



REENOVA INVESTMENT HOLDING LIMITED

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

Website: www.reenovagroup.com

SGX Stock Code: 5EC

NON-BINDING TERM SHEET IN RELATION TO THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF 3DOM (SINGAPORE) PTE. LTD.

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of Reenova Investment Holding Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce (this “**Announcement**”) that the Company has on 16 November 2021 entered into a non-binding term sheet (“**Term Sheet**”) with 3DOM Inc. (“**3DOM**”), a company incorporated in Japan (3DOM and the Company collectively, the “**Parties**” and each a “**Party**”) in relation to the proposed acquisition of the entire issued and paid-up share capital of 3DOM (Singapore) