

CIRCULAR DATED 30 MARCH 2017

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR ATTENTION**

**IF YOU ARE IN ANY DOUBT AS TO ITS CONTENTS OR THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

If you have sold or transferred all your ordinary shares (the “**Shares**”) in the capital of Rex International Holding Limited (the “**Company**”), you should immediately forward this Circular, the enclosed Notice of Extraordinary General Meeting and the enclosed Proxy Form immediately to the purchaser or the transferee, or to the bank, stockbroker or agent through whom you effected the sale or the transfer for onward transmission to the purchaser or the transferee.

This circular (the “**Circular**”) has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”), for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”). The Sponsor has not verified the contents of this Circular.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.



**REX INTERNATIONAL HOLDING LIMITED**

(Incorporated in the Republic of Singapore on 11 January 2013)  
(Company Registration No. 201301242M)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO  
(1) PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE;  
(2) PROPOSED AMENDMENTS TO THE RULES OF THE REX INTERNATIONAL PERFORMANCE  
SHARE PLAN; AND  
(3) PROPOSED PARTICIPATION BY AND GRANT OF AWARDS TO CONTROLLING SHAREHOLDERS  
AND THEIR ASSOCIATES UNDER THE REX INTERNATIONAL PERFORMANCE SHARE PLAN**

**IMPORTANT DATES AND TIMES:**

Last date and time for lodgment of Proxy Form	:	Wednesday, 26 April 2017 at 4.30 p.m.
Date and time of EGM	:	Friday, 28 April 2017 at 4.30 p.m. (or immediately after the conclusion of the AGM (as defined herein) to be convened at 4.00 p.m. on the same day and at the same place)
Place of EGM	:	NTUC Centre, 1 Marina Boulevard, Level 8, Room 801, Singapore 018989

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## DEFINITIONS

The following definitions apply throughout in this Circular unless otherwise stated:

“AGM”	:	The annual general meeting of the Company
“Awards”	:	A contingent award of Shares granted under the rules of the Rex PSP
“Board”	:	The board of Directors of the Company as at the date of this Circular
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	Section B of the listing manual of the SGX-ST, dealing with the rules of Catalist, as may be amended, varied or supplemented from time to time
“CDP” or “Depository”	:	The Central Depository (Pte) Limited
“CEO”	:	Chief executive officer of the Company
“Committee”	:	The committee administering the Rex PSP
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Company”	:	Rex International Holding Limited
“Concert Party Group”	:	Has the meaning ascribed to it in Paragraph 2.11.2 of this Circular and each a “ <b>Concert Party</b> ”
“Constitution”	:	The constitution of the Company, as may be amended or modified from time to time
“Director”	:	The director of the Company as at the date of this Circular or as appointed from time to time
“EGM”	:	The extraordinary general meeting of the Company to be held on Friday, 28 April 2017 at 4.30 p.m. (or immediately after the conclusion of the AGM (as defined herein) to be convened at 4.00 p.m. on the same day and at the same place), notice of which is given in the notice of EGM
“EPS”	:	Earnings per Share
“Equus”	:	Equus Consulting AB, a wholly-owned subsidiary of the Company
“FY”	:	Financial year ended 31 December
“Group”	:	The Company and its subsidiaries
“Group Employee”	:	A confirmed full-time employee of the Company (or any of its subsidiaries)

<i>“Independent Shareholders”</i>	:	Shareholders other than the Concert Party Group as well as parties not independent of them
<i>“Latest Practicable Date”</i>	:	17 March 2017, being the latest practicable date prior to the printing of this Circular
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“Market Purchase”</i>	:	Has the meaning ascribed to it in Paragraph 2.4 of this Circular
<i>“NAV”</i>	:	Net asset value
<i>“Off-Market Purchase”</i>	:	Has the meaning ascribed to it in Paragraph 2.4 of this Circular
<i>“Ordinary Resolution”</i>	:	The ordinary resolution as set out in the notice of EGM
<i>“Proposals”</i>	:	Shall have the meaning as set out in page 6 of this Circular
<i>“Relevant Period”</i>	:	The period commencing from the date on which the EGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier
<i>“Registrar”</i>	:	The Registrar of Companies
<i>“Rex PSP”</i>	:	The performance share plan of the Company which was approved on 24 June 2013 pursuant to a resolution passed by Shareholders, as amended or modified from time to time
<i>“Securities Account”</i>	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
<i>“Securities and Futures Act”</i>	:	The Securities and Futures Act, Chapter 289 of Singapore
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share Buyback Mandate”</i>	:	A general mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire, on behalf of the Company, Shares in accordance with the terms set out in this Circular as well as the rules and regulations set forth in the Companies Act and the Catalist Rules
<i>“Shareholders”</i>	:	Persons who are registered as holders of Shares in the Register of Shareholders of the Company except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors in the Depository Register maintained by CDP and into whose securities accounts those Shares are credited
<i>“Shares”</i>	:	Ordinary shares in the share capital of the Company
<i>“SIC”</i>	:	The Securities Industry Council of Singapore
<i>“Take-over Code”</i>	:	The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time
<i>“%” or “per cent.”</i>	:	Percentage or per centum

“S\$” : Singapore dollars

“US\$”, “\$” and “cents” respectively: United States dollars and cents

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act or any statutory modification thereof, as the case may be.

The expressions “**associate**”, “**associated company**”, “**subsidiary**”, “**Controlling Shareholder**” and “**Substantial Shareholder**” shall have the meaning ascribed to them respectively in the Companies Act and the Catalist Rules.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the Securities and Futures Act and the Catalist Rules or any modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the Securities and Futures Act and the Catalist Rules or modification as the case may be.

Any reference in this Circular to a time of day and date shall be a reference to Singapore time and date respectively, unless otherwise stated.

Any discrepancy with the tables in this Circular between the listed amounts and the totals thereof is due to rounding.

#### **Exchange Rates**

Unless otherwise stated, the exchange rate between US\$ and S\$ was US\$1:S\$1.4034 as at the Latest Practicable Date. This exchange rate should not be construed as a representation that the US\$ amounts could have been, or could be, converted into Singapore dollars at the rate stated, or at all, and vice versa.

**REX INTERNATIONAL HOLDING LIMITED**  
(Incorporated in the Republic of Singapore on 11 January 2013)  
(Company Registration No. 201301242M)

**Board of Directors:**

Mr Dan Broström (*Chairman and Executive Director*)  
Dr Karl Lidgren (*Executive Director*)  
Mr Sin Boon Ann (*Lead Independent Non-Executive Director*)  
Mr Muhammad Sameer Yousuf Khan (*Independent Non-Executive Director*)  
Dr Christopher Atkinson (*Independent Non-Executive Director*)

**Registered Office:**

80 Robinson Road, #02-00  
Singapore 068898

30 March 2017

**To: The Shareholders of Rex International Holding Limited**

Dear Sir/Madam

- (1) **PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE;**
- (2) **PROPOSED AMENDMENTS TO THE RULES OF THE REX PSP;**
- (3) **PROPOSED GRANT OF AWARDS TO MR MÅNS LIDGREN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, UNDER THE REX PSP;**
- (4) **PROPOSED GRANT OF AN AWARD TO MRS LINA BERNTSEN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, UNDER THE REX PSP;**
- (5) **PROPOSED GRANT OF AN AWARD TO MR MARTIN LIDGREN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, UNDER THE REX PSP;**
- (6) **PROPOSED GRANT OF AN AWARD TO MR MAGNUS LIDGREN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, UNDER THE REX PSP;**
- (7) **PROPOSED PARTICIPATION BY AND GRANT OF AN AWARD TO DR KARL LIDGREN, A CONTROLLING SHAREHOLDER, UNDER THE REX PSP; AND**
- (8) **PROPOSED PARTICIPATION BY AND GRANT OF AN AWARD TO MR HANS LIDGREN, A CONTROLLING SHAREHOLDER, UNDER THE REX PSP (COLLECTIVELY, THE “PROPOSALS”)**

**1. INTRODUCTION**

- 1.1 The Directors wish to refer Shareholders to the notice of EGM of the Company dated 30 March 2017 convening the EGM to be held on 28 April 2017 to seek approval of the Shareholders in relation to (a) the proposed renewal of the Share Buyback Mandate; (b) the proposed amendments to the rules of the Rex PSP; and (c) the proposed participation by and grant of Awards to Controlling Shareholders and their associates under the Rex PSP.
- 1.2 The purpose of this Circular is to provide Shareholders with information relating to the aforementioned proposals, details of which are set out in Paragraphs 2, 3 and 4 of this Circular, and to seek Shareholders' approval in relation thereto at the EGM.
- 1.3 The Sponsor and the SGX-ST take no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this Circular.

## **2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE**

### **2.1 The Share Buyback Mandate**

It is a requirement under the Catalist Rules that a company which wishes to purchase or acquire its own shares should obtain approval of its shareholders at a general meeting. The Share Buyback Mandate was adopted in an extraordinary general meeting of the Company on 16 October 2015, and subsequently renewed in an extraordinary general meeting of the Company convened on 29 April 2016. The mandate will, unless renewed again, expire on the date of the forthcoming AGM.

In this regard, Shareholders' approval is being sought at the EGM for the renewal of the Share Buyback Mandate by ordinary resolution, pursuant to which authority will be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares on the terms of the Share Buyback Mandate.

If approved by the Shareholders at the EGM, the authority conferred by the Share Buyback Mandate will take effect from the date of the EGM and continue in force until the date of the next AGM of the Company or such date as the next AGM is required by law or by the Constitution to be held, whereupon it will lapse, unless renewed at such meeting, or unless prior thereto, the share buybacks are carried out to the full extent mandated or the Share Buyback Mandate is revoked or varied by the Company in a general meeting.

Sections 76B, 76C, 76D, 76DA, and 76E of the Companies Act allow a listed company to purchase its own shares. The Constitution provides that the Company may purchase its own Shares in accordance with the Companies Act. The information required in compliance with Catalist Rule 868(1) and the Companies Act is provided below.

### **2.2 Rationale for the Proposed Renewal of the Share Buyback Mandate**

The Company strives to increase Shareholders' value in the Company by improving, *inter alia*, the return on equity of the Group. A share buyback at the appropriate price level is one of the ways in which the return on equity of the Group may be enhanced.

Share buybacks provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. It will also provide the Directors with greater flexibility over the Company's share capital structure with a view to lead to enhancing the EPS and/or NAV per Share.

The Directors believe that a share buyback by the Company will also help mitigate short-term market volatility, offset the effects of short-term speculation and bolster shareholder confidence. Further, share buybacks will allow the Company to effectively manage and minimise the dilution impact, if any, that may be associated with any share-based incentive scheme of the Company. The Directors may also purchase existing Shares to be held in treasury, and such treasury shares may consequently be transferred for the purposes of employee share schemes implemented by the Company.

If and when circumstances permit, the Directors will decide whether to effect the share purchases via Market Purchases or Off-Market Purchases, after taking into account factors such as the amount of cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors do not propose to carry out purchases pursuant to the Share Buyback Mandate to such an extent that would, or in circumstances that might, result in a material adverse effect on the float, liquidity, orderly trading of the Shares and/or financial position of the Group.

### **2.3 Authority and Limits of the Share Buyback Mandate**

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate are summarised below.

### 2.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares that may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10% of the issued ordinary shares of the Company (excluding treasury shares) as at the date of the EGM at which the Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period, effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time).

**For illustrative purposes only**, on the basis of 1,278,140,587 Shares in issue (excluding treasury shares) as at the Latest Practicable Date, and assuming no further Shares are issued on or prior to the EGM, not more than 127,814,058 Shares (representing 10% of the issued ordinary shares of the Company (excluding treasury shares) as at the date of the EGM) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate during the period referred to in Paragraph 2.3.2 of this Circular.

**While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the 10% limit, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out up to the full 10% limit as authorised, or at all. In particular, no purchase or acquisition of the Shares would be made in circumstances which would have or may have a material adverse effect on the float, liquidity, orderly trading of the Shares and/or financial position of the Group.**

### 2.3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the EGM at which the proposed renewal of the Share Buyback Mandate is approved, up to the earliest of:

- (a) the date on which the next AGM is held or is required by law to be held; or
- (b) the date on which the purchases or acquisitions of Shares are carried out to the full extent of the Share Buyback Mandate; or
- (c) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting.

The authority conferred on the Directors by the Share Buyback Mandate to purchase Shares may be renewed by Shareholders in the next AGM or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

### 2.4 Manner of Purchase or Acquisition of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases (“**Market Purchases**”), transacted on the SGX-ST through the SGX-ST’s trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by the Company for the purpose; and/or
- (b) off-market purchases (“**Off-Market Purchases**”) in accordance with an equal access scheme(s), which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules.



