

REX INTERNATIONAL HOLDING LIMITED

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

REX IN JOINT VENTURE FOR OIL & GAS ASSETS IN WEST AFRICA

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 Holding Ltd (incorporated in the British Virgin Islands) (“**RIHBVI**”) has entered into a joint venture (“**Joint Venture**”) agreement on 21 December 2023 with Monarch Marine Holding Ltd (“**MMH**”), for carrying out the business of owning and operating offshore oil and gas assets in West Africa. In connection with the Joint Venture, the Company received confirmation that the JV Company, Porto Novo Resources Ltd (“**JV Company**”), had been incorporated on 19 December 2023 in the British Virgin Islands. The JV Company is 70% held by RIHBVI and 30% held by MMH. The JV Company will become an indirect subsidiary of the Company held through RIHBVI.

An offshore licence in West Africa has been identified as a first possible investment. MMH will subscribe to shares in the JV Company by way of an initial equity contribution of US\$0.45 million, and RIHBVI will subscribe to shares in the JV Company by way of an initial equity contribution of US\$1.05 million, respectively equivalent to the 30% and 70% shareholding in the JV Company. The equity contribution is intended to be used for the first potential investment to be made by the JV Company.

Further and future assets acquired by the JV Company shall be financed in the same manner, with MMH contributing equity equivalent to 30% and RIHBVI providing 70% of the investment sum, based on the parties’ respective shareholding interests in the JV Company.

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. Dr Karl Lidgren is a Non-Independent Executive Director. 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 JV Company between Rex and MMH is an “interested person transaction” pursuant to Chapter 9 of the Mainboard Rules.

As at the date of this announcement, except for the shareholders' loan agreement between the Company with Xer Technology Pte. Ltd.'s group of US\$2.00 million and security provided under the second marine asset owned by Crescent Marine Holding Ltd (another joint venture company with MMH), as stated in the Company's announcement dated 21 April 2023 (the "**Security**"), that has been reduced from up to US\$17.6 million to US\$3.51 million as of the date of this announcement, 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 2023 ("**FY2023**").

The value of the equity contribution in relation to the Joint Venture represents approximately 0.68% of the Group's latest audited net tangible assets ("**NTA**") as at 31 December 2022, being US\$6.54 million. The aggregate value of all transactions entered into with Dr Karl Lidgren, Mr Hans Lidgren and their associates in FY2023 is US\$20.65 million, which represents approximately 13.33% of the Group's latest audited NTA as at 31 December 2022.

Shareholders' approval for investment in a joint venture with an interested person pursuant to Mainboard Rule 906 is exempted, 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.

As disclosed in the Company's announcement on 21 April 2023, the provision of the Security is exempted from compliance with Mainboard Rule 906 pursuant to Mainboard Rule 916(2). The entry into the Joint Venture also falls within the aforementioned exemption. Accordingly, after excluding the value of the Security and the Joint Venture, the aggregate value of all other transactions entered into with Dr Karl Lidgren, Mr Hans Lidgren and their associates in FY2023 is US\$2.00 million, representing approximately 1.29% of the Group's latest audited NTA as at 31 December 2022.

3. RATIONALE FOR THE JOINT VENTURE

The Joint Venture allows the Company to obtain operatorship and own offshore oil and gas assets in West Africa, and have majority control over the management and operations of the assets, at a lower level of equity contribution and risk as compared to a direct investment (i.e. 70% in the JV Company instead of shouldering 100% of the potential investment).

4. STATEMENT FROM THE AUDIT COMMITTEE

The Company's Audit Committee has considered the terms and conditions of, as well as the rationale for the Joint Venture, and has opined that the Joint Venture is made on normal

commercial terms and that the risks and rewards of the initial equity contribution and future acquisitions and financing contributions are in proportion to the joint venture parties' respective equity interests in the JV Company, and the terms of the Joint Venture are 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 Joint Venture, other than that arising from their respective capacity as Directors or shareholders of the Company.

Dr Karl Lidgren has abstained from any Board decisions in relation to the Joint Venture. For 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 also 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 Vice Chairman

21 December 2023