

Rex International Holding Limited

Executive Summary

20 March 2026

Private and Confidential

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1. Executive Summary

1.1 Introduction and Our Appointment

1. This Executive Summary should be read in context of the relevant reports, its limitations, exhibits and appendices. It does not stand alone, but rather provides a summary of the key findings from these reports.
2. Ernst & Young Advisory Pte Ltd (“EY” or “us” or “we”) were engaged by the Board of Directors (“BOD”) of Rex International Holding Limited (“the Company” or “RIH”, together with its subsidiaries, the “Group”) on 29 September 2023 to conduct an independent review on the interested person transactions (“IPTs”) set out below.
3. RIH is a public limited company incorporated in Singapore on 11 January 2013. On 31 July 2013, RIH was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”). On 8 March 2022, RIH transferred its listing to the Mainboard of the SGX-ST.
4. On 30 December 2022, the Company announced that its wholly-owned subsidiary Moroxite Holding Pte.Ltd. (“MHPL”) has entered into a conditional share purchase agreement on 30 December 2022 (the “Original Agreement”) with Moroxite AB (“MA” or “MAB”) to purchase the entire issued share capital of Moroxite T AB (“Moroxite T” or “MTAB”, fully owned subsidiary of MA), the target of the transaction (the “Moroxite T acquisition”).
5. At the time of the Moroxite T acquisition, MA was 39.6% held by a company majority owned by Dr. Lars Ake Alvar Lidgren (“Dr. Lars”). His brothers, Dr. Karl Helge Tore Lidgren (“Dr. Karl”), Non-Independent Executive Director (“ED”) of RIH and Mr. Hans Lidgren (“Mr. Hans”), were controlling shareholders of RIH. As such, MA was an associate of an “interested person” defined under Chapter 9 of the Listing Rules and the Moroxite T acquisition was an “interested person transaction”.
6. On 30 December 2022, the same day, Rex Technology Investments Pte. Ltd. (“RTI”), a wholly owned subsidiary of RIH, entered into the second conditional subscription agreement with Xer Technologies Pte. Ltd. (“Xer”) to subscribe 23,809 ordinary shares in Xer (“Second Investment in Xer”), thereby increasing RTI’s shareholding in Xer from 40% to 53.33%.
7. At the time of this Second Investment in Xer, Dr. Karl and Mr. Hans were controlling shareholders of RIH through deemed interest in RIH held through Limea Ltd. (“Limea”) and Cresta Group Ltd. (“Cresta”). Limea and Cresta also held majority shareholding interest in Xer. Consequently, Xer was an associate of an “interested person” defined under Chapter 9 of the Listing Rules and the Second Investment in Xer is an “interested person transaction”.
8. Unless otherwise mentioned, the scope of the independent review covers the events of the Second Investment in Xer and the Moroxite T acquisition (together referred to as the “Two Acquisitions”) from 1 August 2022 to 15 January 2024¹ (“Review Period”).

¹ 15 January 2024 is the date of the second milestone payment made by RIH to Xer. Subsequent events after 15 January 2024 are outside of our Review Period and not covered in this Report.

1.2 Notice of Compliance

9. On 29 August 2023, Singapore Exchange Regulation (“SGX RegCo”) issued a Notice of Compliance (“NOC”) to RIH, requiring the Company to appoint an independent professional, to conduct an independent review into the following areas (“the Matter”):
- (a) To review circumstances surrounding the Moroxite T acquisition, and its completion before the Company’s entry into the Addendum², and whether the Company has conducted proper due diligence in relation to the Moroxite T acquisition;
 - (b) To ascertain whether the Moroxite T acquisition was completed, at the point in time when the terms of the Original Agreement required it to be subject to shareholders’ approval, taking into consideration the transfer of the shares in Moroxite T from MA to MHPL and the injection of the Capital Contribution made on 31 January 2023;
 - (c) To review circumstances surrounding transactions, arrangements and/or agreements entered into between the Interested Persons and the Group³, and
 - (d) To review the adequacy and effectiveness of the Group’s internal controls processes and procedures relating to the acquisitions/disposals and IPTs, as well as ascertain whether the Company has complied with Listing Rule 719(1)⁴.

1.3 Scope of Work

10. Our Scope of Work (“SOW”) is as follows:
- (a) Establish the facts and review circumstances surrounding the Two Acquisitions;
 - (b) Obtain and review key supporting documents in relation to the Two Acquisitions;
 - (c) Conduct interviews with relevant key stakeholders to obtain, confirm or clarify key information relevant to the Two Acquisitions;
 - (d) For the Moroxite T acquisition, obtain an understanding of the circumstances surrounding the appointment of W Capital Markets Pte Ltd (“W Capital”) as the independent financial advisor (“IFA”) (including the BOD’s deliberation process and basis for the appointment);
 - (e) Review the due diligence performed on the Two Acquisitions. Based on the review findings, opine⁵ on whether the Company’s due diligence processes in relation to the Two Acquisitions were consistent with its policies and procedures;
 - (f) Opine on whether the terms and conditions of the Two Acquisitions have addressed adverse findings, if any, in the due diligence conducted and are consistent with the valuation and the IFA reports⁶;

² This refers to the second addendum to the Original Agreement entered on 28 July 2023.

³ In consultation with SGX RegCo and the Company, the IPTs to be covered under the independent review are limited to the acquisitions of Moroxite T and Second Investment in Xer.

⁴ Listing Rule 719(1) states that “an issuer should have adequate and effective systems of internal controls (including financial, operational, compliance and information technology controls) and risk management systems”.

⁵ The expression of any opinion on the merits of the Two Acquisitions from a commercial or business perspective is outside the SOW.

⁶ The expression of any opinion on the merits of the approach and methodology used in the valuation and IFA reports, including assumptions and limitations, nature and sources of information, is outside the SOW.

- (g) Review and ascertain whether the Moroxite T acquisition was completed before the Company's entry into the Addendum²;
 - (h) Obtain and review the following available policies and procedures relevant to the Matter and our SOW (the "Relevant Policies")⁷, and understand the Company's internal controls related to acquisitions/disposals and IPTs:
 - i. Investment Management Policy (version 3, dated 8 July 2022);
 - ii. Related Party Transactions Policy (version 3, dated 30 June 2022);
 - iii. Conflict of Interest ("COI") Policy (version 3, dated 1 June 2021);
 - iv. Procurement Policy (version 3, dated 30 June 2022);
 - v. BOD Policy (version 5, dated 7 July 2022);
 - vi. Cash Management Policy (version 6, dated 30 March 2022), and
 - vii. Investor Relations & Communications ("IR & Comms") Policy (version 3, dated 30 June 2022).
 - (i) Identify weaknesses or lapses (if any) in internal controls in relation to the Two Acquisitions and propose internal controls enhancements;
 - (j) Identify potential breaches of the SGX Listing Rules, Companies Act 1967 ("CA"), laws, and/or regulations (if any) and set out the circumstances that led to the potential breaches as well as the parties responsible and lapses on their part, and
 - (k) Opine on whether the directors have discharged their fiduciary duties in accordance with section 157 of the CA⁸ and acted in the interest of shareholders in their assessment and negotiation of the terms and conditions of the Two Acquisitions.
11. We commenced our work on 29 September 2023 and completed our assessment of key supporting information/documents and interviews with RIH's management, the BOD, and other relevant key stakeholders by 19 April 2024. Additional information/documents were received from relevant key stakeholders on an ad-hoc basis, up until 6 December 2025.

Interviews and Maxwellisation

12. To obtain, confirm and clarify key information related to the Matter and our SOW, we conducted walkthrough discussions, interviews and/or discussions with selected members of RIH's management, the BOD, and other relevant key stakeholders (i.e., internal or external). As an alternative to interviews and/or discussions, written questionnaires were provided to relevant key stakeholders upon their request.

Note: To the extent that the relevant key stakeholders hold multiple designations, their designations and tenure listed in the table below are limited to their key position(s) in relation to the Two Acquisitions.

⁷ The Relevant Policies cover the scope of the policies outlined in our engagement letter and includes its policies and/or procedures on IPTs. Authorisation levels and limits for key personnels are included within certain policies. Please refer to section 1.8 for our key findings on policies and procedures.

⁸ Please note that our observations are based on our understanding of the relevant law, regulations and guidelines applicable at the time of the engagement and do not constitute legal advice.

Table 1: Selected members of Management, the BOD, and other relevant internal stakeholders			
Details of discussion	Attendees	Current Role(s), Company	Tenure in role(s)⁹
Walkthrough – Policies and Procedures	Mr. John Gerard Nicholas d’Abo (“Mr. John”)	1. Executive Chairman, RIH, and 2. Audit Committee (“AC”) member, RIH	1. 25 April 2024 to date 2. 25 April 2024 to date
	Mr. Maans Nicklas Lidgren (“Mr. Maans”)	1. Chief Executive Officer (“CEO”), RIH	1. 1 August 2013 to date
	Mr. Per Lind (“Mr. Per”)	1. Chief Financial Officer (“CFO”), RIH	1. 8 May 2014 to date
Walkthrough – Transactions	Mr. Dan Brostrom (“Mr. Dan”)	1. Former ED, RIH 2. Former Executive Chairman, RIH, and 3. Former AC member, RIH	2. 11 January 2013 to 25 April 2024 3. Before 30 April 2013 to 25 April 2024 ¹⁰ 4. 29 April 2016 to 25 April 2024
	Mr. John Gerard Nicholas d’Abo	1. Executive Chairman, RIH, and 2. AC member, RIH	1. 25 April 2024 to date 2. 25 April 2024 to date
	Mr. Per Lind	1. CFO, RIH	1. 8 May 2014 to date
Interviews/discussions	Ms. Heng Su-Ling Mae (“Ms. Mae”)	1. Independent Non-ED, RIH, and 2. AC Chairman, RIH	1. 4 May 2022 to date 2. 4 May 2022 to date
	Mr. John Gerard Nicholas d’Abo	1. Executive Chairman, RIH, and 2. AC member, RIH	1. 25 April 2024 to date 2. 25 April 2024 to date
	Mr. Kristofer Skantze (“Mr. Kristofer”)	1. CEO, Xer	1. 4 August 2021 to date
	Ms. Lixian Wu (“Ms. Lixian”)	1. Financial Controller, RIH	1. 1 March 2015 to date

⁹ The tenure dates are provided by RIH and/or the relevant stakeholders.

¹⁰ RIH is unable to provide the exact date of Mr. Dan’s appointment as the Executive Chairman of RIH.

Table 1: Selected members of Management, the BOD, and other relevant internal stakeholders			
Details of discussion	Attendees	Current Role(s), Company	Tenure in role(s)⁹
	Dr. Mathias Lars Ove Lidgren (“Dr. Mathias”)	1. Non-Independent Non-ED, RIH, and 2. Former Director, Moroxite T	1. 4 May 2022 to date 2. 6 July 2022 to 7 November 2024 ¹¹
	Mr. Maans Nicklas Lidgren	1. CEO, RIH	1. 1 August 2013 to date
	Ms. Melissa Kwek (“Ms. Melissa”)	1. Head of Legal, RIH	1. 1 January 2024 to date
	Mr. Per Lind	1. CFO, RIH	1. 8 May 2014 to date
	Mr. Pong Chen Yih (“Mr. Pong”)	1. Lead Independent Non-ED, RIH, and 2. AC member, RIH	1. 25 April 2024 to date 2. 25 April 2024 to date
	Mr. Sin Boon Ann (“Mr. Sin”)	1. Former Lead Independent Non-ED, RIH, and 2. Former AC Member, RIH	1. 24 February 2014 to 25 April 2024 2. 26 June 2013 to 25 April 2024
Written questionnaire	Dr. Lars Ake Alvar Lidgren ¹²	1. Chairman and Board Member, Moroxite T 2. Chairman and Board Member, MA	1. 3 March 2020 to date 2. 3 March 2020 to date
	Ms. Mok Lai Siong (“Ms. Mok”)	1. Chief Communications Officer, RIH	1. Group General Manager, IR & Comms from 1 August 2013 and was appointed as Chief Communications Officer in or around 2020 to date
	Mr. Per Lind	1. CFO of RIH	1. 8 May 2014 to date

¹¹ Dr. Mathias informed us and confirmed during the Maxwellisation procedure that he ceased to be a director of Moroxite T on 7 November 2024.

¹² As of 26 September 2024, RIH swapped its entire stake in Moroxite T for full ownership of Xer and as a result, Dr. Lars ceased to be an internal stakeholder of RIH.

Table 2: Relevant external stakeholders		
Details of discussion	Attendees	Current Role(s), Company
Interviews/discussions	Mr. Saynam Foo (“Mr. Saynam”)	<ul style="list-style-type: none"> Partner, W Capital (IFA for the Moroxite T acquisition)
Written questionnaire	Mr. Bruno Odermatt (“Mr. Bruno”)	<ul style="list-style-type: none"> Partner, Value Solutions Treuhand und Unternehmensberatung AG (“Value Solutions”) (Independent valuer for Moroxite T acquisition)
	Mr. Low Wee Siong and Ms. Chong Hong Chiang	<ul style="list-style-type: none"> Partners, WongPartnership LLP (“WongP”) (External Legal Counsel for Moroxite T acquisition)
	Mr. Sebastien Collart	<ul style="list-style-type: none"> Partner, 100 Legal (External Legal Counsel for RIH)

13. We have completed Maxwellisation procedures¹³ in relation to remarks, information, comments included in this executive summary and report and have incorporated the responses of the Maxwellisation procedures, where appropriate. Extracts of our executive summary and report were circulated to and confirmed with the following stakeholders and the date of their responses are recorded in the table below.

Table 3: Maxwellisation procedures performed			
S/N	Name, Current Role(s), Company	Request date	Response date
1	Mr. Sebastien Collart, Partner of 100 Legal	9 May 2024	22 May 2024
2	Dr. Lars Ake Alvar Lidgren, Chairman and Board member of Moroxite T and MA	9 May 2024	13 May 2024
3	Mr. Bruno Odermatt, Partner of Value Solutions	9 May 2024	27 May 2024
4	Mr. Saynam Foo, Partner of W Capital	9 May 2024	13 May 2024
5	Mr. Low Wee Siong, Partner of WongP	9 May 2024	3 June 2024
6	Mr. Kristofer Skantze, CEO of Xer	9 May 2024	13 May 2024
7	Mr. Dan Brostrom, Former ED and Former Executive Chairman of RIH	10 May 2024	15 May 2024

¹³ In the context of our work, the Maxwellisation procedures refer to the process whereby individuals whom we have quoted in this executive summary and report are given the opportunity to read the relevant sections of the report, comment, correct and confirm the information attributed to them and on the way in which the information is presented.

Table 3: Maxwellisation procedures performed			
S/N	Name, Current Role(s), Company	Request date	Response date
8	Mr. Sin Boon Ann, Former Lead Independent Non-ED, Former AC Member, RIH	10 May 2024	27 May 2024
9	Ms. Heng Su-Ling Mae, Independent Non-ED, AC Chairman, RIH	10 May 2024	10 May 2024
10	Ms. Mok Lai Siong, Chief Communications Officer, RIH	10 May 2024	10 May 2024
11	Mr. Per Lind, CFO, RIH	14 May 2024	29 May 2024
12	Mr. John Gerard Nicholas d'Abo, Executive Chairman, AC member, RIH	14 May 2024	17 May 2024
13	Dr. Mathias Lars Ove Lidgren, Non-Independent Non-ED, RIH Former Director, Moroxite T	14 May 2024	16 May 2024
14	Mr. Maans Nicklas Lidgren, CEO, RIH	14 May 2024	29 May 2024
15	Ms. Melissa Kwek, Head of Legal, RIH	14 May 2024	14 May 2024
16	Ms. Lixian Wu, Financial Controller, RIH	14 May 2024	15 May 2024
17	Dr. Mathias Mathias Lars Ove Lidgren, Non-Independent Non-ED, RIH Former Director, Moroxite T	12 March 2025	13 March 2025
18	Mr. John Gerard Nicholas d'Abo, Executive Chairman, AC member, RIH	12 March 2025	13 March 2025
19	Mr. Sin Boon Ann, Former Lead Independent Non-ED, Former AC Member, RIH	13 March 2025	13 March 2025
20	Ms. Heng Su-Ling Mae, Independent Non-ED, AC Chairman, RIH	13 March 2025	14 March 2025
21	Mr. Maans Nicklas Lidgren, CEO, RIH	12 March 2025	14 March 2025
22	Mr. Per Lind, CFO, RIH	12 March 2025	20 March 2025
23	Dr. Mathias Mathias Lars Ove Lidgren, Non-Independent Non-ED, RIH Former Director, Moroxite T	25 November 2025	25 November 2025
24	Mr. Per Lind, CFO, RIH	2 December 2025	6 December 2025

1.4 Limitations and Constraints

Specific limiting conditions and constraints

14. The Company has provided us with copies of minutes of BOD meetings, AC meetings, and related resolutions passed at these meetings which they considered relevant to the Two Acquisitions during the Review Period. Certain sections of the minutes of BOD meeting held on 9 November 2023 were redacted by the Company as they were deemed not relevant to the Two Acquisitions. We have not sighted nor obtained minutes and/or related resolutions passed other than those provided by the Company.
15. Where information/documents requested are not available upon our requests to the Company and/or relevant key stakeholders, we have sought representations from the respective parties to provide necessary insights and to help us establish the facts surrounding the Two Acquisitions, however these have not been subject to detailed verification procedures.
16. All electronic documents and communications referenced in this executive summary and report had been provided by relevant key stakeholders and were not independently obtained. The conduct of digital forensics procedures on computers or servers of the Company is outside our SOW. The conduct of such procedures may yield additional information, which may alter our findings.
17. Our SOW does not require us to carry out the role of an IFA to re-assess the terms of the Moroxite T acquisition. The expression of any opinion on the merits of the approach and methodology used in the IFA report, including assumptions, limitations, nature, and sources of information is outside our SOW.
18. Our SOW does not require us to carry out the role of a business valuer to re-assess the valuation of Moroxite T and Xer. The expression of any opinion on the merits of the approach and methodology used in the valuation report, including assumptions, limitations, nature, and sources of information is outside our SOW.
19. Our SOW does not require us to independently evaluate the assets and liabilities of the Company and/or its subsidiaries or the target companies. Instead, we have relied on the financial information/documents provided by the Company, along with the representations and interpretations made by relevant key stakeholders.
20. We are not experts or specialists in the unmanned aerial vehicle (“UAV”) or medical technology (“med-tech”) industries. Our analyses are limited to market data and other information provided by the Company at the time of our review.
21. We are not experts or specialists in the field of patents. Our determination of the respective patent application transfers and license to use rights is based on public information from various national patent office databases and information provided by the Company at the time of our review.
22. The expression of any opinion on the merits of the Two Acquisitions from a commercial or business perspective is outside our SOW.
23. All key findings, observations, and recommendations made in this executive summary and report are based on our understanding of the relevant SGX Listing Rules, laws, regulations, and/or guidelines applicable at the time of our review. Please note that our findings, observations, and recommendations

do not constitute any legal advice or opinion. We do not purport to have undertaken any comprehensive research on case law or conducted any legal analysis or review of the issues, for the purposes of this executive summary and report.

General limiting conditions and constraints

24. The SOW set out in this executive summary and report was tailored to meet the specific requirements of the engagement and does not amount to an audit or review conducted in accordance with generally accepted auditing standards, the objective of which is to express an opinion regarding the financial statements taken as a whole.
25. The SOW set out in this executive summary and report does not amount to an internal audit and shall not be relied upon as the primary basis for assessing the adequacy of the system of internal controls.
26. This executive summary and report have been prepared based on information, relevant electronic communications (i.e., emails), financial data and documents provided by the Company and relevant key stakeholders. We have also obtained information from corporate registry databases and public domain information sources. Given the nature of public domain information sources, we are unable to confirm the accuracy and/or completeness of the information obtained. We have, where necessary and feasible, conducted interviews with relevant key stakeholders of the Company to obtain, confirm or clarify information relevant to the Matter.
27. Unless expressly stated, the information contained in this executive summary and report has not been subject to detailed verification procedures. No representation is made by EY as to the accuracy or completeness of such information and nothing contained in this executive summary and report is or shall be construed as a representation of the future.
28. All key findings, observations and recommendations made for the purpose of this engagement are based on information and representations provided by the Company and relevant key stakeholders in connection with this review. We do not give any representation, warranty, indemnity or undertake expressly or impliedly to the accuracy or completeness of such information provided to and used by us in our engagement.
29. We wish to highlight that the relevant key stakeholders interviewed were not under oath. Hence, certain judgments would need to be exercised as to the credibility of the views and recollections of those interviewed.
30. Any executive summary and report issued by EY should not be used by the Company for any purpose other than that stated in our letter of engagement without our prior written consent. In the event that we provide written approval to the Company to use any of our executive summary and report for purposes other than that stated in our letter of engagement, we will need to approve the form and the context of such an executive summary and report to be released. In addition, we shall require an appropriate indemnity from the Company absolving EY from any liability or consequence arising from the release of such executive summary and report for purposes other than that specified above.
31. Neither the whole nor part of our executive summary and report, nor any reference thereto, may be circulated nor published in any way whatsoever, nor used for any other purpose other than that specified in the executive summary and report or our letter of engagement without our prior written consent pertaining to the form and context in which it appears. This executive summary and report should not be used by and/or disclosed to third parties. No

reliance should be placed by third parties on the executive summary and report for any purposes whatsoever and EY shall not be responsible to third parties who have acted on the information contained therein.

32. We reserve the right (but we are not under any obligation) to review, alter and amend our executive summary and report in the light of any matters not previously brought to our attention or as a result of new developments, which may or may not materially affect our opinion both prior to and subsequent to the date of this executive summary and report.
33. Unless otherwise indicated, amounts used in this executive summary and report are rounded to the nearest United States Dollar ("USD"). Where company documents have indicated amounts in currencies other than USD (i.e., Swedish Krona ("SEK"), Singapore Dollar ("SGD")) without providing the exchange rate, we converted them to USD using available daily rates related to each event or if no daily rates were available, we converted them to USD using the calculated average exchange rate (e.g., 0.75 USD/1 SGD for each event) based on rates published by the Monetary Authority of Singapore. The daily rates we have used are based on rates published by the Monetary Authority of Singapore and the Federal Reserve, the central bank of the United States of America ("USA").
34. For amounts indicated in million dollars, the amounts are rounded to the nearest USD 10,000. Due to rounding, there could be minor differences in the computed numbers.
35. No reliance should be placed on preliminary draft materials and/or draft version of our executive summary and report issued by us for discussion purposes and EY shall not be responsible to any parties who have placed reliance on such preliminary draft materials and/or draft versions of our executive summary and report.

1.5 Background Information of RIH

36. The core business activities of RIH comprise the sale of crude oil and working with several partners in the exploration, development, production, management and operation of oil concessions and licences ("Core Business"). The Company and its subsidiaries have interests in exploration and production licences in Oman, Norway, Benin and holds operatorships for oil fields in Oman and Benin.
37. RIH was originally co-founded by Dr. Karl (Non-Independent ED of RIH) and his brother, Mr. Hans. According to RIH's Financial Year ("FY") 2022 Annual Report, the brothers have been in oil exploration activities since the early 1980s. At the time of the Two Acquisitions, Dr. Karl and Mr. Hans were controlling shareholders with a collective 34.71%¹⁴ deemed interest in RIH held through Limea, in which Mr. Hans and Cresta each have a 50% shareholding interest respectively. Cresta is wholly owned by Dr. Karl.

The Lidgren family's credentials

38. We understand that RIH's controlling shareholders (i.e., Dr. Karl and Mr. Hans), and their brother, Dr. Lars, are seasoned entrepreneurs. According to ResearchGate, a professional network for scientists and researchers, Dr. Karl has published multiple articles on environmental science. According to Justia

¹⁴ According to RIH's announcement on 6 October 2023, Mr. Maans transferred his 14,241,464 shares (1.09%) in RIH to Cresta, increasing the collective deemed interest of Dr. Karl and Mr. Hans in RIH to 35.8%.

Patents, a US website specialising in legal information retrieval, Mr. Hans has published multiple patented inventions in the field of electrical engineering. According to publicly available information and Moroxite T's website, Dr. Lars founded listed med-tech and healthcare companies like Bonesupport¹⁵, Scandimed (Biomet)¹⁶ and Safeture¹⁷. Dr. Mathias, son of Mr. Hans, is a Non-Independent Non-ED of RIH and a resident physician at the Department of Clinic Genetics¹⁸. According to PubMed, an official website of the USA government, Dr. Mathias has authored and co-authored numerous publications in medicine. According to RIH's FY2022 Annual Report, he also holds directorships in several companies across different industries in Sweden. A relationship map as of 30 December 2022 (the "Interested Party Relationship Map"), indicating the relationships of the Lidgren family with RIH, Xer and Moroxite T is attached as Appendix A.

Composition of BOD, AC and Senior Management

39. The BOD and AC of RIH during the Review Period comprised of:

Table 4: Composition of BOD and AC Members		
Name	Role(s)	Tenure in Role(s)
Mr. Dan Brostrom ¹⁹	Former ED and Former Chairman, Former AC Member	11 January 2013 to 25 April 2024
Dr. Karl Helge Tore Lidgren ²⁰	Former Non-Independent ED	1 May 2013 to 25 April 2024
Mr. Sin Boon Ann ²¹	Former Lead Independent Non-ED, Former AC Member	26 June 2013 to 25 April 2024
Dr. Christopher David Atkinson ("Dr. Christopher") ²²	Former Independent Non-ED	5 January 2015 to 25 April 2024
Ms. Heng Su-Ling Mae	Independent Non-ED, AC Chairman	4 May 2022 to present
Mr. John Gerard Nicholas d'Abo ²³	Executive Chairman, AC member	4 May 2022 to present

¹⁵ Dr. Lars founded Bonesupport in 2000 and Bonesupport was listed at NASDAQ Stockholm in 2017 (source: <https://www.bonesupport.com/en-eu/bonesupport/history/>).

¹⁶ Information extracted from Moroxite T's website, we are unable to identify publicly available websites providing historical and/or latest information on Scandimed (Biomet) (source: [About Us \(moroxitet.com\)](http://moroxitet.com))

¹⁷ Dr. Lars founded Safeture in 2009 and Safeture was listed at NASDAQ Stockholm in 2014 (source: <https://safeture.com/company-information/>).

¹⁸ Dr. Mathias's biography on the website of Lund University in Sweden (source: [Mathias Lidgren | Lund University](http://mathiaslidgren.lund.se)).

¹⁹ According to RIH's announcement on 27 March 2024, Mr. Dan would not be seeking re-election at the Annual General Meeting ("AGM") held on 25 April 2024 and planned to retire as an ED and Chairman and AC member of RIH upon conclusion of the AGM.

²⁰ According to RIH's announcement on 27 March 2024, Dr. Karl would not be seeking re-election at the AGM held on 25 April 2024 and planned to retire as an ED of RIH upon conclusion of the AGM.

²¹ According to RIH's announcement on 27 March 2024, Mr. Sin has resigned and will be stepping down as the Lead Independent Non-ED of the Company with effect from 25 April 2023. Concurrently, he will relinquish his position as a member of the AC.

²² According to RIH's announcement on 27 March 2024, Dr. Christopher would not be seeking re-election at the AGM held on 25 April 2024 and planned to retire as an Independent Non-ED upon conclusion of the AGM.

²³ Mr. John was appointed as an Independent Non-ED on 4 May 2022 and was designated as Executive Vice Chairman on 1 August 2023. Mr. John was re-designated as Executive Chairman and was appointed as a member of the AC on 25 April 2024.

Name	Role(s)	Tenure in Role(s)
Dr. Mathias Lars Ove Lidgren	Non-Independent Non-ED	4 May 2022 to present
Ms. Beverly Ann Smith ²⁴	Independent Non-ED	1 August 2023 to present
Mr. Pong Chen Yih ²⁵	Lead Independent Non-ED, AC Member	1 August 2023 to present

40. The management of RIH during the Review Period were:

Name	Role(s)	Tenure in Role(s)
Mr. Maans Nicklas Lidgren	CEO	1 August 2013 to present
Mr. Svein Kjellesvik ("Mr. Svein")	Chief Operating Officer	8 October 2015 to present
Mr. Per Lind	CFO	8 May 2014 to present
Mr. Kristofer Skantze	Chief Commercial Officer	8 October 2015 to 1 August 2023 ²⁶
Ms. Lina Berntsen	Chief Technology Officer	1 August 2013 to present
Ms. Mok Lai Siong	Chief Communications Officer	Unknown start date to present ²⁷

Business diversification strategy

41. On 26 April 2019, RIH obtained shareholders' approval at an Extraordinary General Meeting ("EGM") to diversify its Core Business into sustainable solutions for energy production and materials used in various industries ("Sustainable Solutions"), including but not limited to the packing and automotive industries (the "Diversification Mandate").
42. According to RIH's FY2022 Annual Report and reiterated during our walkthrough discussion with Mr. John, Mr. Dan and Mr. Per, RIH foresaw a global shift away from traditional fossil fuels into greener, renewable energy sources. With the volatility of oil prices and projected lower demand for crude oil, RIH began to explore alternative business opportunities unrelated to its Core Business, to reduce concentration risk in the oil and gas sector.

²⁴ Ms. Beverly Ann Smith had not been appointed to the BOD of RIH at the time of the Two Acquisitions. Our review indicates her involvement in the Two Acquisitions during the Review Period was limited to the voting and signing of Directors' Resolutions in Writing ("DRIWs") to release payments in the Two Acquisitions.

²⁵ Mr. Pong was appointed as an independent Non-ED on 1 August 2023. He was re-designated as Lead Independent Director and appointed as a member of the AC on 25 April 2024. Mr. Pong is also the Chief Operating Officer and a director of Novus Corporate Finance Pte. Ltd. ("Novus") since 18 August 2017. Novus was RIH's sponsor between 1 February 2019 and 7 March 2022. Mr. Pong had not been appointed to the BOD of RIH at the time of the Two Acquisitions. Our review indicates his involvement in the Two Acquisitions during the Review Period was limited to the voting and signing of DRIWs to release payments in the Two Acquisitions.

²⁶ Mr. Kristofer was appointed as Chief Operating Officer on 30 May 2013 and was re-designated as Chief Commercial Officer on 8 October 2015.

²⁷ Ms. Melissa informed us that Ms. Mok was previously the Group General Manager, IR & Comms from 1 August 2013 and was appointed as Chief Communications Officer in or around 2020.

43. RIH's FY2022 Annual Report further stated that moving forward, *"a more sustainable long-term business diversification strategy would be to invest in low-risk projects that have unicorn business potential that do not materially change the Company's business and risk profile, rather than compete with big energy firms on current renewable energy options like solar, wind and nuclear, which are capital intensive. The Management and Board will continue to be highly selective of other new business diversification projects going forward."*

RIH's approach to alternative investments for business diversification

44. RIH categorises alternative investments as small-scale investments unrelated to RIH's Core Business and entered for the purpose of business diversification. Such investments had been sourced by leveraging connections and could either be made as a part of the RIH's approved Diversification Mandate from 2019 (Sustainable Solutions) or under its broader diversification strategy. We were informed by RIH that the investment opportunities for the Two Acquisitions were introduced by Dr. Karl through his personal connections with the respective target companies.
45. RIH's Investment Management Policy was drafted with the intent to govern investments related to RIH's Core Business. The policy states that it is not applicable to follow-up investments (i.e., the Second Investment in Xer) and is not mandatory for alternative investments (i.e., the Moroxite T acquisition). Accordingly, RIH does not have formalised investment management policies and procedures to govern follow-up investments and alternative investments.
46. For alternative investments, the policy states *"the BOD can decide whether Policies are applicable (or not) in whole or in part"*. Mr. John, Ms. Mae and Mr. Sin confirmed that, at the time of the Moroxite T acquisition, from the BOD's perspective, the policy was not applicable. From the Management's perspective, Mr. Maans also confirmed that the policy did not apply to the Moroxite T acquisition.
47. Mr. Maans explained and as reflected in RIH's FY2022 Annual Report, Management was guided by a set of key criteria for screening and selection of viable alternative investments, which consists of:
- a. Early-stage startups with unicorn business potential;
 - b. Relatively small monetary value (i.e., compared to RIH's Net Tangible Assets ("NTA")) for a sizeable equity stake that would not materially change the risk profile of RIH, and
 - c. Ability for RIH to exercise majority control/influence over management, board, and strategy.
48. Investing in startup ventures carries uncertainties and risks, including those related to operations, business models, finances, and potential dilution of shares. Mr. John, Mr. Dan and Mr. Per informed us that the controlling shareholders, selected members of RIH's BOD and Management, including Mr. John, Mr. Dan and Mr. Per, have considerable experience and knowledge in private equity investments and that they were aware of the risks and opportunities of investing into early-stage startups.
49. When queried on RIH's mitigation strategies to address risks from investing in sectors outside its Core Business, Mr. Maans explained *"you face different problems, but essentially the problems are not that different"*, *"you would have to have a professional management team, have the right competencies...I think that we have that also, if you look at the board, it's very well-versed"*. As a way of mitigating risks, Mr. Per stated that *"the strategy is to negotiate terms where a majority of the funds were invested back into the business of the target companies to build value"*. We understand that acquisition funds were

invested back into the Two Acquisitions, with the exception of one payment (i.e., the “Additional Purchase Price” of SEK 15 million or (~ USD 1.44 million²⁸)) made by RIH to MA in the Moroxite T acquisition, on the milestone condition that one of the patents listed in the agreement is granted by either the European or US Patent Office.

50. We understand that Management had also taken the approach to allocate a limited sum of USD 4 million for each round of alternative investments and employed a milestone payment approach for the investment funds rather than a one-off payment. With its majority control in the Two Acquisitions, Management also had the ability to direct the use of capital.
51. In RIH’s response to SGX RegCo’s queries pertaining to Moroxite T dated 22 May 2023, RIH summarised its risk mitigation strategies as follows:

“[...] the Group has opted to mitigate the risks associated with the Proposed Acquisition by adopting an appropriate payment structure with appropriate representation on the target’s board of directors to have the appropriate level of oversight over the use of capital. The payment structure adopted in relation to the Proposed Acquisition, with a view to mitigating risks, is based on a payment structure pursuant to which (a) capital is generally paid out on the achievement of specified contractual milestones; (b) any other capital which is paid out and such payment is not dependent on the achievement of specified contractual milestones is paid into the target company itself. In this regard, the Group, shall on completion of the Proposed Acquisition, have board representation on the board of directors of the target company and hence appropriate oversight over the use of capital.”

First Investment in Xer

52. Xer is in the business of developing and producing market customisable heavy duty unmanned aerial system solutions. Xer was incorporated in Singapore on 8 June 2021 as a holding company for the assets of Xer Technologies AB (“Xer AB”), an entity which was incorporated in Sweden. Mr. Per informed us that this holding company was set up in Singapore to be geographically close to RIH for “*risk mitigation purposes*” and to facilitate a potential Initial Public Offering (“IPO”) listing in the future. Mr. John and Ms. Mae informed us that at the time of Xer’s incorporation, Mr. Dan was appointed by RIH as a nominee director of Xer to represent RIH’s forthcoming interest in Xer²⁹.
53. Prior to RIH’s investment, the shareholders of Xer were Cresta, Limea and Makli Invest AS (“Makli”) ³⁰. Mr. Per informed us that at the time of Xer’s incorporation in Singapore, these shareholders did not have a Singapore presence, and RIH was at an advanced stage of discussions to invest in Xer. As Singapore incorporated companies require at least one director who is a local resident of Singapore, Mr. Per informed us that RIH’s senior management at the time, including Mr. Dan, agreed to appoint Mr. Dan as the first director of Xer.
54. On 5 July 2021, RTI, a wholly owned subsidiary of RIH, entered into the conditional subscription agreement for 33,333 new ordinary shares in Xer at a consideration of USD 1 million (“First Investment in Xer”). The First Investment in Xer is RIH’s first alternative investment under its Diversification Mandate

²⁸ Based on the debit advice provided, RIH transferred the Additional Purchase Price to MA on 13 December 2023. The historical exchange rate for 13 December 2023 published on Federal Reserves was USD 1 = SEK 10.44.

²⁹ Mr. John and Ms. Mae informed us that this was based on their understanding. However, Mr. Dan’s appointment as a nominee director of Xer occurred before Mr. John and Ms. Mae joined the BOD of RIH.

³⁰ According to DRIW dated 1 July 2021 pertaining to the First Investment in Xer, Makli is 100% held by Mr. Svein, the Chief Operating Officer of RIH. He does not hold directorship in RIH, RTI or Xer.

from 2019. According to the Diversification Mandate, Xer's heavy-duty drones promote sustainable practices by replacing larger and heavier modes of transport, minimising environmental impact, and reducing CO₂ emissions.

55. Following the closing³¹ of the First Investment in Xer on 28 July 2021, RTI held 40% shareholding in Xer. In August 2021, RIH appointed two employees of RIH to key appointments in Xer. These include Mr. Kristofer as the CEO and Mr. Fredrik Brostrom³² as the Head of Business Development. We were further informed by RIH that Mr. Fredrik Brostrom's appointment to Xer was an intercompany service arrangement.³³ Mr. Erik Herlyn ("Mr. Erik") who was previously on a consultancy agreement with RIH was appointed as the CFO of Xer.
56. In 2022, Xer relocated its headquarters to Switzerland for strategical and operational reasons and established its subsidiary Xer Technologies AG ("Xer AG"), which acquired Xer AB's intellectual property and assets. According to the minutes of the BOD Meeting held on 12 August 2022, "*the strategy was to set up headquarters in Switzerland, which is a hub for UAV development with people with deep knowhow about UAVs that could be recruited*". RIH informed us that Xer AB was subsequently liquidated to avoid the costs and administrative burden of having two European offices. The liquidation of Xer AB has since been completed on 21 November 2024.

Alternative investment proposals and the Two Acquisitions

57. On 13 August 2022, a BOD meeting was convened for "Alternative Investments and Strategy" ("the Alternative Investment BOD Meeting") where the BOD explored three alternative investment proposals including:
- (a) Additional investment in Xer (i.e., Second Investment in Xer);
 - (b) Investment in Moroxite T, and
 - (c) "Gold" hydrogen (H₂) as an energy source.

While the first proposal was a follow-up investment in Xer, the other two proposals, Moroxite T and "Gold" hydrogen, were new opportunities sourced through connections.

58. On 30 December 2022, about five months after the Alternative Investment BOD meeting, RIH entered into the following transactions related to the first two proposals, which are discussed in the sections below:
- (a) The Second Investment in Xer, and
 - (b) The Moroxite T acquisition.

³¹ In the subscription agreement dated 5 July 2021 between RTI and Xer, "Closing" is defined as "the completion of the subscription by the Investor of the Subscription Shares (as defined below) pursuant to the issuance by the Company of the Subscription Shares", whereby the "Investor" refers to RTI, the "Company" refers to Xer, and "the Subscription Shares" refers to 33,333 shares in Xer. Closing takes place after the conditions precedent in the subscription agreement have been fulfilled or waived.

³² In RIH's FY2022 Annual Report, it was disclosed that "Mr Fredrik Broström, Business Development Manager, is the son of Executive Director, Mr Dan Broström".

³³ We have been informed by RIH that Mr. Fredrik Brostrom's salary is fully paid by RIH and there is no formal agreement in place for the intercompany service arrangement.

1.6 Second Investment in Xer

The second investment opportunity and due diligence process

59. In or around mid-2022, Xer sought to raise additional funding. Mr. Per and Mr. John informed us that RIH decided to take this opportunity to increase its shareholding from 40% to 53.33% and prevent a dilution of RIH's shareholding in Xer. RIH's objectives were to establish Xer as a subsidiary and to create additional value for RIH, by being the majority shareholder of Xer. Mr. Per informed us that as part of RIH's due diligence process, the Management and the BOD of RIH leveraged the presentations and investment memo prepared by Xer's management, namely Mr. Kristofer and Mr. Erik.
60. Based on the documents reviewed and information made available to us, the following due diligence activities were conducted:

Table 6: Due diligence activities conducted for the Second Investment in Xer	
Date	Due Diligence Activities
13 August 2022	<ul style="list-style-type: none"> ▶ At the Alternative Investment BOD meeting, Mr. Kristofer and Mr. Erik presented an update on Xer, including but not limited to Xer's key value proposition, progress regarding the achievement of milestones as set out in the first conditional subscription agreement, the prospective customers, growth strategy and financial planning. ▶ Members of the BOD deliberated upon the technical specifications of the X8 and X12 drone, the usage of additional funds, market positioning of Xer, company valuation, potential financing options and potential milestones for the additional investment. ▶ The BOD tasked the management to come back with an "<i>updated investment presentation</i>"³⁴.
Between August 2022 and September 2022	<ul style="list-style-type: none"> ▶ Mr. Per informed us that Mr. John successfully negotiated a lower pre-money valuation³⁵ of Xer, reducing it from USD 16 million to USD 14 million. Mr. John informed us that the discussions were conducted verbally between Mr. Kristofer and himself.
30 September 2022	<ul style="list-style-type: none"> ▶ Mr. Kristofer sent two attachments to Mr. Dan via email. These were an investment memo titled: "<i>Xer Investment Memo for Rex v1.7</i>" dated 30 September 2022 (hereby known as the "Xer Investment Memo") and an executive summary of the investment memo titled "<i>220930 Xer Capital Raise – exec summary for Rex</i>". ▶ Mr. Per and Mr. Kristofer informed us that the Xer Investment Memo was prepared by Xer's management team. The Xer Investment Memo outlined the financials of Xer, the financing and company valuation, including the intended use of proceeds, investment milestones for the Second Investment in Xer, clarifications on the unmanned aerial vehicle developments, Xer's data and asset value creation strategy and the organisation chart of Xer.

³⁴ This was the investment memo dated 30 September 2022.

³⁵ Pre-money valuation refers to the value ascribed to the company before receiving new capital for investors. Investors may use the pre-money valuation to determine their potential ownership stakes for the amount of money they may choose to invest in exchange for a certain ownership percentage. Given that pre-money valuation was USD 14 million, and investment was USD 4 million, RIH's shareholding in Xer would increase from 40% to 53.33% $((5.6 \text{ million} + 4 \text{ million}) / (14 \text{ million} + 4 \text{ million}) = 53.33\%)$.

Table 6: Due diligence activities conducted for the Second Investment in Xer	
Date	Due Diligence Activities
	<ul style="list-style-type: none"> ▶ The Xer Investment Memo also outlined the purported advances of Xer, including but not limited to completion of technical milestones set out in the first conditional subscription agreement, hardware strategy development and strategic clients³⁶ ready to commit to Xer's offering, which were cited as supporting the increase in pre-money valuation of Xer by approximately 40% from USD 10 million in 2021 to USD 14 million in 2022.
20 October 2022	<ul style="list-style-type: none"> ▶ Mr. Dan sent the Xer Investment Memo to the BOD. The BOD responded to Mr. Dan's email and provided inputs and/or raised questions which were responded to by Mr. John in the same email chain. ▶ Ms. Mae stated <i>"We will require the CFO's thoughts on this paper. Can Per confirm he has looked at the assumptions used in the Discounted cash flows in detail? Are they reasonable? On the surface, we cannot see if they are reasonable. Salaries appear high"</i> and this view was echoed by other members of the Board.
21 October 2022 to 23 October 2022	<ul style="list-style-type: none"> ▶ Following the BOD's instruction for Mr. Per's opinion on the valuation for Xer, we were provided email communications between Mr. Per and Mr. Erik discussing the budget and discounted cash flow ("DCF") calculation for Xer. ▶ The DCF prepared by Mr. Erik valued Xer at USD 32.08 million and Mr. Per informed us that that he <i>"considered the DCF prepared by Erik and took the view that it looked reasonable as can be under current circumstances"</i>. ▶ Further, following the BOD's instruction to look at the DCF model, Mr. Per also ran an alternative scenario with different assumptions and inputs for the DCF calculation, <i>"where the cash outflows for the development costs were included, acquisition costs removed, and revenue inflows and cost outflows related to the assumed revenue build up were looked at"</i>. ▶ Based on this alternative calculation, the valuation of Xer was calculated as USD 21.27 million, leading to a discount of approximately 34%. Mr. Per informed us that <i>"this was still a substantial discount and within a reasonable range of discounts for an early-stage investment"</i>.
23 October 2022	<ul style="list-style-type: none"> ▶ Mr. Dan sent an email to the BOD informing them that the CFO had looked at the DCF calculations and <i>"the DCF looks reasonable considering all the uncertainty that follow a start up like Xer. The salary levels for the three top managers areconsidered market rate for employees of their experience."</i>
18 November 2022	<ul style="list-style-type: none"> ▶ Mr. John sent in an email to Mr. Kristofer and Mr. Erik a list of hybrid drone companies in the market and requested for a discussion to understand how Xer would position itself in comparison to its competition and what would be Xer's unique selling point. ▶ Mr. John informed us that he and Mr. Kristofer had a face-to-face meeting to discuss this further.
14 December 2022 to 29 December 2022	<ul style="list-style-type: none"> ▶ We were provided email communications from 14 December 2022 to 29 December 2022 between Mr. Kristofer, Mr. Per, Mr. Maans and Ms. Rahayu Walijo³⁷ pertaining to the draft subscription agreement, draft shareholders' agreement, share price calculation, EGM documents and the certificate of corporate representative. Mr. Dan, Mr. Erik and Mr. Fredrik Brostrom were copied in these email communications.

³⁶ As outlined in the Xer Investment Memo, strategic clients included a leading infrastructure company in Sweden and a MOU with multinational technology and engineering group headquartered in Singapore.

³⁷ Ms. Rahayu Walijo is the senior office manager and has been working at RIH since December 2013.

Table 6: Due diligence activities conducted for the Second Investment in Xer	
Date	Due Diligence Activities
	<ul style="list-style-type: none"> ▶ On 26 December 2022, Mr. Dan sent in an email to Mr. Kristofer, suggestions in relation to the draft conditional subscription agreement and draft shareholders agreement pursuant to his discussion with Mr. John and Mr. Maans. The suggested changes were agreed to by Mr. Kristofer and he emailed Mr. Dan the amended documents.

61. Dr. Karl held majority shareholding in Xer through his interest in Limea and Cresta. Based on the meeting minutes and our review of the email communication provided to us, Dr. Karl attended the Alternative Investment BOD meeting and was copied in emails in relation to the Second Investment in Xer. However, the meeting minutes and email communication did not record him making statements nor providing views in relation to the Second Investment in Xer.

Approval by the BOD and AC

62. On 30 December 2022, the directors passed a resolution approving the Second Investment in Xer. The DRIW outlined the total shares to be subscribed, the total investment amount pursuant to the second conditional subscription agreement and the interested parties to the transaction. Dr. Karl and Mr. Dan disclosed their interests in the subject matter of the resolution in accordance with the Constitution of the Company and the CA. Dr. Karl and Mr. Dan abstained, while all other directors voted in favour and signed off on the DRIW. The DRIW provided explicit authority for “any one of the directors” of RTI³⁸ to “execute and deliver the Agreements and any relevant documents”.
63. On the same day, the AC Circular Resolution on the Second Investment in Xer was passed. Mr. Dan disclosed his interest in the subject matter of the resolution in accordance with the Constitution of the Company and the CA. Mr. Dan abstained, while all other AC members voted in favour and signed off on the DRIW.

The second conditional subscription agreement

64. On 30 December 2022, RTI entered into the second conditional subscription agreement with Xer to subscribe for 23,809 new ordinary shares representing an additional 13.33% stake in Xer, thereby increasing RTI’s shareholding in Xer from 40% to 53.33%. In return, RTI committed to inject total capital of up to USD 4 million, subject to the achievement of the following four milestones (in no particular order):

³⁸ Dr. Karl was not a director of RTI during the Review Period. Mr. Dan, who was a director of RTI at the time, was not explicitly excluded from the DRIW clause, which accorded RTI directors, including himself, explicit authority to “execute and deliver the Agreements and any relevant documents”.

Milestone	Description	Investment Amount (USD)
A: X8 Sales	Sales of 6 Xer UAVs. X8 should be available for order and shipped with acceptable delivery time.	1,000,000
B: Organisation	Organisational infrastructure in place including sales and marketing personnel to deal with every aspect of the planned growth of Xer in 2023.	1,000,000
C: Production	Assembly line in place capable of producing at least 20 drones in 2023.	1,000,000
D: Growth and Sales Plan	Develop and present a comprehensive strategic growth and sales plan covering 2023-2024, including the next UAV generation.	1,000,000

65. The agreement was signed by Mr. Per and Mr. Dan³⁹ in their capacities as directors of RTI and Xer respectively.
66. The closing date of the agreement (i.e., 30 January 2023) was defined as “*being a date no later than 20 (twenty) Business Days after the date of signing of this Agreement*”. The key closing conditions required Xer to fulfil the final milestone (revised)⁴⁰ in the first subscription agreement dated 5 July 2021 and the fulfilment of one of the milestones in the second conditional subscription agreement. Milestones B and C were required to be fulfilled in 2023 while there was no deadline for achieving Milestones A and D.

SGX Listing Rules – Chapter 9 IPTs

67. Dr. Karl and Mr. Hans were controlling shareholders of RIH through deemed interest in RIH, held through Limea and Cresta. After the completion of the First Investment in Xer, Cresta and Limea each held 42% and 15% of the shareholding interest in Xer. Consequently, Xer was deemed as an “*interested person*” because it was an “*associate*” of Dr. Karl and Mr. Hans pursuant to Rule 904(4) of the SGX Listing Rules. As such, the Second Investment in Xer, between RTI and Xer, was an IPT pursuant to Rule 904(5) of the SGX Listing Rules.
68. The total consideration of USD 4 million represented approximately 2.04% of the Group’s latest audited NTA (being USD 196.74 million) as of 31 December 2021, below the threshold of 3%. Therefore, an announcement in accordance with Rule 905 of the SGX Listing Rules was not required. Nevertheless, RIH elected to make an announcement.

Announcement pertaining to the Second Investment in Xer

69. On 30 December 2022, RIH released an announcement titled “*Rex To Invest Further Into Xer Technologies*”. The announcement outlined the details of the second conditional subscription agreement, the rationale of the acquisition and the status of the first conditional subscription agreement. It was stated that

³⁹ As the sole director of Xer at the time, Mr. Dan signed the subscription agreement on behalf of Xer.

⁴⁰ Mr. Per informed us that final milestone of the first subscription agreement was amended from sale of 4 drones to sale of 2 drones. Mr. Per stated that this was done owing to “*Xer’s need for working capital to continue product development and business development activities and to avoid shutdown or sale of company. As Xer was viewed as being on a positive trajectory in product and business development, Rex was agreeable to revise the milestone to enable the business to continue and to maintain its percentage ownership.*”

“the production and testing milestones, save for the sales milestone, had been achieved”. The interested parties to the transaction were also disclosed within the announcement.

SGX Listing Rules – Chapter 10 Significant Transactions

70. As with the First Investment in Xer, the Second Investment in Xer, as a follow-up investment, was an alternative investment within the scope of the approved Diversification Mandate in 2019. As such, it did not fall under the definition of a *“transaction”* which is not within the ordinary course of RIH’s business and was not subject to the requirements of Chapter 10 of SGX Listing Rules.

Key activities post signing of the second conditional subscription agreement

Lapse of the second conditional subscription agreement

71. As of the closing date of the second conditional subscription agreement, 30 January 2023, one of the conditions precedent to RTI’s obligations had not been fulfilled as none of the milestones set out in the second conditional subscription agreement had been met. Consequently, the second conditional subscription agreement could not proceed to closing and the agreement lapsed. However, on 14 November 2023 (i.e., ten months after closing), RTI and Xer entered into an addendum extending the closing date (refer to paragraph 78 for further details).

Appointment of directors

72. On 1 May 2023, Mr. John and Mr. Maans were appointed as directors of Xer. Mr. John informed us that they were appointed by RIH as nominee directors to represent RIH’s interests.

Presentation to the BOD on completion of Milestones B and C

73. On 11 August 2023, Xer’s management reported to the BOD the fulfilment of Milestones B and C as set out in the second conditional subscription agreement. Based on the meeting minutes, members of the BOD did not raise questions and payment for Milestones B and C were due.
74. Mr. Per informed us that at that time, RTI did not have an offshore bank account. Mr. Per informed us that *“Xer AG was in need of the funds for operations and the account could not be opened in time. RIH had funds in its offshore bank account and for tax optimisation⁴¹ purpose instead of transferring funds from RIH’s offshore bank account to RTI’s Singapore bank account for RTI to then transfer the funds out of Singapore to Xer AG’s Swiss bank account, it was decided that RIH would pay the Milestone B VC2⁴² payment directly to Xer AG from RIH’s offshore account.”* Mr. Per further stated that *“RIH’s bank in Luxembourg requires underlying transaction documents or evidence of the underlying transaction for every payment instruction, for compliance with AML*

⁴¹ We have not performed an independent assessment of the said tax optimisation benefits as it is outside of our SOW.

⁴² We understand based on walkthrough discussions that this refers to the Second Investment in Xer.

regulations. Since neither RIH nor Xer AG were parties to the Xer subscription agreement, the LA [loan] arrangement between RIH and Xer AG was viewed and intended as a straightforward approach for RIH to effect the Milestone B VC2 payment from RIH's Luxembourg bank account."

Loan extended to Xer AG

75. On 26 September 2023, RIH extended a loan of USD 1 million to Xer AG. Mr. Per informed us that this loan was provided with the original intention of converting it into payment for Milestone B. Mr. Per further stated that upon completion of the second conditional subscription agreement, and post-issuance of subscription shares, the intention was to convert the loan into a capital contribution by way of accounting entries⁴³ in the accounts of RIH, RTI, Xer and Xer AG.
76. The loan amount of USD 1 million was paid into the bank account of "Xer Technologies AG"⁴⁴ which matches the account name stated in the loan agreement. Mr. Dan signed off on both the original loan agreement and the subsequent amendments in his capacity as a director of RIH. The DRIW dated 30 December 2022 pertaining to the second conditional subscription agreement, authorised the directors of RTI to handle "any relevant documents" and act accordingly at their absolute discretion. Mr. Per informed us that this DRIW was relied on as authorisation for the signing of the original loan agreement and subsequent amendments. However, the DRIW did not provide explicit authority to authorise loans. The loan is not permissible under RIH's Cash Management Policy and may also potentially be a breach of section 163(2) of the CA, due to Dr. Karl's directorship in RIH and ownership in Xer (refer to section 1.8 for further details).
77. The aforementioned loan was extended under an amendment ("Amendment Nr. 2" dated 19 September 2023) to an original loan agreement between RIH and Xer AG dated 15 March 2023. The original loan agreement⁴⁵ was established for the same purpose of facilitating the bank transfer from RIH to Xer AG for the last milestone payment for the First Investment in Xer. Please refer to the table below for the details of the original loan agreement and the subsequent amendments:

Table 8: Details of the original loan agreements and subsequent amendments					
Loan Agreement	Date of loan agreement	Principal Amount	Drawdown Date	Maturity Date	Interest Rate
Original	15 March 2023	USD 1 million	Two business days from date of agreement	30 June 2023	<ul style="list-style-type: none"> ▶ No interest from the drawdown date to the maturity date ▶ In case of failure of amount payable by the maturity date, interest shall accrue on the overdue amount from

⁴³ This refers to adjusting entries in the books of RIH, RTI, Xer and Xer AG to convert the loan into a capital contribution into Xer AG. This intention was ultimately reversed on 19 December 2023, and no adjusting entries were passed in relation to the loan (refer to paragraph 79 for further details).

⁴⁴ Based on the debit advice of RIH's UBP account, USD 1 million was transferred to the bank account of "Xer Technologies AG" on 26 September 2023. The purpose of payment stated in the debit advice was "Loan".

⁴⁵ The original loan agreement dated 15 March 2023 falls outside our SOW.

Table 8: Details of the original loan agreements and subsequent amendments					
Loan Agreement	Date of loan agreement	Principal Amount	Drawdown Date	Maturity Date	Interest Rate
					due date up to date of actual payment at an interest rate equivalent to 15% per annum and compounded annually on 31 December.
Amendment Nr. 1	18 August 2023	<i>*No change from the original agreement</i>	<i>*No change from the original agreement</i>	30 September 2023	<i>*No change from the original agreement</i>
Amendment Nr. 2	19 September 2023	USD 2 million (increased by USD 1 million of the original loan agreement)	Five business days from date of agreement	31 December 2023	<i>*No change from the original agreement</i>

Addendum to the second conditional subscription agreement

78. On 14 November 2023, RTI and Xer entered into an addendum to extend the closing date of the second conditional subscription agreement to a date no later than one year after the date of signing the agreement i.e., 30 December 2023 and effective as of 1 January 2023. When questioned about this, Mr. Per informed us through a written reply that *“it was understood between the Parties that the agreement would continue to be valid and Rex would make the investment if Xer fulfilled the milestones. Between dates of 30 Jan 2023 and 14 November 2023, parties continued to be in discussions on the status of the milestones. Rex only noted that the agreement had technically lapsed pursuant to Cl. 3.3 during a meeting with EY on 10 November 2023. This was rectified by the addendum”*.

Ratifying loan resolution and release of payment for Milestone B

79. On 19 December 2023, in a reversal of the earlier intention to convert the loan into a milestone payment, the BOD passed a ratifying resolution⁴⁶ to approve the loan to Xer and approve a separate payment of USD 1 million to Xer AG on behalf of RTI for the fulfilment of Milestone B of the second conditional subscription agreement. Dr. Karl and Dr. Mathias abstained, while all other directors voted and signed off on the DRIW. Mr. Per informed us that *“instead of converting the loan into a capital contribution from RTI, the loan was repaid from Xer AG to RIH and recorded on RIH's books as a repayment of the loan”*.

⁴⁶ The DRIW outlined the details of the second conditional subscription agreement and loans of USD 2 million provided to Xer in relation to the last milestone payment of the first subscription agreement and Milestone B of the second subscription agreement. Further the DRIW stated that *“Xer Technologies AG will repay the loan of US \$2,000,000 (Two Million US Dollars) with maturity date 31 December 2023 to the Company once funds received from the above milestone payments”*.

80. On 28 December 2023, on behalf of RTI, the payment of USD 1 million for Milestone B of the second conditional subscription agreement was released from RIH's Luxembourg bank account into the bank account of "Xer Technologies AG"⁴⁷ which matches the account name stated in the DRIW. Mr. Per informed us that RTI did not have an offshore bank account, and the payment was structured in this way for tax optimization purposes and was treated as a quasi-equity transaction between RIH and RTI. Mr. Per further stated that the DRIW passed on 19 December 2023 was accepted by RIH's bank account for the purpose of the Milestone payment instruction. This approach had not been considered when they made the loan arrangement in September 2023, as Xer AG "was in urgent needs of funds to pay bills and there was an urgency to provide the funds. At that time the loan was a feasible approach to process the payment."

Issue of Shares

81. On 28 December 2023, pursuant to Clause 1(D) of the second conditional subscription agreement and post fulfilment of all conditions precedent, RTI was issued with subscription shares of Xer⁴⁸. RTI's shareholding in Xer subsequently increased from 40% to 53.33%, which made Xer a subsidiary of RIH.

Repayment of loan

82. On 3 January 2024, the loan of USD 1 million was repaid⁴⁹.

Release of payment for Milestone C

83. On 11 January 2024, subsequent to Xer's management update to the BOD on 11 August 2023 on the fulfilment of Milestone C, Xer issued a cash call request stating, "Xer has achieved Milestone C: Production of VC 2 investment and requesting payment of USD 1,000,000 from Rex to Xer". On the same day, pursuant to the second conditional subscription agreement, the BOD passed a DRIW approving the release of USD 1 million payment for Milestone C to Xer AG on behalf of RTI pertaining to Milestone C. The DRIW stated "The achievement of Milestone C VC2 was presented during the board meeting dated 11 August 2023 and the Executive Vice Chairman, John d'Abo, visited the office in Zurich on 1-2 November 2023 and viewed the production assembly facilities." Dr. Karl and Dr. Mathias abstained, while all other directors voted and signed off on the DRIW.

84. On 15 January 2024, on behalf of RTI, RIH made the payment of USD 1 million to Xer for Milestone C, into a bank account under the name of "Xer Technologies AG"⁵⁰ which matches the account name stated in the cash call document dated 11 January 2024.

Announcement pertaining to Xer becoming a subsidiary of RIH

⁴⁷ Based on the debit advice of RIH's UBP account, USD 1 million was transferred to the bank account of "Xer Technologies AG" on 28 December 2023. The purpose of payment stated in the debit advice was "Cash Call VC1". We understand that this was an error and should have instead been stated as "Milestone B VC2".

⁴⁸ Based on the share certificate dated 28 December 2023 and allotment of share information lodged with Accounting and Corporate Regulatory Authority ("ACRA") on 29 December 2023.

⁴⁹ Based on the e-banking payment order, USD 1 million was paid from Xer's UBS bank account to RIH's bank account. The reason for payment stated in the e-banking order was "Repayment of Loan 2 from Xer Technologies".

⁵⁰ Based on the debit advice of RIH's UBP account, USD 1 million was transferred to the bank account of "Xer Technologies AG" on 15 January 2024. The purpose of payment stated in the debit advice was "Subscription agreement".

85. On 28 February 2024, RIH released an announcement titled “*Announcement pursuant to Rule 706A of the Listing Rules*”. The announcement stated that “*Following the completion of the Acquisition and as at the date of this announcement, RTI owns 57,142 shares in Xer which represents an approximate 53% shareholding interest in Xer, making Xer a subsidiary of the Company.*”

1.7 Moroxite T acquisition

Company background

86. On 3 March 2020, MA was incorporated in Sweden as a med-tech company focused on developing therapies to revolutionise the existing treatment paradigms and providing innovative nano and micro technology-based platform for targeted drug delivery. MA had three separate business, namely, tumour and cancer therapy, bone regeneration and bone infection treatment. Between 2021 and 2022, each of these businesses were spun off to form independent companies i.e., Moroxite T, Moroxite F AB and Moroxite I AB respectively.
87. On 6 September 2021⁵¹, Moroxite T was incorporated in Sweden with a focus on developing a novel mixing system for the delivery of drugs to hinder tumour progression and to prevent metastasis⁵². Moroxite T’s website states the novelty of its technology “*lies in a protected carrier platform for cancer therapy using hydroxyapatite for local drug delivery [...] Moroxite T’s proprietary technology platform is well protected by patent and pending patent applications*”⁵³.
88. On 29 December 2022⁵⁴, MHPL was incorporated in Singapore with Rex International Investments Pte. Ltd. (“RII”) as its sole shareholder. RII is a wholly owned subsidiary of RIH, hence MHPL is an indirect wholly owned subsidiary of RIH. At the time of incorporation and the signing of the Original Agreement, Mr. Dan was the sole director of MHPL. Mr. Per stated that similar to the rationale for the setup of Xer in Singapore, RIH setup MHPL in Singapore as a holding company to acquire Moroxite T for “*risk mitigation*” purposes and to facilitate a “*spin-off [if] in the long term we want to do an IPO listing*”.