The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Catalist Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must also satisfy all of the following conditions as set out under the Companies Act:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded (a) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements, (b) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable) and (c) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

The Catalist Rules further provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed share buyback;
- (4) the consequences, if any, of share purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the share buybacks, if made, could affect the listing of the Company's equity securities on the SGX-ST;
- (6) details of any share buybacks made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of the Shares purchased, the purchase price per Share or the highest or lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (7) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

## 2.5 Maximum Purchase Price

The purchase price to be paid for the Shares will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the share buyback (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Market Price (as defined below); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Market Price (as defined below),

(the "**Maximum Price**") in either case, excluding related expenses of the purchase.

For the purposes of determining the Maximum Price:

**“Average Closing Market Price”** means the average of the closing market prices of a Share over the last five Market Days on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of the Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five day period;

**“day of the making of the offer”** means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

## **2.6 Status of Purchased or Acquired Shares**

Any Share which is purchased by the Company is deemed cancelled immediately on purchase (and all rights and privileges attached to that Share will expire on such cancellation), unless such Share is held by the Company as a treasury share. All Shares (excluding Shares held by Company as treasury shares) purchased by the Company will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased by the Company and which are not held as treasury shares. At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company at that time.

## **2.7 Treasury Shares**

Under the Companies Act, Shares purchased by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

### **(a) *Maximum Holdings***

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed or cancelled in accordance with the applicable provisions of the Companies Act.

### **(b) *Voting and Other Rights***

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company’s assets may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number, is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as the total value of the treasury shares before the subdivision or consolidation, as the case may be.

### **(c) *Disposal and Cancellation***

Where Shares are held as treasury shares, the Company may at any time:

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;

- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.

Under the Catalist Rule 704(31), an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the “**usage**”). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of shares before and after the usage, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage, and the value of the treasury shares if they are used for a sale or transfer or cancelled.

## **2.8 Reporting and Catalist Rules Requirements**

Within 30 days of the passing of a Shareholders’ ordinary resolution to approve the purchases or acquisitions of Shares by the Company, the Company shall lodge a copy of such resolution with the Registrar.

Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with the Registrar the notice of cancellation or disposal of treasury shares in the prescribed form as required by the Registrar.

The Company shall notify the Registrar within 30 days of a purchase of Shares on the SGX-ST or otherwise. Such notification shall include the date of the purchases, the total number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company’s issued share capital before the purchase of Shares and after the purchase of Shares, the amount of consideration paid by the Company for the purchases, whether the Shares were purchased out of profits or the capital of the Company and such other particulars as may be required in the prescribed form.

Catalist Rule 871 specifies that a listed company shall announce all purchases or acquisitions of its shares via SGXNet not later than 9.00 a.m.,

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

The notification of such purchases or acquisition of Shares via SGXNet shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications via SGXNet.

While the Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares pursuant to the Share Buyback Mandate during the period commencing two weeks before the announcement of the Company’s financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company’s full year financial statements.

The Catalist Rules requires a listed company to ensure that at least 10% of the total number of any class of its listed securities must be held by public shareholders. The “public”, as defined under the Catalist Rules, are persons other than the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date, 719,335,027 Shares representing 56.28% of the issued Shares (excluding treasury shares) are held by public Shareholders. In the event that the Company purchases the maximum of 10% of its issued ordinary share capital from such public Shareholders, the resultant percentage of the issued Shares held by the public Shareholders would be reduced to approximately 51.42% of the issued Shares (excluding treasury shares). Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

## **2.9 Source of Funds**

The Companies Act permits the Company to purchase its Shares out of capital, as well as from its distributable profits so long as the Company is solvent (as defined in Section 76F(4) of the Companies Act).

The Company intends to use internal sources of funds, or a combination of internal resources and external borrowings, to finance purchases of Shares pursuant to the Share Buyback Mandate.

## **2.10 Financial Effects**

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the amount borrowed by the Group (if any) to fund the purchases or acquisitions, whether the Shares are purchased or acquired out of capital or profits, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Group and the Company, based on the audited financial statements of the Group and the Company for FY2016, are based on the assumptions set out below.

### **(a) Purchase or acquisition out of capital or profits**

The Companies Act permits the Company to purchase its Shares out of capital, as well as from its distributable profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (including related brokerage, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

### **(b) Number of Shares purchased or acquired**

As at the Latest Practicable Date, the issued capital of the Company comprised 1,278,140,587 Shares (excluding treasury shares). Based on the issued and paid-up ordinary share capital of the Company as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the EGM, the purchase by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 127,814,058 Shares.

### **(c) Maximum price paid for Shares purchased or acquired**

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 127,814,058 Shares at the Maximum Price of S\$0.068 for one Share (being the price equivalent to five per cent. above the Average Closing Market Price

of the Shares for the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 127,814,058 Shares is approximately S\$8,691,000 (equivalent to approximately US\$6,193,000).

In the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires 127,814,058 Shares at the Maximum Price of S\$0.078 for one Share (being the price equivalent to 20% above the Average Closing Market Price of the Shares as recorded for the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 127,814,058 Shares is approximately S\$9,969,000 (equivalent to approximately US\$7,104,000).

**For illustrative purposes only**, and based on the assumptions set out in the sub-paragraphs (a) to (c) above, and assuming that (i) the purchase of Shares is financed by internal sources of funds; (ii) the Share Buyback Mandate had been effective on 1 January 2016; (iii) transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buyback Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects; and (iv) the Company had purchased the 127,814,058 Shares (representing 10% of the total number of issued Shares of the Company as at the Latest Practicable Date) on 1 January 2016, the financial effects of the purchase of 127,814,058 Shares by the Company pursuant to the Share Buyback Mandate:

- (1) by way of purchases made entirely out of capital and held as treasury shares; and
- (2) by way of purchases made entirely out of capital and cancelled,

on the audited financial statements of the Company and the Group for FY2016 are set out on pages 14 and 15 of this Circular.

Based on the audited financial statements of the Company and the Group for FY2016, the Company and the Group has no distributable profits to effect any Share buyback. As such, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of Market Purchases and Off-Market Purchases made entirely out of profits is not disclosed in this Circular.

**(1) Purchases made entirely out of capital and held as treasury shares**

	Group			Company		
	After Share Buyback			After Share Buyback		
	Before Share Buyback	Market Purchase	Off-Market Purchase	Before Share Buyback	Market Purchase	Off-Market Purchase
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>As at 31 December 2016</b>						
Share capital	254,873	254,873	254,873	254,873	254,873	254,873
Reserves	8,295	8,295	8,295	2,888	2,888	2,888
Accumulated losses	(139,892)	(139,892)	(139,892)	(125,890)	(125,890)	(125,890)
Treasury shares	-	(6,193)	(7,104)	-	(6,193)	(7,104)
Non-controlling interests	10,160	10,160	10,160	-	-	-
<b>Total Equity</b>	<b>133,436</b>	<b>127,243</b>	<b>126,332</b>	<b>131,871</b>	<b>125,678</b>	<b>124,767</b>
Intangible assets	6,765	6,765	6,765	-	-	-
Net tangible assets <sup>(1)</sup>	116,511	110,318	109,407	131,871	125,678	124,767
Current assets	90,139	83,946	83,035	51,486	45,293	44,382
Current liabilities	15,429	15,429	15,429	11,807	11,807	11,807
Total borrowings	12,488	12,488	12,488	-	-	-
Total issued number of shares ('000)	1,267,422	1,139,608	1,138,608	1,267,422	1,139,608	1,139,608
Weighted average number of shares ('000)	1,266,692	1,138,878	1,138,878	1,266,692	1,138,878	1,138,878
Number of treasury shares ('000)	-	127,814	127,814	-	127,814	127,814
Loss for the year, net of tax	(31,739)	(31,739)	(31,739)	(6,292)	(6,292)	(6,292)
Loss attributable to Shareholders	(29,498)	(29,498)	(29,498)	(6,292)	(6,292)	(6,292)
<b>Financial Ratios</b>						
Net tangible assets per share (US cents) <sup>(2)</sup>	9.19	9.68	9.60	10.40	11.03	10.95
Gearing (%) <sup>(3)</sup>	9	10	10	-	-	-
Current ratio (times) <sup>(4)</sup>	5.84	5.44	5.38	4.36	3.84	3.76
Basic loss per share (US cents) <sup>(5)</sup>	(2.33)	(2.59)	(2.59)	(0.50)	(0.55)	(0.55)

**Notes:**

<sup>(1)</sup> Net tangible assets as disclosed above excludes non-controlling interests.

<sup>(2)</sup> Net tangible assets per share is calculated based on net tangible assets divided by the total number of shares (excluding treasury shares) as at 31 December 2016.

<sup>(3)</sup> Gearing is calculated based on total borrowings divided by total equity.

<sup>(4)</sup> Current ratio is calculated based on current assets divided by current liabilities.

<sup>(5)</sup> Basic loss per share is calculated based on loss for the year (net of tax) attributable to the Shareholders, divided by the weighted average number of shares as at 31 December 2016.

## (2) Purchases made entirely out of capital and cancelled

	Group			Company		
	After Share Buyback			After Share Buyback		
	Before Share Buyback	Market Purchase	Off-Market Purchase	Before Share Buyback	Market Purchase	Off-Market Purchase
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>As at 31 December 2016</b>						
Share capital	254,873	248,680	247,769	254,873	248,680	247,769
Reserves	8,295	8,295	8,295	2,888	2,888	2,888
Accumulated losses	(139,892)	(139,892)	(139,892)	(125,890)	(125,890)	(125,890)
Treasury shares	-	-	-	-	-	-
Non-controlling interests	10,160	10,160	10,160	-	-	-
<b>Total equity</b>	<b>133,436</b>	<b>127,243</b>	<b>126,332</b>	<b>131,871</b>	<b>125,678</b>	<b>124,767</b>
Intangible assets	6,765	6,765	6,765	-	-	-
Net tangible assets <sup>(1)</sup>	116,511	110,318	109,407	131,871	125,678	124,767
Current assets	90,139	83,946	83,035	51,486	45,293	44,382
Current liabilities	15,429	15,429	15,429	11,807	11,807	11,807
Total borrowings	12,488	12,488	12,488	-	-	-
Total issued number of shares ('000)	1,267,422	1,139,608	1,139,608	1,267,422	1,139,608	1,139,608
Weighted average number of shares ('000)	1,266,692	1,138,878	1,138,878	1,266,692	1,138,878	1,138,878
Number of treasury shares ('000)	-	-	-	-	-	-
Loss for the year, net of tax	(31,739)	(31,739)	(31,739)	(6,292)	(6,292)	(6,292)
Loss attributable to Shareholders	(29,498)	(29,498)	(29,498)	(6,292)	(6,292)	(6,292)
<b>Financial Ratios</b>						
Net tangible assets per share (US cents) <sup>(2)</sup>	9.19	9.68	9.60	10.40	11.03	10.95
Gearing (%) <sup>(3)</sup>	9	10	10	-	-	-
Current ratio (times) <sup>(4)</sup>	5.84	5.44	5.38	4.36	3.84	3.76
Basic loss per share (US cents) <sup>(5)</sup>	(2.33)	(2.59)	(2.59)	(0.50)	(0.55)	(0.55)

### Notes:

- (1) Net tangible assets as disclosed above excludes non-controlling interests.
- (2) Net tangible assets per share is calculated based on net tangible assets divided by the total number of shares (excluding treasury shares) as at 31 December 2016.
- (3) Gearing is calculated based on total borrowings divided by total equity.
- (4) Current ratio is calculated based on current assets divided by current liabilities.
- (5) Basic loss per share is calculated based on loss for the year (net of tax) attributable to the Shareholders, divided by the weighted average number of shares as at 31 December 2016.

**Shareholders should note that the financial effects set out above are purely for illustrative purposes only. Although the proposed renewal of the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the total number of issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of issued Shares. In addition, the Company may cancel all or part of the Shares purchased, or hold all or part of the Shares repurchased in treasury.**

## 2.11 Take-over Code Implications

Pursuant to Rule 14 of the Take-over Code, a person will be required to make a general offer for a public company if:

- (a) he acquires 30% or more of the voting rights of the company; or
- (b) he holds between 30% and 50% of the voting rights of the company and he increases his voting rights in the company by more than one per cent. in any six-month period.

If the proportionate shareholding in the voting capital of the company of a shareholder and persons acting in concert with him increases as a result of the company buying back its shares, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in the shareholder and persons acting in concert with him obtaining or consolidating effective control of the company, they may be obliged to make a take-over offer under Rule 14 of the Take-over Code.

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

The following individuals will, *inter alia*, be presumed to be acting in concert unless the contrary is established:

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, any company whose associated companies include any of the above companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions, companies controlled by any of the above persons, and any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the above for the purchase of voting rights.



