



REENOVA INVESTMENT HOLDING LIMITED

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

Website: www.reenovagroup.com

SGX Stock Code: **5EC**

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER AND NINE MONTHS
FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

Pursuant to the Notice of Compliance in relation to the requirement to perform quarterly reporting issued by Singapore Exchange Regulation Pte Ltd (“**SGX RegCo**”) on 6 February 2020, the Company is required to continue with the quarterly reporting of its unaudited financial statements under Rule 705(2C) of the Singapore Exchange Securities Trading Limited Listing Manual with effect from 7 February 2020.

PART I INFORMATION REQUIRED FOR QUARTERLY (1Q, 2Q & 3Q), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) A consolidated income statement and statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Condensed Interim Consolidated Income Statement and Statement of Comprehensive Income for the Group

GROUP	3 months ended			9 months ended		
	30/09/2021	30/09/2020	Increase /	30/09/2021	30/09/2020	Increase /
	Q3 FY2021	Q3 FY2020	(Decrease)	9M 2021	9M 2020	(Decrease)
	S\$	S\$	%	S\$	S\$	%
Revenue	-	-	-	-	-	-
Other income	34	16,776	(99.8)	83,956	57,183	46.8
Employee benefits expense	(231,689)	(827,722)	(72.0)	(732,713)	(1,312,784)	(44.2)
Depreciation	(20,170)	(35,332)	(42.9)	(58,354)	(106,228)	(45.1)
Other operating expenses	(358,109)	(2,051,866)	(82.5)	(1,394,446)	(4,638,149)	(69.9)
Finance costs	(603)	(648)	(6.9)	(2,130)	(29,596)	(92.8)
Share of loss of joint venture	-	(23,155)	(100.0)	-	(33,216)	(100.0)
Loss before tax	(610,537)	(2,921,947)	(79.1)	(2,103,687)	(6,062,790)	(65.3)
Income tax expense	-	-	-	-	-	-
Loss for the period	(610,537)	(2,921,947)	(79.1)	(2,103,687)	(6,062,790)	(65.3)
Other comprehensive income:						
Currency translation differences arising from consolidation	(104,222)	791,857	(>100.0)	7,342	2,420,360	(99.7)
Total comprehensive loss for the period	(714,759)	(2,130,090)	(66.4)	(2,096,345)	(3,642,430)	(42.4)
Loss attributable to:						
Equity holders of the Company	(448,315)	(2,554,615)	(82.5)	(1,522,673)	(4,945,409)	(69.2)
Non-controlling interest	(162,222)	(367,332)	(55.8)	(581,014)	(1,117,381)	(48.0)
	(610,537)	(2,921,947)		(2,103,687)	(6,062,790)	
Total comprehensive loss attributable to:						
Equity holders of the Company	(526,481)	(1,960,722)	(73.1)	(1,517,166)	(3,130,138)	(51.5)
Non-controlling interest	(188,278)	(169,368)	11.2	(579,179)	(512,292)	13.1
	(714,759)	(2,130,090)		(2,096,345)	(3,642,430)	

Note: N.M. denotes not meaningful.

1(a)(ii) Notes to the Consolidated Statement of Profit or Loss and Other Comprehensive Income

Loss net of tax is arrived at after charging / (crediting) the following items:

	3 months ended			9 months ended		
	30/09/2021 Q9 FY2021 S\$	30/09/2020 9M FY2020 S\$	Increase / (Decrease) %	30/09/2021 9M 2021 S\$	30/09/2020 9M 2020 S\$	Increase / (Decrease) %
Interest income on bank deposits	(34)	(21)	61.9	(202)	(89)	>100.0
Rental and operating leases	6,862	35,164	(80.5)	25,319	107,814	(76.5)
Lease liability interest expense	603	648	(6.9)	2,130	2,904	(26.7)
Impairment on VAT receivables	3,335	10,304	(67.6)	11,642	40,794	(71.5)
Impairment on investment in a joint venture	-	800,000	(100.0)	-	800,000	(100.0)

Note: N.M. denotes not meaningful.