The Moroxite T acquisition opportunity and due diligence process

89. The opportunity to acquire Moroxite T was introduced by Dr. Karl, through his familial relationships with Dr. Lars. RIH’s FY2022 Annual Report profiled Moroxite T as “*a med-tech company that is developing a new drug delivery device or a combined pharma med-tech products [...], for which the global market opportunities are growing*” and “*the Company is of the view that the Moroxite T acquisition does not change the risk profile of the Company*”.
90. When queried on the due diligence exercises performed for the transaction, Mr. John stated that “*adequate due diligence on Moroxite was performed. [...] The due diligence [performed on the Moroxite T acquisition] was commensurate to the state of Moroxite T and the transaction amount.*” When asked to elaborate, Mr. John informed us, through a written reply that “*Moroxite T was a nascent entity (incorporated 6 September 2021) and at that stage was a startup in an early phase of product development. There was no trading record to review. There was therefore a comparatively small amount of due diligence*”.

⁵¹ The incorporation date is based on the Swedish Companies Registration Office (Bolagsverket) report extracted on 18 October 2023.

⁵² Metastasis refers to the development of secondary malignant growths at a distance from the primary site of cancer.

⁵³ Information extracted from Moroxite T’s website (source: <https://www.moroxitet.com/about-us/>).

⁵⁴ Information based on ACRA report dated 25 January 2024.

to be done. The due diligence and evaluation process for the Moroxite T investment centred around the size of the market bone cancer, any pending or soon to be lodged patents, who are the inventors and what are their track records and the terms of the investment [...] All this was discussed in detail during the board meetings in Sweden in August 2022, with the Moroxite T founders and team, and other Board meetings/ discussions [...] The total consideration of up to SEK 43.2 million (~ USD 4.12 million) represented approximately 2.1% of the Group's latest audited NTA [USD 196.74 million as of 31 December 2021]". 65% of the total investment amount would be paid to Moroxite T, which would be owned by Rex, and more than half of this amount would only be paid to Moroxite T upon achievement of milestones by Moroxite T. The amounts to be paid to Moroxite T were not based on a valuation of the business but on funding required by Moroxite T to continue its business operations".

91. We are further informed by Mr. John that "RIH does not have any written metric or guide to determine to what kind and how extensive due diligence exercises have to be for alternative investments based on investment amounts. The due diligence required is assessed and determined on a case by case basis depending on the investment. The investments are also subject to Board approval [...] various members of the Board are experienced in mergers and acquisition and start-up investments".
92. Based on the documents reviewed and information made available to us, the following due diligence activities were conducted:

Table 9: Due diligence activities conducted for the Moroxite T acquisition	
Date	Due Diligence Activities
Before 13 August 2022	<ul style="list-style-type: none"> Mr. Maans informed us that Management undertook checks on Moroxite T and its board members. He explained these checks included corporate information searches on publicly available information⁵⁵ (to understand the existence, ownership and board composition of Moroxite T), background searches on board members of Moroxite T and searches for adverse information. There was no documented evidence provided to verify that these checks had been conducted. No adverse information was identified during the checks we have conducted independently using publicly available information.
13 August 2022 (the Alternative Investment BOD Meeting)	<ul style="list-style-type: none"> Dr. Lars and Mr. Deepak Raina (researcher at Lund University) from Moroxite T conducted a business presentation to RIH⁵⁶. The content covered included Moroxite T's company background, members of the board, business model, market size of different cancer types, key developments, completed and ongoing studies, patent overview and planned development and research. Presentation slides indicated the product being developed by Moroxite T was to treat primary bone cancer and bone metastases (i.e., cancer cells spread from their original site to the bones) arising from other types of solid tumours such as breast cancer, prostate cancer, lung cancer and kidney cancer. The slides further stated that there were plans to evaluate the impact or effectiveness of the developed platform on other types of solid tumours. BOD raised questions and deliberated upon various matters including details of Moroxite T's product (i.e., targeted delivery system), current status of studies, timeline and cost of applications with the Food and Drug Administration ("FDA") federal agency in the US, investment budget of USD 4 million, potential sale of Moroxite T's product to big pharmaceutical companies during the

⁵⁵ Mr. Maans informed us that checks on corporate entity was conducted through [allabolag.se - Företagsinformation om alla Sveriges bolag](http://allabolag.se) and [Inkomstuppgifter och kreditinformation för privatpersoner, kändisar och företag - Merinfo.se](http://inkomstuppgifter.och.kreditinformation.för.privatpersoner.kändisar.och.företag-Merinfo.se), while checks on individuals were done through [LinkedIn](https://www.linkedin.com).

⁵⁶ According to the attendance record of the minutes of the Alternative Investment BOD Meeting provided, Moroxite T's team was represented by Dr. Lars, Mr. Fredrik Bjorn Lindberg ("Mr. Fredrik") and Dr. Deepak Raina. However, Dr. Lars informed us during the Maxwellisation procedure that Mr. Fredrik "was never present in any meetings or involved in any presentations with regard to the MTAB".

Table 9: Due diligence activities conducted for the Moroxite T acquisition	
Date	Due Diligence Activities
	<p>development phase, Moroxite T having no loan, obtaining a grant in Singapore for similar projects and compliance with IPT related SGX Listing Rules.</p> <ul style="list-style-type: none"> ▶ BOD gave Management the mandate to revert with a proposal detailing time to market, clinical tests timeline, use of funds and the FDA approval process.
15 September 2022 to 30 September 2022	<ul style="list-style-type: none"> ▶ On 15 September 2022, Mr. Per, Mr. Maans, Dr. Karl and Dr. Lars had a Teams meeting to follow up on matters arising from the Alternative Investment BOD Meeting. ▶ On 21 September 2022, Dr. Lars sent a cashflow forecast of Moroxite T to Mr. Maans. Dr. Lars informed us in his written reply to us that the cashflow forecast was derived by the Moroxite T team based on the working capital required by Moroxite T for the period from October 2022 to December 2025. ▶ On 30 September 2022, Mr. Maans forwarded this cashflow forecast to Mr. Per. Mr. Per informed us that he performed reasonability checks (based on his experience and knowledge as a CFO) on the costs projected in the cashflow forecast prepared by Moroxite T. There was no documented evidence provided to verify the above stated reasonability checks have been conducted.
After 15 September 2022	<ul style="list-style-type: none"> ▶ Mr. Per informed us that he reviewed the financial statement of Moroxite T. ▶ Dr. Mathias informed us that he reviewed the patents and was of the opinion that the patents were scientifically relevant, stood an acceptable chance of being granted and were owned by either Moroxite T or MA. Dr. Mathias verbally reported his findings to Management and the BOD. ▶ There was no documented evidence provided to verify the above represented activities had been conducted.
3 October 2022	<ul style="list-style-type: none"> ▶ Mr. Maans sent an email to Dr. Lars, copying Mr. Per and Dr. Karl, summarising the agreed terms for the proposed transaction. The email outlined that MHPL was to acquire Moroxite T at a total consideration of USD 4 million. His email also outlined other details of the transaction including the purchase price of SEK1 ("Purchase Price"), Additional Purchase Price royalty and profit-sharing arrangements, and adjusted profit-sharing arrangements if additional funding was required by Moroxite T.
9 November 2022	<ul style="list-style-type: none"> ▶ On 9 November 2022 at the BOD meeting, Management presented the proposal for the Moroxite T acquisition, outlining the shareholding post the transaction, up to USD 4 million of funding based on milestone conditions to be defined and finalised, royalty and profit-sharing arrangements for the product and licene sales, and the adjusted profit-sharing arrangements if additional funding was required by Moroxite T. ▶ Dr. Mathias prepared and briefed the BOD on two other slides that outlined risks and risk mitigating factors, market potential and regulatory pathway for the product of Moroxite T. The total addressable market for bone cancer treatment was projected at USD 1.2 billion in 2021 and USD 1.6 billion in 2028, which was the potential market for the product being developed by Moroxite T. ▶ Dr. Karl introduced Dr. Lars's corporate experience, and the current market value of companies started by Dr. Lars. As recorded in the minutes of meeting, the BOD and Management then had a discussion on various topics related to the acquisition, including timeline and costs for the development of Moroxite T's products, the timeline and costs for human trials, the potential need to further fund Moroxite T beyond the budgeted USD 4 million, the possibility of setting up a joint venture with other pharmaceutical companies, the risks associated with this transaction and the reasons for RIH entering into diversification which were addressed during the meeting.

Table 9: Due diligence activities conducted for the Moroxite T acquisition	
Date	Due Diligence Activities
	<ul style="list-style-type: none"> At the conclusion of the discussion, “<i>Mans informed the Chairman that Management was requesting approval-in-principle to move forward with the legal documentation and due diligence exercise. With no objection from the rest of the board members, the Chairman gave Management approval to proceed. Management would report on progress to the Board</i>”. From Management and the BOD’s perspective, Mr. John, Ms. Mae, Mr. Sin and Mr. Maans informed us that Management proceeded with legal documentation, and there was no additional or adverse finding identified in the due diligence exercises.
15 November 2022 to 21 December 2022	<ul style="list-style-type: none"> In relation to “<i>legal documentation</i>”, we were provided email communications from 23 November 2022 to 14 December 2022 between Mr. Per, Mr. Maans, Dr. Lars and Mr. Fredrik Heldqvist (the lawyer engaged by MA to assist in finalising the Original Agreement) pertaining to the draft Original Agreement and its annexes⁵⁷. On 15 December 2022, Mr. Per sent an email to 100 Legal, outlining the terms of the Moroxite T acquisition, to seek their assistance in the finalisation of the Original Agreement. The invoice issued by 100 Legal dated 31 January 2023, indicated the service period was from 16 November 2022 to 21 December 2022.
13 December 2022	<ul style="list-style-type: none"> On 13 December 2022, in an email to all BOD members, copying Mr. Maans and Mr. Per, Mr. Dan sent the agenda items for the Teams meeting to be held on 15 December 2022. One of the six agenda items was “<i>Moroxite transaction</i>”. Mr. Per and Mr. Maans informed us that this meeting was not minuted. From the BOD’s perspective, Mr. John, Ms. Mae and Mr. Sin informed us that during this meeting, Management had reported to the BOD that they had finished the legal documentation, and approval was given on the terms of the transaction. Mr. John, Ms. Mae and Mr. Sin further informed us that no additional question was raised by the BOD during this meeting.
29 December 2022 to 30 December 2022	<ul style="list-style-type: none"> On 29 December 2022, the draft DRIW relating to the Moroxite T acquisition was distributed to the BOD for their approval, together with a request to use their respective digital signatures. On 30 December 2022, Ms. Mok shared in an email to the BOD, the SGX Listing Rules Chapter 9 and Chapter 10 workings⁵⁸ for the Moroxite T acquisition, and Mr. Per shared all annexes of the Original Agreement to the BOD. On 29 December 2022, the AC Circular Resolution relating to the Moroxite T acquisition was distributed to the AC for their approval, together with a request to use their respective digital signatures. On 30 December 2022, Mr. Sin replied to RIH’s Management requesting for confirmation from RH’s legal counsel that RIH had “<i>complied with the IPT rules of the SGX with respect to the proposed transaction</i>”. Mr. Per’s reply on the same date confirmed that “<i>Our legal counsel has reviewed the sale and purchase agreement and our corporate advisor Novus has reviewed⁵⁹ the announcement and compliance [of] the IPT rules</i>”.

⁵⁷ On 23 November 2022, Dr. Mathias was copied in an email sent from Mr. Maans to Dr. Lars which also copied Mr. Per. In the email, Mr. Maans sent a copy of the draft Original Agreement to Dr. Lars and listed the outstanding information and documents to be provided by MA. The email did not record involvement of Dr. Mathias in the negotiation. We have not observed Dr. Mathias being involved in other email communication between RIH and MA.

⁵⁸ We have not sighted the Chapter 9 and Chapter 10 workings attached to this email as the copy of the email provided to us in pdf did not have the attachments. However, we were provided with Chapter 9 and Chapter 10 workings for the relative figures computed and shared with SGX on 4 July 2023.

⁵⁹ In relation to Mr. Per’s statement, there was no documented evidence provided and/or information to support it, and we have not reached out to Novus for comments on this matter.

93. There was no documented evidence provided indicating that RIH or MA had attempted to derive an internal financial valuation figure for Moroxite T or produce a valuation report prior to entering into the Original Agreement. To explain this, Mr. Maans informed us that the Moroxite T acquisition was unique and that Management “*were not able to find any sort of comparable transactions that could fulfil our investment criteria*”. He further informed us that the market potential of Moroxite T’s product was discussed at the Alternative Investment BOD Meeting and if Moroxite T “*was to catch a fraction of that [market], that is going to be a very successful investment*”. Mr. Maans reiterated that RIH would be in control of Moroxite T’s business after the acquisition. From the BOD’s perspective, Mr. John, Ms. Mae and Mr. Sin similarly informed us that it was difficult to identify comparable entities due to the uniqueness of the novel mixing system being developed, as evidenced by the patent that was granted to Moroxite T following the transaction. Mr. Sin also informed us “*We understood what the potential for cancer treatment this would have meant and the market opportunities should it be successful. The initial investment was to help seed the start up to proceed*”.
94. Despite not having an internal financial valuation or external valuation report, the BOD was comfortable proceeding with the investment because they had “*considered the product being developed by Moroxite T, the status of patents, the inventors and management team and their track record and the terms of the investment. The Board also considered the size of the market vis-à-vis the investment amount [...] although there is a higher risk when investing in a start-up, based on the potential of the market [the total market size of breast, prostate, lung and kidney cancer was USD 101 billion], the potential returns were significant. Rex had the opportunity to acquire a large stake in an early start up with unicorn business potential that had a very seasoned team [...] At the time that the transaction was approved, Rex was effectively only committed to pay SEK 9,400,001 (SEK 1 purchase price to the seller and SEK 9,400,000 non-refundable deposit in the form of a capital contribution to Moroxite T) to secure the deal. The remainder of the investment would only be payable if Rex obtained shareholders’ approval and an independent valuation would be carried out for the purposes of obtaining such shareholders’ approval...*”
95. When queried on how the BOD got comfortable with entering the Moroxite T acquisition before a valuation report was obtained, Mr. John informed us that “*We [BOD] were all cognizant to the fact that once we were committing [USD] 1 million to get the company [Moroxite T] set up, [...] then we are going to shareholders for approval and we are going to have a valuation report and an independent financial advisor advises upon that [the Moroxite T acquisitions].*” RIH subsequently engaged Value Solutions, an independent valuer to conduct the valuation of Moroxite T and to prepare a valuation report, to be included as part of the circular to shareholders ahead of the EGM. More details are elaborated below.

Approval by the BOD and the AC

96. On 30 December 2022, the directors passed the resolution approving the Moroxite T acquisition. The DRIW outlined the total shares to be acquired, the total consideration pursuant to the Original Agreement, the royalty and profit-sharing arrangements, the interested parties to the transaction, the total amount of transactions in FY2022 and the future appointment of an IFA. Dr. Karl disclosed his interest in the subject matter of the resolution in accordance with the Constitution of RIH and the CA. Dr. Karl abstained, while all other directors voted in favour and signed off on the DRIW. The DRIW resolved and granted the director of MHPL (i.e., Mr. Dan as the sole director at the time of this DRIW) explicit authority to sign off on the agreement and “*any relevant documents*”.
97. On the same day, the AC Circular Resolution on the Moroxite T acquisition was passed. The AC Circular Resolution outlined the total shares to be acquired, the total consideration pursuant to the Original Agreement, the royalty and profit-sharing arrangements, the interested parties to the transaction together with the total amount of all transactions with those interested parties in FY2022, and the anticipated appointment of an IFA as required under Rule 921 of the SGX Listing Rules. All AC members voted in favour and signed off on the AC Circular Resolution.

Original Agreement

98. On 30 December 2022, MHPL, a wholly owned subsidiary of RIH, entered into a conditional share purchase agreement (the Original Agreement) with MA, the sole shareholder of Moroxite T, to acquire 100% of the shares in Moroxite T. At the time of the transaction, the total number of shares of Moroxite T was 1,000 with a total share capital of SEK 25,000 (~ USD 2,400)⁶⁰. The Original Agreement was signed by Dr. Lars on behalf of MA and Moroxite T, and by Mr. Dan in his capacity as director of MHPL. Key details of the Original Agreement are outlined below.

Payments and conditions

99. The Purchase Price for 1,000 shares was at a nominal consideration of SEK 1 (~ USD 0.1). MHPL also committed to make subsequent payments of up to SEK 43.2 million (~ USD 4.12 million) subject to the fulfilment of conditions as follows:

Table 10: Payment details and conditions of the Original Agreement				
Payment	Amount	Recipient	Conditions	Payment Due Date
Non-refundable capital contribution ("Capital Contribution")	SEK 9.4 million (~ USD 0.92 million ⁶¹)	Moroxite T	N/A	N/A
Additional Purchase Price	SEK 15 million (~ USD 1.44 million ⁶²)	MA	<ul style="list-style-type: none"> ▶ One of the patents listed in Annex 3.3.1 (Main Patents) is granted by either the European or US patent office, and ▶ The transaction contemplated by this Agreement is approved by the EGM of the Purchaser no later than 30 May 2023 as stated in section 6.1 of the Original Agreement. 	Within 30 Business Days following the fulfilment of the conditions
Subsequent Funding (First instalment)	SEK 9.4 million (~ USD 0.91 million ⁶³)	Moroxite T	<p>All the following five milestone conditions to be achieved by 31 December 2023:</p> <ul style="list-style-type: none"> ▶ PhD/dissertation presented and successfully defended based on the Company platform concept (i.e., patent portfolio); ▶ in vivo studies on the treatment of a bone tumour with an apatite-binding drug, with positive outcome, have been submitted for publication; 	

⁶⁰ The historical exchange rate on 30 December 2022 published by the Federal Reserves was USD 1 = SEK 10.42.

⁶¹ The USD amount is quoted from RII's bank statement for the period from 31 December 2022 to 31 January 2023. The exchange rate on 26 January 2023 was USD 1 = SEK 10.22.

⁶² Based on the debit advice, RIH transferred the Additional Purchase Price to MA on 13 December 2023. The historical exchange rate for 13 December 2023 published on Federal Reserves was USD 1 = SEK 10.44.

⁶³ The USD amount is quoted from RII's bank statement. The exchange rate on 15 January 2024 was USD 1 = SEK 10.29.

Table 10: Payment details and conditions of the Original Agreement				
Payment	Amount	Recipient	Conditions	Payment Due Date
			<ul style="list-style-type: none"> ▶ in vitro studies concluded for two (2) different tumour types showing positive outcome; ▶ market plan for the licensing of at least one tumour type has been established, and ▶ start of planning for the production of a closed system for mixing and delivering a cytostatic in a ceramic carrier. 	
Subsequent Funding (Second instalment)	SEK 9.4 million (~ USD 0.91 million)	Moroxite T	<p>All the following three milestone conditions to be achieved by 31 December 2024:</p> <ul style="list-style-type: none"> ▶ presentation of the legal process to understand how the European Union's Medical Device Regulation and FDA approval will be carried forward; ▶ start of external production or adjustment of the existing vacuum system by a CE approved producer, and ▶ development of a clinical trial protocol and ethical application in cooperation with a CRO and an oncology clinic for a preliminary pilot study for a local solid tumour or bone metastasis. 	
Total	SEK 43.2 million (~ USD 4.12 million)			

100. When queried by SGX RegCo on the rationale behind the Capital Contribution being non-refundable, RIH stated in its response dated 12 January 2023 that:

“The initial capital contribution is to be considered as a “non-refundable deposit”. Pursuant to the negotiations between MA and MHPL, the initial capital contribution was a condition set by MA to secure the transaction and to provide a form of security to MA that MHPL would proceed with the Acquisition”.

101. The Capital Contribution was paid to Moroxite T to provide funding so that Moroxite T could continue its business operations. In response to SGX RegCo's queries dated 22 May 2023, RIH further stated that *“The Capital Contribution was arrived at based on (a) MTAB's budget, and (b) the time reasonably estimated for the Group to obtain the requisite approval by its Shareholders [...] MAB also required the Group to provide some form of monetary goodwill and gesture in order for the transfer of the Sale Shares (and hence control over MTAB) to the Group (which as the Latest Practicable Date, has been transferred). Accordingly, the Capital Contribution (which is paid into MTAB itself, and not MAB) was deemed beneficial to both the Group and MAB”.*

Compensation

102. In addition to the Purchase Price and additional commitments mentioned above, the royalty and profit-sharing arrangements due to MA were covered in section 7 of the Original Agreement and are summarised as follows:

Table 11: Summary of the royalty and profit-sharing arrangements of the Original Agreement		
Compensation Type	% of sales	Terms of the compensation
Royalty on sales of products	5%	<ul style="list-style-type: none"> ▶ Until a Sale⁶⁴ takes place, MA shall receive from Moroxite T a 5% royalty on sales of products achieved by Moroxite T. ▶ Moroxite T shall procure that it will use its best efforts to sell the products at fair market price. ▶ For the avoidance of doubt, there is no 5 % royalty on licence sales if an IPO/Reverse Takeover (“RTO”) takes place, MA’s rights to royalty shall remain for 8 years (unless a Sale occurs) from the IPO/RTO, but at a rate of 3%.
Profit sharing on licence sales	40%	<ul style="list-style-type: none"> ▶ Until a Sale takes place or until an IPO and/or RTO of Moroxite T and unless section 7.2.4 of the Original Agreement applies, MA shall receive 40% of the profit on “any licence sales” by Moroxite T. Moroxite T shall procure that it will use its best efforts to sell licences at fair market price.
Profit sharing on “any sale of shares” by MHPL	50%	<ul style="list-style-type: none"> ▶ In the event of “any sale of Shares” by MHPL prior to an IPO and/or RTO of the Moroxite T and unless section 7.2.4 applies, MA shall receive 50% of the proceeds resulting from such sale.