The circumstances under which Shareholders of the Company, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

#### **2.11.1 Effect of Rule 14 and Appendix 2 “Share Buy-Back Guidance Note” of the Take-over Code**

Generally, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company’s voting rights, if the voting rights of such Directors and their concert parties would increase by more than one per cent. in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its own Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company’s voting rights, the voting rights of such Shareholder would increase by more than one per cent. in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

**Shareholders are advised to consult their professional advisers and/or the SIC at the earliest opportunity as to whether an obligation on them to make a mandatory take-over offer would arise by reason of any purchases or acquisitions of Shares by the Company.**

#### **2.11.2 Information on the Concert Party Group**

As at the Latest Practicable Date, Limea Ltd. holds 452,020,422 Shares, representing approximately 35.37% of the issued Shares (excluding treasury shares). Dr Karl Lidgren, through a nominee company, owns 50% of Limea Ltd., and Mr Hans Lidgren owns the remaining 50% of Limea Ltd. Accordingly, Dr Karl Lidgren and Mr Hans Lidgren are deemed interested in the 452,020,422 Shares held by Limea Ltd. Dr Karl Lidgren is presently an Executive Director and Controlling Shareholder of the Company. Mr Måns Lidgren, the CEO, who is the son of Dr Karl Lidgren, holds 1,161,600 Shares, representing approximately 0.09% of the issued Shares (excluding treasury shares) of the Company as at the Latest Practicable Date, and was granted a contingent award of up to 7,909,600 ordinary shares (“Award Shares”) pursuant to the Rex PSP, of which none of the Award Shares have vested. Additionally, each of Mrs Lina Berntsen, Mr Martin Lidgren and Mr Magnus Lidgren have been granted contingent awards under the Rex PSP of up to 1,748,700 Award Shares, up to 874,400 Award Shares and up to 874,400 Award Shares respectively, of which none of the Award Shares have vested. As such, the abovementioned persons would be presumed to be concert parties for the purposes of the Take-over Code (the “Concert Party Group”, each a “Concert Party”).

Pursuant to Appendix 2 read together with Rule 14 of the Take-over Code, if, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting rights held by the Concert Parties or the Concert Party Group increases, such increase will be treated as an acquisition for the purpose of Rule 14 of the Take-over Code. Consequently, the Concert Parties could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

**For illustrative purposes only**, the purchase or acquisition of 127,814,058 Shares by the Company (representing 10% of the issued Shares (excluding any treasury shares) as at the Latest Practicable Date) from the Independent Shareholders pursuant to the maximum limit permitted under the Share Buyback Mandate, would result in the interest in Shares of the Concert Party Group increasing from approximately 35.46% to approximately 39.40% of the issued Shares (excluding treasury shares).

### 2.11.3 Conditional Exemption from Having to Make a Take-over Offer

Under Appendix 2 of the Take-over Code, the Concert Party Group will be exempted from the requirement to make a general offer under Rule 14 of the Take-over Code, subject to the following conditions:

- (a) the circular to Shareholders on the resolution to authorise the Share Buyback Mandate to contain advice to the effect that by voting for such resolution, Shareholders are waiving their right to a general offer at the required price from the Concert Party Group which, as a result of the Company buying back its Shares, would, in aggregate, increase the Concert Party Group's voting rights by more than one per cent. in any period of six months, and the names of the members of the Concert Party Group, their voting rights at the time of the resolution and after the proposed share buyback;
- (b) the resolution to authorise a share buy-back to be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the buy-back of Shares by the Company;
- (c) the Concert Party Group to abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to authorise the Share Buyback Mandate;
- (d) within seven days after passing the resolution to authorise the Share Buyback Mandate, Dr Karl Lidgren to submit to the SIC a duly signed form as prescribed by the SIC;
- (e) the Concert Party Group not to have acquired and not to acquire any Shares between the date on which they know that the announcement of the renewal of the Share Buyback Mandate proposal is imminent and the earlier of (a) the date on which the authority of the Share Buyback Mandate expires, and (b) the date on which the Company announces it has bought back such number of Shares as authorised by the Share Buyback Mandate or it has decided to cease buying back its Shares, as the case may be, if such acquisitions, taken together with the buyback of Shares by the Company, would cause the voting rights in the Company of any Concert Party to increase to 30% or more; and
- (f) the Concert Party Group not to have acquired and not to acquire any Shares between the date on which they know that the announcement of the renewal of the Share Buyback Mandate proposal is imminent and the earlier of (a) the date on which the authority of the Share Buyback Mandate expires, and (b) the date on which the Company announces it has bought back such number of Shares as authorised by the Share Buyback Mandate or it has decided to cease buying back its Shares, as the case may be, if such acquisitions, taken together with the buyback of Shares by the Company, would cause their aggregate voting rights in the Company to increase by more than one per cent. in the preceding six months.

Form 2 (Submission by directors pursuant to Appendix 2 "Share Buy-Back Guidance Note" of the Take-over Code) is the prescribed form to be submitted to the SIC by a director acting in concert with a shareholder of a listed company who could become obliged to make a take-over offer under Rule 14 of the Take-over Code as a result of the buyback of Shares by the Company pursuant to the conditions for exemption (as set out above).

As at the Latest Practicable Date, Dr Karl Lidgren has informed the Company that he will submit a Form 2 to the SIC within seven days after the passing of the ordinary resolution relating to the proposed renewal of the Share Buyback Mandate.

#### **CAUTIONARY NOTE TO INDEPENDENT SHAREHOLDERS**

**SHAREHOLDERS ARE ADVISED THAT BY VOTING IN FAVOUR OF THE ORDINARY RESOLUTION RELATING TO THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE, THEY WILL BE WAIVING THEIR RIGHT TO A GENERAL OFFER AT THE REQUIRED PRICE FROM ANY CONCERT PARTY AND/OR THE CONCERT PARTY GROUP WHO, AS A RESULT OF THE COMPANY BUYING BACK ITS SHARES, WOULD INCREASE THEIR VOTING RIGHTS BY MORE THAN ONE PER CENT. IN ANY PERIOD OF SIX MONTHS OR WHO, AS A RESULT OF THE COMPANY BUYING BACK ITS SHARES, WOULD INCREASE ITS VOTING RIGHTS TO 30% OR MORE IF APPLICABLE.**

## **2.12 No Share Buybacks in the Previous 12 Months**

The Company has not purchased or acquired any Shares during the 12-month period preceding the Latest Practicable Date.

## **2.13 Tax Implications**

Shareholders who are in doubt as to their tax positions or any tax implications arising from the Share Buyback Mandate in their respective jurisdictions should consult their own professional advisers.

## **3. THE PROPOSED AMENDMENTS TO THE RULES OF THE REX PSP**

### **3.1 Introduction**

The Rex PSP was adopted by the Company at an extraordinary general meeting of the Company held on 24 June 2013, as amended pursuant to Shareholders' approval at an extraordinary general meeting of the Company held on 30 April 2014.

### **3.2 Proposed Amendments and Rationale**

The Rex PSP is proposed to be amended to (a) allow the Committee further flexibility to grant Awards under the Rex PSP without a vesting period, if so determined in its absolute discretion, in addition to the Committee's current ability to grant Awards with a vesting period; (b) clarify that the Committee may be able to shorten the performance period of a participant, if the performance condition(s) have been fulfilled within the performance period; and (c) clarify that the Committee has the sole discretion to determine any condition in relation to each proposed Award.

Factors which the Committee will consider in the grant of any Award under the Rex PSP include, among others, internal performance targets, performance of the Group Employee, years of service, contribution to the success or growth of the Group and the Group's financial performance and/or position. Awards to be granted without a vesting period may have performance conditions attached to them. The proposed amendments to the Rex PSP would also allow the Committee to grant Awards without a vesting period and permit grants of fully paid Shares to be made to Group Employees of the Company as part of their remuneration in respect of their office in lieu of cash. Such Awards will consist of fully paid Shares, with no performance conditions attached and no vesting periods imposed, and will be issued in accordance with the rules of the Rex PSP. This would grant the Company more flexibility in structuring the remuneration of Group Employees and would also conserve the Company's cash for use for the Group's operations in a challenging operating environment.

The amendments relating to the shortening of the performance period of an Award are made for clarification purposes, and do not aim to give a participant any additional benefit, as the performance period may only be shortened in the event the Committee has determined that the performance conditions attached to the Award have been satisfied.

The proposed amendments to the Rex PSP are set out in the Appendix to this Circular, and are subject to Shareholders' approval.

## **4. THE PROPOSED PARTICIPATION BY AND GRANT OF AWARDS TO CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES UNDER THE REX PSP**

### **4.1 Introduction**

Approval of Shareholders is being sought in relation to (A) the proposed grant of Awards to the following associates of a Controlling Shareholder: (a) Mr Måns Lidgren, CEO; (b) Mrs Lina Berntsen, Chief Technology Officer of the Company; (c) Mr Martin Lidgren, employee of the Company's wholly-owned subsidiary, Equus; and (d) Mr Magnus Lidgren, employee of Equus; and (B) the proposed participation by and grant of Awards to the following Controlling Shareholders: (i) Dr Karl Lidgren, Executive Director of the Company; and (ii) Mr Hans Lidgren, employee of the Company's wholly-owned subsidiary, Rex Technology Management Ltd.

## **4.2 Participation by Controlling Shareholders and their Associates**

The Rex PSP was implemented to promote higher performance goals and recognising the achievements of Group Employees by providing them with an opportunity to participate in the equity of the Company, and seeks to motivate Group Employees towards better performance in the long-term coupled with loyalty to our Group.

The purpose for the participation by Group Employees who are Controlling Shareholders or associates of Controlling Shareholders in the Rex PSP is to provide an opportunity for eligible Group Employees who are Controlling Shareholders or associates of Controlling Shareholders who have contributed or continue to contribute significantly to the growth and performance of the Group to participate in the equity of the Company.

The rules of the Rex PSP do not differentiate between the Controlling Shareholders or associates of Controlling Shareholders from other Group Employees in determining the eligibility of such persons to be granted Awards. Controlling Shareholders or associates of Controlling Shareholders should not be excluded from participating in the Rex PSP solely for the reason that they are Controlling Shareholders or associates of Controlling Shareholders. To deny participation by the Controlling Shareholders or associates of Controlling Shareholders may undermine the objectives of the Rex PSP.

The Company acknowledges that the services and contributions of the Group Employees who are Controlling Shareholders or associates of Controlling Shareholders have been instrumental and will continue to be crucial to the development and success of the Group. The extension of the Rex PSP to the Controlling Shareholders or associates of Controlling Shareholders allows the Company to have a fair and equitable system for rewarding these Group Employees who have made and continue to make important contributions to the long-term growth of the Group notwithstanding that they are Controlling Shareholders or associates of Controlling Shareholders, and seeks to align the long-term interest of the Group Employee with that of the Group's. Allowing Group Employees who are Controlling Shareholders or associates of Controlling Shareholders to be remunerated under the Rex PSP would also conserve the Company's cash and allow the Company increased flexibility to use their existing cash for the Group's operations.

As a safeguard against abuse, all members of the Board who are neither Controlling Shareholders nor their associates will be involved in deliberations in respect of the Awards to be granted to or held by Controlling Shareholders or associates of Controlling Shareholders and the terms and conditions, including the Vesting Periods, if any, attached to such Awards.

Specific approval of the independent Shareholders is required for the participation and grant of Awards to Controlling Shareholders or Associates of Controlling Shareholders, as well as the specific terms of such Awards and the number of New Shares which are the subject of the Awards. In seeking such independent Shareholders' approval, clear justification as to their participation, the number of New Shares and the terms of Awards to be granted to the Controlling Shareholders or Associates of Controlling Shareholders will need to be provided.

The Company is of the view that there are sufficient safeguards against abuse resulting from the participation by the Controlling Shareholders or Associates of Controlling Shareholders in the Rex PSP.

## **4.3 Rationale for the Proposed Grant of Awards under the Rex PSP to Mr Måns Lidgren**

- 4.3.1 Mr Måns Lidgren is the CEO of the Company and the son of Dr Karl Lidgren, an Executive Director and a Controlling Shareholder of the Company. The participation of Mr Måns Lidgren in the Rex PSP was previously approved by Shareholders at an extraordinary general meeting of the Company convened on 30 April 2014. Mr Måns Lidgren is integral to the Group's core management team, providing leadership and strategic direction, and is responsible for making major business and finance decisions. He oversees the business strategies of the Company and steers corporate expansion plans. Under his management, the Group has expanded and his contributions are essential in ensuring the continual growth of the Group and successful ventures with its partners.

4.3.2 The Directors propose to grant the following Award to Mr Måns Lidgren in accordance with the rules of the Rex PSP and on, *inter alia*, the following terms:

Proposed date of grant of Award : 28 April 2017

Number of Shares comprised in the Award : 5,170,264 Shares (representing approximately 0.40% of the total issued Shares as at the Latest Practicable Date and approximately 2.70% of the maximum number of Shares available under the Rex PSP and any other share schemes of the Company)

Subject to Shareholders' approval of Ordinary Resolution 2 at the EGM, in respect of the amendments to the rules of the Rex PSP, the grant of the Award to Mr Måns Lidgren will not have a vesting period. The Award is to be granted in respect of Mr Måns Lidgren's performance in FY2016, subject to Shareholders' approval. In the event that Shareholders' approval in respect of Ordinary Resolution 2 is not obtained at EGM, the Company will not grant the aforementioned Award to Mr Måns Lidgren.