1(b)(i) Statement of Financial Position of the Group and the Company
Condensed Interim Statements of Financial Position

	GROUP		COMPANY	
	30/09/2021	31/12/2020	30/09/2021	31/12/2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	S\$	S\$	S\$	S\$
ASSETS				
Current assets				
Cash and cash equivalents	200,118	1,716,593	167,867	1,375,256
Other receivables	59,024	125,479	9,112	49,121
Amounts due from subsidiaries	-	-	14,027,864	13,608,487
Other current assets	20,767	62,133	5,223	39,401
	279,909	1,904,205	14,210,066	15,072,265
Non-current assets				
Investments in subsidiaries	-	-	6	6
Investment in a joint venture	-	-	-	-
Property, plant and equipment	99,125	131,950	74,829	99,441
Intangible assets	36,027,632	36,027,632	-	-
Right-of-use assets	36,971	60,541	36,970	60,541
	36,163,728	36,220,123	111,805	159,988
Total assets	36,443,637	38,124,328	14,321,871	15,232,253
LIABILITIES				
Current liabilities				
Other payables	5,797,089	5,350,348	1,391,737	1,535,623
Lease liabilities	7,996	39,083	7,996	39,083
	5,805,085	5,389,431	1,399,733	1,574,706
Non-current liabilities				
Lease liabilities	30,603	30,603	30,603	30,603
Deferred income tax liabilities	6,138,610	6,138,610	2,954	2,954
	6,169,213	6,169,213	33,557	33,557
Total liabilities	11,974,298	11,558,644	1,433,290	1,608,263
NET ASSETS	24,469,339	26,565,684	12,888,581	13,623,990
EQUITY				
Share capital	48,750,905	48,750,905	48,750,905	48,750,905
Currency translation reserve	2,553,419	2,547,912	-	-
Accumulated losses	(29,873,644)	(28,350,971)	(35,862,324)	(35,126,915)
Total equity attributable to owners of the Company	21,430,680	22,947,846	12,888,581	13,623,990
Non-controlling interest	3,038,659	3,617,838	-	-
Total equity	24,469,339	26,565,684	12,888,581	13,623,990

1(b)(ii) Aggregate amount of Group's Borrowings and Debt Securities

	30/09/2021 (Unaudited)		31/12/2020 (Audited)	
	Secured S\$	Unsecured S\$	Secured S\$	Unsecured S\$
Amounts repayable within one year or less or on demand:				
- Loans from Executive Director ¹	-	575,000	-	575,000

¹ The loans from Executive Director are unsecured, interest-free and repayable on demand.

Details of any collateral

Nil

1(c) Consolidated Statement of Cash Flows
Condensed Interim Consolidated Statement of Cash Flows

	GROUP	
	9 months ended 30/09/2021 (Unaudited) S\$	9 months ended 30/09/2020 (Unaudited) S\$
Cash flows from operating activities		
Loss before tax for the period	(2,103,687)	(6,062,790)
Adjustments for:		
Depreciation	58,354	106,228
Lease liabilities interest	2,130	2,904
Convertible redeemable bond interest	-	26,692
Interest income	(202)	(89)
Impairment loss on VAT and other receivables	11,642	47,291
Impairment loss on investment in a joint venture	-	800,000
Employee share award expense	-	573,723
Share of loss of joint venture	-	33,216
Allowance/(Write-back) of unutilised leave	9,149	(39,110)
Unrealised currency translation losses	5,385	2,423,184
Operating cash flows before changes in working capital	(2,017,229)	(2,088,751)
Changes in working capital:		
Other receivables and other current assets	96,177	(102,453)
Other payables	429,845	202,498
Cash used in operating activities	(1,491,207)	(1,988,706)
Interest received	202	89
Net cash used in operating activities	(1,491,005)	(1,988,617)
Cash flows from financing activities		
Lease liabilities interest paid	(2,130)	(2,904)
Proceeds from issuance of convertible redeemable bonds	-	1,900,000
Interest-free loans from director	-	385,000
Payment of principal portion of lease liabilities	(23,340)	(61,426)
Net cash (used in)/provided by financing activities	(25,470)	2,220,670
Net (decrease)/increase in cash and cash equivalents	(1,516,475)	232,053
Cash and cash equivalents at beginning of financial period	1,716,593	77,882
Cash and cash equivalents at end of financial period	200,118	309,935
List of significant non-cash transactions:		
Conversion of convertible redeemable bonds to ordinary shares	-	3,482,700