IPO/RTO

103. Section 9 of the Original Agreement states that in case of an IPO or an RTO, MHPL undertakes to transfer shares to MA as follows:
- (a) 50% of MHPL’s shareholding in Moroxite T prior to the IPO/RTO, if the IPO/RTO is effective in 2023;
 - (b) 35.5% of MHPL’s shareholding in Moroxite T prior to the IPO/RTO, if the IPO/RTO is effective in 2024, and
 - (c) 25% of MHPL’s shareholding in Moroxite T prior to the IPO/RTO, if the IPO/RTO is effective from 1 January 2025 onwards.

MHPL’s shareholders’ approval of the Moroxite T acquisition at EGM

104. The Original Agreement required MHPL to obtain shareholders’ approval of the Moroxite T acquisition at an EGM. Section 6.1 of the Original Agreement states that “*The transaction contemplated by this Agreement shall be approved by the extraordinary general meeting of the Purchaser [MHPL] no later than May 30, 2023*”. Section 6.2 of the Original Agreement states “*In the event that the transaction contemplated by this Agreement has not been approved by the extraordinary general meeting...this Agreement shall be automatically terminated. The Purchase [MHPL] shall transfer back the Shares to the Seller [MA] and the Seller [MA] shall accept this transfer by paying back to the Purchase [MHPL] the Purchase Price...however, the Capital Contribution shall be kept by the Company [Moroxite T] and, thus, indirectly be transferred to the Seller*”.

Actions and deliveries by MHPL and MA

105. On 22 December 2022, MA had a general meeting to approve the transfer of all shares in Moroxite T to RIH and for Dr. Lars to sign the Original Agreement with RIH on behalf of MA. The minutes for this general meeting recorded all 11 shareholders of MA had signed.

⁶⁴ As defined in the Annex 1: Definitions of the Original Agreement, “Sale” refers to “The sale, transfer or other disposal of the shares that result in a change of control in respect of Moroxite T or the sale, transfer or other disposal of all or substantially all of Moroxite T’s assets. An IPO and/or an RTO shall not be considered as a Sale”.

106. On 30 December 2022, in an email from Mr. Per to Dr. Lars copying Mr. Dan, Mr. Per asked Dr. Lars to “*please confirm payment of SEK 1 considered received (Purchase Price), otherwise I can pay you cash next time we meet*”. Dr. Lars’s reply on the same date stated, “*Purchase Price 1 SEK considered [to have been] received*”. Mr. Per informed us that the Purchase Price was deemed paid in cash⁶⁵ due to high bank charges for international bank transfers.

SGX Listing Rules – Chapter 9 IPTs

107. Dr. Karl and Mr. Hans are controlling shareholders of RIH through deemed interest⁶⁶ in RIH, held through Limea and Cresta. MA is 39.6% held by Algora AB, which is owned by Dr. Lars⁶⁷, brother to Dr. Karl and Mr. Hans.
108. On account of the aforementioned relationships, MA is deemed as an “*interested person*” because it is an “*associate*” of Dr. Karl and Mr. Hans pursuant Rule 904(4) of the SGX Listing Rules. As such, the Moroxite T acquisition between MHPL and MA, is an IPT pursuant to Rule 904(5) of the SGX Listing Rules.
109. Based on RIH’s announcement on 30 December 2022, save for the Second Investment in Xer with a total consideration of USD 4 million⁶⁸, “*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 million⁶⁹, representing approximately 4.14% of the Group’s latest audited NTA [being USD 196.74 million] as at 31 December 2021”. As this exceeded the threshold of 3%, an announcement in accordance with Rule 905(1) of the SGX listing rules was required and was addressed in RIH’s announcement on 30 December 2022.

SGX Listing Rules – Chapter 10 Significant Transactions

110. The Moroxite T acquisition is not an alternative investment within the scope of the approved Diversification Mandate in 2019. Mr. Per confirmed this in his written reply and stated the transaction was an alternative investment as part of RIH’s general business diversification strategy to invest outside its Core Business.

⁶⁵ Based on our understanding, given the small amount, the parties (i.e., RIH and MA) agreed to deem the amount as duly paid although money was not transferred.

⁶⁶ As of 31 December 2022, the deemed interest of the controlling shareholders was collectively 34.71%. Based on RIH’s announcement on 6 October 2023, Mr. Maans transferred his 14,241,464 shares (1.09%) in RIH to Cresta. Hence, the deemed interest of Dr. Karl and Mr. Hans in RIH has increased to 35.8% after the transfer.

⁶⁷ Dr. Lars informed us in his written reply to us that he holds 55% shareholding of Algora AB, while the remaining 45% is held by his direct family members. We are unable to independently verify the shareholding percentage due to lack of publicly available information.

⁶⁸ RIH’s announcement for the Second Investment in Xer was released 47 minutes prior to the RIH’s announcement for the Moroxite T acquisition. Hence, the aggregated amount of IPTs for FY2022 disclosed in RIH’s announcement of the Moroxite T acquisition was the sum of the considerations of these two transactions.

⁶⁹ This excludes the royalty and profit-sharing arrangements outlined in the Original Agreement (refer to paragraph 102 for additional details).

111. Accordingly, the transaction is subject to the requirements of Chapter 10 as it falls under the definition of a “*transaction*” which is not within the ordinary course of RIH’s business (refer to Appendix B for our computations of the relative figures as set out in Rule 1006).
112. As all the relative figures computed amount to less than 5% each, the Moroxite T acquisition is classified as a “*non-disclosable transaction*” under Rule 1008(1). As such, RIH was not required to release an announcement pursuant to Chapter 10 of SGX Listing Rules. RIH informed us that the announcement of the Moroxite T acquisition on 30 December 2022 was not intended as a voluntary announcement under Rule 1008(2) but was made for the purposes of Rule 905(1) of the SGX listing rules (refer to paragraph 109).

Announcement pertaining to the Moroxite T acquisition

113. On 30 December 2022, RIH released an announcement titled “*Interested Person Transaction – Moroxite T AB*”. The announcement outlined the details of the Original Agreement, the calculations pertaining to Chapter 9 of the SGX Listing Rules, details of Moroxite T and the acquisition, the rationale of the acquisition, a statement from AC, the intention to appoint an IFA and convening of an EGM to seek shareholders’ approval. The interested parties to the transaction were also disclosed within the announcement.

Key activities post signing of the Original Agreement

Appointment of IFA

114. In its search for an IFA, RIH had reached out to Novus⁷⁰ for recommendations. Novus provided three IFA recommendations, W Capital and two other local vendors. At the time of the appointment of the IFA, Mr. Sin was a director of RIH, a Non-ED and a minority shareholder⁷¹ of W Capital.
115. On 10 January 2023, Ms. Mok sought a quotation from W Capital via email. On 11 January 2023 and 26 January 2023, Ms. Mok further sought quotations via emails from the two other vendors. However, the email communication provided to us indicated that both vendors declined to submit quotations, citing insufficient resource availability and a tight timeline as reasons to decline. On 31 January 2023, Ms. Mok, Mr. Per and Mr. Maans held a Teams meeting to discuss the appointment of the IFA. Ms. Mok informed us that Mr. Per gave verbal approval in this Teams meeting for her to proceed with W Capital as the IFA, as RIH was under time pressure to release the Circular to shareholders and obtain shareholders’ approval for the transaction. Mr. Dan was invited to the meeting, but he was unable to attend because he was travelling. On 1 February 2023, Mr. Saynam, Partner of W Capital, sent in an email to Ms. Mok, the final execution version of the engagement letter and stated in the same email Mr. Sin’s directorship and shareholding in W Capital “*for transparency and disclosure purposes*”. The engagement letter dated 1 February 2023 was signed on the same day by Mr. Per and Mr. Wayne Lee (Chairman and CEO of W Capital).
116. In his interview, Mr. Saynam informed us that Novus and Mr. Wayne Lee, had exchanged text messages on 29 December 2022 pertaining to the potential engagement of W Capital as the IFA and during these text messages, “*Mr. Sin’s involvement in Rex International [as a director] and W Capital [as a director and shareholder] was made clear*”. Mr. Saynam also informed us that subsequent to this on 29 December 2022, Mr. Wayne Lee “*actually informed Boon*

⁷⁰ Novus was RIH’s sponsor when RIH was listed on the Catalist Board between 1 February 2019 and 7 March 2022.

⁷¹ According to the ACRA report extracted on 9 October 2023, Mr. Sin held 1.58% shares of W Capital.

Ann of his communications [with Novus] and we [W Capital] will be keen to be pitching for this transaction [...] Boon Ann stated that he would also inform Rex in the event that W Capital actually pitched for this transaction [...] in terms of disclosing that he is also a director and minority shareholder [of W Capital].”

117. When queried on the measures taken by W Capital to ensure their independence, Mr Saynam stated that Mr. Sin is a Non-ED and is not involved in the management of W Capital’s business. He also stated that all discussions and negotiations in relation to the IFA engagement were held with RIH’s Management without the involvement of Mr. Sin. The IFA engagement was approved by Mr. Wayne Lee and himself.
118. We were provided an email sent from Ms. Mok to Mr. Maans and Mr. Per on 30 December 2022, copying Mr. Dan, stating that W Capital was recommended by Novus and *“Boon Ann is on their board or is their shareholder; [...] Novus had checked with W’s Chairman & CEO [...], who said Boon Ann would just disclose his interest”*.
119. Mr. Sin informed us that *“when Wayne raised the matter that they were working on a brief with Rex that I informed W Capital Markets of my interest as a director of the company and that I had nothing to do with the instructions to him”*.
120. On 1 February 2023, RIH appointed W Capital as the IFA. Mr. Per signed the engagement letter which was dated 1 February 2023. We noted that Mr. Sin was not a party to the email communications leading up to W Capital’s appointment.
121. On 16 February 2023, Mr. Sin disclosed in an email to Mr. Dan and Mr. Per, his interest in W Capital as a director and shareholder. He stated in the email that *“it has just come to my attention that Rex appointed W Capital Markets to act as advisor on the IPT in relation to the proposed transaction [...] For the purpose of governance, I shall recuse myself from all discussions and decisions relating to W Capital Markets work in the proposed transaction”*. He stated in the same email that he had confirmed he was not involved in the appointment process of W Capital.
122. On 20 February 2023, the directors passed a DRIW for the appointment of W Capital as the IFA. The DRIW outlined the Moroxite T acquisition, the interested parties and the appointment of W Capital. Dr. Karl, Dr. Mathias and Mr. Sin disclosed their interests in the subject matter of the resolution in accordance with the Constitution of RIH and the CA. Dr. Karl, Dr. Mathias and Mr. Sin abstained, while all other directors voted in favour and signed off on the DRIW.

Payment of Capital Contribution and share transfer from MA to MHPL

123. On 24 January 2023, RIH issued a payment instruction signed by Mr. Dan and Mr. Per, instructing the transfer of USD 1 million from RIH to RII USD account and for RII to convert this fund to *“SEK 9,400,000 for the capital contribution to Moroxite T AB following the investment decision by the Rex Group”*.
124. On 26 January 2023, RII paid the Capital Contribution of SEK 9.4 million (~ USD 0.92 million⁷²) to Moroxite T. We were provided the payment instruction signed by Mr. Dan and Mr. Per on 24 January 2023 to instruct RII to transfer the payment, RII’s bank statement and debit advice and Moroxite T’s inbound advice. We have confirmed Moroxite T’s bank account details on the payment instruction to be consistent with the account details on RII’s debit advice and on the inbound advice.

⁷² The USD amount is quoted from RII’s bank statement for the period from 31 December 2022 to 31 January 2023. The exchange rate on 26 January 2023 was USD 1 = SEK 10.22.

125. On 31 January 2023, under the terms of the Original Agreement, all shares of Moroxite T (i.e., 1,000 shares) were transferred from MA to MHPL. This was reflected in a copy of the share register we received, which was last updated on 28 July 2023 and signed by Dr. Lars and Mr. Semmy Rulf (“Mr. Semmy”) of Moroxite T⁷³.

Appointment of independent valuer

126. On 26 January 2023, Mr. Kristofer requested in an email to Value Solutions, a quotation for the valuation services for Moroxite T. Mr. Kristofer informed us that Mr. Maans had instructed him to reach out to Value Solutions for the valuation. On the same day, following a call between W Capital and Ms. Mok, W Capital recommended in an email to Ms. Mok, two other Singapore based valuers for RIH.
127. On 30 January 2023, Ms. Mok in an email to Mr. Maans and Mr. Per copying Mr. Dan, queried on whether she should request quotations from the two local valuers recommended by W Capital. Ms. Mok informed us that on 31 January 2023, she was advised during a Teams meeting with Mr. Maans and Mr. Per that Value Solutions had been selected as the valuer. As such, she did not contact the two Singapore based valuers for quotations.
128. When queried on whether Management had considered other valuers, Mr. Maans and Mr. Per explained that RIH had worked with Value Solutions on a prior engagement and found them to be an experienced team. They were able to commence work without delay, were able to work with the IFA and offered a competitive fee. Mr. Per further explained that it was difficult to find a valuer willing to work with an IFA and “[...] we are under time pressure to get the Circular out before the deadline in the Sales and Purchase Agreement”.
129. On 7 February 2023, W Capital, Value Solutions, Ms. Mok, Mr. Kristofer and Mr. Maans had a Teams meeting. Mr. Saynam informed us that in the meeting on 7 February 2023, they discussed the background, team structure and track record of Value Solutions. Mr. Saynam also informed us that they were comfortable with the appointment of Value Solutions as the valuer given their stated track record and credentials in their presentation.
130. On 22 February 2023, the directors passed a DRIW for the appointment of Value Solutions as the valuer. The DRIW outlined the Moroxite T acquisition, its interested parties and the appointment of Value Solutions. Dr. Karl and Dr. Mathias disclosed their interest in the subject matter of the resolution in accordance with the Constitution of RIH and the CA. Dr. Karl and Dr. Mathias abstained, while all other directors voted in favour and signed off on the DRIW.
131. On 22 February 2023, RIH appointed Value Solutions as the valuer. Mr. Per signed the engagement letter which was dated 20 February 2023.

Election of the board of directors of Moroxite T

132. On 7 March 2023, Moroxite T held an AGM and the five board members of Moroxite T were re-elected. The minutes of this meeting indicated that MHPL was the sole shareholder of Moroxite T and Mr. Dan had signed the meeting minutes on behalf of MHPL.

⁷³ According to the Swedish Companies Registration Office website, we understand that Swedish private companies are not required to report changes in shareholders or shareholding to the Swedish Companies Registration Office, and they are only required to list down such changes in their share register. We also note there is no publicly available website providing historical and latest information on the shareholding of Swedish private companies. Therefore, we have relied on the presentation in the share register of Moroxite T signed by Dr. Lars and Mr. Semmy of Moroxite T.

Valuation report

133. On 14 April 2023, Value Solutions issued their valuation report on Moroxite T. They also issued a separate standalone summary of the valuation report, which was submitted on 5 May 2023 by WongP to SGX-ST, as an appendix to the draft Circular.
134. The valuation considered several profit-split mechanisms such as royalty on the sale of products, profit sharing on “*any sale of shares*” by MHPL, and profit sharing on IPO/RTO. However, it does not include profit sharing on licence sales, as it was explained in the valuation report that there was no licence sales budgeted in the business plan provided by Moroxite T (refer to Table 11 for compensation details under the Original Agreement).
135. Value Solutions stated in their report that “*we are of the opinion that the Market Value of 100% equity interest in the capital of the Target as at Valuation Date, subject to the assumption stated herein, is in the region of USD 10.8 million to USD 15.8 million*”. Based on terms of the Original Agreement, the valuation range of USD 10.8 million to USD 15.8 million exceeds the total consideration of SEK 43.2 million (~ USD 4.12 million) for the Moroxite T acquisition.
136. The valuation report stated that the market value of 100% equity interest in the capital of Moroxite T was subject to the assumptions stated in the valuation report. We noted from one of the assumptions stated in the valuation report that “*The balanced business plan indicated a financing gap of about USD 6.8 million. The Group [RIH] committed themselves to a cash injection of total USD 2.8 million [the aggregate amount of the Capital Contribution and the two instalments of Subsequent Funding from the Original Agreement]. We [Value Solutions] assumed the missing USD 4 million would be covered by the Group [RIH], third-party investors or with venture loans.*”

IFA opinion pertaining to the Moroxite T acquisition

137. On 5 May 2023, W Capital issued their draft IFA report. The draft IFA report stated that “*we [W Capital] are of the view that the Proposed Acquisition [the Moroxite T acquisition], being an Interested Person Transaction, is on normal commercial terms and is not prejudicial to the interest of the Company and its Independent Shareholders; Accordingly, we advise the Non-Interested Directors and Audit Committee to recommend to the Independent Shareholders to vote in favour of the Proposed Acquisition.*”.
138. The minutes of AC meetings and BOD meetings did not record discussions among the AC members and BOD members regarding this draft IFA report. We noted that Mr. Dan (Executive Chairman and AC member) was in the email communications dated 16 March and 5 May 2023, provided by Ms. Mok, related to the drafting of the Circular, which included the draft IFA report as an attachment.

Preparation of the circular for the EGM

139. Under the Original Agreement, MHPL was required to obtain shareholders’ approval on the Moroxite T acquisition at an EGM by 30 May 2023. A circular had to be issued to shareholders (“Circular”) ahead of the EGM. Ms. Mok stated in her written reply to us that she was in charge of coordinating the preparation of the Circular to be submitted to SGX-ST for approval and subsequently to shareholders for the EGM. For the preparation of this Circular, RIH engaged three service providers as follows:
- (a) WongP, the External Legal Counsel to prepare the Circular;

- (b) W Capital, the IFA to prepare an IFA report, and
- (c) Value Solutions, Independent Valuer to prepare a valuation report of Moroxite T.

140. On 5 May 2023, WongP submitted the draft Circular to SGX-ST, which included resolutions on *“the proposed diversification of the group’s existing businesses to include the medical technology business”* and *“the proposed acquisition by Moroxite Holding Pte Ltd of the entire issued share capital of Moroxite T AB as an interested person transaction”*, along with three other proposed resolutions. The draft Circular was submitted together with the draft IFA report issued by W Capital, the summary of the valuation report issued by Value Solutions, and a compliance checklist dated 5 May 2023 and signed by Mr. Dan.

First addendum to the Original Agreement

141. On 11 May 2023, MHPL and MA entered into the first addendum to the Original Agreement, signed by Dr. Lars on behalf of MA, Moroxite T and Mr. Dan on behalf of MHPL. The only amendment in the first addendum was the extension of the long stop date for shareholders’ approval of the Moroxite T acquisition at an EGM from 30 May 2023 to 31 July 2023. On the same day, RIH released an announcement stating the extension of the long stop date and that a Circular will be published on SGXNet and on RIH’s website. Mr. Per advised that as the Circular was pending approval from SGX-ST, RIH could not convene the EGM before the original long stop date of 30 May 2023.

Termination of IFA

142. On 26 May 2023, SGX RegCo sent in an email to WongP, instructions for RIH to *“appoint a different Independent Financial Advisor (IFA) for the purposes of the circular”*. The email stated, *“We also require the Company [RIH] to seek approval from us on the new IFA to be appointed prior to the appointment of the new IFA.”* On that same day, WongP forwarded this email to Ms. Mok, copying Mr. Dan, Mr. Maans, Dr. Mathias, Mr. Per, Ms. Lixian and Mr. John. Subsequently, on 29 May 2023, RIH issued a termination letter to W Capital.
143. On 21 June 2023, upon RIH’s request to seek alternative IFAs, WongP approached two other firms on behalf of RIH. However, on 27 June 2023, WongP informed via email to Ms. Mok stating the two firms had declined to bid for the engagement.
144. Between 29 May 2023 and 16 July 2023, an email chain between WongP and SGX RegCo revealed that RIH considered renegotiating the transaction structure with MA so that the transaction value would be below the 5% threshold as set out in Rule 906 of the SGX Listing Rules and sought feedback from SGX RegCo on the proposed amendments/addendum to the Original Agreement. On 16 July 2023, SGX RegCo informed WongP that they were unable to comment on the proposed changes.
145. When queried on why Management decided to proceed to propose the amended structure following SGX RegCo’s response, Mr. Maans informed us *“on the basis of WongP’s assessment that the renegotiated transaction as notified to SGX did not require shareholders’ approval under Chapter 9 and Chapter 10 and SGX’s email dated 16 July 2023, the management took the view that the Company could proceed with the transaction and proposed as such to the*

*Board on 17 July 2023. The Board having considered the recommendation approved the transaction. At no time prior to the Board's approval was the management or the Board told expressly by the Company's advisors or SGX that the Company should not or could not proceed*⁷⁴.