4.3.3 The Directors further propose to grant an Award on the following terms to Mr Måns Lidgren:

Proposed date of grant of Award : 28 April 2017

Number of Shares comprised in the Award : Up to 30,943,600 Shares (representing approximately up to 2.42% of the total issued Shares as at the Latest Practicable Date and approximately up to 16.14% of the maximum number of Shares available under the Rex PSP and any other share schemes of the Company)

Vesting period of the proposed Award : The number of Shares to be issued pursuant to the proposed award will range from 0% to 100%, subject to certain pre-determined performance benchmarks and the satisfactory completion of time-based service condition(s) decided by the Committee. The proposed Award shall only be released in one or more tranches after the end of a one year vesting period which may extend up to a maximum of two years from the date of grant of the proposed Award, as determined by the Committee.

The performance targets set for Mr Måns Lidgren are based on the average of the Company's closing market prices of Shares over a consecutive period of five Market Days in which transactions in the Shares were recorded, at any time within a two-year period from the date of grant of the proposed Award of Shares ("**Average Performance Market Price**").

If the Average Performance Market Price is S\$0.15 and above, 40% of the number of Shares in the Award shall be released after the vesting period. If the Average Performance Market Price is S\$0.30 and above, an additional 60% of the number of Shares in the Award shall be released. If the Average Performance Market Price is less than S\$0.15, none of the Shares in the Award shall be released unless otherwise determined by the Committee.

If the Average Performance Market Price has been met prior to the end of the vesting period, the Committee may waive any remaining vesting period and release the Award in tranches at its own discretion, in accordance with the rules of the Rex PSP. The Committee may also modify the release of Awards in tranches at its own discretion so as not to trigger a mandatory take-over offer.

4.3.4 Mr Måns Lidgren's remuneration package which includes his salary, benefits and bonus, was S\$1,594,014 for FY2016. The Directors are of the view that the proposed grant of Awards to Mr Måns Lidgren is consistent with the Company's objectives to motivate its Group Employees to achieve and maintain a high level of performance and contribution which are vital to the success of the Company. Rewarding Mr Måns Lidgren for his performance with the proposed grant of Awards will ensure that his interests remain aligned with that of the Company and will enhance his long-term commitment to the Group with a view to achieving long-term growth for the Group. The proposed grant of Awards to Mr Måns Lidgren would generally allow the Company greater flexibility with their cash and compensation structure, and would conserve more of the Company's cash.

#### 4.4 Rationale for the Proposed Grant of an Award under the Rex PSP to Mrs Lina Berntsen

4.4.1 Mrs Lina Berntsen is the Group's Chief Technology Officer and the daughter of Mr Hans Lidgren, a Controlling Shareholder of the Company. The participation of Mrs Lina Berntsen in the Rex PSP was previously approved by Shareholders at an extraordinary general meeting of the Company convened on 29 April 2016. Mrs Lina Berntsen joined the Group in 2012 as the Rex Virtual Drilling specialist to Lime Petroleum Norway AS, and is currently responsible for overseeing and co-ordinating the use of Rex Technologies, which the Group relies on for its exploration activities. Prior to the listing of the Company on the Catalist, Mrs Berntsen had also worked on Rex Virtual Drilling and has years of familiarity with the processes.

4.4.2 The Directors propose to grant an Award to Mrs Lina Berntsen in accordance with the rules of the Rex PSP and on, *inter alia*, the following terms:

Proposed date of grant of Award : 28 April 2017

Number of Shares comprised in the Award : Up to 3,375,400 Shares (representing approximately up to 0.26% of the total issued Shares as at the Latest Practicable Date and approximately up to 1.76% of the maximum number of Shares available under the Rex PSP and any other share schemes of the Company)

Vesting period of the proposed Award : The number of Shares to be issued pursuant to the proposed award will range from 0% to 100%, subject to certain pre-determined performance benchmarks and the satisfactory completion of time-based service condition(s) decided by the Committee. The proposed Award shall only be released in one or more tranches after the end of a one year vesting period which may extend up to a maximum of two years from the date of grant of the proposed Award, as determined by the Committee.

The performance targets set for Mrs Lina Berntsen are based on the Average Performance Market Price, and if such price is S\$0.15 and above, 40% of the number of Shares in the Award shall be released after the vesting period. If the Average Performance Market Price is S\$0.30 and above, an additional 60% of the number of Shares in the Award shall be released. If the Average Performance Market Price is less than S\$0.15, none of the Shares in the Award shall be released unless otherwise determined by the Committee.

If the Average Performance Market Price has been met prior to the end of the vesting period, the Committee may waive any remaining vesting period and release the Award in tranches at its own discretion, in accordance with the rules of the Rex PSP. The Committee may also modify the release of Awards in tranches at its own discretion so as not to trigger a mandatory take-over offer.

4.4.3 Mrs Lina Berntsen's remuneration for FY2016 was in the band of S\$150,000 to S\$200,000. The Directors are of the view that Mrs Lina Berntsen's contributions are vital to the growth and expansion of the Group's interest, and the Group's ability to retain its key management is important to its continued success. The proposed grant of the Award would align her interests with those of the Company and enhance her long-term commitment to the Group with a view of achieving long-term growth for the Group. This would be consistent with the objectives of the Rex PSP and will also allow the Company greater flexibility and will conserve the Company's cash.

#### 4.5 Rationale for the Proposed Grant of an Award under the Rex PSP to Mr Martin Lidgren

4.5.1 Mr Martin Lidgren is a key employee of Equus, a subsidiary of the Company, and is the son of Dr Karl Lidgren. The participation of Mr Martin Lidgren in the Rex PSP was previously approved by Shareholders at an extraordinary general meeting of the Company convened on 29 April 2016. Mr Martin Lidgren has been working with Equus since 2011 as a technology specialist providing consulting services on technical calculations for Rex Technology Management. His technical knowledge is key in the utilisation of Rex Technologies and he has provided high level guidance to the Group's employees. Mr Martin Lidgren's experience and knowledge is essential to the Group in its exploration efforts.

4.5.2 The Directors propose to grant an Award to Mr Martin Lidgren in accordance with the rules of the Rex PSP and on, *inter alia*, the following terms:

Proposed date of grant of Award : 28 April 2017

Number of Shares comprised in the Award : Up to 3,375,400 Shares (representing approximately up to 0.26% of the total issued Shares as at the Latest Practicable Date and approximately up to 1.76% of the maximum number of Shares available under the Rex PSP and any other share schemes of the Company)

Vesting period of the proposed Award : The number of Shares to be issued pursuant to the proposed award will range from 0% to 100%, subject to certain pre-determined performance benchmarks and the satisfactory completion of time-based service condition(s) decided by the Committee. The proposed Award shall only be released in one or more tranches after the end of a one year vesting period which may extend up to a maximum of two years from the date of grant of the proposed Award, as determined by the Committee.

The performance targets set for Mr Martin Lidgren are based on the Average Performance Market Price, and if such price is S\$0.15 and above, 40% of the number of Shares in the Award shall be released after the vesting period. If the Average Performance Market Price is S\$0.30 and above, an additional 60% of the number of Shares in the Award shall be released. If the Average Performance Market Price is less than S\$0.15, none of the Shares in the Award shall be released unless otherwise determined by the Committee.

If the Average Performance Market Price has been met prior to the end of the vesting period, the Committee may waive any remaining vesting period and release the Award in tranches at its own discretion, in accordance with the rules of the Rex PSP. The Committee may also modify the release of Awards in tranches at its own discretion so as not to trigger a mandatory take-over offer.

4.5.3 Mr Martin Lidgren's remuneration for FY2016 was in the band of S\$150,000 to S\$200,000. The Directors are of the view that the proposed grant of the Award to Mr Martin Lidgren would be in line with the objectives of the Rex PSP to promote higher performance goals by providing them with an opportunity to participate in the equity of the Company, and to recognise the contributions made to the Group. Mr Martin Lidgren's interests would remain aligned with the Group's and would give the Directors flexibility in structuring his remuneration package and would conserve the Company's cash.

#### **4.6 Rationale for the Proposed Grant of an Award under the Rex PSP to Mr Magnus Lidgren**

4.6.1 Mr Magnus Lidgren is a key employee of Equus and the brother of Dr Karl Lidgren and Mr Hans Lidgren. The participation of Mr Magnus Lidgren in the Rex PSP was previously approved by Shareholders at an extraordinary general meeting of the Company convened on 29 April 2016. Mr Magnus Lidgren joined Equus in 2012 as a technology specialist and is responsible for providing technical calculations to Rex Technology Management. Mr Magnus Lidgren's services as a Group Employee is crucial to the Group in their use of Rex Technologies for the Group's exploration activities, which is the Group's core business. Mr Magnus Lidgren is familiar with Rex Technologies and his intricate knowledge of the highly technical analyses required is vital to the Group.

4.6.2 The Directors propose to grant an Award to Mr Magnus Lidgren in accordance with the rules of the Rex PSP and on, *inter alia*, the following terms:

Proposed date of grant of Award : 28 April 2017

Number of Shares comprised in the Award : Up to 3,375,400 Shares (representing approximately up to 0.26% of the total issued Shares as at the Latest Practicable Date and approximately up to 1.76% of the maximum number of Shares available under the Rex PSP and any other share schemes of the Company)

Vesting period of the proposed Award : The number of Shares to be issued pursuant to the proposed award will range from 0% to 100%, subject to certain pre-determined performance benchmarks and the satisfactory completion of time-based service condition(s) decided by the Committee. The proposed Award shall only be released in one or more tranches after the end of a one year vesting period which may extend up to a maximum of two years from the date of grant of the proposed Award, as determined by the Committee.

The performance targets set for Mr Magnus Lidgren are based on the Average Performance Market Price, and if such price is S\$0.15 and above, 40% of the number of Shares in the Award shall be released after the vesting period. If the Average Performance Market Price is S\$0.30 and above, an additional 60% of the number of Shares in the Award shall be released. If the Average Performance Market Price is less than S\$0.15, none of the Shares in the Award shall be released unless otherwise determined by the Committee.

If the Average Performance Market Price has been met prior to the end of the vesting period, the Committee may waive any remaining vesting period and release the Award in tranches at its own discretion, in accordance with the rules of the Rex PSP. The Committee may also modify the release of Awards in tranches at its own discretion so as not to trigger a mandatory take-over offer.

4.6.3 Mr Magnus Lidgren's remuneration for FY2016 was in the band of S\$150,000 to S\$200,000. Mr Magnus Lidgren has been essential in the continued contributions to the Group through his work at Equus, and the Directors are of the view that he will continue to play an important part in the growth and development of the Group. Through the alignment of his interests with the Company's by the proposed grant of the Award to him, Mr Magnus Lidgren's contributions can be acknowledged and the Group will have more flexibility while conserving the Company's cash. The Directors are of the view that the proposed grant of the Award will motivate Mr Magnus Lidgren toward maintaining a high level of performance and contribution to the Group.

#### **4.7 Rationale for the Proposed Participation by and Grant of an Award under the Rex PSP to Dr Karl Lidgren**

4.7.1 Dr Karl Lidgren is the Company's Executive Director and a Controlling Shareholder. Dr Karl Lidgren is responsible for providing strategic counsel and support to the Company so as to enable the Company to achieve its vision, as well as its short and long-term goals.



4.7.2 The Directors propose to grant an Award to Dr Karl Lidgren in accordance with the rules of the Rex PSP and on, *inter alia*, the following terms:

Proposed date of grant of Award	:	28 April 2017
Number of Shares comprised in the Award	:	Up to 16,358,400 Shares (representing approximately up to 1.28% of the total issued Shares as at the Latest Practicable Date and approximately up to 8.53% of the maximum number of Shares available under the Rex PSP and any other share schemes of the Company)
Vesting period of the proposed Award	:	The number of Shares to be issued pursuant to the proposed award will range from 0% to 100%, subject to certain pre-determined performance benchmarks and the satisfactory completion of time-based service condition(s) decided by the Committee. The proposed Award shall only be released in one or more tranches after the end of a one year vesting period which may extend up to a maximum of two years from the date of grant of the proposed Award, as determined by the Committee.

The performance targets set for Dr Karl Lidgren are based on the Average Performance Market Price, and if such price is S\$0.15 and above, 40% of the number of Shares in the Award shall be released after the vesting period. If the Average Performance Market Price is S\$0.30 and above, an additional 60% of the number of Shares in the Award shall be released. If the Average Performance Market Price is less than S\$0.15, none of the Shares in the Award shall be released unless otherwise determined by the Committee.