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Condensed Interim Statements of Changes in Equity

GROUP	Share capital	Capital	Currency	Accumulated	Non-	Total equity
	(Unaudited)	reserve	translation	losses	controlling	
	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 1 January 2021	48,750,905	-	2,547,912	(28,350,971)	3,617,838	26,565,684
Loss for the period	-	-	-	(1,522,673)	(581,014)	(2,103,687)
Other comprehensive income for the period	-	-	5,507	-	1,835	7,342
Total comprehensive loss for the period	-	-	5,507	(1,522,673)	(579,179)	(2,096,345)
Balance at 30 September 2021	48,750,905	-	2,553,419	(29,873,644)	3,038,659	24,469,339

GROUP	Share capital	Capital	Fair value	Currency	Accumulated	Non-	Total equity
	(Unaudited)	reserve	reserve	translation	losses	controlling	
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 1 January 2020	42,161,116	130,524	(7,779,920)	499,896	(14,313,606)	4,336,594	25,034,604
Loss for the period	-	-	-	-	(4,945,409)	(1,117,381)	(6,062,790)
Other comprehensive income for the period	-	-	-	1,815,271	-	605,089	2,420,360
Total comprehensive loss for the period	-	-	-	1,815,271	(4,945,409)	(512,292)	(3,642,430)
Transactions with owners, recognised directly in equity:							
- Issuance of new ordinary shares	4,056,423	-	-	-	-	-	4,056,423
- Convertible redeemable bonds - equity component	-	(130,534)	-	-	-	-	(130,524)
Transactions with owners, recognised directly in equity	4,056,423	(130,524)	-	-	-	-	3,925,899
Balance at 30 September 2020	46,217,539	-	(7,779,920)	2,315,167	(19,259,015)	3,824,302	25,318,073

COMPANY	Share capital (Unaudited)	Capital reserve (Unaudited)	Accumulated losses (Unaudited)	Total equity (Unaudited)
	S\$	S\$	S\$	S\$
Balance at 1 January 2021	48,750,905	-	(35,126,915)	13,623,990
Loss for the period, representing total comprehensive loss	-	-	(735,409)	(735,409)
Balance at 30 September 2021	48,750,905	-	(35,862,324)	12,888,581

COMPANY	Share capital (Unaudited)	Capital reserve (Unaudited)	Accumulated losses (Unaudited)	Total equity (Unaudited)
	S\$	S\$	S\$	S\$
Balance at 1 January 2020	42,161,116	130,524	(31,675,157)	10,616,483
Loss for the period, representing total comprehensive loss	-	-	(1,535,312)	(1,535,312)
Issuance of new ordinary shares	4,056,423	-	-	4,056,423
Convertible redeemable bonds – equity component	-	(130,524)	-	(130,524)
Balance at 30 September 2020	46,217,539	-	(33,210,469)	13,007,070

Notes to the Condensed Interim Financial Statements

These notes form an integral part of and should be read in conjunction with the accompanying condensed interim financial statements.

1. Corporate information

Reenova Investment Holding Limited (the “**Company**”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The address of its registered office and its principal place of business is located at 60, Paya Lebar Road, #10-16 Paya Lebar Square, Singapore 409051.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries consist of investment holding, prospection, research and mining exploration of rare earth minerals and provision of consultancy services.