Second addendum to the Original Agreement

146. On 28 July 2023, MHPL and MA entered into the second addendum to the Original Agreement, signed by Dr. Lars on behalf of MA and Moroxite T, and Mr. Dan on behalf of MHPL. In accordance with the second addendum, the parties agreed to amend the percentage of shares acquired by MHPL from 100% to 70%, refund 30% of the Purchase Price from MA to MHPL, remove the condition for approval by MHPL's shareholders and remove the royalty, profit-sharing arrangements and IPO/RTO related clauses. Mr. Per explained that as RIH was unable to identify an alternative IFA to W Capital and "we were under pressure by the deal we're about to lose, and the seller [MA] was not keen to extend [the deal] further", he proposed and negotiated "revisions to the original deal terms so as not to lose the deal and the USD 1 million deposit which had been paid".
147. While the second addendum eliminated the profit-split mechanisms, the valuation of Moroxite T was not revisited to reflect these changes. While detailed work to quantify the impact to the valuation is outside the scope of our review, it is probable that the valuation will increase on the basis that the cashflows adopted in the valuation computation will increase with the elimination of the profit-sharing and royalty arrangements. In the absence of an updated valuation from Value Solutions, simply pro-rating the original valuation for a reduced 70% equity interest in Moroxite T would indicate a valuation range of between USD 7.56 million to USD 11.06 million, which exceeds the total consideration of SEK 43.2 million (~USD 4.12 million) paid by RIH for the transaction.
148. On the same day, RIH released an announcement outlining details of the second addendum, calculations pursuant to Chapter 9 of the SGX Listing Rules, a statement from the AC and the interested parties to the acquisition:

"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".

SGX Listing Rules – Chapter 9 IPTs

149. Following the second addendum, the total aggregate amount relating to the Moroxite T acquisition became fixed, i.e., the total consideration was set at SEK 43.2 million (~ USD 4.12 million), without royalty and profit-sharing arrangements. Accordingly, the aggregated value of all IPTs entered with Mr. Hans or Dr. Karl or their associates in the FY ended 31 December 2022 did not exceed 5% of the Group's audited NTA as of 31 December 2022, hence shareholders' approval was no longer required.

⁷⁴ WongP's reply to our written questionnaire states that their engagement in relation to the Moroxite T acquisition, as stated in the formal engagement letter, was limited to "(a) the drafting and preparation of the Circular in connection with the IPT and business diversification; (b) assisting in the preparation and/or review of all relevant announcements to be made by RIH; (c) liaising with the SGX in relation to their queries on the Circular; and (d) attending conference calls, meetings, discussions and/or shareholders' meeting in connection with the IPT and business diversification". WongP also stated that (a) its scope of services does not include the provision of advisory services regarding the Moroxite T acquisition itself (including the review and drafting of transaction documents such as the Original Agreement and the 1st addendum and 2nd addendum to the Original Agreement; (b) accordingly, WongP was not involved in the other components or stages of the Moroxite T acquisition; and (c) WongP carried out its scope of work based on information provided by RIH.

Shareholding in Moroxite T post the second addendum

150. As at 28 July 2023, the shareholders of Moroxite T their respective shareholding recorded in the share register maintained by Moroxite T⁷⁵ is as follows:

Name	No. of shares	Shareholding
MHPL	700	70%
MA	300	30%
Total	1,000	100%

Announcement pertaining to the completion of the acquisition

151. On 11 August 2023, RIH released an announcement titled “*Announcement pursuant to Rule 706A of the Listing Rules*”. The announcement outlined the details of the Original Agreement and the second addendum and the considerations to be paid to MA and Moroxite T, and stated that “*Pursuant to the Agreement, as amended by the Addendum, and the transfers of shares, Moroxite T has become a 70% subsidiary of the Group.*”

Updates presented to MHPL and RIH

152. Based on the board meeting minutes of RIH and MHPL after the signing of the Original Agreement on 30 December 2022, we noted that progress updates were presented by Moroxite T on a quarterly basis. In particular, we noted that presentations were made to MHPL at two board meetings on 4 May 2023 and 7 August 2023, and to RIH at six BOD meetings on 27 February 2023, 12 May 2023, 4 August 2023, 11 August 2023, 12 August 2023 and 9 November 2023.
153. The board meeting minutes showed that updates presented by Moroxite T covered the development of its product, newly hired management team members, office rental in Sweden, key suppliers identified for the components of its product, future animal testing and research plans, patents overview and newly filed patents in July 2023, market potential and attainable market share for bone cancer treatment, completed and ongoing studies, updates on the completion of the milestone conditions of the first instalment of Subsequent Funding and financial status (i.e., cash in bank, monthly burn rate and estimated new financing round).

⁷⁵ We understand there is no publicly available website providing historical and latest information on the shareholding of Swedish private companies (refer to footnote 73 for additional details). Therefore, we have relied on the share register provided by Moroxite T signed by Dr. Lars and Mr. Semmy for the company’s shareholding information.

154. We also noted the BOD had raised questions and deliberated on the updates presented by Moroxite T at all five of RIH's BOD meetings. The deliberations included approval for a group comprising of Mr. Maans, Mr. John and Mr. Pong to prepare a proposal on how to create value and raise additional funds for Moroxite T, the specifications of the product, a new patent application made in July 2023, the status and approximate timeline for the ongoing studies undertaken by Moroxite T, an estimated timeline of when Moroxite T would start to generate profit and the timeline to seek potential funding from third-party investors.

Payment of the Additional Purchase Price to MA

155. On 28 September 2023, one of the patents was successfully granted to Moroxite T by the European Patent Office and the condition for payment of the Additional Purchase Price was fulfilled. On 14 November 2023, MHPL and MA entered into an addendum to the Original Agreement. Dr. Lars signed on behalf of MA and Moroxite T and Mr. Dan signed on behalf of MHPL. This addendum extended the due date of the payment of Additional Purchase Price of SEK 15 million (~ USD 1.44 million⁷⁶) to MA from 30 business days to 50 business days. On 13 December 2023⁷⁷, (i.e. 3 business days after the due date), RIH paid the Additional Purchase Price of SEK 15 million to MA, pursuant to the completion of the condition (i.e., one patent being granted), as listed in section 3.3.1 of the Original Agreement. We received a DRIW dated 13 December 2023 passed by RIH's BOD approving this payment⁷⁸, a written payment instruction dated 13 December 2023 signed by Mr. Dan and Mr. Per, one written confirmation signed by CEO of Moroxite T pertaining to the granted patent, "Decision to Grant the Patent" issued by the European Patent Office, RIH's debit advice, extract of RIH's bank statement and MA's inbound advice. We confirmed MA's bank account details in the payment instruction to be consistent with the account details on RIH's debit advice and on MA's inbound advice.

Payment of the first instalment of subsequent funding to Moroxite T

156. On 15 January 2024, RIH paid the first instalment of the Subsequent Funding of SEK 9.4 million (~ USD 0.91 million⁷⁹) to Moroxite T, pursuant to the completion of five milestone conditions as listed in section 3.4.2 of the Original Agreement (refer to paragraph 99). We received a DRIW dated 15 January 2024 passed by RIH's BOD for this payment⁸⁰, a written payment instruction dated 15 January 2024 signed by Mr. John and Mr. Per, RIH's debit advice and bank statement, and supporting documents pertaining to the completion of the milestone conditions.
157. As of 15 January 2024, we noted the following payments made by RIH to MA and Moroxite T were in accordance with the terms in the Original Agreement:

⁷⁶ Based on the debit advice, RIH transferred the Additional Purchase Price to MA on 13 December 2023. The historical exchange rate for 13 December 2023 published on Federal Reserves was USD 1 = SEK 10.44.

⁷⁷ According to the revised terms of the addendum dated on 14 November 2023, the payment of the Additional Purchase Price was due on 8 December 2023 (i.e., 50 business days after the decision to grant patent issued by European Patent Office on 28 September 2023). While the actual payment was released to MA on 13 December 2023 (three business days after the due date), we did not note concerns raised by MA pertaining to the late payment of this Additional Purchase Price.

⁷⁸ Dr. Karl and Dr. Mathias abstained, and all other directors voted and signed off on the DRIW.

⁷⁹ The USD amount is quoted from RIH's bank statement. The exchange rate on 15 January 2024 was USD 1 = SEK 10.29.

⁸⁰ Dr. Karl and Dr. Mathias abstained, and all other directors voted and signed off on the DRIW.

Table 13: Details of payments in accordance with the Original Agreement			
Payment	Amount (SEK)	Payment Date	Recipient
Purchase Price	SEK 0.7 ⁸¹ (~ USD 0.1)	30 December 2022	MA
Capital Contribution	SEK 9.4 million (~ USD 0.92 million ⁸²)	26 January 2023	Moroxite T
Additional Purchase Price	SEK 15 million (~ USD 1.44 million ⁸³)	13 December 2023	MA
First Instalment of the Subsequent Funding	SEK 9.4 million (~ USD 0.91 million ⁸⁴)	15 January 2024	Moroxite T

Mr. Per confirmed in his written reply that as of 15 January 2024, no other payment has been made from RIH to MA or Moroxite T.

⁸¹ The balance of the Purchase Price of SEK 1 from MHPL to MA as pursuant to the Original Agreement and the return of SEK 0.3 from MA to MHPL as pursuant to the second addendum.

⁸² The USD amount is quoted from RII's bank statement for the period from 31 December 2022 to 31 January 2023. The exchange rate on 26 January 2023 was USD 1 = SEK 10.22.

⁸³ Based on the debit advice, RIH transferred the Additional Purchase Price to MA on 13 December 2023. The historical exchange rate for 13 December 2023 published on Federal Reserves was USD 1 = SEK 10.44.

⁸⁴ The USD amount is quoted from RII's bank statement. The exchange rate on 15 January 2024 was USD 1 = SEK 10.29.

1.8 Key Findings and Potential Breaches

158. This section sets out the key findings from our review of the Matter in accordance with our SOW. In addition, we have provided our proposed recommendations for RIH's consideration.

Key findings and recommendations - policies and procedures

159. We have identified the following key findings from our review of the Relevant Policies and from our understanding of RIH's internal controls environment:

Table 14: key findings and recommendations - policies and procedures		
Key Findings	Details	Recommendations
1. Policies and procedures to govern follow-up investments, and alternative investments have not been developed and formalised.	<p>RIH did not have formalised investment management policies and procedures governing follow-up investments and alternative investments, which would have been applicable to the Two Acquisitions under review.</p> <p>The current Investment Management Policy (version 3, dated 8 July 2022) which is intended to govern investments related to RIH's Core Business explicitly states at Clause 1 that it is "<i>not applicable for existing investments to which the Company is party to and follow-up investments to such investments [...] not mandatory for [...] alternative investment transactions involving the Company and its subsidiaries. For such transactions, the Board of Directors can decide whether Policies are applicable (or not) in whole or in part</i>".</p> <p>Based on Clause 1, the policy does not apply to the Second Investment in Xer and is not mandatory for the Moroxite T acquisition. Mr. John, Mr. Sin and Ms. Mae confirmed that, at the time of the Moroxite T acquisition, from the BOD's perspective, the policy was not applicable. Mr. Maans also confirmed the policy did not apply to the Moroxite T acquisition.</p>	Management should update its existing Investment Management Policy to establish policies and procedures that are appropriate for follow-up investments and alternative investments ⁸⁵ .

⁸⁵ As part of RIH's efforts to enhance internal controls and compliance to laws and regulations, we are informed that, on 10 December 2024, the BOD approved various updates to the Relevant Policies to enhance RIH's internal controls environment.

Table 14: key findings and recommendations - policies and procedures		
Key Findings	Details	Recommendations
2. The related parties/interested persons/key management personnel register was not updated.	<p>The Related Party Transaction Policy (version 3, dated 30 June 2022) contained key compliance requirements to comply with both the Singapore Financial Reporting Standards (International) and the SGX Listing Rules on related party transactions and IPTs.</p> <p>We understand the Company maintains one version of the related parties/interested persons/key management personnel register within the Related Party Transaction Policy and this version was last updated on 30 June 2022, which coincided with the last policy update.</p> <p>On 31 January 2024, we received a copy of the register updated as of 31 December 2023 following our request. Based on our review of the updated register for relationships relevant to the Two Acquisitions, we noted that Xer, a deemed interested person, and its relationship with Dr. Karl and Mr. Hans had not been updated in this register.</p>	<p>Management should ensure that the register containing the related parties/interested persons/key management personnel is reviewed and updated periodically (e.g., quarterly) as set out in the policy to ascertain adherence to relevant compliance requirements and to identify potential COI in a timely manner.</p> <p>Management should consider circulating the related parties/interested persons register as part of the directors' resolution pack each time it seeks a directors' resolution or approval under Rule 107 of its Constitution for acquisitions and IPTs to ensure conflicted persons abstain from the decision-making process.</p>
3. RIH did not obtain at least two quotations for valuation services in relation to the Moroxite T acquisition.	<p>According to Clause 4.2 of the Procurement Policy (version 3, dated 30 June 2022), for the procurement of value above SGD 2,000 (~ USD 1,489), "<i>where possible, there must be at least 2 (two) quotations for comparison and selection for the purchase</i>". The policy does not stipulate a process for the waiver of competition to handle exceptional situations.</p> <p>In relation to the Moroxite T acquisition, we were informed by RIH that the Company had not approached at least two valuers for quotations as RIH had already decided on Value Solutions. When queried on whether Management had considered other valuers, Mr. Maans and Mr. Per explained that RIH had worked with Value Solutions on a prior engagement and found them to be an experienced team. They were able to commence work without delay, were able to work with the IFA and offered a competitive fee. Mr. Per further explained that it was difficult to find a valuer willing to work with an IFA and "[...] we are under time pressure to get the Circular out before the deadline in the Sales and Purchase Agreement".</p>	<p>Management should implement more effective measures to check and validate that transactions entered into are compliant with its Procurement Policy.</p> <p>For instances where the stated procurement methods cannot be complied with, Management should consider defining the conditions and processes in which a documented waiver of competition could be obtained, prior to the procurement of the goods or services.</p>

Table 14: key findings and recommendations - policies and procedures		
Key Findings	Details	Recommendations
	<p>On 22 February 2023, Mr. Per signed the engagement letter with Value Solutions on behalf of RIH. We note that it is within Mr. Per's authorisation limits to approve the appointment of Value Solutions, as he can approve transaction values of up to SGD 50,000 (~ USD 37,230), according to the procurement authorisation matrix in Clause 4.2.3. But there was no documented waiver of competition provided for the exception to the two quotations requirement.</p> <p>Based on the above observations, the procurement of services from Value Solutions may potentially be non-compliant with the Procurement Policy.</p>	
<p>4. Joint approval by the relevant authorised personnel was not obtained for the IFA agreement with W Capital.</p>	<p>Clause 4.2.3, the procurement authorisation matrix, of the Procurement Policy states where the procurement value of a purchase is between SGD 50,001 and SGD 250,000, joint approval from the CEO (i.e., Mr. Maans) and the Executive Chairman (i.e., Mr. Dan) is required.</p> <p>In relation to the Moroxite T acquisition, we noted that evidence of a joint approval was lacking on the part of Mr. Dan, prior to the signing of the engagement letter with W Capital by Mr. Per on 1 February 2023. The total advisory fee for W Capital was SGD 75,000 (~ USD 55,845).</p> <p>We noted based on email communications dated 11 January 2023 and 26 January 2023 that Ms. Mok had also sought quotations from two other IFA vendors recommended by Novus. However, both vendors declined to submit quotations citing insufficient resource availability and a tight timeline.</p> <p>Ms. Mok informed us that the decision to appoint W Capital as the IFA for the Moroxite T acquisition was discussed in the Teams call on 31 January 2023, between Mr. Maans, Mr. Per and herself, and that Mr. Per had verbally instructed her during the call to proceed with the appointment of W Capital due to the time pressure to release the Circular to shareholders. Mr. Dan was invited to the call but had excused himself as he was travelling.</p>	<p>Management should ensure appropriate documented approval by relevant authorised personnel is obtained in accordance with the policy, before contracting with vendors.</p>

Table 14: key findings and recommendations - policies and procedures		
Key Findings	Details	Recommendations
	<p>While Mr Maans was present on the Teams call, there was no documented evidence provided of Mr. Dan’s approval nor his delegation of authority to Mr. Per to engage W Capital as the IFA. Nevertheless, based on email communications regarding the IFA for the Moroxite T acquisition, we recognise that Mr. Maans and Mr. Dan were aware of the circumstances surrounding the sourcing of the IFA and they did not raise questions on the appointment of W Capital. The decision to appoint W Capital was subsequently approved by a DRIW passed by the BOD on 20 February 2023. Mr. Sin, Dr. Karl and Dr. Mathias abstained from voting due to their interest in the subject matter of the resolution, while all other directors, including Mr. Dan, voted in favour and signed off on the DRIW.</p> <p>Based on the above observations, the appointment of W Capital may potentially be non-compliant with the Procurement Policy.</p>	
<p>5. Existing policies and procedures did not consistently define and/or accurately represent the roles and responsibilities, authorisation levels and limits, of key personnel.</p>	<p><u>Roles and responsibilities</u></p> <p>We noted that roles and responsibilities of the key personnel in the management and distribution of the Relevant Policies were not consistently defined in the following policies:</p> <ul style="list-style-type: none"> ▶ Investment Management Policy ▶ Related Party Transactions Policy ▶ BOD Policy ▶ IR & Comms Policy ▶ Cash Management Policy <p>In addition, we noted that the roles and responsibilities of the CFO and Financial Controller were not accurately represented in the current Cash Management Policy.</p> <p>Clause 3, which is the roles and responsibilities clause of the policy, states that the Financial Controller (i.e., Ms. Lixian) is responsible for monitoring compliance with the policy on a day-to-day basis, but it does not outline the specific duties required of the Financial Controller.</p>	<p>Management should update existing policies and procedures to include the following (where applicable):</p> <ul style="list-style-type: none"> ▶ The roles and responsibilities in relation to the management and distribution of the respective policy, and ▶ The authorisation levels and limits for roles and functions within RIH. <p>The Cash Management Policy should be updated to accurately reflect the roles and responsibilities of the Financial Controller, and to ensure consistency with the Financial Controller’s (i.e., Ms. Lixian) day-to-day responsibilities within the Company. The policy should outline that Ms. Lixian is responsible for monitoring compliance with the policy by ensuring all transactions are supported with relevant approvals and supporting documentation pursuant to the policy. In addition, the custodian of the policy and its roles and responsibilities should be defined to ensure compliance with the policies.</p>

Table 14: key findings and recommendations - policies and procedures		
Key Findings	Details	Recommendations
	<p>Ms. Lixian clarified that her responsibility, as it relates to monitoring compliance with the policy, is limited to ensuring all transactions are supported with the relevant approvals and supporting documentation, and nothing further.</p> <p>Clause 4.1, which is the compliance clause of the policy, further states "As a custodian of the Policy, the Financial Controller is responsible for ensuring that the cash management activities are compliant with the Policy". However, Ms. Lixian informed us that she was not the custodian of the policy, and that the responsibility lay with the CFO (i.e., Mr. Per). She further stated, "Effective since 1 September 2015, the preparers of the cash management policy (namely the CFO and CIO as evident on the last page of the Cash Management Policy) intentionally removed "Custodian of the Cash Management Policy" from Clause 3 (iii) Roles and Responsibilities of the Financial Controller, but failed to update Clause 4.1."</p> <p><u>Authorisation levels and limits</u></p> <p>We noted that authorisation levels and limits for key personnel were not clearly and consistently defined across all the Relevant Policies reviewed.</p> <p>For example, in Clause 3 of the Investment Management Policy, reference is only made to "management", for the responsibilities of sourcing and identification of investment opportunities, without specifying the authorised personnel for the investment decision-making process and the corresponding authorisation limits granted.</p>	
6. Process for entering IPTs has not been defined and formalised.	<p>The Related Party Transaction Policy contains key compliance requirements to comply with the SGX Listing Rules on IPTs.</p> <p>However, the process for entering into IPTs was not defined in the policy, to ensure approvals were obtained based on RIH's authorisation levels and limits before transacting, and that the transactions were dealt with on an arm's length basis.</p>	Management should update the Related Party Transaction Policy to define and formalise the process for entering into IPTs. For example, the policy should include clear guidelines and procedures that outline how IPTs are identified, evaluated, approved, and disclosed. Where guidelines on IPTs have been formalised in other

Table 14: key findings and recommendations - policies and procedures		
Key Findings	Details	Recommendations
		<p>policies, these should be included or referenced within the Related Party Transaction Policy for completeness.</p> <p>Approval should be obtained based on the Company's authorisation levels and limits before transacting and Management should ensure that transactions are conducted on an arm's length basis.</p>
7. Annual declarations by the BOD were filed after the due date stipulated in RIH's COI Policy.	<p>Clause 5, the procedure section of the COI Policy (version 3, dated 1 June 2021) states that "<i>all employees at the Managerial Level and above must make an annual declaration at the end of December each year</i>".</p> <p>Based on our review, the annual declarations made by the relevant key stakeholders for FY2022 and FY2023 were completed after the end of the respective FYs (i.e., after 31 December 2022 and 31 December 2023) in January and February of the following FY.</p>	Management should ensure that the submission of the annual declarations is completed on a timely basis in accordance with the policy.

