



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 May 2021 in relation to the Group’s unaudited financial statements for the first quarter ended 31 March 2021 (“**Q1 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 Q1 FY2021 as follows:

- (1) The Company had on 26 February 2021 appointed METC Engineering (Pty) Ltd (“**METC Engineering**”), an engineering design house that designs and builds metallurgical plants for mines, to manage and complete a pre-feasibility study for a plant with an annual production capacity of 2,000 tonnes of rare earth oxides product with a 92% grade (“**TREO \geq 92%**”), at its initial stage of commercialisation (“**Phase 1 Commercial Plant**”). The pre-feasibility study will provide estimates on the capital expenditure and operating expenses for Phase 1 Commercial Plant, which allows the Group to stage the progress towards commercialisation.
- (2) The Board will continue to monitor the Group’s developments and prospects, as well as its financial position, and review the options available to the Group for the satisfaction of the exit criteria of the SGX-ST Watch-list and that will best serve the interests of the Company’s shareholders.

Please refer to the unaudited financial statements of the Group for Q1 FY2021 announced on SGXNet on 14 May 2021 for a detailed update on the Group’s financial position. As of 31 March 2021, the Group had a net asset value of approximately S\$26.07 million.

- (3) The Group’s next quarterly update pursuant to Rule 1313(2) of the Listing Manual will be announced by 14 August 2021.

Update on Future Direction and Other Material Developments

As the ongoing COVID-19 pandemic continues to limit business activities and international travel, the Group continues to engage in discussions with the respective professional teams covering environmental impact assessment, mining operation, and pre-feasibility study, with regards to all necessary preparations for the commencement of pilot production at the mine site. The Group also continues to actively engage with the Madagascar Mining Cadastral regularly to follow up on the progress of its application for the full mining licence of the 238km² concession area in north-western Madagascar, Africa that hosts rare earth oxides (the “**Rare Earth Project**”).

The Government of Madagascar declared a state of health emergency on 3 April 2021 and extended the state of health emergency for a further 15 days from 3 May 2021.¹ The Company is monitoring the COVID-19 situation closely and looks forward to commence pilot production as soon as possible.

While the rare earth oxides samples generated from the pilot production will be provided to potential buyers for their testing and negotiations for offtake agreements that will improve the Group’s financial position, the Company continues to engage in active discussions with potential lenders to achieve sufficient funding for the commercialisation phase of the Rare Earth Project and to demonstrate that it is able to operate as a going concern.

The Company will make further announcements to update shareholders as and when material developments arise.

By Order of the Board

REENOVA INVESTMENT HOLDING LIMITED

Chen Tong
Executive Chairman

14 May 2021

Source: ¹ <https://madagascar-tourisme.com/en/travel-alerts-for-madagascar/>