The Group refers to Reenova Investment Holding Limited and its subsidiaries.

The condensed interim financial statements have not been audited or reviewed by the auditors.

2. Basis of preparation

The condensed interim financial statements for the nine months ended 30 September 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1 below.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

Going concern assumption

For the nine months ended 30 September 2021, the Group incurred a net loss of S\$2.1 million (30 September 2020: S\$6.1 million), recorded net operating cash outflows of S\$1.5 million (30 September 2020: S\$2.0 million) and as at 30 September 2021, recorded net current liabilities of S\$5.5 million (31 December 2020: S\$3.5 million). The Group's cash and cash equivalents as at 30 September 2021 was S\$200,000 (31 December 2020: S\$1.7 million). These conditions indicate that a material uncertainty exists with a pervasive impact that may cast significant doubt on the Group's and Company's ability to continue as a going concern. Nevertheless, the directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the condensed interim financial statements for the nine months financial period ended 30 September 2021 remains appropriate after taking into account the following factors:

- (a) The Board and Management have been exploring possible fundraising options to secure financing commitments to allow the Group to have access to additional working capital.
- (b) The Company has on 10 November 2021 entered into a non-binding term sheet with a prospective third party purchaser, GRM Group Limited (the "**Purchaser**") to dispose its wholly-owned subsidiary, Reenova Global Pte. Ltd. ("**Reenova Global**") for a proposed consideration of US\$6,000,000 (the "**Proposed Transaction**").

The Company will continue to prudently monitor its cashflows. Upon completion of the Proposed Transaction following the satisfaction or waiver of certain conditions precedent, the Company is expected to be in a stronger financial position and thus be able to pay its debts as and when they fall due within the next 12 months. The Company will make further announcements to update shareholders on material developments as they arise.

The validity of the going concern basis on which the condensed interim financial statements are prepared depends on the directors' assessment of the Group's ability to operate as a going concern as set forth above. The assumptions are premised on future events, the outcome of which are inherently uncertain.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The nature and the carrying amount of such significant assets and liabilities are disclosed with further details in the relevant notes to these condensed interim financial statements.

3. Financial information by operating segments

For management purposes, the Group is currently organised into the following main business segments:

- (a) Minerals and resources
- (b) Investment management

30 September 2021	Minerals and Resources	Investment Management	Adjustments and Eliminations	Group
	S\$	S\$	S\$	S\$
Revenue				
- External revenue	-	-	-	-
Results				
Unallocated interest income	-	-	-	202
Depreciation	(10,171)	-	-	(10,171)
Unallocated depreciation	-	-	-	(48,183)
Unallocated finance cost	-	-	-	(2,130)

30 September 2021	Minerals and Resources	Investment Management	Adjustments and Eliminations	Group
	S\$	S\$	S\$	S\$
Share of loss of joint venture	-	-	-	-
Segment results	(2,324,057)	982,451	(762,081)	(2,103,687)
Assets				
Segment assets	36,090,092	17,455,282	(17,101,737)	36,443,637
Segment liabilities	24,110,992	49,929,598	(62,066,292)	11,974,298
30 September 2020				
	S\$	S\$	S\$	S\$
Revenue				
- External revenue	-	-	-	-
Results				
Unallocated interest income	-	-	-	89
Depreciation	(12,997)	-	-	(12,997)
Unallocated depreciation	-	-	-	(93,230)
Unallocated finance cost	-	-	-	(29,596)
Share of loss of joint venture	-	(33,216)	-	(33,216)
Segment results	(4,469,529)	(98,927)	(1,494,334)	(6,062,790)
Assets				
Segment assets	36,233,894	15,267,240	(14,415,208)	37,085,926
Segment liabilities	21,112,229	48,558,092	(57,902,468)	11,767,853

Geographical market of clients

The following details show the distribution of the Group's revenue and non-current assets from continuing operations based on the geographical segments in which the clients are located:

	Group			
	Revenue		Non-current assets	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	S\$	S\$	S\$	S\$
Singapore	-	-	111,800	528,302
Madagascar	-	-	36,051,928	36,083,245
	-	-	36,163,728	36,611,547

There was no revenue recorded by the Group for the nine months financial period ended 30 September 2021 and 30 September 2020.

