

REX INTERNATIONAL HOLDING LIMITED

(Company Number: 201301242M)

(Incorporated in the Republic of Singapore)

REX IN JOINT VENTURE FOR OWNERSHIP OF MARINE ASSETS – EXTENSION OF LOAN

*Unless otherwise defined, capitalised terms in this announcement shall have the same meaning given to them in the Company's announcement dated 12 November 2021 (the "**Announcement**"), in relation to Rex's indirect wholly owned subsidiary, Rex International Holding Ltd (British Virgin Islands) ("**RIHBVI**") entering into a joint venture ("**Joint Venture**") agreement with Monarch Marine Holding Ltd ("**MMH**") to incorporate a joint venture company ("**JV Company**") to own marine assets such as vessels, Mobile Offshore Production Units and other associated equipment. The JV Company, Crescent Marine Holding Ltd ("**CMH**"), has been incorporated, and is 80.1% owned by MMH and 19.9% owned by Rex.*

1. INTRODUCTION

The board of directors (the "**Board**") of Rex International Holding Limited (the "**Company**" or "**Rex**" and together with its subsidiaries, the "**Group**") wishes to announce that its indirect wholly owned subsidiary, RIHBVI has, together with MMH, entered into loan agreements respectively, on 13 December 2021, to extend an interest free, short-term bridging loan ("**Short-term Bridging Loan**") totalling US\$13.3 million to CMH, up to 31 January 2022. CMH is in the process of securing debt financing from a third-party financial institution. The loans will be granted in the respective proportions of shareholdings of RIHBVI and MMH in CMH. RIHBVI's proportion of the loan (19.9%) will be approximately US\$2.65 million.

The extension of the Short-term Bridging Loan is to facilitate CMH to proceed with its maiden vessel purchase on prevailing market terms.

2. CHAPTER 9 OF THE CATALIST RULES

Dr Karl Lidgren and Mr Hans Lidgren are controlling shareholders of the Company with a 34.71% deemed interest in the Company held through Limea Ltd. ("**Limea**"), in which each of Mr Hans Lidgren and Cresta Group Ltd ("**Cresta**") have a 50% shareholding interest respectively. Cresta is in turn wholly-owned by Dr Karl Lidgren.

Dr Karl Lidgren is also a Non-Independent and Executive Director of the Company. As such, MMH is an associate of Dr Karl Lidgren and Mr Hans Lidgren and 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 grant of the Short-term Bridging Loan by RIHBVI to CMH is an "interested person transaction" pursuant to Chapter 9 of the Catalist Rules.

As disclosed in the Announcement, MMH and RIHBVI entered into the Joint Venture agreement on 12 November 2021. The total value of the Security that Rex will provide on behalf of CMH is US\$10.64 million, which represents approximately 7.77% of the Group's latest audited net tangible assets of US\$136.86 million as at 31 December 2020 ("**NTA**"). The Joint Venture falls under the exception pursuant to Rule 916(1) of the Catalist Rules, where shareholders' approval is not required to be obtained pursuant to Catalist Rule 906. It will nonetheless, be aggregated with other IPTs between interested persons of the same group under Catalist Rule 905(2).

On 22 November 2021, the Group's indirect wholly owned subsidiary Rex Oman Ltd entered into sale and purchase agreements to acquire a total of 10,978 preference shares from 10 parties in the Group's 86.37% subsidiary Masirah Oil Limited ("**MOL**"), of which 3,618 MOL preference shares are held by Orango Oil Ltd. ("**IPT Preference Share Acquisition**"). Orango Oil Ltd. is 40:40:20 held by Dr Karl Lidgren, Mr Hans Lidgren and Mr Svein Kjellesvik respectively. The total consideration for the IPT Preference Share Acquisition is US\$864,159.30, which represents approximately 0.63% of the Group's latest audited NTA as of 31 December 2020.

On 5 July 2021, the Company's wholly-owned subsidiary Rex Technology Investments Pte Ltd entered into a conditional subscription agreement with Xer Technologies Pte. Ltd. ("**Xer**") to subscribe for 33,333 shares in Xer, an approximate 40% shareholding interest in the Singapore-registered commercial drone company at a consideration of up to US\$4 million, upon satisfaction of specific milestones. For the current financial year, the Company has paid a consideration of US\$1 million, which represents approximately 0.73% of the Group's latest audited NTA as of 31 December 2020 (the "**Xer Acquisition**"). Cresta and Limea each hold 42% and 15% shareholding interest in Xer respectively, upon completion of the Xer Acquisition.

There have been no other interested person transactions entered into between the Group and any interested person, excluding any transaction below S\$100,000, in the current financial year ending 31 December 2021.

3. INFORMATION ON THE SHORT-TERM BRIDGING LOAN

The value of the Short-term Bridging Loan is US\$2.65 million, which represents approximately 1.93% of the Group's latest audited NTA as at 31 December 2020.

Pursuant to Catalist Rule 916(3), shareholders' approval pursuant to Catalist Rule 906 will not be required for the provision of a loan to a joint venture with an interested person if:

- (a) the loan is extended by all joint venture partners in proportion to their equity and on the same terms;
- (b) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture; and
- (c) the issuer confirms by an announcement that its audit committee is of the view that (1) the provision of the loan is not prejudicial to the interests of the issuer and its minority shareholders; and (2) the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders.

The Short-term Bridging Loan is extended by all joint venture partners in proportion of their equity and on the same terms, and the interested person, MMH, did not have an existing equity interest in the Joint Venture prior to the participation of RIHBVI in the Joint Venture. As such, the transaction is exempted from aggregation with other transactions with the same interested person for compliance with Rule 906 in relation to the requirement to obtain shareholders' approval for the interested person transaction.

4. RATIONALE FOR THE SHORT-TERM BRIDGING LOAN

The extension of the Short-term Bridging Loan is to facilitate CMH to proceed with its maiden vessel purchase on prevailing market terms within the period agreed upon with the vessel seller. The Group views the prevailing market terms as favourable to CMH, which in turn, would be favourable to the Group.

5. STATEMENT FROM THE AUDIT COMMITTEE

In accordance with Catalist Rules 916(3)(c) and 917(4)(a)(i), the Company's Audit Committee has considered the terms and conditions of, as well as the rationale for the Short-term Bridging Loan. In particular, the Audit Committee notes that CMH is expected to secure debt financing from a third-party financial institution before end-January 2022. Accordingly, the Audit Committee of the Company is of the view that the Short-Term Bridging Loan is made on normal commercial terms, the provision of the Short-Term Bridging Loan is not prejudicial to the interests of the Company and its minority shareholders, and that the risks and rewards of the Joint Venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed above, none of the Directors and to the best of the Directors' knowledge, none of the controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Short-Term Bridging Loan, other than that arising from their respective capacity as Directors or shareholders of the Company.

BY ORDER OF THE BOARD OF

Rex International Holding Limited

Dan Broström

Executive Director and Chairman

14 December 2021

This announcement has been prepared by the Company and reviewed by the Company's 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 Sponsor has also not drawn on any specific technical expertise in its review of this announcement.

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