Key findings, potential breaches and recommendations - The Two Acquisitions

160. The table below sets out the details of key findings from our review of the Two Acquisitions. We have identified the following potential breaches of the CA and Securities and Futures Act 2001 ("SFA") as well as the parties responsible. Whilst our review has identified certain areas of concern, we advise the BOD to seek professional legal advice on the same and take the necessary remedial action where necessary. In addition, we have provided suggested recommendations for RIH's consideration.

Table 15: Key findings, potential breaches and recommendations – the Two Acquisitions		
Key Findings	Details	Recommendations
1. Loan extended to Xer AG is non-compliant to the Cash Management Policy of RIH and may potentially be in breach of	On 11 August 2023, a presentation was made to the BOD, by the management of Xer on their achievement of milestones B and C as set out in the second conditional subscription agreement. Under the terms of the agreement, Xer would have been entitled to receive the milestone payments once the second conditional subscription agreement had proceeded to closing. The agreement eventually closed on 28 December 2023.	<p>Management should designate appropriate roles and responsibilities to ensure that the Cash Management Policy requirements as well as applicable laws and/or regulations are complied with in respect to the provisions of loans.</p> <p>Additionally, RIH should consider conducting a refresher training for its BOD and key management personnel on the Cash Management Policy. It should</p>

Table 15: Key findings, potential breaches and recommendations – the Two Acquisitions		
Key Findings	Details	Recommendations
section 163(2) of the CA.	<p>Following the presentation, on 26 September 2023, RIH extended a loan of USD 1 million to Xer AG purportedly with the intention of converting it into payment for Milestone B once the second conditional subscription agreement proceeded to closing. However, Mr. Per informed us that <i>“instead of converting the loan into a capital contribution from RTI, the loan was repaid from Xer AG to RIH and recorded on RIH’s books as a repayment of the loan”</i>. On 28 December 2023, the payment of USD 1 million for Milestone B of the second conditional subscription agreement was released and the agreement proceeded to closing. On 3 January 2024, the loan was repaid by Xer AG to RIH.</p> <p>Section 163(1) of the CA states <i>“it is not lawful for a company (other than an exempt private company) to make a loan or quasi loan to another company... if a director or directors of the first mentioned company is or together are interested in 20% or more of the total voting power in the other company..unless there is prior approval by the company in general meeting for the making of, provision for or entering into the loan, quasi loan... at which the interested director or directors, and his, her or their family members, abstained from voting</i></p> <p>Section 163 (2) of the CA states <i>“subsection (1) also applies to... a loan or quasi-loan made by a company (other than an exempt private company) to another company... where such other company... is incorporated or formed (as the case may be) outside Singapore, if a director or directors of the first mentioned company have an interest in the other company...”</i>. The exceptions to section 163(2) of the CA according to section 163(4)(a) are if the loan is given to <i>“a subsidiary or a holding company or a subsidiary of its holding company”</i>.</p> <p>At the time of the loan on 26 September 2023, the shareholders’ agreement in effect was the original shareholders’ agreement associated to the first conditional subscription agreement dated 28 July 2021. Clause 11 of the original shareholders’ agreement provides that <i>“the Board shall initially consist of a minimum of five (5) Directors. Rex shall be entitled to appoint or remove, as the case may be, two (2) Directors with no veto prerogative, to sit on the Company’s Board of</i></p>	also consider financial management training for key personnel involved in the Company’s cash management functions to ensure they are familiar with the relevant policies, laws and regulations concerning the provision of loans.

Table 15: Key findings, potential breaches and recommendations – the Two Acquisitions		
Key Findings	Details	Recommendations
	<p><i>Directors on Rex’s behalf. Cresta shall be entitled to appoint or remove... two (2) Directors... Limea shall be entitled to appoint or remove... one (1) Director...”</i></p> <p>Accordingly, while Xer AG was a subsidiary of Xer, as per the definition outlined in the CA, Xer was not a subsidiary⁸⁶ of RIH at the time of the loan because:</p> <ol style="list-style-type: none"> a. RTI or RIH did not “<i>control the composition of the BOD</i>” of Xer because as per the shareholders’ agreement it did not possess the legal rights to “<i>appoint or remove all or a majority of the directors</i>” of Xer, and b. RTI or RIH held only 40% of the shares of Xer, and therefore it did not “<i>control more than half the voting power</i>” of Xer. <p>Given that Dr. Karl is a director of RIH and Dr. Karl has an interest of more than 20% in the voting power of Xer AG (which is held through Cresta and Limea), the loan extended by RIH to Xer AG which was not a subsidiary of RIH may potentially be in breach of section 163(2) of the CA as prior approval of the loan had not been obtained in a general meeting.</p> <p>Furthermore, Mr. Dan is potentially in breach of section 163(2) of the CA as he had effectively authorised RIH to enter into the loan agreement with Xer AG extending a loan to a company where a director of RIH (i.e., Dr. Karl) has an interest of more than 20% in the voting power at Xer.</p> <p>However, if the second conditional subscription agreement had proceeded to closing, RTI’s shareholding in Xer would have increased to 53.33%. Consequently, Xer would have been a subsidiary of the Group, and the extension of loan would not be in breach of section 163(2) of the CA.</p>	

⁸⁶ On 28 December 2023, RTI’s shareholding in Xer increased from 40% to 53.33%. Consequently, Xer became a subsidiary of RIH.

Table 15: Key findings, potential breaches and recommendations – the Two Acquisitions		
Key Findings	Details	Recommendations
	<p><u>Cash Management Policy</u></p> <p>Clause 5.5 of the current Cash Management Policy (version 6, dated 30 March 2022) states “<i>loans can only be extended to subsidiaries within the Rex group</i>”. The Cash Management Policy does not outline an alternative process for extending loans to entities outside of the Group nor does it outline an exceptional approval process to handle deviations to the policy.</p> <p>Accordingly, the loan extended by RIH to Xer AG which was not a subsidiary of RIH may potentially be non-compliant with Clause 5.5 of the policy.</p>	
<p>2. Dr. Karl did not give written notice of particulars of his interest in Xer to RIH within two business days of Xer becoming a subsidiary of RIH and may potentially be in breach of section 133(1)(a)(ii) of the SFA.</p>	<p>Section 133(1)(a)(ii) of the SFA provides that <u>every director and CEO of a corporation must give written notice to the corporation of particulars of shares in a related corporation</u> of the corporation which he or she holds, or in which he or she has an interest and the nature and extent of that interest. A written notice under section 133(1) of the SFA must be given within two business days according to section 133(3) of the SFA.</p> <p>On 28 December 2023, RTI’s shareholding in Xer increased from 40% to 53.33% and consequently, Xer became a subsidiary of RIH. Pursuant to section 133(1) of the SFA, Dr. Karl, in his capacity as a director of RIH was required to file a written notice to RIH regarding the particulars of his interest in Xer (i.e., Dr. Karl’s deemed interest in Xer held through Limea and Cresta) within two business days (i.e., by 2 January 2024) of Xer becoming a related corporation of RIH. On 11 March 2024, Dr. Karl filed the required written notice i.e., “<i>Notification form for a director of a listed company to report interests in securities of, or made available by, related corporation(s)</i>” declaring his interest in Xer pursuant to section 133(1) of the SFA, but this exceeded two business days requirement under the SFA.</p> <p>Nevertheless, we recognise that RIH was aware of Dr. Karl’s interests in Xer given his interests in Xer were already disclosed by RIH in the</p>	<p>Management should implement more effective measures to ensure compliance with the SFA requirements and that written notice of particulars of shares in a related corporation is provided to RIH within 2 business days in accordance with section 133(3) of the SFA, such as by assigning a representative from Management to have a role in reviewing and monitoring directors’ interests in securities of related corporations going forward.</p> <p>In addition, RIH should consider the conduct of a refresher training for its BOD and CEO on the SFA requirements.</p>

Table 15: Key findings, potential breaches and recommendations – the Two Acquisitions		
Key Findings	Details	Recommendations
	<p>announcements for the First and Second Investment in Xer on 6 July 2021 and on 30 December 2022.</p> <p><u>Potential breach of the SFA</u></p> <p>Based on the above finding, Dr. Karl is potentially in breach of section 133(1)(a)(ii) of the SFA as he did not file a written notice with RIH pertaining to his shareholding in Xer within two business days of Xer becoming a related corporation of RIH on 28 December 2023.</p>	

1.9 Our Views

161. This section sets out our overall summary of observations on the Matter in accordance with the NOC (section 1.2) and our SOW (section 1.3):

A. Whether the Company's due diligence processes in relation to the Two Acquisitions were consistent with its policies and procedures (section 1.3, Item (e) of our SOW).

RIH's business diversification strategy and approach to alternative investments

162. The Management and BOD of RIH adopted the following strategy and approach regarding the Two Acquisitions which are alternative investments:

- (a) *Endorsement of Business Diversification Strategy*: On 26 April 2019, RIH obtained shareholders' approval for its Diversification Mandate ahead of its first alternative investment into sustainable solutions (i.e., the First Investment in Xer). On 30 December 2022, in its announcement for the Moroxite T acquisition, RIH rationalised the transaction as a unicorn business potential with limited risks, without a material change to RIH's business profile and risks, as part of its goals for sustainable business diversification strategy.
- (b) *Identification of opportunities*: As part of its due diligence process to identify potential alternative investments, RIH's Management sought opportunities through leveraging connections.
- (c) *Screening and Selection Criteria*: RIH was guided by a set of key criteria in the screening and selection of alternative investments. Specifically, the criteria refer to early-stage startups with unicorn business potential, involving a relatively small monetary value for a sizeable equity stake and control without material change to RIH's risk profile.
- (d) *Financial Risk Mitigation*: In its budget allocation for FY2022 to FY2025, RIH allocated a limited sum of USD 4 million⁸⁷ for each round of alternative investment. It also adopted a milestone payment approach, i.e., releasing funds incrementally upon the achievement of specified contractual milestones.

⁸⁷ The total consideration for the Moroxite T acquisition was SEK 43.2 million (~ USD 4.12 million), exceeding the budget allocation for alternative investment due to exchange rate fluctuations.

Due diligence in relation to the Two Acquisitions

163. The due diligence processes on the Two Acquisitions commenced around the time of the Alternative Investment BOD Meeting in August 2022 and were conducted over a period of about five months till the approval of the acquisition by the BOD in December 2022. The transactions were discussed formally over two BOD meetings, i.e. the Alternative Investment BOD Meeting on 13 August 2022 and the BOD meeting on 9 November 2022. In the five months period, Management and the BOD conducted various procedures, including engaging with the management of Xer and MA to assess the companies and their products, market potential, and in the case of Moroxite T, RIH had engage the services of an IFA with the intention to seek shareholder approval on the transaction.
164. Minutes of the BOD meetings and email communications during this period indicated that the decisions to invest in the Two Acquisitions were evaluated jointly by Management and the BOD. The BOD was satisfied with the due diligence performed and approved the Two Acquisitions.

Investment management policies and procedures for follow-up investments and alternative investments have not been developed

165. As mentioned in our key finding 1 of section 1.8, the Company does not have formalised investment management policies and procedures governing the due diligence processes for follow-up investments and alternative investments. RIH's current Investment Management Policy is intended to govern investments within its Core Business (i.e., oil and gas sector), and is not applicable for follow-up investments (i.e., the Second Investment in Xer) and is not mandatory for alternative investments (i.e., the Moroxite T acquisition). For alternative investments, the policy indicates that the BOD can decide whether "*the policy is applicable (or not) in whole or in part*". Mr. John, Mr. Sin and Ms. Mae confirmed that, at the time of the Moroxite T acquisition, from the BOD's perspective, the policy was not applicable. Mr. Maans also confirmed that the policy did not apply to the Moroxite T acquisition.

COI disclosure and declarations were consistent with the BOD Policy and the COI Policy

166. The current COI Policy⁸⁸ and BOD Policy⁸⁹ requires directors to disclose all COI situations in compliance with section 156 of the CA, and to complete an annual declaration at the end of the FY. The BOD Policy also requires directors to recuse themselves from discussions and abstain from voting on resolutions in which they have "*any personal material interest, directly or indirectly*".
167. On 10 August 2022, Dr. Mathias made the disclosure of his appointment as a member of the board of directors of Moroxite T, effective from 6 July 2022, by way of a written declaration to RIH pursuant to section 156(5) of the CA. We were not provided with Mr. Dan's written declaration to RIH for his appointment as a director of Xer, effective from 8 June 2021, as it is outside of the Review Period and our SOW. However, we noted Mr. Dan's directorship was disclosed in the DRIW passed for the First Investment in Xer on 1 July 2021 provided to us by RIH. To the extent the directors needed to recuse themselves from discussions and voting due to personal material interest in the Two Acquisitions, we observed Dr. Karl had abstained from voting on both DRIWs, citing interests in the transactions. Annual declarations under the COI Policy for FY2022 and FY2023 were also completed by the respective directors after the end of the FYs (i.e., after 31 December 2022 and 31 December 2023) in January and February of the following FY. In particular, Mr. Dan and Dr. Mathias's

⁸⁸ RIH's COI Policy requires annual declarations of COI at the end of December of each year. The annual declarations made by the relevant key stakeholders for FY 2022 and FY 2023 were both completed after the end of the respective FYs (i.e., after 31 December 2022 and 31 December 2023) in January and February of the following FY.

⁸⁹ Clause 11 of the BOD Policy stipulates that a director shall disclose all COI situations to the BOD in accordance with section 156 of the CA.

directorships in Xer and Moroxite T were disclosed in their annual declarations respectively. Except for our key finding 7 of section 1.8, in relation to the timely submission of annual declarations, there was no further evidence to suggest non-compliance with these policies.

Our view

168. Taking into account the abovementioned, we are of the view that:

- (a) The due diligence processes in relation to the Two Acquisitions were not conducted in accordance with formalised investment management policies. The absence of formal policies governing follow-up investments and alternative investments is a key finding in section 1.8 of this Report and we recommend that RIH should update its Investment Management Policy to include such investments;
- (b) While the Two Acquisitions were not formally governed by the Investment Management Policy, the due diligence processes were consistent with RIH's business diversification strategy and approach towards alternative investments, and
- (c) Save for our key finding in relation to the timely submission of annual declarations at section 1.8, the COI disclosures and annual declarations in relation to the Two Acquisitions were consistent with the COI Policy and the BOD Policy. While we were not provided with Mr. Dan's written declaration to RIH for his appointment as a director of Xer, as it is outside of the Review Period and our SOW, we noted both Mr. Dan and Dr. Mathias had disclosed their respective directorships in Xer and Moroxite T before the transactions.

B. Whether the terms and conditions of the Two Acquisitions have addressed any adverse findings in the due diligence conducted and are consistent with the valuation and the IFA reports (section 1.3, Item (f) of our SOW).

Findings from due diligence conducted

169. As mentioned earlier in section 1.9(A), the due diligence on each of the Two Acquisitions were conducted over a period of about five months. We were informed by RIH that there were no adverse findings arising from the due diligence conducted jointly by Management and the BOD or from deliberations held during the BOD meetings on the terms and conditions of the Two Acquisitions.

Findings from IFA and valuation reports

170. For the Second Investment in Xer, SGX Listing Rules do not require an IFA or valuation report.

171. For the Moroxite T acquisition, the draft IFA report issued by W Capital had opined that the transaction is "*on commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders*". Accordingly, there were no adverse findings arising from the IFA report that could potentially impact the terms and conditions of the Moroxite T acquisition.

172. Similarly, the valuation report issued by Value Solutions did not identify adverse findings that could directly impact the terms and conditions of the Moroxite T acquisition. The assessed valuation range of USD 7.56 million to USD 11.06 million based on the original valuation provided by Value Solutions, pro-rated for a 70% of shareholding in Moroxite T, exceeds the total consideration amount of SEK 43.2 million (~ USD 4.12 million) paid by RIH. This is notwithstanding the fact that the amended terms to remove the royalty, profit-sharing arrangements and IPO/RTO related clauses would likely result in a more favorable valuation as mentioned in paragraph 147.

173. We also observed that a financing gap⁹⁰ was identified in the valuation report, but the minutes of the BOD meeting dated 9 November 2022 indicate that both Management and the BOD were already cognizant of the risk of Moroxite T requiring additional financing prior to issuance of the valuation report. During the said BOD meeting, Mr Sin reminded Management that *“they would have to consider the possibility of investing more in the future after putting in the initial US\$4 million. He emphasised the importance of being aware of the risks and carefully evaluating the investment [Moroxite T acquisition]”*. Management also included certain terms for future funding in Clause 8.3 of the Original Agreement, which states *“if additional funding of the company is required, in addition to the Capital Contribution and Subsequent Funding, such funding shall be obtained by the Company at a fair market valuation. For the avoidable of doubt, an IPT and/or RTO shall always be considered to be made at a fair market valuation”*.
174. In RIH’s response to SGX RegCo queries dated 4 August 2023, we noted the BOD was satisfied with the *“reasonableness of the methodologies and assumptions used in the independent valuation”*, and the financing gap did not impact RIH’s decision to proceed with the transaction.

Our view

175. Taking into account the abovementioned, we are of the view that:
- (a) There were no adverse findings arising from the due diligence conducted by Management and the deliberations held during the BOD meetings that directly impacted the terms and conditions of the Two Acquisitions, and
 - (b) The IFA and valuation reports did not identify adverse findings and where applicable, were not inconsistent with the terms and conditions of the Moroxite T acquisition.

C. Whether the Moroxite T acquisition was completed, at the point in time when the terms of the Original Agreement required the Acquisition to be subject to shareholders’ approval, taking into consideration the transfer of the shares in Moroxite T from MA to MHPL and the injection of the Capital Contribution made on 31 January 2023 (section 1.2, Item (b) of the NOC).

176. Rule 918 of the SGX Listing Rules provides that *“if a transaction requires shareholder approval, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction”*. In this regard, we note the following:

Transactions contemplated under the Moroxite T acquisition:

177. In RIH’s announcement made on 30 December 2022, the Moroxite T acquisition is defined comprehensively to be the *“purchase of the entire issued share capital of Moroxite T AB, comprising 1,000 shares, at a nominal consideration of SEK 1 (approximately USD 0.10), with a commitment to invest up to an additional SEK 43.2 million (approximately USD 4.12 million), subject to the fulfilment of certain conditions”*.

⁹⁰ As mentioned in section 1.7, the balanced business plan indicated a financing gap of about USD 6.8 million and RIH had committed to a cash injection of total USD 2.8 million (i.e., the aggregate amount of Capital Contribution and two instalments of Subsequent Funding).

178. Based on such definition, the transactions contemplated under the acquisition comprises not only the transfer of shares of Moroxite T from MA to MPHPL and the Capital Contribution, but also includes the payment of the Additional Purchase Price to MA, the provision of Subsequent Funding to Moroxite T, as well as the fulfilment of the milestones in relation to these transactions as set out in Clause 3 of the Original Agreement. While the transfer of shares of Moroxite T and the Capital Contribution have been made, the parties have not undertaken the remaining transactions of the Moroxite T acquisition, prior to the date of the second addendum to the Original Agreement.

Aggregation of amounts relating to the Moroxite T acquisition

179. Under the terms of the Original Agreement, MA has the right to receive royalty on sales of products by Moroxite T and share in the profits on licence sales or sales of Moroxite T shares. It is stated in RIH's announcement of 30 December 2022 that "*as the aggregate amounts relating to the Acquisition (including any royalties and profits on licence 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 Listing Rules*".
180. The requirement to seek shareholders' approval under Chapter 9 of the Listing Rules is therefore premised on the aggregation of all amounts relating to the Moroxite T acquisition, i.e., the consideration of SEK 1 (~ USD 0.10), the additional commitment of SEK 43.2 million (~ USD 4.12 million), and royalty and the share of profits to be paid to MA.

Transactions subject to shareholders' approval

181. Pursuant to Clauses 6.1 and 6.2 of the Original Agreement⁹¹, in the event that shareholders' approval is not obtained by 30 May 2023 (which was extended to 31 July 2023 under the first addendum), the Original Agreement shall be automatically terminated, and MPHPL shall transfer the shares of Moroxite T back to MA for the Purchase Price of SEK 1 (~ USD 0.10).
182. As such, the finality of the transfer of shares of Moroxite T, and the undertaking of the remaining transactions under the Moroxite T acquisition (including the payment of the Additional Purchase Price to MA, the provision of additional financing to Moroxite T, and the payment of the royalty and profits to MA), are all subject to shareholders' approval being obtained by RIH.

Capital Contribution akin to non-refundable deposit

183. In the event that shareholders' approval is not obtained, while the shares of Moroxite T will be transferred back to MA, the Capital Contribution is not refundable to MPHPL. In the announcement made on 4 August 2023, RIH clarified, inter alia, that the Capital Contribution is "*akin to a non-refundable deposit*", and that such "*non-refundable Capital Contribution was a term negotiated between the parties in the Agreement, as MA would not be able to raise financing from other sources before Shareholders' approval was obtained*".

⁹¹ Although Clauses 6.1 and 6.2 refer to approval "*by the extraordinary general meeting of the Purchaser*" and "*Purchaser*" means MPHPL, we understand this to be an error, and the parties have intended for Clauses 6.1 and 6.2 to refer to approval "*by the extraordinary general meeting of RIH*". Please refer to section 1.7 of this Report for background of the relationship between MPHPL and RIH.