4. Other income

	Group			
	3 months ended		9 months ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
Interest income on bank deposits	34	21	202	89
Government grant income	-	11,850	9,660	43,450
Recovery of legal fees	-	-	71,478	-
Sundry income	-	4,905	2,616	13,644
	34	16,776	83,956	57,183

5. Employee benefits expense

	Group			
	3 months ended		9 months ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
Wages, salaries and other short-term employee benefits	219,223	239,850	694,897	695,359
Equity-settled share-based payments	-	573,723	-	573,723
Employer's contributions to defined contribution plans	12,466	14,149	37,816	43,702
	231,689	827,722	732,713	1,312,784

6. Other receivables

	Group		Company	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
Local sales tax (VAT)	1,719,069	1,707,427	-	-
Less: Allowance for impairment	(1,719,069)	(1,707,427)	-	-
	-	-	-	-
Other receivables	2,176	2,176	-	-
Less: Allowance for impairment	(2,176)	(2,176)	-	-
	-	-	-	-
Refundable deposits	55,630	71,301	5,950	29,623
Goods and Services Tax receivables	3,162	13,978	3,162	13,978
Government grant receivable	-	5,520	-	5,520
Sundry receivables	232	34,680	-	-
	59,024	125,479	9,112	49,121

7. Intangible assets

Group	Mining rights S\$
Cost	
At 31 December 2020 and 30 September 2021	36,027,632
Accumulated amortisation	
At 31 December 2020 and 30 September 2021	-
Carrying amount	
At 30 September 2021	36,027,632
At 31 December 2020	36,027,632

8. Other payables

	Group		Company	
	30 September 2021 S\$	31 December 2020 S\$	30 September 2021 S\$	31 December 2020 S\$
Accrued operating expenses	2,642,269	3,376,394	380,257	683,465
Loans from executive director*	575,000	575,000	575,000	575,000
Bond interest payable	35,150	35,150	35,150	35,150
Deferred grant income	-	5,520	-	5,520
Other payables	2,544,671	1,358,284	401,330	236,488
	5,797,090	5,350,348	1,391,737	1,535,623

* The loans from executive director are unsecured, interest-free and repayable on demand.

9. Events after the end of the reporting period

Subsequent to the end of the reporting period, the Group has, on 28 October 2021, disposed its entire shareholding of 14.29% in Straits Hi-Rel Pte Ltd (“SHR”), the investment in which has been fully impaired by the Group as at 31 December 2021, to an unrelated third party for a total cash consideration of S\$1.00 (One Singapore Dollar). The consideration was arrived at on a willing-buyer and willing-seller basis, taking into account, *inter alia*, the negative equity position of SHR of approximately S\$65,000 as at 30 September 2021.

The Company has, on 10 November 2021, entered into a non-binding term sheet with a prospective third party purchaser, GRM Group Limited (the “Purchaser”) to dispose its wholly-owned subsidiary, Reenova Global Pte. Ltd. (“Reenova Global”) for a proposed consideration of US\$6,000,000. Consequently, the assets and liabilities of Reenova Global and its subsidiaries shall be classified as held for sale and accounted for in accordance with the requirements of Singapore Financial Reporting Standards (International) 5 *Non-current Assets Held for Sale and Discontinued Operations*.

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury share and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the share capital of the Company as at 30 September 2021. There were no outstanding convertibles as at 30 September 2021.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at 30 September 2021 and 31 December 2020 were 6,744,247,542 shares.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have neither been audited nor reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 3(A). Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is material uncertainty relating to going concern.

(a) Not applicable.