If the Average Performance Market Price has been met prior to the end of the vesting period, the Committee may waive any remaining vesting period and release the Award in tranches at its own discretion, in accordance with the rules of the Rex PSP. The Committee may also modify the release of Awards in tranches at its own discretion so as not to trigger a mandatory take-over offer.

4.7.3 Dr Karl Lidgren's remuneration for FY2016 was S\$970,693. Dr Karl Lidgren has been essential in the continued contributions to the Group, and the Directors are of the view that he will continue to play an important part in the growth and development of the Group. Although Dr Karl Lidgren is a Controlling Shareholder, the extension of the Rex PSP to him will allow him to be equally entitled with other employees who are not Controlling Shareholders or their associates to take part in and benefit from this system of remuneration, and would therefore align his interests with those of the Company and enhance his long-term commitment to the Group with a view of achieving long-term growth for the Group. With these aims in mind by the extension of the Rex PSP and the proposed grant of the Award to him, Dr Karl Lidgren's contributions can be acknowledged and the Group will have more flexibility in the use of the Company's cash and the structuring of his remuneration package.

#### **4.8 Rationale for the Proposed Participation by and Grant of an Award under the Rex PSP to Mr Hans Lidgren**

4.8.1 Mr Hans Lidgren is a member of the Company's technology arm, Rex Technology Management Ltd., a wholly-owned subsidiary of the Company. He is also a Controlling Shareholder. Mr Hans Lidgren primarily oversees the development of the Company's key proprietary Rex Virtual Drilling technology.

4.8.2 The Directors propose to grant an Award to Mr Hans Lidgren in accordance with the rules of the Rex PSP and on, *inter alia*, the following terms:

Proposed date of grant of Award	:	28 April 2017
Number of Shares comprised in the Award	:	Up to 10,164,800 Shares (representing approximately up to 0.80% of the total issued Shares as at the Latest Practicable Date and approximately up to 5.30% of the maximum number of Shares available under the Rex PSP and any other share schemes of the Company)
Vesting period of the proposed Award	:	The number of Shares to be issued pursuant to the proposed award will range from 0% to 100%, subject to certain pre-determined performance benchmarks and the satisfactory completion of time-based service condition(s) decided by the Committee. The proposed Award shall only be released in one or more tranches after the end of a one year vesting period which may extend up to a maximum of two years from the date of grant of the proposed Award, as determined by the Committee.

The performance targets set for Mr Hans Lidgren are based on the Average Performance Market Price, and if such price is S\$0.15 and above, 40% of the number of Shares in the Award shall be released after the vesting period. If the Average Performance Market Price is S\$0.30 and above, an additional 60% of the number of Shares in the Award shall be released. If the Average Performance Market Price is less than S\$0.15, none of the Shares in the Award shall be released unless otherwise determined by the Committee.

If the Average Performance Market Price has been met prior to the end of the vesting period, the Committee may waive any remaining vesting period and release the Award in tranches at its own discretion, in accordance with the rules of the Rex PSP. The Committee may also modify the release of Awards in tranches at its own discretion so as not to trigger a mandatory take-over offer.

4.8.3 Mr Hans Lidgren's remuneration for FY2016 was in the band of S\$950,000 to S\$1,000,000. The Directors are of the view that allowing Mr Hans Lidgren to participate in the Rex PSP would be in line with the objectives of the Rex PSP to promote higher performance goals by providing them with an opportunity to participate in the equity of the Company, and to recognise the contributions made to the Group. Participation in the Rex PSP and the proposed grant of the Award would ensure that Mr Hans Lidgren's interests remain aligned with the Group's and would give the Directors flexibility in structuring his remuneration package and would conserve the Company's cash. Allowing Mr Hans Lidgren's participation in the Rex PSP would provide the Company the flexibility in structuring his remuneration package and allow him equal treatment with employees who are not a Controlling Shareholder or their associates.

#### 4.9 Existing Shareholdings

The shareholdings of Dr Karl Lidgren and Mr Hans Lidgren are set out in the table below in Paragraph 5 of this Circular.

Mr Måns Lidgren, the CEO and the son of Dr Karl Lidgren, an Executive Director and a Controlling Shareholder of the Company, holds 1,161,600 Shares, representing approximately 0.09% of the issued Shares (excluding treasury shares) and was granted a contingent award of up to 7,909,600 Award Shares pursuant to the Rex PSP, of which none of the Award Shares have vested.

Mrs Lina Berntsen, the Group's Chief Technology Officer and the daughter of Mr Hans Lidgren, a Controlling Shareholder of the Company, was granted a contingent award of up to 1,748,700 Award Shares pursuant to the Rex PSP, of which none of the Award Shares have vested.

Mr Martin Lidgren, a key employee of Equus and the son of Dr Karl Lidgren, an Executive Director and a Controlling Shareholder of the Company, was granted a contingent award of up to 874,400 Award Shares pursuant to the Rex PSP, of which none of the Award Shares have vested.

Mr Magnus Lidgren, a key employee of Equus, who is the brother of Dr Karl Lidgren and Mr Hans Lidgren, Controlling Shareholders of the Company, was granted a contingent award of up to 874,400 Award Shares pursuant to the Rex PSP, of which none of the Award Shares have vested.

## 5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

As at the Latest Practicable Date, the interests of Directors and Substantial Shareholders of the Company are as follows:

	Direct interest		Deemed interest	
	Number of Shares	% of total issued Shares	Number of Shares	% of total issued Shares
<b>Directors</b>				
Mr Dan Broström	1,928,000	0.15	3,000,000 <sup>(1)</sup>	0.23
Dr Karl Lidgren	-	-	452,020,422 <sup>(2)</sup>	35.37
Mr Sin Boon Ann	-	-	-	-
Mr Muhammad Sameer Yousuf Khan	-	-	-	-
Dr Christopher Atkinson	-	-	-	-
<b>Substantial Shareholders</b>				
Limea Ltd.	452,020,422 <sup>(3)</sup>	35.37	-	-
Cresta Group Ltd	-	-	452,020,422 <sup>(4)</sup>	35.37
Dr Karl Lidgren	-	-	452,020,422 <sup>(2)</sup>	35.37
Mr Hans Lidgren	-	-	452,020,422 <sup>(5)</sup>	35.37
Mr Svein Kjellesvik	100,695,538 <sup>(6)</sup>	7.88	-	-

### Notes:

- (1) Mr Dan Broström owns 100% of Cathay Ltd. and is deemed interested in 3,000,000 shares held by Cathay Ltd.
- (2) Dr Karl Lidgren, through Cresta Group Ltd, owns 50% of Limea Ltd. and is deemed interested in 452,020,422 Shares held by Limea Ltd.
- (3) The 452,020,422 Shares are held through Citibank Nominees Singapore Pte. Ltd.
- (4) Cresta Group Ltd owns 50% of Limea Ltd. and is deemed interested in 452,020,422 Shares held by Limea Ltd.
- (5) Mr Hans Lidgren owns 50% of Limea Ltd. and is deemed interested in 452,020,422 Shares held by Limea Ltd.
- (6) The 100,695,538 Shares are held through HSBC (Singapore) Nominees Pte. Ltd.

## 6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page N-1 of this Circular, will be held on Friday, 28 April 2017 at NTUC Centre, 1 Marina Boulevard, Level 8, Room 801, Singapore 018989 at 4.30 p.m. (or immediately after the conclusion of the AGM of the Company to be held at 4.00 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolutions set out in the notice of EGM.

## 7. DIRECTORS' RECOMMENDATIONS

In accordance with the exemption referred to in Paragraph 2.11.3 above, Dr Karl Lidgren has abstained from making any recommendation to Shareholders on Ordinary Resolution 1 relating to the proposed renewal of the Share Buyback Mandate.

The Directors are all eligible to participate in and are therefore interested in the Rex PSP. Dr Karl Lidgren, who is an Executive Director and a Controlling Shareholder of the Company, which Mr Måns Lidgren, Mr Martin Lidgren, Mr Magnus Lidgren and Mr Hans Lidgren are associates of, has abstained from making any recommendations to the Shareholders in respect of Ordinary Resolutions 3 to 11 as set out in the notice of EGM.

The Directors (other than Dr Karl Lidgren in respect of Ordinary Resolutions 1 and 3 to 11) are of the opinion that the proposed Ordinary Resolutions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 are in the best interests of the Company. Accordingly, the Directors (other than Dr Karl Lidgren in respect of Ordinary Resolutions 1 and 3 to 11) recommend that Shareholders vote in favour of the said Ordinary Resolutions to be proposed at the EGM as set out in the notice of EGM.

#### **8. ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders who are unable to attend the EGM and wish to appoint a proxy/proxies to attend and vote on their behalf will find enclosed with this Circular, a proxy form ("**Proxy Form**") which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the office of the Company's share registrar at 80 Robinson Road, #11-02, Singapore 068898 not less than 48 hours before the time appointed for the holding of the EGM. The completion and return of the Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy/proxies if he finds that he is able to do so. In such an event, the Proxy Form will be deemed to be revoked.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the time fixed for the EGM.

#### **9. ABSTENTIONS FROM VOTING**

The Concert Party Group, including Dr Karl Lidgren, will not be accepting any appointment as proxy, corporate representative, attorney or otherwise for purposes of voting on the Ordinary Resolution 1 relating to the proposed renewal of the Share Buyback Mandate.

In accordance with the exemption referred to in Paragraph 2.11.3 above, the Concert Party Group shall abstain from voting at the EGM in respect of the Ordinary Resolution 1 relating to the proposed renewal of the Share Buyback Mandate.

Limea Ltd. and their associates, and Shareholders who are eligible to participate in the Rex PSP shall abstain from voting in respect of Ordinary Resolutions 2 to 11 to be proposed at the EGM. Limea Ltd. and their associates, Dr Karl Lidgren, Mr Hans Lidgren, Mr Måns Lidgren, Mrs Lina Berntsen, Mr Martin Lidgren and Mr Magnus Lidgren shall also decline to accept appointment as proxies or nominees, as the case may be, for any Shareholder to vote in respect of the said Ordinary Resolutions unless the Shareholder appointing them has given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of the said Ordinary Resolutions.

#### **10. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposals, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

**11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours up to and including the date of the EGM:

- (a) the current rules of the Rex PSP;
- (b) the Constitution of the Company; and
- (c) the annual report of the Company for FY2016.

Yours faithfully,  
**REX INTERNATIONAL HOLDING LIMITED**

For and on behalf of the Board of Directors  
Dan Broström  
Chairman and Executive Director

## APPENDIX - THE PROPOSED AMENDMENTS TO THE RULES OF THE REX PSP

The amendments which are proposed to be made to the rules of the Rex PSP are set out below. For ease of reference, the full text of the existing Rex PSP have been reproduced. The proposed amendments to the rules of the Rex PSP have been marked up to show insertions underlined and deletions struck through.

### REX INTERNATIONAL HOLDING LIMITED (the “Company”)

#### RULES OF THE REX INTERNATIONAL PERFORMANCE SHARE PLAN

##### 1. NAME OF THE PLAN

This Plan shall be called the “Rex International Performance Share Plan”.

