

**REENOVA INVESTMENT HOLDING LIMITED**

(Incorporated in the Republic of Singapore | Company Reg. No.: 200104762G)

 Website: [www.reenovagroup.com](http://www.reenovagroup.com)

 SGX Stock Code: **5EC**
**RESPONSE TO SGX-ST QUERIES ON THE COMPANY'S UNAUDITED FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER FINANCIAL PERIOD ENDED 31 MARCH 2021**

The Board of Directors (the “**Board**”) of Reenova Investment Holding Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to provide the following additional information in response to the queries raised by Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in their email dated 20 May 2021 in relation to the Company’s unaudited financial statements for the first quarter financial period ended 31 March 2021 (“**Q1 FY2021**”) announced on 14 May 2021.

**Query by SGX-ST:**

1. We note a significant amount of Other payables of S\$5,118,896.
  - a) Please provide a breakdown of the other payables, similar to Note 19 of the FY2020 Annual Report announced on 13 April 2021.
  - b) For Accrued Operating Expenses, please provide a further breakdown of the identities of the material creditors and the amounts owed, and provide an explanation on why these items have yet to be billed by the creditors.
  - c) For Other payables, please provide a further breakdown of the identities of the material creditors and the amounts owed.

**Company's Response:**

- 1.a) The breakdown of Other payables as at 31 March 2021 is as follows:

Description	Amount (S\$)
Accrued operating expenses	2,911,980
Advances from executive director	575,000
Bond interest payable	35,150
Other payables	1,596,766
<b>Total</b>	<b>5,118,896</b>

- 1.b) The identities of the material creditors in accrued operating expenses as at 31 March 2021 is as follows:

Name of creditor	Amount (S\$)	Remarks
One Target	1,685,203	Billed until 31 December 2019. The amount that has been billed will be reclassified accordingly in the next quarter. Will follow up on the remaining amount to be billed.
Directors' fees	156,000	
Octave FinComm Private Limited	107,100	Amount has been billed and will be reclassified accordingly in the next quarter.

Name of creditor	Amount (S\$)	Remarks
WongPartnership LLP	81,723	Amount has been billed and will be reclassified accordingly in the next quarter.
Pankrot Holdings Oy	39,727	Amount has been billed and will be reclassified accordingly in the next quarter.
Salaries and employer's contributions to defined contribution plans	207,526	
Provision for bonus	157,382	Mainly brought forward since FY2018.
Provision for unutilised leave	71,642	

- 1.c) The identities of the material creditors (excluding those that are no longer in contact, disputed, could be potentially written back and trade sensitive) in Other payables as at 31 March 2021 is as follows:

Name of creditor	Amount (S\$)
One Target	528,676
Blueberry Road Holdings Oy	92,697
Pankrot Holdings Oy	48,335
Societe IDF	177,498

**Query by SGX-ST:**

2. We noted pilot production expenses of S\$4,543 incurred in this quarter. Please elaborate further on what the work done for the expense incurred for as we noted that the Company disclosed that "there were no exploration of production activities conducted by the Group during the financial period ended 31 March 2021".

**Company's Response:**

2. The amount of S\$4,543 relates to expenses incurred to organise public meeting with the locals in Ambanja, Madagascar, to obtain their support for pilot production, which was classified as part of pilot production / exploration and evaluation activities although no actual drilling took place during Q1 FY2021.

**Query by SGX-ST:**

3. We note a significant increase of more than 100% of "Others" in the Group's Other Operating Expenses. Please provide a breakdown of the "Others" expense of S\$31,521.

**Company's Response:**

3. The breakdown of "Others" in the Group's Other Operating Expenses for Q1 FY2021 is as follows:

Description	Amount (S\$)
Accrual of annual administration fee payable to Bureau du Cadastre Minier de Madagascar	14,116
Entertainment and meals	1,703
Printing and stationery	947
Subscriptions	829
Telecommunication and courier charges	5,886
Transport	1,391
Others	6,649
<b>Total</b>	<b>31,521</b>

**Query by SGX-ST:**

4. We refer to Reenova Rare Earth (Malagasy) S.A.R.L.U.'s ("RREM") significant loan payable of MGA 75.2 billion to Reenova Holding (Mauritius) Limited ("RHM"). Please disclose when the loan will be repayable and whether RREM has the ability to repay the loan.

**Company's Response:**

4. The loan is repayable on demand and will be repaid when RREM commences production and is in a revenue-generating position.

**Query by SGX-ST:**

5. We refer to the Company's response to our queries on 14 March 2021. In the Company's response to question 5(b), it was disclosed that a liquidator has been appointed for TRE AG. Please provide an update on whether there has been any significant progress in the insolvency proceedings of TRE AG and whether the Company is aware of the identity of the new minority shareholder that will take the place of TRE AG in RHM.

**Company's Response:**

5. The Company is not aware of any significant progress in the insolvency proceedings of TRE AG. TRE AG is still the registered holder of the remaining 25% stake of RHM as at 24 May 2021 and the Company is not aware of any new minority shareholder that will take the place of TRE AG in RHM.

**Query by SGX-ST:**

6. Notwithstanding the full impairment after recognising the share of losses for FY2020, please disclose the status of SHR's operations and the summarised financial information of Straits Hi-REL for 1Q2021.

**Company's Response:**

6. As disclosed in the Company's response to SGX-ST's queries on 14 March 2021, SHR has ceased operations with effect from 1 January 2021. SHR's loss before tax for Q1 FY2021 was approximately S\$43,300 and it was in a net liabilities position of approximately S\$82,500 as at 31 March 2021.

**Query by SGX-ST:**

7. It is noted that S\$12,000 worth of funds was used for "Exploration and evaluation activities" in Q1 FY2021. Please clarify what the funds were used for given that the Company disclosed that "there were no exploration of production activities conducted by the Group during the financial period ended 31 March 2021".

**Company's Response:**

7. The Company would like to clarify that the funds used for "Exploration and evaluation activities" in Q1 FY2021 should be approximately S\$8,400 instead of S\$12,000 and this was utilised to organise public meetings with the locals in Ambanja, Madagascar, to obtain their support for pilot production. This was classified as part of exploration and evaluation activities although no actual drilling took place during Q1 FY2021.

On behalf of the Board  
**Reenova Investment Holding Limited**

Chen Tong  
Executive Chairman

24 May 2021