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 14 November 2021 in relation to the Group's unaudited financial statements for the third quarter and nine months ended 30 September 2021 ("**Q3 FY2021**" and "**9M 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 Q3 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 and to bring the Rare Earth Project to commercialisation, in a bid to lift trading suspension and deliver value to stakeholders. The unprecedented challenges brought by the COVID-19 pandemic since March 2020 and the continued closure of Madagascar's borders since April 2021, however, have significantly impeded the Group's progress and ability to secure additional funding and to commence pilot production at the mine site in northwestern Madagascar that hosts rare earth oxides (the "**Rare Earth Project**").

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

Please refer to the unaudited financial statements of the Group for Q3 FY2021 and 9M FY2021 announced on SGXNet on 14 November 2021 for a detailed update on the Group's financial position. As of 30 September 2021, the Group had a net asset value of approximately S$24.5 million.

(3) The Group's next quarterly update pursuant to Rule 1313(2) of the Listing Manual will be announced by 1 March 2022.

Update on Future Direction and Other Material Developments

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.

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 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.

By Order of the Board
REENOVA INVESTMENT HOLDING LIMITED

Chen Tong
Executive Chairman

14 November 2021