##### 2. DEFINITIONS

2.1. In this Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Adoption Date”	The date on which the Plan is adopted by the Company in general meeting
“Articles”	The Articles of Association of the Company, as amended or modified from time to time
“Associates”	Has the meaning ascribed to it in the Rules of Catalist
“Auditors”	The auditors for the time being of the Company
“Award”	A contingent award of Shares granted under Rule 5
“Award Letter”	A letter in such form as the Committee shall approve, confirming an Award granted to a Participant by the Committee
“Board”	The board of directors of the Company
“Catalist”	The sponsor-supervised listing platform of the SGX-ST
“CDP”	The Central Depository (Pte) Limited
“Committee”	The committee comprising directors of the Company duly authorised, appointed and nominated by the Board to administer the Plan
“Companies Act”	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
“Company”	Rex International Holding Limited, a public company incorporated in Singapore with limited liability
“control”	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company

<b>“Controlling Shareholder”</b>	A person who: (a) holds directly or indirectly 15.0% or more of the number of all voting shares in a company; or (b) in fact exercises control over a company, unless otherwise determined
<b>“Date of Grant”</b>	In relation to an Award, the date on which the Award is granted pursuant to Rule 5
<b>“Director”</b>	A person holding office as a director for the time being of the Company and/or any of its Subsidiaries, as the case may be
<b>“Employee”</b>	An employee of the Group selected by the Committee to participate in the Plan
<b>“Executive Director”</b>	A director for the time being of the Company and/or any of its Subsidiaries, holding office in an executive capacity in the Company and/or such Subsidiary
<b>“Group”</b>	The Company and its Subsidiaries
<b>“Market Day”</b>	A day on which the SGX-ST is open for trading of securities
<b>“New Shares”</b>	The new Shares which may be allotted and issued from time to time pursuant to the release of Awards granted under the Plan
<b>“Non-executive Director”</b>	A director (other than an Executive Director) from time to time of the Company and/or any of its Subsidiaries
<b>“Participant”</b>	The holder of an Award
<b>“Performance Condition”</b>	In relation to a Performance-related Award, the condition specified on the Date of Grant in relation to that Award
<b>“Performance-related Award”</b>	An Award in relation to which a Performance Condition is specified
<b>“Performance Period”</b>	In relation to a Performance-related Award, a period, the duration of which is to be determined by the Committee on the Date of Grant, during which the Performance Condition is to be satisfied
<b>“Plan”</b>	The Rex International Performance Share Plan, as the same may be modified or altered from time to time
<b>“Record Date”</b>	The date as at the close of business (or such other time as may have been prescribed by the Company) on which Shareholders must be registered in order to participate in the dividends, rights, allotments or other distributions (as the case may be)

<b>“Release”</b>	In relation to an Award, the release <del>at the end of the Vesting Period</del> relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and “Released” shall be construed accordingly
<b>“Released Award”</b>	An Award <del>in respect of which the Vesting Period relating to that Award has ended</del> and which has been released in accordance with Rule 7
<b>“Rules”</b>	Rules of the Plan
<b>“Rules of Catalist”</b>	Section B of the Listing Manual of the SGX-ST dealing with the rules of Catalist, as from time to time amended, modified or supplemented
<b>“SGX-ST”</b>	Singapore Exchange Securities Trading Limited
<b>“Securities Accounts”</b>	The securities account maintained by a Depositor with CDP
<b>“Shareholders”</b>	Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
<b>“Shares”</b>	Ordinary shares in the capital of the Company
<b>“Subsidiary”</b>	A company (whether incorporated within or outside Singapore and wheresoever resident) being a subsidiary for the time being of the Company within the meaning of Section 5 of the Companies Act
<b>“Trading Day”</b>	A day on which the Shares are traded on the SGX-ST
<b>“Vesting”</b>	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly
<b>“Vesting Date”</b>	In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7
<b>“Vesting Period”</b>	In relation to an Award, a period or periods, the duration of which, <u>if any</u> , is to be determined by the Committee at the Date of Grant
<b>“S\$”</b>	Singapore dollars
<b>“%”</b>	Per centum or percentage

2.2. The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act or any statutory modification thereof, as the case may be in Section 130A of the Companies Act.



- 2.3. Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.
- 2.4. Any reference to a time of a day in the Plan is a reference to Singapore time.
- 2.5. Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act and used in the Plan shall have the meaning assigned to it under the Companies Act.

### **3. OBJECTIVES OF THE PLAN**

- 3.1. The Plan is a performance incentive scheme which will form an integral part of the Group's incentive compensation program. The Plan will also enable grants of fully paid Shares to be made to Participants as part of their remuneration in respect of their office, in lieu of cash.
- 3.2. The objectives of the Plan are as follows:
- (a) provide an opportunity for Participants to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long term prosperity of the Group and promoting organisational commitment, dedication and loyalty of Participants towards the Group;
  - (b) motivate Participants to strive towards performance excellence and to maintain a high level of contribution to the Group;
  - (c) give recognition to contributions made or to be made by Participants by introducing a variable component into their remuneration package; and
  - (d) make employee remuneration sufficiently competitive to recruit new Participants and/or to retain existing Participants whose contributions are important to the long term growth and profitability of the Group.

### **4. ELIGIBILITY OF PARTICIPANTS**

- 4.1. Any person shall be eligible to participate in the Plan at the absolute discretion of the Committee if at the Date of Grant:
- (a) he shall be: (i) an Employee; or (ii) a Non-executive Director;
  - (b) he shall have attained the age of 21 years; and
  - (c) he shall not be an undischarged bankrupt.
- 4.2. Persons who are Controlling Shareholders and their Associates who qualify under paragraph 4.1 above and who have contributed to the success and development of the Group, shall be eligible to participate in the Plan, provided that:
- (a) such persons' participation in the Plan is specifically approved by independent Shareholders in a separate resolution for each of such persons; and
  - (b) the actual or maximum number of New Shares to be granted to such persons and the terms of the Awards are specifically approved by independent Shareholders in a separate resolution for each of such persons.
- 4.3. The eligibility of Participants to participate in the Plan, and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan and the Vesting Period, if any, shall be determined at the absolute discretion of the Committee, which shall take into account,
- (a) the financial performance of the Group;

- (b) in respect of a Participant being an Employee, criteria such as his rank, job performance, potential for future development and his contribution to the success and development of the Group; and
- (c) in respect of a Participant being a Non-executive Director, criteria such as his contribution to the success and development of the Group.

In addition, for Performance-related Awards, the extent of effort required to achieve the Performance Condition within the Performance Period shall also be considered.

## 5. GRANT OF AWARDS

- 5.1. Subject as provided in Rule 8, the Committee may grant Awards to Employees as the Committee may select in its absolute discretion, at any time during the period when the Plan is in force.
- 5.2. The Committee shall decide, in its absolute discretion, in relation to each Award:
  - (a) the Participant;
  - (b) the Date of Grant;
  - (c) the number of Shares which are the subject of the Award;
  - (d) the prescribed Vesting Period(s), if any;
  - (e) the extent to which Shares which are the subject of that Award shall be Released at the end of each prescribed Vesting Period, if any; and
  - (f) in the case of a Performance-related Award, the Performance Period and the Performance Condition; and
  - (g) any other condition which the Committee may determine in relation to that Award.;

### PROVIDED THAT:

- (1) ~~any grant of an Award to Non-executive Directors will be subject to and shall comply with the provisions of Section 76 of the Companies Act; and~~
- (2) ~~subject to Rules 5.3 and 6, the Vesting Period(s) shall not be of shorter duration than the minimum vesting periods prescribed under the Rules of Catalist in respect of employee share options.~~
- 5.3. The Committee may amend or waive the Vesting Period(s), if any, and, in the case of a Performance related Award, the Performance Period and/or the Performance Condition in respect of any Award:
  - (a) in the event of a general offer (whether conditional or unconditional) being made for all or any part of the Shares, or a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the Court under the Companies Act, or a proposal to liquidate or sell all or substantially all of the assets of the Company; or
  - (b) in the case of a Performance-related Award, if anything happens which causes the Committee to conclude that:
    - (i) a shorter Performance Period may be imposed where the Committee has determined that the Performance Condition has been satisfied; or
    - (ii) a changed Performance Condition would be a fairer measure of performance, and would be no less difficult to satisfy; or

(iii) the Performance Condition should be waived as the Participant has achieved a level of performance that the Committee considers satisfactory notwithstanding that the Performance Condition may not have been fulfilled; or

(c) in the case of an Award with a Vesting Period, where the Committee may determine that it is appropriate to amend or waive the Vesting Period(s),

and shall notify the Participants of such change or waiver (but accidental omission to give notice to any Participant(s) shall not invalidate any such change or waiver).

5.4. As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:

- (a) the Date of Grant;
- (b) the number of Shares which are the subject of the Award;
- (c) the prescribed Vesting Period(s), if any, and/or the Vesting Date;
- (d) the extent to which Shares which are the subject of that Award shall be released at the end of each prescribed Vesting Period, if any; and
- (e) in the case of a Performance-related Award, the Performance Period and the Performance Condition.

5.5. Participants are not required to pay for the grant of Awards.

5.6. An Award or Released Award shall be personal to the Participant to whom it is granted and no Award or Released Award or any rights thereunder shall not be transferred, charged, assigned, pledged, mortgaged, encumbered or otherwise disposed of, in whole or in part, and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award, that Award or Released Award shall immediately lapse.

## **6. EVENTS PRIOR TO THE VESTING DATE**

6.1. An Award, to the extent there is a Vesting Period and it is not yet Released, shall forthwith become void and cease to have effect on the occurrence of any of the following events (and in such an event, the Participant shall have no claim whatsoever against the Company, its Directors or employees):

- (a) a Participant, being an Employee, ceasing for any reason whatsoever, to be in the employment of the Company and/or the relevant Subsidiary or in the event the company by which the Employee is employed ceases to be a company in the Group;
- (b) a Participant, being an Non-executive Director, ceasing to be a director of the Company and/or the relevant Subsidiary, as the case may be, for any reason whatsoever;
- (c) upon the bankruptcy of the Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of or interest in such Award; or
- (d) death of a Participant;
- (e) a Participant commits any breach of any of the terms of his Award; and/or
- (f) misconduct on the part of a Participant as determined by the Company in its discretion.

For the purpose of Rule 6.1(a) above, an Employee shall be deemed to have ceased to be in the employment of the Company or the Subsidiary (as the case may be) on the date on which he gives notice of termination of employment, unless prior to the date on which termination takes effect, the Employee has (with the consent of the Company or the Subsidiary (as the case may be)) withdrawn such notice.

For the purpose of Rule 6.1(b), a Participant shall be deemed to have ceased to be a Non-executive Director as of the date the notice of resignation of or termination of directorship, as the case may be, is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

- 6.2. The Committee may in its absolute discretion and on such terms and conditions as it deems fit, preserve all or any part of any Award notwithstanding the provisions of any other Rules including Rules 6.1 and 7.1. Further to such exercise of discretion, the Awards shall be deemed not to have become void nor cease to have effect in accordance with the relevant provisions in Rule 6.1.
- 6.3. Without prejudice to the provisions of Rules 5.3 and 7.1, to the extent of an Award yet to be Released, if any of the following occurs:
- (a) a general offer (whether conditional or unconditional) being made for all or any part of the Shares;
  - (b) a scheme of an arrangement or compromise between the Company and its Shareholders being sanctioned by the Court under the Companies Act;
  - (c) an order for the compulsory winding-up of the Company is made; or
  - (d) a resolution for a voluntary winding-up (other than for amalgamation or reconstruction) of the Company being made,

the Committee may consider, at its discretion, whether or not to Release such Award. If the Committee decides to Release such Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Vesting Period(s), if any, which has elapsed and the extent to which the Performance Condition (if any) has been satisfied. Where such Award is Released, the Committee will, as soon as practicable after such Release, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7.

## **7. RELEASE OF AWARDS**

- 7.1. (a) In relation to each Performance-related Award, from time to time during the Performance Period, but no later than as soon as reasonably practicable after the end of the relevant Performance Period, the Committee shall review the Performance Condition specified in respect of that Award and determine whether it has been satisfied and, if so, the extent to which it has been satisfied.

If the Committee determines in its sole discretion that the Performance Condition has not been satisfied by the end of the relevant Performance Period or if the relevant Participant (being an Employee) has not continued to be an Employee from the Date of Grant up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rule 7 (save for this Rule 7.1(a)) shall be of no effect.

The Committee shall have the discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) or exceeded and, in making any such determination, the Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events.

Subject to:

- (i) (in relation to a Performance-related Award) the Committee having determined that the Performance Condition has been satisfied;
- (ii) the relevant Participant (being an Employee) having continued to be an Employee from the Date of Grant up to the end of the relevant Vesting Period, if any;
- (iii) the Committee being of the opinion that the job performance of the relevant Participant has been satisfactory;
- (iv) such consents (including any approvals required by the SGX-ST) as may be necessary;
- (v) compliance with the terms of the Award, the Plan, the Articles and the Memorandum of Association of the Company;
- (vi) where Shares are to be allotted or transferred on the release of an Award, the Participant having a securities account with CDP and compliance with the applicable requirements of CDP; and
- (vii) where New Shares are to be allotted on the release of an Award, the Company being satisfied that the Shares which are the subject of the Released Award will be listed for quotation on the SGX-ST,

~~upon the expiry of each Vesting Period in relation to an Award~~, the Company shall Release to the relevant Participant the Shares to which his Award relates on the Vesting Date.

(b) Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be:

- (i) in the case of an Award which is subject to a Vesting Period or Vesting Periods, a Market Day falling as soon as practicable after the last day of the relevant Vesting Period, and where such an Award is also a Performance-related Award, the later of (x) a Market Day falling as soon as practicable after the last day of the relevant Vesting Period or (y) a Market Day falling as soon as practicable after the fulfilment of the Performance Conditions as determined by the Committee, but no later than a Market Day falling as soon as practicable after the last day of the relevant Performance Period;
- (ii) in the case of a Performance-related Award which is not subject to any Vesting Period, a Market Day falling as soon as practicable after the fulfilment of the Performance Conditions as determined by the Committee, but no later than a Market Day falling as soon as practicable after the last day of the relevant Performance Period; and
- (iii) in the case of an Award (other than a Performance-related Award) which is not subject to any Vesting Period, a Market Day falling as soon as practicable after the relevant Award Date~~Release of such Award in accordance with Rule 7.1(a) and,~~

and on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.

(c) Where New Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for the listing and quotation of such Shares.

7.2. Shares which are allotted or transferred on the Release of an Award to a Participant shall be registered in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent.

