REENOVA INVESTMENT HOLDING LIMITED

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

Website: **www.reenovagroup.com**

SGX Stock Code: **5EC**

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

The board of Directors (the "**Board**") of Reenova Investment Holding Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's announcements:

(1) dated 4 December 2019 in relation to the Company being placed on the Financial Entry Criteria Watch-list under Listing Rule 1311 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") with effect from 4 December 2019;

(2) dated 16 November 2020 in relation to the request for trading suspension under Listing Rule 1303(3) pursuant to the letter from SGX RegCo dated 16 October 2020;

(3) dated 7 March 2022 in relation to the application for waivers and extension of time to comply with Listing Rules 705(1) and 707(1); and

(4) dated 31 March 2022 in relation to the Group's unaudited financial statements for the fourth quarter and full year ended 31 December 2021 ("**Q4 FY2021**" and "**FY2021**") for a detailed update on the Group's financial position.

Pursuant to Rule 1313(2) of the Listing Manual of SGX-ST, the Board wishes to provide an update in respect of Q4 FY2021 as follows:

(1) The Company and management continued to actively engage and pursue potential investors to secure additional funding to allow the Group to operate as a going concern, as well as working relentlessly on available options that will serve the best interests of the Company's shareholders amid the coronavirus ("**COVID-19**") pandemic crisis. These efforts include the proposed disposal of the mine site in northwestern Madagascar that hosts rare earth oxides (the "**Rare Earth Project**") and the proposed acquisition of 3DOM (Singapore) Pte. Ltd. that is expected to result in a reverse takeover.

(2) The Board will continue to monitor the Group's developments and prospect, as well as its financial position, and to deliberate on the available options that will best serve the interests of the Company's shareholders.

Please refer to the unaudited financial statements of the Group for Q4 FY2021 and FY2021 announced on SGXNet on 31 March 2022 for a detailed update on the Group's financial position. As of 31 December 2021, the Group had a net asset value of approximately S$670,000.

(3) The Group's next quarterly update pursuant to Rule 1313(2) of the Listing Manual will be announced by 15 May 2022.

Update on Future Direction and Other Material Developments

With new COVID-19 variants prolonging the pandemic in 2021, the Group had not been able to carry out its intended activities for the Rare Earth Project located in Madagascar. While waiting for countries to lift travel curbs, the Group has depleted its cash resources in the normal course of operations.

Despite the adversities, the Board and management continue to explore avenues to safeguard the interests of the shareholders and the Company. These efforts include:

(1) Continuous pursuit of the status of the exploration licence and application for a full mining licence

The Group has been following up with the Ministry of Mines and Strategic Resources of Madagascar, as well as the Madagascar Mining Cadastral Office (*Bureau du Cadastre Minier de Madagascar*) on its applications made on 15 September 2021 and 18 September 2020, respectively, for (i) an extension of additional two years period of validity for its exploration licence PR 6698 for prospecting and research in the Rare Earth Project that had expired on 5 November 2021, and (ii) the full mining licence (*Permis de Exploitation*) to the Rare Earth Project.

The outcome of the aforementioned applications is currently pending as at the date of this announcement.

(2) Monetising the Group's investment value through the proposed disposal of the Rare Earth Project

The Group expects the proposed disposal of its wholly-owned subsidiary, Reenova Global Pte. Ltd., which holds a 75% stake in Reenova Holding (Mauritius) Limited and in turn, owns 100% of Reenova Rare Earth (Malagasy) S.A.R.L.U. that holds the mining rights to the Rare Earth Project, announced on 10 November 2021 to strengthen its financial position.

However, the prospective purchaser, GRM Group Limited ("**GRM**"), has requested more time to make the necessary payment of the deposit due to the strict foreign exchange controls in China. GRM has yet to respond despite regular follow-ups by the Company.

(3) Proposed acquisition of 3DOM (Singapore) Pte. Ltd. ("**Target**") that is expected to result in a reverse takeover (the "**RTO**")

The Group had on 16 November 2021 and 10 December 2021 entered into a non-binding term sheet and a sale and purchase agreement with 3DOM Inc ("**Vendor**"), in relation to the proposed acquisition of the Target that is expected to result in an RTO.

The Target is in the business of manufacturing, distributing and sale of lithium-ion secondary batteries using the Vendor's next-generation battery technologies. The Target has been granted by the Vendor with an irrevocable exclusive global license to manufacture and sell next-generation lithium-ion batteries using the Vendor's next-generation lithium-ion battery technologies, as well as the sub-licensing right of such technology. The Target has firmed up suppliers and OEM plants to fulfil orders from battery firms and global automobile manufacturers for deliveries in mid-year 2022.

(4) Proposal for resumption of trading

The Company did not make an application for approval of the proposed RTO by IPO Admissions on 28 January 2022, and thereby failed to complete a pre-consultation for the proposed RTO and failed to receive the letter of non-objection from the IPO Admissions on the suitability of the listing of the Target by 31 January 2022.

On 12 February 2022, the Company announced that SGX RegCo has no objection to granting an extension of time under Mainboard Listing Rule 1304(1) of up to 30 June 2022 (the "**Second Waiver**"), for the purpose of making its submission in relation to the Proposed Acquisition and RTO, and to resume trading of its shares no later than 30 June 2022. The Second Waiver, however, is subject to the Company satisfying all the Second Waiver conditions as stipulated in the announcement.

The Company will update shareholders on any material developments as and when they arise.

By Order of the Board
REENOVA INVESTMENT HOLDING LIMITED

Chen Tong
Executive Chairman

31 March 2022