(b) Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation as those used for the most recent financial statements for the financial year ended 31 December 2020.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the applicable new, revised and interpretations of Singapore Financial Reporting Standards (International) ("SFRS(I)") which became effective for the financial year beginning on or after 1 January 2021. The adoption of these new and revised SFRS(I) has no significant effect to the Group's accounting policies and amounts reported for the current and previous financial periods.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	3 months ended		9 months ended	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
(Loss) per ordinary share of the Group after deducting any provision for preference dividends (Singapore cent per share):				
(a) Based on weighted average number of ordinary shares on issue; and	(0.009)	(0.054)	(0.031)	(0.107)
(b) On a fully diluted basis	(0.009)	(0.054)	(0.031)	(0.107)
Weighted average number of ordinary shares outstanding for basic loss per share	6,744,247,542	4,730,343,266	6,744,247,542	4,640,611,154

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

- (a) current financial period reported on; and
 (b) immediately preceding financial year.

	GROUP		COMPANY	
	30/09/2021 (Unaudited)	31/12/2020 (Audited)	30/09/2021 (Unaudited)	31/12/2020 (Audited)
Net asset value per ordinary share based on issued share capital at the end of:	0.36 cent	0.39 cent	0.19 cent	0.20 cent

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

A) Review of the Group's Results

Other income decreased by approximately S\$17,000 or 99.8% from S\$16,776 for Q3 FY2020 to S\$34 for Q3 FY2021 and increased by approximately S\$27,000 or >46.8% from S\$57,183 for 9M FY2020 to S\$83,956 for 9M FY2021. The decrease in Q3 FY2021 versus Q3 FY2020 was mainly due to the payouts received in Q3 FY2020 from Jobs Support Scheme received from the Singapore Government which was part of the Coronavirus Disease 2019 (“**COVID-19**”) business support measures provided by the Singapore Government. There was no such payout in Q3 FY2021. The increase in 9M FY2021 versus 9M FY2020 was mainly due to the receipt of funds from Straits Hi-Rel Pte Ltd (“**SHR**”) for the recharge of its share of legal fees pertaining to the investment and shareholders' agreement.

Employee benefits expense decreased by approximately S\$596,000 or 72.0% from S\$828,000 for Q3 FY2020 to S\$232,000 for Q3 FY2021 and decreased by approximately S\$580,000 or 44.2% from S\$1.31 million for 9M FY2020 to S\$733,000 for 9M FY2021. The decrease was mainly due to the share awards granted and vested to the Company's employees and independent directors under the Reenova Performance Share Plan in Q3 FY2020. However, no such share awards vested in Q3 and 9M FY2021.

Depreciation expense decreased by approximately S\$15,100 or 42.9% from S\$35,300 for Q3 FY2020 to S\$20,200 for Q3 FY2021 and decreased by approximately S\$47,900 or 45.1% from S\$106,200 for 9M FY2020 to S\$58,300 for 9M FY2021. The decrease in depreciation was mainly due to fully depreciated assets in FY2020 that were no longer being depreciated in the current reporting period.

Analysis of the Group's Other Operating Expenses are as follows:

	GROUP			
	9 months ended			
	30/09/2021	30/09/2020	Increase / (Decrease)	
	(Unaudited)	(Unaudited)	S\$	%
	S\$	S\$	S\$	%
Directors' fee	99,194	102,000	(2,806)	(2.8)
Consultancy fees	720,119	638,984	81,135	12.7
Exchange loss	138,412	2,449,947	(2,311,535)	(94.4)
Insurance expense	36,095	35,870	225	(0.6)
Impairment loss on VAT and other receivables	11,642	47,291	(35,649)	(75.4)
Impairment loss on investment in a joint venture	-	800,000	(800,000)	(100.0)
Pilot production expenses	7,609	-	7,609	N.M
Professional fees	192,784	293,541	(100,757)	(34.3)
Rental expense	25,319	107,814	(82,495)	(76.5)
Listing related expenses	36,167	42,301	(6,134)	(14.5)
Office utilities and expenses	14,263	9,433	4,830	51.2
Repair and maintenance	11,953	11,301	652	5.8
Others	100,889	99,667	1,222	1.2
	1,394,446	4,638,149	(3,243,703)	(69.9)

