consideration for the Acquisition has been calculated based on the committed initial equity contribution value of PNR of US\$1.50 million as at 31 December 2023 and effective acquisition of 15.84% of the Group's interests in PNR. The consideration for the Disposal has been calculated based on the absolute value of the net liabilities value of LPA of US\$354,000 as at 31 December 2023 and the effective disposal of 14.90% of the Group's interests in LPA.
- (5) The Company's market capitalisation of S\$159.40 million has been calculated based on a volume weighted average price of S\$0.1224 on 18 June 2024, being the market day preceding the date of the JVA.

Pursuant to Mainboard Rule 1007(1), of any of the relative figures computed pursuant to Rule 1006 involves a negative figure, Chapter 10 of the Mainboard Rules may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10.1. Accordingly, having considered paragraphs 4.4(c) and 4.4(e) of Practice Note 10.1 of the Mainboard Rules, the absolute relative figure computed on the basis of each of Rule 1006(a), Rule 1006(b), Rule

1006(c) and Rule 1006(e) does not exceed 20%; and the Disposal does not result in a loss on disposal that exceeds 10% of the consolidated net profit or net loss of the compared to the Group's net loss of US\$56.89 million (the absolute values).

The Joint Venture constitutes a "disclosable transaction" under Chapter 10 of the Mainboard Rules.

Pursuant to Rule 1010 of the Mainboard Rules:

- (a) The consideration for the Transactions (as defined below) will be satisfied by transferring the shares in LPA and PNR to the JVCo.

Based on the committed initial equity contribution value of PNR of US\$1.50 million as at 31 December 2023, the value of 15.84% of PNR is US\$0.24 million. Therefore the aggregate value of the consideration for the Acquisition is US\$0.24 million.

Based on the absolute value of the net liabilities value of LPA of US\$354,000 as at 31 December 2023, the value of 14.9% of LPA is US\$53,000. Therefore, the aggregate value of the consideration for the Disposal is US\$53,000.

- (b) Other than as mentioned in this announcement, there are no material conditions attached to the Transactions.
- (c) There are no sale proceeds from the Transactions.
- (d) The Disposal does not result in a loss on disposal that exceeds 10% of the consolidated net profit or net loss of the compared to the Group's net loss of US\$56.89 million (the absolute values).
- (e) Each of the Acquisition and Disposal (collectively, the "**Transactions**") are not expected to have any material effect on:
 - (i) the net tangible assets per share of Rex for FY2023, assuming that the Transactions had been effected at the end of FY2023; and
 - (ii) the earnings per share of Rex for FY2023, assuming that the Transactions had been effected at the beginning of FY2023.

6. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Transactions. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

7. DOCUMENTS FOR INSPECTION

A copy of the JVA will be available for inspection during normal business hours at the Company's registered office for a period of three months commencing from the date of this announcement.

8. 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 Joint Venture, other than that arising from their respective capacity as Directors or shareholders of the Company.

As good corporate governance practice, Dr Mathias Lidgren, son of Mr Hans Lidgren and nephew of Dr Karl Lidgren, who is a Non-Independent Non-Executive Director of the Company, has recused himself on the Board decisions relating to the Joint Venture.

BY ORDER OF THE BOARD OF
Rex International Holding Limited

John d'Abo
Executive Chairman

19 June 2024

APPENDIX

The Joint Venture will see an effective disposal of 14.90% of the Group's interests in LPA and an effective acquisition of 15.84% of the Group's interests in PNR.

Prior to the Joint Venture:

- Rex holds a 91.65% ("Original Rex LPA Ownership") interest in LPA;
- PNR is 67.9% ("Original Rex PNR Ownership") held by RIHBVI, 29.1% ("Original MMH PNR Ownership") held by MMH and 3% ("Original PS PNR Ownership") held by PS.

As RII would hold 83.74% ("Rex JVCo Ownership") of shares in JVCo, the following sets out the calculations in arriving at the effective change of interests held by the Company in LPA and PNR.

Disposal:

The amount of effective disposal of the shares in LPA by RII would be $(100\% - 83.74\% \text{ (Rex JVCo Ownership)}) \times 91.65\% \text{ (Original Rex LPA Ownership)} = 14.90\%$

Acquisition:

- A. the amount of effective disposal of the shares in PNR by RIHBVI would be $(100\% - 83.74\% \text{ (Rex JVCo Ownership)}) \times 67.90\% \text{ (Original Rex PNR Ownership)} = 11.04\%$
- B. the amount of effective acquisition of the shares in PNR from MMH would be $83.74\% \text{ (Rex JVCo Ownership)} \times 29.10\% \text{ (Original MMH PNR Ownership)} = 24.37\%$
- C. the amount of effective acquisition of the shares in PNR from PS would be $83.74\% \text{ (Rex JVCo Ownership)} \times 3.00\% \text{ (Original PS PNR Ownership)} = 2.51\%$

The effective change in Rex's interests in the shares in PNR would be $(24.37\% + 2.51\% - 11.04\%) = 15.84\%$.