

**REX INTERNATIONAL HOLDING LIMITED**  
(the "Company")  
(Company Number: 201301242M)  
(Incorporated in the Republic of Singapore)

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**ACQUISITION OF REX TECHNOLOGY MANAGEMENT LTD**

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**1. INTRODUCTION**

The board of directors (the "**Board**") of the Company (together with its subsidiaries, the "**Group**") wishes to announce that the Company has entered into a sale and purchase agreement on 2 September 2014 ("**SPA**") with Limea Ltd (the "**Vendor**") to acquire 1,000 ordinary shares (representing 100% of the issued and paid-up share capital of Rex Technology Management Ltd ("**RTM**"), including the latter's suite of Rex Technologies comprising Rex Gravity, Rex Seepage and Rex Virtual Drilling (the "**Rex Technologies**"), of which the Company is the exclusive licensee, at a nominal price of US\$1 (the "**Consideration**") (the "**Acquisition**").

The Consideration, to be fully satisfied in cash, was determined based on a willing buyer willing seller basis after negotiations between the Vendor and the Company and taking into consideration the rationale for the Acquisition.

**2. ACQUISITION**

**2.1 The Acquisition as an Interested Person Transaction**

Dr Karl Lidgren and Mr Hans Lidgren are controlling shareholders of the Company with a deemed interest of 50.86%. The Vendor is jointly-owned by Dr Karl Lidgren and Mr Hans Lidgren in which each of them have shareholding interests of 50%. The Vendor holds 80% of the total issued shares in the capital of Rex Partners Ltd, which holds 100% of the total issued shares in the capital of Rex Commercial Ltd, which in turn holds 50.86% of the total issued shares in the Company. Further, Dr Karl Lidgren is also a Non-Independent and Non-Executive Director of the Company. As such, the Vendor is an "interested persons" pursuant to Chapter 9 of Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the Acquisition between the Company as an "entity at risk" and the Vendor as an "interested person" is an "interested person transaction" pursuant to Chapter 9 of the Catalist Rules.

The aggregate value of the Consideration of US\$1 and the Loan Repayment (as defined herein) of US\$8.5 million is 4.81% of the Group's latest audited net tangible assets of S\$176,829,000, hence the Acquisition is a discloseable interested person transaction.

As at the date of this announcement, there is no transaction with the Vendor for the current financial year ending 31 December 2014 (excluding the Acquisition and all shareholder approved interested person transactions to the Vendor).

## 2.2 Details of the Acquisition

Pursuant to the completion of the Acquisition (“**Completion**”) (in accordance with the terms and conditions of the SPA) on 1 December 2014 or such other date as the parties may mutually agree in writing (“**Completion Date**”), RTM will become a wholly-owned subsidiary of the Company. The Group will take over all contracts, assets (excluding all receivables), liabilities (excluding all payables) and staff of RTM, each of whom shall be included in the Company’s performance share plan, subject to the Remuneration Committee’s approval.

While the Acquisition is also subject to the requirements of Chapter 10 of the Catalist Rules, it is not a discloseable transaction under Catalist Rule 1006.

Completion of the Acquisition is conditional upon, *inter alia*, the fulfillment of the following conditions:

- a) RTM securing the necessary executive officers to conduct technical services and development of intellectual property rights upon Completion;
- b) approval by shareholders of the Company of the transaction contemplated under the SPA in an extraordinary general meeting if required;
- c) each of the Company and the Vendor having performed all of the covenants and agreements required to be performed or caused to be performed by it under the SPA on or before the Completion Date;
- d) signing of the service agreements with RTM by each of RTM’s directors, Mr Hans Lidgren and Dr Karl Lidgren, on Completion;
- e) the Company guarantees repaying a loan of US\$8.5 million in RTM concurrent to Completion (“**Loan Repayment**”);
- f) the Company guarantees that the outstanding receivables less payables according to actual balance sheet will be paid on Completion Date to the Vendor;
- g) conducting of legal and financial due diligence on RTM; and
- h) all necessary or desirable actions, notifications, filings and registrations, approvals, permits and consents having been taken, given to, made with and obtained from the relevant governmental, regulatory and administrative departments, authorities and bodies in Singapore or elsewhere in respect of the sale and purchase of the Sale Shares contemplated herein and the compliance in full to the satisfaction of the relevant governmental, regulatory and administrative departments, authorities and bodies in Singapore or elsewhere of all conditions (if any) attaching or in relation thereto, where such conditions are required to be complied with by the Completion Date.

The Company had on 13 August 2014, announced the addition of Rex Gas Indicator (“**RGI**”) to the suite of Rex Technologies, which had promising initial results. As RGI needs further development before commercialisation, it will not be included in the Acquisition. However, the Company retains a right of first refusal at any time prior to 31 December 2015 to purchase the technology at a price and on such terms and conditions to be determined by the Vendor and the

Company should RGI prove to be commercially sustainable in upcoming tests, subject to compliance with the Catalyst Rules.

### 2.3 Rationale for the Acquisition

The Acquisition addresses the Company's investors' major concern that the Company did not own the Rex Technologies which mitigates exploration risks and reduces costs of exploration and is therefore its key differentiator. The Company believes the Acquisition will have the following immediate positive effects:

- Strengthen investor perception of the Company as the direct owner and operator of the Rex Technologies, with the RTM team as the Group's employees;
- Enlarge the value offering by the Company to partners and clients who are unable to offer equity stakes in concessions, by providing seismic analysis services at a fee; and
- Contribute a revenue stream.

### 3. STATEMENT FROM THE AUDIT COMMITTEE

Having considered the terms and conditions of, as well as the rationale for the Acquisition, the Audit Committee of the Company is of the view that the Acquisition is made on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

### 4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the date hereof, save as disclosed above, none of the Directors and to the best of the Directors' knowledge, none of the other controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Acquisition, other than that arising from their respective capacity as Directors or shareholders of the Company.

### 5. DOCUMENT FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at 80 Robinson Road #02-00, Singapore 068898 for a period of three months commencing from the date of this announcement.

#### BY ORDER OF THE BOARD OF

Rex International Holding Limited

Dan Broström  
Executive Director and Chairman

2 September 2014

*Rex International Holding Limited (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 31 July 2013. The initial public offering of the Company (the "IPO") was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").*

*This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 62298088.*