The decrease in operating expenses was mainly due to the lower exchange loss recorded for 9M FY2021, which arose mainly from the unrealised exchange loss arising from the revaluation of Reenova Rare Earth (Malagasy) S.A.R.L.U's loan payable of approximately Malagasy Ariary ("MGA") 78.7 billion to Reenova Holding (Mauritius) Limited as at 30 September 2021. The loan payable was mainly denominated in EUR and USD currencies. MGA appreciated by approximately 2.1% against EUR and depreciated by approximately 3.1% against USD respectively during 9M FY2021 as compared to 9M FY2020 where MGA depreciated by approximately 12.3% and 7.0% against EUR and USD respectively.

Finance costs decreased by approximately S\$27,500 or 92.8% from S\$29,600 for 9M FY2020 to S\$2,100 for 9M FY2021. The decrease was mainly due to the recognition of the interest on convertible redeemable bonds 9M FY2020 whereas there were no convertible redeemable bonds outstanding in 9M FY2021. Accordingly, no such interest expense was recognised.

In FY2020, the Group made a full impairment on its investment in Straits Hi-Rel Pte Ltd ("SHR") based on its net carrying amount after recognising its share of losses of the joint venture for FY2020. Thus, no share of loss of the joint venture was recognised in Q3 and 9M FY2021 as full impairment has been made in FY2020. SHR has ceased operations with effect from 1 January 2021.

Loss before tax decreased by approximately S\$2.31 million or 79.1% from S\$2.92 million for Q3 FY2020 to S\$611,000 for Q3 FY2021; and decreased by approximately S\$3.96 million or 65.3% from S\$6.06 million for 9M FY2020 to S\$2.10 million for 9M FY2021. The decrease was mainly due to variances in the various line items as explained above.

B) Review of the Group's Financial Position

Current assets decreased by approximately S\$1.62 million or 85.3% from S\$1.90 million as at 31 December 2020 to S\$0.28 million as at 30 September 2021. This was mainly due to (i) decrease of S\$1.52 million in cash and cash equivalents from S\$1.72 million as at 31 December 2020 to S\$0.20 million as at 30 September 2021 due to net cash flows used in operating activities of S\$1.50 million and net cash flows used in financing activities of S\$25,000; and (ii) decrease in other receivables due to refund of rental deposit from the former landlord.

Current liabilities increased by approximately S\$416,000 or 7.7% from S\$5.39 million as at 31 December 2020 to S\$5.81 million as at 30 September 2021. The increase was mainly due to the accrual of operating expenses, which was offset by payments made to the service providers and creditors in 9M FY2021.

C) Review of the Group's Cash Flows

Cash and cash equivalents decreased by approximately S\$1.52 million or 88.3% from S\$1.72 million as at 31 December 2020 to S\$0.20 million as at 30 September 2021. The decrease was mainly due to net cash flows used in operating activities of S\$1.50 million and net cash flows used in financing activities of S\$25,000.

Status on the Utilisation of Proceeds Raised from Placement of 979,000,000 New Ordinary Shares as at 30 September 2021

The Company refers to the net placement proceeds of approximately S\$2.51 million raised from the placement of 979,000,000 new ordinary shares in the capital of the Company (the "**Placement**") that was completed in November 2020.

As at 30 September 2021, the status on the use of the net placement proceeds in S\$'000 is as follows:

	Amount Utilised S\$'000
Repayment of existing creditors	1,015
Commencing the next phase of works for the Company's rare earth project	54
General working capital	1,270*
Total utilisation of net proceeds raised from placement of shares	2,339

* The breakdown of the amount utilised for general working capital is as follows:

	S\$'000
Wages, salaries and other short-term employee benefits and employer's contributions to defined contribution plans	706
Director's Fees	24
Office and warehouse rental	48
Professional fees (including legal, secretarial, investor relations)	299
Listing related expenses	42
Office expenses	64
Repair and maintenance	9

	Amount Utilised
	S\$'000
Insurance premiums	16
Others	62
Total	1,270

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast statement was previously disclosed to shareholders. There was also no deviation noted from the prospect statement for the second quarter period ended 30 June 2021 (“**Q2 FY2021**”).

