

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

MASIRAH OIL LTD CONDUCTS AN INVESTMENT ROUND AND INCREASES ITS SHARE CAPITAL

1. INTRODUCTION

The board of directors (the "**Board**") of the Company (together with its subsidiaries, the "**Group**") wishes to announce that the Company's indirect 92.65% subsidiary Masirah Oil Limited ("**MOL**") has decided to conduct an investment round and increase its share capital ("**MOL Investment Round**") to raise funds through the issuance and allotment of new MOL preference shares ("**Preference Shares**") at US\$477.70 per share. The Group's interest in MOL is held through Rex Oman Ltd ("**Rex Oman**"), an indirect wholly-owned subsidiary of the Company. Rex Oman holds a 92.65% direct shareholding interest in MOL as of the date of this announcement.

Trace Atlantic Oil Ltd ("**Trace Atlantic**") has on 19 December 2019, entered into a subscription agreement ("**Subscription Agreement**") with MOL to subscribe for 9,421 Preference Shares for an aggregate subscription amount of approximately US\$4.50 million ("**Subscription Amount**"). MOL is also in discussions for a further round of investment with other parties and will update shareholders accordingly.

Upon completion of the subscription of MOL's shares by Trace Atlantic, Rex Oman will hold a direct shareholding interest of 87.40% in the total issued share capital of MOL.

2. CHAPTER 9 OF THE CATALIST RULES

Dr Karl Lidgren and Mr Hans Lidgren are controlling shareholders of the Company with a 35.37% deemed interest in the Company held through Limea Ltd., which each of Mr Hans Lidgren and Cresta Group Ltd have a 50% shareholding interest in respectively. Cresta Group Ltd, is in turn wholly-owned by Dr Karl Lidgren.

Dr Karl Lidgren and Mr Hans Lidgren have a 64.59% deemed interest in Trace Atlantic held through intermediate entities, in which Limea Ltd. has an 80% shareholding interest in. Dr Karl Lidgren is also a Non-Independent and Executive Director of the Company. As such, Trace Atlantic is an "interested person" pursuant to Chapter 9 of Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Accordingly, the entry into the Subscription Agreement between MOL, as the Company's indirect subsidiary and Trace Atlantic as an "interested person", is an "interested person transaction" pursuant to Chapter 9 of the Catalist Rules.

As the aggregate value of the Subscription Amount of US\$4.50 million represents 3.7% of the Group's latest audited net tangible assets, the Company is not required to obtain shareholders' approval in respect of the Subscription Agreement pursuant to Catalyst Rule 906.

As at the date of this announcement, there are no other transactions with Trace Atlantic, Mr Hans Lidgren or Dr Karl Lidgren for the current financial year ending 31 December 2019 (excluding the Subscription Amount).

There have been no interested person transactions entered into between the Group and any interested person, excluding any transaction below S\$100,000, in the current financial year ending 31 December 2019.

3. **DETAILS OF THE SUBSCRIPTION AGREEMENT**

The issue price of US\$477.70 per MOL Preference Share was arrived at on a willing seller willing buyer basis, taking into consideration MOL's unaudited net asset value/net tangible asset value of US\$61.67 million as at 30 September 2019 and its growth potential, given that it is the operator and 100% owner of the Block 50 Oman concession.

In accordance with MOL's memorandum of association and articles of association, Preference Shares give their holders a right to a preferred dividend over holders of ordinary shares of MOL, by which MOL shall distribute dividends to holders of Preference Shares before any holder of ordinary shares, in the proportion and subject to certain conditions. No other form of priority is attached to the Preference Shares.

The conditions precedent to the Subscription Agreement include, among others, the following:

- a) Approval of the board of directors and shareholders of MOL for the issuance of the subscription shares in accordance with and pursuant to the terms of the Subscription Agreement on Closing; and
- b) Receipt of various closing documents.

Closing of the subscription ("**Closing**") is to occur on or around a date no later than twenty business days after the date of the Subscription Agreement. In the event that the conditions precedent are not met, Trace Atlantic shall be entitled to fix a new date for Closing or terminate the Subscription Agreement or effect the Closing so far as practicable, having regard to the non-fulfilment of the conditions precedent. In addition, each of MOL and Trace Atlantic shall have the right to terminate the Subscription Agreement if prior to Closing, any of the representations and warranties provided by the other party are untrue or misleading in any material respect. Trace Atlantic shall further have the ability to terminate the Subscription Agreement if any event shall occur prior to Closing, which affects or is likely to affect adversely to a material degree, the financial position or business prospects of MOL.

4. **RATIONALE FOR THE INVESTMENT ROUND**

The increase of share capital and conduct of the MOL Investment Round is necessary to fund MOL's drilling activities of the appraisal well Yumna in Block 50 Oman and for MOL's continued

operations in Oman, as well as for general working capital requirements. The Group will retain a majority stake in MOL after the MOL Investment Round.

5. STATEMENT FROM THE AUDIT COMMITTEE

Having considered the terms and conditions of, as well as the rationale for the MOL Investment Round, the audit committee of the Company is of the view that the MOL Investment Round is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the date hereof, save as disclosed in this announcement, 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 MOL Investment Round, other than that arising from their respective shareholdings in the Company, if any.

7. DOCUMENT FOR INSPECTION

A copy of the Subscription Agreement 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

20 December 2019

This announcement has been prepared by the Company and reviewed by the sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

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 Pong Chen Yih, Chief Operating Officer, 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.