- 7.3. New Shares allotted and issued, and existing Shares procured by the Company on behalf of the Participants for transfer, upon the Release of an Award shall:
- (a) be subject to all the provisions of the Articles and the Memorandum of Association of the Company; and
  - (b) rank for any dividend, right, allotment or other distribution on the Record Date of which is on or after the relevant Vesting Date and (subject as aforesaid) will rank *pari passu* in all respects with the Shares then existing.

## 8. LIMITATION ON THE SIZE OF THE PLAN

The (a) total number of New Shares which may be issued pursuant to Awards granted on any date; and (b) total number of existing Shares which may be purchased from the market for delivery pursuant to Release of Awards granted under the Plan, when added to the number of New Shares issued and issuable in respect of all Awards granted under the Plan and all awards granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed 15.0% of the number of all issued Shares (excluding treasury shares, as defined in the Companies Act) on the day preceding that date.

## 9. ADJUSTMENT EVENTS

- 9.1. If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves, rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place, then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested and the rights attached thereto; and/or
- (b) the class and/or number of Shares in respect of which Awards may be granted under the Plan,

may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate, provided that any such adjustment shall be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

- 9.2. Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or the cancellation of issued shares purchased or acquired by the Company by way of a market purchase of such shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment. Any adjustments must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.
- 9.3. Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
- 9.4. Upon any adjustment being made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award and the date on which such adjustment shall take effect.

9.5. Notwithstanding the provisions of Rule 9.1 or that no adjustment is required under the provisions of the Plan, the Committee may, in any circumstances where it considers that no adjustment should be made or that it should take effect on a different date or that an adjustment should be made to any of the matters referred to in Rule 9.1 notwithstanding that no adjustment is required under the said provisions (as the case may be), request the Auditors to consider whether for any reasons whatsoever the adjustment or the absence of an adjustment is appropriate or inappropriate as the case may be, and, after such consideration, no adjustment shall take place or the adjustment shall be modified or nullified or an adjustment made (instead of no adjustment made) in such manner and on such date as shall be considered by such Auditors (acting only as experts and not as arbitrators) to be in their opinion appropriate.

## **10. ADMINISTRATION OF THE PLAN**

10.1. The Plan shall be administered by the Committee in its absolute discretion, with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him or held by him.

10.2. The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit.

10.3. The Company shall bear the costs of establishing and administering the Plan.

## **11. NOTICES**

11.1. A Participant shall not by virtue of being granted any Award be entitled to receive copies of any notices or other documents sent by the Company to the holders of Shares.

11.2. Any notice or other communication between the Company and a Participant may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its registered office and, in the case of the Participant, his address as notified by him to the Company from time to time.

11.3. Any notice or other communication sent by post:

- (a) by the Company shall be deemed to have been received 24 hours after the same was put in the post properly addressed and stamped;
- (b) by the Participant shall be deemed to have been received when the same is received by the Company at the registered office of the Company.

## **12. MODIFICATIONS TO THE PLAN**

12.1. Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by resolution of the Board, except that:

- (a) no modification or alteration shall be made which would adversely affect the rights attached to any Award granted prior to such modification or alteration except with the prior consent in writing of such number of Participants who, if their Awards were Released to them upon the expiry of all the Vesting Periods applicable to their Awards, if any, would be entitled to not less than 75.0% of the aggregate number of the Shares which would fall to be vested upon the Release of all outstanding Awards upon the expiry of all the Vesting Periods applicable to all such outstanding Awards, if any;

- (b) no modification or alteration to the definitions of “Associate”, “Committee”, “Controlling Shareholders”, “Employee”, “Participant”, “Performance Period” and “Vesting Period” and the provisions of Rules 4, 5, 7, 8, 9, 10 and this Rule 12 shall be made to the advantage of Participants except with the prior approval of the Shareholders of the Company in general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

12.2. Notwithstanding anything to the contrary contained in Rule 12.1, the Board may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Plan in any way to the extent necessary to cause the Plan to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

12.3. Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

### **13. TERMS OF EMPLOYMENT UNAFFECTED**

Notwithstanding the provisions of any other Rule:

- (a) the Plan or any Award shall not form part of any contract of employment between the Company and/or any Subsidiary and/or any Employee and the rights and obligations of any individual under the terms of the office or employment with any such company shall not be affected by his participation in the Plan or any right which he may have to participate in it or any Award which he may be granted and the Plan or any Award shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever (whether lawful or not); and
- (b) the Plan shall not confer on any person any legal or equitable rights (other than those constituting the Awards themselves) against the Company and/or any Subsidiary directly or indirectly or give rise to any cause of action at law or in equity against any such company, its directors or employees.

### **14. DURATION OF THE PLAN**

14.1. The Plan shall continue to be in operation at the discretion of the Committee for a maximum period of 10 years commencing on the Adoption Date, provided always that the Plan may, subject to applicable laws and regulations, continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

14.2. The Plan may be terminated at any time by the Committee and by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Company hereunder.

14.3. The termination of the Plan shall not affect Awards which have been granted, whether such Awards have been Released (whether fully or partially) or not.

### **15. ANNUAL REPORT DISCLOSURE**

The Company shall make the following disclosures in its annual report to Shareholders for the duration of the Plan:

- (a) the names of the members of the Committee;
- (b) information as required in the table below for the following Participants:



- (i) Directors of the Company;
- (ii) Participants who are Controlling Shareholders or Associates of the Controlling Shareholders; and
- (iii) Participants, other than those in (b)(i) or (b)(ii) above, who receive Awards comprising Shares representing 5.0% or more of the aggregate of:
  - (A) total number of New Shares available under the Plan; and
  - (B) the total number of existing Shares purchased for delivery of Awards Released under the Plan.

Name of Participant	Number of New Shares allotted pursuant to Release of Awards under the Plan during financial year under review (including terms)	Number of existing Shares purchased for delivery pursuant to Release of Awards under the Plan during financial year under review (including terms)	Aggregate number of New Shares allotted and existing Shares purchased for delivery since commencement of the Plan to end of financial year under review	Aggregate number of Shares comprised in Awards which have not been Released as at the end of the financial year under review

- (c) in relation to the Plan, the following particulars:
  - (i) the aggregate number of Shares comprised in Awards granted since the commencement of the Plan to the end of the financial year under review;
  - (ii) the aggregate number of Shares comprised in Awards which have Vested during the financial year under review and in respect of such Awards, the proportion of:
    - (A) New Shares issued; and
    - (B) where applicable, existing Shares purchased, including the range of prices at which such Shares have been purchased,
 upon the Vesting of Released Awards; and
  - (iii) the aggregate number of Shares comprised in Awards which have not been Released as at the end of the financial year under review;
- (d) disclosure in the annual report of information on:
  - (i) Awards granted to directors and employees of the parent company and its Subsidiaries would not be necessary as such persons are not Participants; and
  - (ii) the number and proportion of Awards granted at a discount would not be necessary as there is no exercise price in respect of the Awards.

## 16. ABSTENTION FROM VOTING

Participants who are shareholders are to abstain from voting on any shareholders' resolution relating to the Plan. Participants may act as proxies of shareholders of the Company in respect of the votes of such shareholders in relation to any such resolution provided that specific instructions have been given in the proxy forms on how the votes are to be cast in respect of the resolution.

## **17. TAXES, COSTS AND EXPENSES OF THE PLAN**

- 17.1. Notwithstanding anything herein, each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a CDP Depository Agent.
- 17.2. The Participants shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or Vesting of the relevant Award. All taxes (including income tax) arising from the grant or Vesting of any Award under the Plan shall be borne by that Participant. The Company shall not be responsible for any failure by the Participant to obtain any such consent or for any tax or other liability to which the Participant may become subject as a result of his participation in the Plan.

## **18. DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained, the Company, its Directors or employees or the Committee shall not under any circumstances be held liable for any costs, losses, expenses, liabilities or damages whatsoever and howsoever arising in respect of any matter under or in connection with the Plan, including but not limited to any delay or failure to issue, or procure the transfer of, the Shares or to apply for or procure the listing of new Shares on the SGX-ST in accordance with Rule 7.1(c) (and any other stock exchange on which the Shares are quoted or listed).

## **19. DISPUTES**

Any disputes or differences of any nature arising hereunder (other than matters to be confirmed by the Auditors in accordance with the Plan) shall be referred to the Committee and its decision shall be final and binding in all respects (including any decisions pertaining to disputes as to interpretation of the Plan or any Rule, regulation, procedure thereunder or as to any rights under the Plan).

## **20. GOVERNING LAW**

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by being granted Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

# REX INTERNATIONAL HOLDING LIMITED

(the “Company”)

(Company Number: 201301242M)

(Incorporated in the Republic of Singapore)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

*Unless otherwise defined, all capitalised terms herein shall bear the same meaning as used in the Circular dated 30 March 2017 issued by the Company (“Circular”).*

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (the “EGM”) of Rex International Holding Limited will be held at NTUC Centre, 1 Marina Boulevard, Level 8, Room 801, Singapore 018989 on Friday, 28 April 2017 at 4.30 p.m. (or immediately after the conclusion of the AGM of the Company to be held at 4.00 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing (with or without any modification), the following resolutions:

### **ORDINARY RESOLUTIONS**

#### **ORDINARY RESOLUTION 1: PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE**

(a) THAT, for the purposes of the Companies Act, Chapter 50 of Singapore (the “Companies Act”) and Section B of the listing manual of the Singapore Exchange Securities Trading Limited (the “Catalist Rules”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the share capital of the Company (“Shares”) not exceeding in aggregate the Maximum Limit (as defined herein), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined herein), whether by way of:

- (i) on-market purchases (“Market Purchases”), transacted on the SGX-ST through the SGX-ST’s trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by the Company for the purpose; and/or
- (ii) off-market purchases (“Off-Market Purchases”) in accordance with an equal access scheme(s), which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the Catalist Rules, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “Share Buyback Mandate”);

(b) unless varied or revoked by the shareholders of the Company (“Shareholders”) in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

- (i) the date on which the next annual general meeting is held or is required by law to be held; or
- (ii) the date on which the purchases or acquisitions of Shares are carried out to the full extent of the Share Buyback Mandate; or
- (iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by Shareholders in a general meeting.

(c) in this Resolution:

“Maximum Limit” means the number of Shares representing not more than 10% of the issued ordinary shares of the Company (excluding treasury shares) as at the date of this Resolution at which the Share Buyback Mandate is approved unless the Company has effected a reduction of

the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding treasury shares that may be held by the Company from time to time);

“**Maximum Price**” to be paid for the Shares to be purchased or acquired by the Company must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Market Price; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Market Price,

in either case, excluding related expenses (such as brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) of the purchase;

“**Average Closing Market Price**” means the average of the closing market prices of a Share over the last five Market Days on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of the Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five day period;

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“**Market Day**” means a day on which the SGX-ST is open for trading in securities.

- (d) THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including without limitation, executing such documents as may be required) as they may consider desirable, expedient or necessary to give effect to this Resolution.

#### **ORDINARY RESOLUTION 2: PROPOSED AMENDMENTS TO THE RULES OF THE REX PSP**

THAT,

- (a) the rules of the Rex PSP be amended in the manner as set out in the Appendix to the Circular; and
- (b) any Director be and is hereby authorised to complete and to do all such acts and things, and to approve, modify, ratify and execute such documents, acts and things as they may consider necessary, desirable or expedient to give effect to this Resolution.

#### **ORDINARY RESOLUTION 3: PROPOSED GRANT OF A FIRST AWARD TO MR MÅNS LIDGREN UNDER THE REX PSP**

Subject to and contingent upon the passing of Ordinary Resolution 2, THAT:

- (a) the proposed grant of an Award to Mr Måns Lidgren, an associate of a Controlling Shareholder of the Company, in accordance with the terms under the Rex PSP and on the following terms be and is hereby approved:

Proposed date of grant of Award : 28 April 2017

Number of Shares comprised in the Award : 5,170,264 Shares (representing approximately 0.40% of the total issued Shares as at the Latest Practicable Date and approximately 2.70% of the maximum number of Shares available under the Rex PSP and any other share schemes of the Company)

- (b) any Director be and is hereby authorised to complete and to do all such acts and things, and to approve, modify, ratify and execute such documents, acts and things as they may consider necessary, desirable or expedient to give effect to this Resolution.

**ORDINARY RESOLUTION 4: PROPOSED GRANT OF A SECOND AWARD TO MR MÅNS LIDGREN UNDER THE REX PSP**

THAT,

- (a) the proposed grant of an Award to Mr Måns Lidgren, an associate of a Controlling Shareholder of the Company, in accordance with the terms under the Rex PSP and on the following terms be and is hereby approved:

Proposed date of grant of Award : 28 April 2017

Number of Shares comprised in the Award : Up to 30,943,600 Shares (representing approximately up to 2.42% of the total issued Shares as at the Latest Practicable Date and approximately up to 16.14% of the maximum number of Shares available under the Rex PSP and any other share schemes of the Company)

Vesting period of the proposed Award : The number of Shares to be issued pursuant to the proposed award will range from 0% to 100%, subject to certain pre-determined performance benchmarks and the satisfactory completion of time-based service condition(s) decided by the Committee. The proposed Award shall only be released in one or more tranches after the end of a one year vesting period which may extend up to a maximum of two years from the date of grant of the proposed Award, as determined by the Committee.

- (b) any Director be and is hereby authorised to complete and to do all such acts and things, and to approve, modify, ratify and execute such documents, acts and things as they may consider necessary, desirable or expedient to give effect to this Resolution.

**ORDINARY RESOLUTION 5: PROPOSED GRANT OF AN AWARD TO MRS LINA BERNTSEN UNDER THE REX PSP**

THAT,

- (a) the proposed grant of an Award to Mrs Lina Berntsen, an associate of a Controlling Shareholder of the Company, in accordance with the terms under the Rex PSP and on the following terms be and is hereby approved:

Proposed date of grant of Award : 28 April 2017

Number of Shares comprised in the Award : Up to 3,375,400 Shares (representing approximately up to 0.26% of the total issued Shares as at the Latest Practicable Date and approximately up to 1.76% of the maximum number of Shares available under the Rex PSP and any other share schemes of the Company)

Vesting period of the proposed Award : The number of Shares to be issued pursuant to the proposed award will range from 0% to 100%, subject to certain pre-determined performance benchmarks and the satisfactory completion of time-based service condition(s) decided by the Committee. The proposed Award shall only be released in one or more tranches after the end of a one year vesting period which may extend up to a maximum of two years from the date of grant of the proposed Award, as determined by the Committee.

- (b) any Director be and is hereby authorised to complete and to do all such acts and things, and to approve, modify, ratify and execute such documents, acts and things as they may consider necessary, desirable or expedient to give effect to this Resolution.

#### **ORDINARY RESOLUTION 6: PROPOSED GRANT OF AN AWARD TO MR MARTIN LIDGREN UNDER THE REX PSP**

THAT,

- (a) the proposed grant of an Award to Mr Martin Lidgren, an associate of a Controlling Shareholder of the Company, in accordance with the terms under the Rex PSP and on the following terms be and is hereby approved:

Proposed date of grant of Award : 28 April 2017

Number of Shares comprised in the Award : Up to 3,375,400 Shares (representing approximately up to 0.26% of the total issued Shares as at the Latest Practicable Date and approximately up to 1.76% of the maximum number of Shares available under the Rex PSP and any other share schemes of the Company)

Vesting period of the proposed Award : The number of Shares to be issued pursuant to the proposed award will range from 0% to 100%, subject to certain pre-determined performance benchmarks and the satisfactory completion of time-based service condition(s) decided by the Committee. The proposed Award shall only be released in one or more tranches after the end of a one year vesting period which may extend up to a maximum of two years from the date of grant of the proposed Award, as determined by the Committee.

- (b) any Director be and is hereby authorised to complete and to do all such acts and things, and to approve, modify, ratify and execute such documents, acts and things as they may consider necessary, desirable or expedient to give effect to this Resolution.

#### **ORDINARY RESOLUTION 7: PROPOSED GRANT OF AN AWARD TO MR MAGNUS LIDGREN UNDER THE REX PSP**

THAT,

- (a) the proposed grant of an Award to Mr Magnus Lidgren, an associate of a Controlling Shareholder of the Company, in accordance with the terms under the Rex PSP and on the following terms be and is hereby approved:

Proposed date of grant of Award : 28 April 2017

Number of Shares comprised in the Award : Up to 3,375,400 Shares (representing approximately up to 0.26% of the total issued Shares as at the Latest Practicable Date and approximately up to 1.76% of the maximum number of Shares available under the Rex PSP and any other share schemes of the Company)

Vesting period of the proposed Award : The number of Shares to be issued pursuant to the proposed award will range from 0% to 100%, subject to certain pre-determined performance benchmarks and the satisfactory completion of time-based service condition(s) decided by the Committee. The proposed Award shall only be released in one or more tranches after the end of a one year vesting period which may extend up to a maximum of two years from the date of grant of the proposed Award, as determined by the Committee.

- (b) any Director be and is hereby authorised to complete and to do all such acts and things, and to approve, modify, ratify and execute such documents, acts and things as they may consider necessary, desirable or expedient to give effect to this Resolution.

**ORDINARY RESOLUTION 8: PROPOSED PARTICIPATION BY DR KARL LIDGREN IN THE REX PSP**

THAT,

- (a) the participation of Dr Karl Lidgren, an Executive Director and Controlling Shareholder of the Company, in the Rex PSP be and is hereby approved; and
- (b) any Director be and is hereby authorised to complete and to do all such acts and things, and to approve, modify, ratify and execute such documents, acts and things as they may consider necessary, desirable or expedient to give effect to this Resolution.

**ORDINARY RESOLUTION 9: PROPOSED GRANT OF AN AWARD TO DR KARL LIDGREN UNDER THE REX PSP**

THAT,

- (a) the proposed grant of an Award to Dr Karl Lidgren, an Executive Director and Controlling Shareholder of the Company, in accordance with the terms under the Rex PSP and on the following terms be and is hereby approved:

Proposed date of grant of Award : 28 April 2017

Number of Shares comprised in the Award : Up to 16,358,400 Shares (representing approximately up to 1.28% of the total issued Shares as at the Latest Practicable Date and approximately up to 8.53% of the maximum number of Shares available under the Rex PSP and any other share schemes of the Company)

Vesting period of the proposed Award : The number of Shares to be issued pursuant to the proposed award will range from 0% to 100%, subject to certain pre-determined performance benchmarks and the satisfactory completion of time-based service condition(s) decided by the Committee. The proposed Award shall only be released in one or more tranches after the end of a one year vesting period which may extend up to a maximum of two years from the date of grant of the proposed Award, as determined by the Committee.

- (b) any Director be and is hereby authorised to complete and to do all such acts and things, and to approve, modify, ratify and execute such documents, acts and things as they may consider necessary, desirable or expedient to give effect to this Resolution.

**ORDINARY RESOLUTION 10: PROPOSED PARTICIPATION BY MR HANS LIDGREN IN THE REX PSP**

THAT,

- (a) the participation of Mr Hans Lidgren, a Controlling Shareholder of the Company, in the Rex PSP be and is hereby approved; and
- (b) any Director be and is hereby authorised to complete and to do all such acts and things, and to approve, modify, ratify and execute such documents, acts and things as they may consider necessary, desirable or expedient to give effect to this Resolution.

**ORDINARY RESOLUTION 11: PROPOSED GRANT OF AN AWARD TO MR HANS LIDGREN UNDER THE REX PSP**

THAT,

- (a) the proposed grant of an Award to Mr Hans Lidgren, a Controlling Shareholder of the Company, in accordance with the terms under the Rex PSP and on the following terms be and is hereby approved:

Proposed date of grant  
of Award : 28 April 2017

Number of Shares  
comprised in the Award : Up to 10,164,800 Shares (representing approximately up to 0.80% of the total issued Shares as at the Latest Practicable Date and approximately up to 5.30% of the maximum number of Shares available under the Rex PSP and any other share schemes of the Company)

Vesting period of the  
proposed Award : The number of Shares to be issued pursuant to the proposed award will range from 0% to 100%, subject to certain pre-determined performance benchmarks and the satisfactory completion of time-based service condition(s) decided by the Committee. The proposed Award shall only be released in one or more tranches after the end of a one year vesting period which may extend up to a maximum of two years from the date of grant of the proposed Award, as determined by the Committee.

- (b) any Director be and is hereby authorised to complete and to do all such acts and things, and to approve, modify, ratify and execute such documents, acts and things as they may consider necessary, desirable or expedient to give effect to this Resolution.

By Order of the Board

Selena Leong  
Company Secretary  
Singapore

30 March 2017



#### NOTES:

1. The Concert Party Group shall abstain from voting in respect of the ordinary resolution to approve the proposed renewal of the Share Buyback Mandate.
2. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), a member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. Such proxy need not be a member of the Company.
3. Where a member who is not a Relevant Intermediary, appoints more than one proxy, the appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy in the instrument appointing the proxies.
4. Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediaries such as banks and capital markets services licence holders which provide custodial services and are members of the Company may appoint more than two proxies provided each proxy is appointed to exercise the rights attached to different shares held by the member. In such event, the Relevant Intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.
5. If the member is a corporation, the instrument appointing the proxy must be given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.
6. The instrument appointing a proxy, duly executed, must be deposited at the office of the Company's share registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898 not less than 48 hours before the time appointed for holding the EGM.

#### PERSONAL DATA PRIVACY

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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# REX INTERNATIONAL HOLDING LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 201301242M)

## EXTRAORDINARY GENERAL MEETING PROXY FORM

### Important:

1. Pursuant to Section 181(1C) of the Companies Act, Chapter 50 of Singapore, Relevant Intermediaries may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For investors who have used their CPF/SRS monies to buy shares in the Company, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF/SRS investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies.

I/We, \_\_\_\_\_ (Name)

\_\_\_\_\_ (NRIC No./Passport No./Company Registration No.)

of \_\_\_\_\_ (Address)

member/members of REX INTERNATIONAL HOLDING LIMITED ( the “Company”), hereby appoint

Name	Address	NRIC / Passport No.	Proportion of Shareholdings	
			No. of Shares	%
Address				

\* and/or

Name	Address	NRIC / Passport No.	Proportion of Shareholdings	
			No. of Shares	%
Address				

or failing him/her/they, the Chairman of the Extraordinary General Meeting (“EGM”), as \*my/our \*proxy/proxies to attend and to vote for \*me/us on \*my/our behalf at the EGM of the Company to be held at NTUC Centre, 1 Marina Boulevard, Level 8, Room 801, Singapore 018989 on Friday, 28 April 2017 at 4.30 p.m. (or immediately after the conclusion of the AGM of the Company to be held at 4.00 p.m. on the same day and at the same place) and at any adjournment thereof.

\*I/We direct \*my/our \*proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the EGM as indicated hereunder. If no specified directions as to voting is given, the \*proxy/proxies will vote or abstain from voting at \*his/her/their discretion, as he/she/they will on any other matter arising at the EGM.

No.	ORDINARY RESOLUTION	No. of Shares For <sup>#</sup>	No. of Shares Against <sup>#</sup>
1.	To approve the Proposed Renewal of the Share Buyback Mandate		
2.	To approve the Proposed Amendments to the Rules of the Rex PSP		
3.	To approve the grant of a first award under the Rex PSP comprising 5,170,264 Shares to Mr Måns Lidgren		
4.	To approve the grant of a second award under the Rex PSP comprising up to 30,943,600 Shares to Mr Måns Lidgren		
5.	To approve the grant of an award under the Rex PSP comprising up to 3,375,400 Shares to Mrs Lina Berntsen		
6.	To approve the grant of an award under the Rex PSP comprising up to 3,375,400 Shares to Mr Martin Lidgren		
7.	To approve the grant of an award under the Rex PSP comprising up to 3,375,400 Shares to Mr Magnus Lidgren		
8.	To approve the participation of Dr Karl Lidgren, an executive director and a controlling shareholder of the Company, in the Rex PSP		
9.	To approve the grant of an award under the Rex PSP comprising up to 16,358,400 Shares to Dr Karl Lidgren		
10.	To approve the participation of Mr Hans Lidgren, a controlling shareholder of the Company, in the Rex PSP		
11.	To approve the grant of an award under the Rex PSP comprising up to 10,164,800 Shares to Mr Hans Lidgren		

<sup>#</sup> If you wish to exercise all your votes “For” or “Against”, please indicate with an “X” within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Total No. of Shares in	No. of Shares
CDP Register	
Register of Members	

\_\_\_\_\_  
Signature of Member (s) / Common Seal

\* Delete accordingly

**IMPORTANT: Please Read Notes for This Proxy Form.**



**NOTES:**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), a member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. Such proxy need not be a member of the Company.
3. Where a member appoints two proxies, the member must specify the proportion of shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry one hundred per cent (100%) of the shareholdings of his/its appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.
4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer of the corporation or attorney duly authorised.
5. Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediaries such as banks and capital markets services licence holders which provide custodial services and are members of the Company may appoint more than two proxies provided each proxy is appointed to exercise the rights attached to different shares held by the member. In such event, the Relevant Intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02 Singapore 068898 not less than 48 hours before the time appointed for holding the EGM. If a shareholder submits a proxy form and subsequently attends the meeting in person and votes, the appointments of the proxy should be revoked.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act.
9. An investor who buys shares using CPF monies ("**CPF Investor**") and/or SRS monies ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Extraordinary General Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Extraordinary General Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Extraordinary General Meeting.

**GENERAL:**

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

**PERSONAL DATA PRIVACY:**

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.