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group has worked relentlessly in bringing the Rare Earth Project to its current status – to commence pilot production. The COVID-19 pandemic not only disrupted intended activities, but also depleted cash resources while the Group waited for countries to reopen borders and economic activities to resume.

The Company had on 10 November 2021 updated shareholders on the following:

(1) Expiry of Exploration Licence and Status of Application for Full Mining Licence

The exploration licence PR 6698 granting the exclusive rights for prospecting and research in the Rare Earth Project had expired on 5 November 2021. Prior to expiry, the Group had on 15 September 2021, submitted an application to the Ministry of Mines and Strategic Resources of Madagascar for an extension of additional two (2) years period of validity due to the COVID-19 global pandemic.

As announced on 20 September 2020, the Group had also on 18 September 2020 submitted an application for the full mining licence (*Permis de Exploitation*) to the Madagascar Mining Cadastral Office (*Bureau du Cadastre Minier de Madagascar*) in relation to the Rare Earth Project.

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

(2) Proposed Disposal of the Rare Earth Project

The Company entered into a non-binding term sheet with a prospective third party purchaser, GRM Group Limited, to dispose its wholly-owned subsidiary, Reenova Global Pte. Ltd. (“**Reenova Global**”) for a proposed consideration of US\$6 million (the “**Proposed Transaction**”).

Reenova Global holds a 75% stake in Reenova Holding (Mauritius) Limited (“**RHM**”), which in turn owns 100% of Reenova Rare Earth (Malagasy) S.A.R.L.U. (“**RREM**”) that holds the mining rights to the Rare Earth Project.

The rationale for the Proposed Transaction is to allow the Group to monetize its investment value in Reenova Global for the benefit of the shareholders of the Company. This will also allow the Group to strengthen its financial position. Upon completion of the Proposed Transaction, the Company will become a cash company and will have the flexibility to explore and pursue viable business opportunities.

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

11. Dividend

(a) Current Financial Period Reported On

Any interim (final) dividend declared (recommended) for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No interim dividend has been declared or recommended for the financial period ended 30 September 2021 as the Group intends to conserve cash to fund its operating activities and furthermore, the Company is in an accumulated loss position as at 30 September 2021.

13. Interested Person Transactions

The Group has no general mandate for interested person transactions under Rule 920(1) of the SGX-ST Listing Manual.

14. Details of exploration (including geophysical surveys), development and/or production activities undertaken by the Company and a summary of the expenditure incurred on those activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated.

There were no exploration and production activities conducted by the Group during the financial period ended 30 September 2021. The Group is in the process of making further funding arrangements and planning the next phase of work that includes trial leaching, pilot production, feasibility studies, engineering studies and environmental impact assessments.

The use of funds/cash for Q3 FY2021 and a projection on the use of funds/cash for Q4 FY2021 are set out as follows:

	Use of funds/cash for Q3 FY2021	Projection on use of funds/cash for Q4 FY2021
	S\$'000	S\$'000
Exploration and evaluation activities	-	-
General working capital	456	200
Total:	456	200

15. Negative Assurance Confirmation On Half Yearly/Quarterly Financial Results Pursuant To Rule 705(5) Of The Listing Manual

The Board confirms that to the best of its knowledge, nothing has come to its attention which may render the financial results for the third quarter and nine months ended 30 September 2021 to be false or misleading in any material aspect.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1) of the SGX Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers pursuant to Rule 720(1) of the SGX Listing Manual.

On behalf of the Board
REENOVA INVESTMENT HOLDING LIMITED

CHEN TONG
 Executive Chairman and Director

14 November 2021