184. We understand that it is not an uncommon practice for parties to negotiate and structure their transaction with a non-refundable deposit, which is usually payable by a purchaser in order to commit a seller to entering into a binding sale and purchase agreement. The payment of such non-refundable deposit is made prior to, and does not constitute, the completion of the transaction.

Our view

185. Taking into account the abovementioned, we are of the view that:
- (a) the Moroxite T acquisition should be considered as a whole, being the aggregation of all contemplated transactions and amounts as referred to above, and
 - (b) the Moroxite T acquisition was not completed at the point in time when the terms of the Original Agreement required the acquisition to be subject to shareholders' approval.

D. Review the adequacy and effectiveness of the RIH's internal controls processes and procedures relating to acquisitions/disposals and IPTs, as well as ascertain whether the Company has complied with Listing Rule 719(1) (section 1.2, Item (d) of the NOC).

186. Listing Rule 719(1) states that "*an issuer should have adequate and effective systems of internal controls (including financial, operational, compliance and information technology controls) and risk management systems*".
187. RIH has established policies and controls to support its internal control environment and has hired external service providers to conduct internal audits periodically. The observations, in relation to the Two Acquisitions, described at section 1.8, Table 14 and Table 15 #1 nonetheless indicate instances of control weaknesses and lapses in the drafting and/or implementation of certain policies. Based on the work procedures conducted as outlined in the SOW, although there appear to be no evidence that the Board and management did not act in good faith towards RIH, have a conflict of interest or inappropriately benefited from their position, the observations indicate a need for improvement in RIH's processes and suggest that RIH may potentially be in breach of Listing Rule 719(1) .
188. We were informed by Mr. John that as part of RIH's remediation efforts to enhance internal controls and compliance to laws and regulations, on 1 January 2024, RIH appointed Ms. Melissa as its Head of Legal. Ms Melissa's main duties include, advising on compliance with statutory requirements of the CA and SGX Listing Rules; advising on other legal and compliance requirements; drafting of SGX Listing Rules related disclosures and announcements and corresponding corporate resolutions where required; reviewing and updating of RIH's formal policies and procedures; performing other corporate secretarial matters of the Group, and attending BOD meetings where required⁹² .

E. Whether the directors have discharged their fiduciary duties in accordance with section 157 of the CA and acted in the interest of shareholders in their assessment and negotiation of the terms and conditions of the Two Acquisitions (section 1.3, Item (k) of our SOW).

189. At common law, a director owes a fiduciary duty to act *bona fide* (in good faith) in the interests of the company and the shareholders as a whole.

⁹²As part of RIH's efforts to strengthen internal controls and compliance to laws and regulations, we have been informed that, on 10 December 2024, the BOD approved various updates to the Relevant Policies to enhance RIH's internal controls environment.

In determining whether a director has acted *bona fide* in the interests of the company, we understand from case law⁹³ that there are subjective and objective elements in the test:

- (a) the subjective element lies in the consideration as to “*whether a director had exercised his discretion bona fide in what he considered (and not what the court considers) is in the interests of the company*”, and
- (b) the objective element lies in the assessment of “*whether an intelligent and honest man in the position of a director of the company concerned could, in the whole of the existing circumstances, have reasonably believed that the transactions were for the benefit of the company*”.

190. Apart from the fiduciary duty at common law, section 157(1) of the CA provides that “*a director must at all times act honestly and use reasonable diligence in the discharge of the duties of his or her office*”.
191. Section 157(2) of the CA further provides that “*an officer or agent of a company must not make improper use of his or her position as an officer or agent of the company or any information acquired by virtue of his or her position as an officer or agent of the company to gain, directly or indirectly, an advantage for himself or herself or for any other person or to cause detriment to the company*”.

Assessment and negotiations of terms and conditions

192. We have set out below a summary of the process undertaken by RIH and the BOD in the assessment and negotiations of the terms and conditions of the Two Acquisitions:
193. The steps undertaken by the BOD pertaining to the assessment and negotiations of the terms and conditions as well as finalisation of the Second Investment in Xer include:
- (a) Raised questions and sought clarifications from Xer’s management at the Alternative Investment BOD Meeting and tasked the Management of Xer to prepare an updated investment memo taking into account the discussed matters;
 - (b) Reviewed and provided inputs and/or raised questions on the Xer Investment Memo;
 - (c) Tasked the CFO to provide his opinion on the valuation of Xer outlined in the Xer Investment Memo;
 - (d) Mr. John negotiated a lower pre-money valuation of Xer and communicated with Xer’s management to understand how Xer would position itself in comparison to its competition and what would be Xer’s unique selling point⁹⁴;
 - (e) Mr. John and Mr. Dan led the negotiations of the milestones with Xer’s management;
 - (f) Signed off on the DRIW pertaining to the Second Investment in Xer, and
 - (g) Dr. Karl recused and abstained from signing off on the DRIW.
194. The steps undertaken by the BOD pertaining to the assessment and negotiations as well as finalisation the Moroxite T acquisition include:

⁹³ Goh Chan Peng v Beyonics Technology Ltd [2017] SGCA 40 at para 35 and 36.

⁹⁴ We were provided with email communications where Mr. John requested for a discussion with Xer’s management pertaining to this. Further documented details of this discussion are not available.

- (a) Tasked Management to prepare a proposal for the acquisition and conduct due diligence exercise for Moroxite T;
- (b) Raised questions and sought clarifications of Moroxite T and the proposed acquisition at the Alternative Investment BOD Meeting and the BOD meeting on 9 November 2022;
- (c) Reviewed the key terms of the Original Agreement circulated by the Management as an attachment to the DRIW pertaining to the Moroxite T acquisition;
- (d) Signed off on the DRIW pertaining to the Moroxite T acquisition, and
- (e) Dr. Karl recused and abstained from signing off on the DRIW.

195. Save for our key findings at section 1.8, the foregoing process undertaken by RIH and the BOD appears generally to be in order.

Moreover, based on the work procedures conducted as outlined in the SOW, there was no evidence to suggest that directors involved in the Two Acquisitions have:

- (a) failed to act bona fide in the interests of RIH and the shareholders as a whole;
- (b) failed to act honestly or use reasonable diligence in the discharge of the duties of his or her office; or
- (c) made improper use of his or her position as a director or information acquired by virtue of his or her position as a director to gain, directly or indirectly, an advantage for himself or herself or for another person to cause detriment to RIH,

in the assessment and negotiations of the terms and conditions of the Two Acquisitions.

Mr. Dan's involvement in the Second Investment in Xer

196. While it is common for an individual to hold directorships in multiple companies, he or she is required to act *bona fide* in the interests of each company and cannot subordinate the interests of one company to another company. Where the interests of two companies are in obvious conflict, the individual who is a director of both companies should adopt a "remain above the fray" stance and refrain from acting for or against the interests of both companies.

197. Given that Mr. Dan holds directorships in RIH, RTI and Xer, and he was involved in the Second Investment in Xer, we have considered the issue of whether Mr. Dan has acted to subordinate the interests of RIH and RTI to Xer.

198. Based on our review:

(a) We understand that:

- ▶ Mr. Dan is a nominee director of Xer, appointed by RTI (being a shareholder of Xer) to represent the interests of RTI and RIH;
- ▶ Mr. Dan was representing RTI and RIH in the negotiations with the management of Xer on certain terms and conditions of the Second Investment which was for RTI's and RIH's benefit, including the milestones to be met by Xer for the release of the investment amounts;
- ▶ when the directors of RIH passed the directors' resolution on 30 December 2022 to approve the Second Investment in Xer, Mr. Dan (being a director of RIH) abstained from voting on the resolution, and
- ▶ after the terms and conditions of the investment were finalised between RTI and Xer, as the sole director of Xer at the time, Mr. Dan signed the subscription agreement on behalf of Xer.

(b) There was no evidence to suggest that Mr. Dan has acted to subordinate the interests of RIH and RTI to Xer.

Dr. Mathias's involvement in the Moroxite T acquisition

199. Similarly, given that Dr. Mathias holds directorships in RIH and Moroxite T⁹⁵, and he was involved in the Moroxite T acquisition, we have also considered the issue of whether Dr. Mathias has acted to subordinate the interests of RIH to Moroxite T.

200. Based on our interview with Dr. Mathias and our review of available documentation:

(a) We understand that:

- ▶ due to his medical background, Dr. Mathias was tasked to co-ordinate the presentation to the BOD, and answer medical-related questions and provide insights from a medical perspective;
- ▶ however, Dr. Mathias was not involved in the negotiations between MHPL and MA on the price, milestones, and other terms and conditions of the Moroxite T acquisition. Dr. Mathias stated in his written reply to us that *“at no point did I negotiate the deal between Rex International Holding and Moroxite AB for the purchase of Moroxite T. I did not have any say with regards to purchase price, milestones or any other terms of any of the agreements”*, and
- ▶ Dr. Mathias (being a director of RIH) had inadvertently signed the DRIW on 30 December 2022 to approve the Moroxite T acquisition due to a *“regrettable clerical error”* where he should have been marked as *“abstain”* in the DRIW. However, based on our assessment, this does not constitute a breach of RIH's Constitution and its BOD policy as he does not have a *“personal material interest”* in the Moroxite T acquisition. This is because Dr. Mathias did not hold shares in Moroxite T nor received performance related remuneration from Moroxite T in connection with the Moroxite T acquisition which may potentially give rise to a *“personal material interest”*.

(b) There was no evidence to suggest that Dr. Mathias has acted to subordinate the interests of RIH to Moroxite T.

Our views

201. Taking into account the foregoing, there was no evidence to suggest that the directors of RIH have not discharged their fiduciary duties in accordance with section 157 of the CA or have not acted in the interest of shareholders in their assessment and negotiation of the terms and conditions of the Two Acquisitions.

⁹⁵ Dr. Mathias informed us that the decision to appoint him as a director was a decision made solely by the shareholders of Moroxite T at the time. RIH was not involved in the decision and process of the appointment of Dr. Mathias as a director of Moroxite T (refer to paragraph 38 for details on Dr. Mathias's qualifications).

List of Abbreviations

Unless otherwise stated, the following references apply throughout this document. These references serve to clarify this Report and are not intended to be authoritative.

Abbreviation	Description
AC	Audit Committee
ACRA	Accounting and Corporate Regulatory Authority
Additional Purchase Price	Additional Purchase Price of SEK 15 million (~ USD 1.44 million) to MA
AGM	Annual General Meeting
Alternative Investment BOD Meeting	The BOD meeting for "Alternative Investments and Strategy" held on 13 August 2022, where the BOD explored three investment proposals
BOD	Board of Directors of RIH
CA	Companies Act 1967
Capital Contribution	A non-refundable capital contribution of SEK 9.4 million (~ USD 0.92 million) to Moroxite
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHF	Swiss Franc
Circular	The Circular pertaining to the proposed EGM
COI	Conflict of interest
Core Business	Sale of crude oil and exploration, development, production, management and operation of oil concessions and licences
Cresta	Cresta Group Ltd.
CTO	Chief Technical Officer
DCF	Discounted cash flow
Diversification Mandate	Shareholders approval at an Extraordinary General Meeting held on 26 April 2019 to diversify RIH's Core Business into Sustainable Solutions
Dr. Christopher	Christopher David Atkinson

Abbreviation	Description
Dr. Karl	Karl Helge Tore Lidgren
Dr. Lars	Lars Ake Alvar Lidgren
Dr. Mathias	Mathias Lars Ove Lidgren
DRIW	Directors' Resolutions in Writing
ED	Executive Director
EGM	Extraordinary General Meeting
EY or us or we	Ernst & Young Advisory Pte Ltd
FDA	The Food and Drug Administration federal agency in the US
First Investment in Xer	On 5 July 2021, Rex Technology Investments Pte. Ltd. ("RTI"), a wholly owned subsidiary of RIH, entered into the conditional subscription agreement with Xer Technologies Pte. Ltd. ("Xer") to subscribe for 33,333 new ordinary shares in Xer, at a consideration of USD 1 million.
FY	Financial Year
Group	RIH, together with its subsidiaries
IFA	Independent Financial Advisor
IPO	Initial Public Offering
IPTs	Interested person transaction under Chapter 9 of the SGX Listing Rules
IR & Comms	Investor Relations & Communications
Limea	Limea Ltd.
MA or MAB	Moroxite AB
Makli	Makli Invest AS
Med-tech	Medical technology
MHPL	Moroxite Holding Pte. Ltd.
Moroxite T acquisition	On 30 December 2022, MHPL entered into a conditional share purchase agreement with MA to acquire the entire issued share capital of Moroxite T.
Moroxite T or MTAB	Moroxite T AB

Abbreviation	Description
Mr. Bruno	Bruno Odermatt
Mr. Dan	Dan Brostrom
Mr. Erik	Erik Herlyn
Mr. Fredrik	Fredrik Bjorn Lindberg
Mr. Hans	Hans Lidgren
Mr. John	John Gerard Nicholas d'Abo
Mr. Kristofer	Kristofer Skantze
Mr. Maans	Maans Nicklas Lidgren
Mr. Per	Per Lind
Mr. Pong	Pong Chen Yih
Mr. Saynam	Saynam Foo
Mr. Semmy	Semmy Rulf
Mr. Sin	Sin Boon Ann
Mr. Svein	Svein Helge Kjellesvik
Ms. Lixian	Lixian Wu
Ms. Mae	Heng Su-Ling Mae
Ms. Melissa	Melissa Kwek
Ms. Mok	Mok Lai Siong
NOC	Notice of Compliance
Novus	Novus Corporate Finance Pte Ltd
NTA	Net tangible assets
Original Agreement	The conditional share purchase agreement between Moroxite Holding Pte. Ltd. and Moroxite AB dated 30 December 2022
Purchase Price	1,000 shares at a nominal consideration of SEK 1 (~ USD 0.1)
Relevant Policies	Policies relevant to the Matter and SOW

Abbreviation	Description
Review Period	1 August 2022 to 15 January 2024
RII	Rex International Investments Pte Ltd
RTI	Rex Technology Investments Pte Ltd
RTO	Reverse Takeover
SAC Capital	SAC Capital Private Limited
Second Investment in Xer	Subscription of additional shares in Xer Technologies Pte Ltd. in Decemeber 2022, thereby increasing its shareholding interest from 40% to approximately 53%.
SEK	Swedish Krona
SFA	Securities and Futures Act 2001
SGD	Singapore Dollar
SGX RegCo	Singapore Exchange Regulation
SGX-ST	Singapore Exchange Securities Trading Limited
SOW	Scope of work
Sustainable Solutions	Sustainable practises for energy production and materials
The Company or RIH	Rex International Holding Limited
The Group	RIH together with its subsidiaries
The Matter	Refers to the directive by SGX RegCo in the NOC requiring the Company to appoint an independent professional, acceptable to SGX RegCo, to conduct an independent review into the various areas covered in the NOC
Two Acquisitions	Collectively refers to the Second Investment in Xer in 2022 and the Moroxite T acquisition
UAV	Unmanned Aerial Vehicle
USA	United States of America
USD	United States Dollar
Value Solutions	Value Solutions Treuhand und Unternehmensberatung AG
W Capital	W Capital Markets Pte Ltd
WongP	WongPartnership LLP

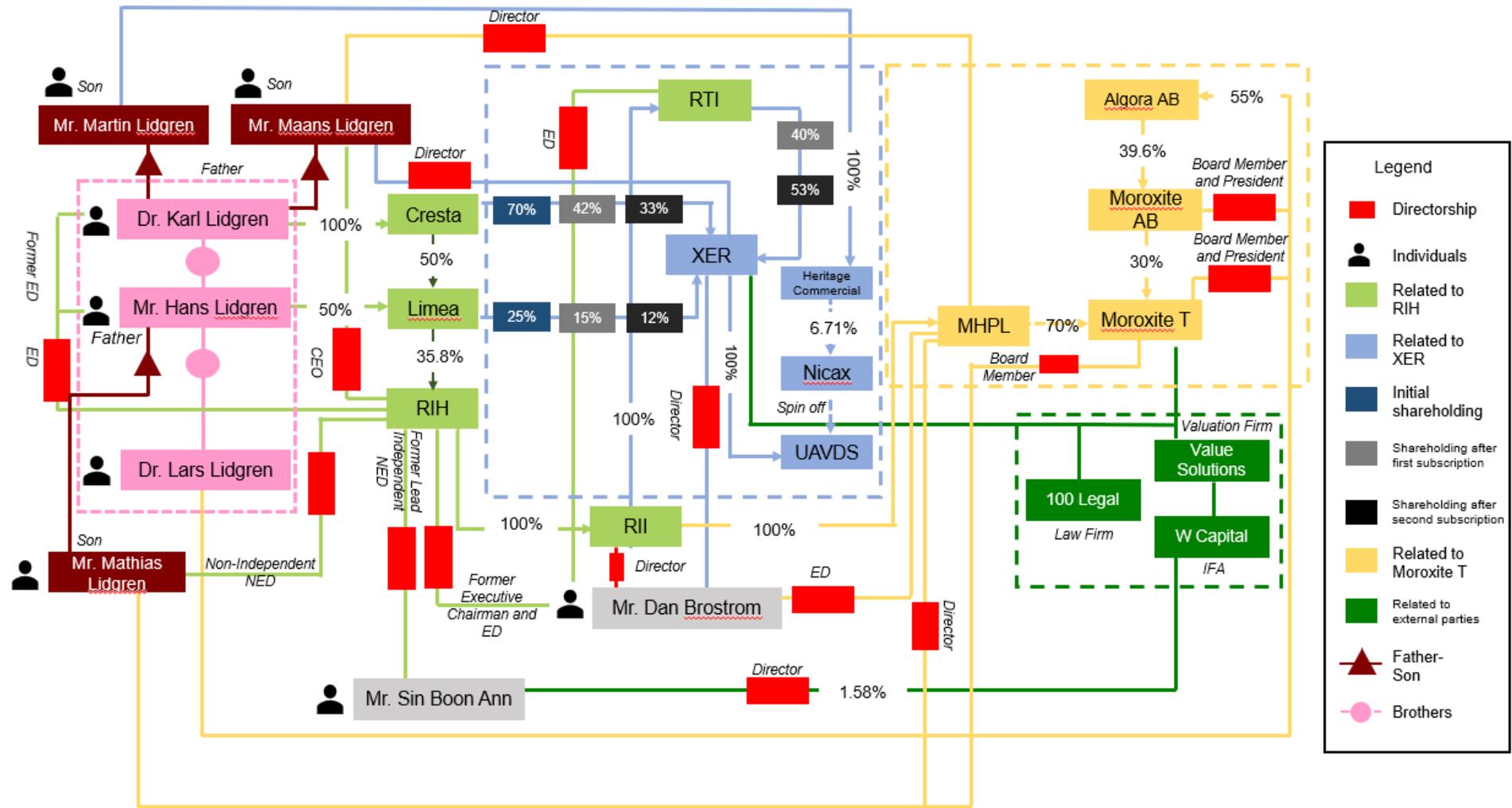
Abbreviation	Description
Xandar	Xandar Capital Pte Ltd
Xer AB	Xer Technologies AB
Xer AG	Xer Technologies AG
Xer Investment Memo	The "Xer Investment Memo for Rex v1.7" dated 30 September 2022
Xer	Xer Technologies Pte. Ltd.

List of Appendices

The following appendices form part of this Report and should be read in conjunction with the contents of this Report.

Appendix	Description
A	Interested Party Relationship Map
B	Computations of the relative figures set out in Rule 1006 of SGX Listing Rules – the Moroxite T acquisition

Appendix A – Interested Party Relationship Map



Appendix B – Computations of the relative figures set out in Rule 1006 of SGX Listing Rules – the Moroxite T acquisition

Rule 1006	Bases of calculation	Relative figure for the Moroxite T acquisition
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	N/A*
(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.	0.00% ⁹⁶
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	1.98% ⁹⁷
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	N/A**
(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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	N/A [^]

Note:

* This figure is not applicable to an acquisition of assets.

** The Two Acquisitions do not involve issuance of equity securities by RIH as consideration.

[^] This figure is not applicable to an acquisition of assets.

⁹⁶ According to Rule 1002 of the SGX Listing Rules, the net profit figures will be taken from the "latest announced consolidated accounts". The full year financial statement of RIH for FY2022 was announced on 30 March 2023 and the full year financial statement of Moroxite T for FY2022 was signed off on 3 March 2023. Hence the figure under Rule 1006 (b) was computed based on the half year financial report of RIH and Moroxite T for FY2022. Ms. Mok and Mr. Per informed us that "there was zero result in the P&L [Profit and Loss]" in the half year financial statement of FY2022 for Moroxite T. Based on half year financial statements for FY2022, the Group's net profit before tax and non-controlling interest for the relevant period was USD 18.87 million.

⁹⁷ The value of the consideration was the translated USD amount disclosed in RIH's announcement on 30 December 2022, which was USD 4.12 million. Due to the lack of publicly available historical weighted average share price, the weighted average share price of RIH on 29 December 2022 was SGD 0.2154, which was extracted by Novus and shared with RIH on 5 May 2023 for the purpose of the Circular. The total number of issued shares excluding treasury shares was 1,302,320,991 as per half year financial statement for FY2022 and the historical exchange rate on 29 December 2022 as published by Monetary Authority Singapore was SGD 1.35 to USD 1.

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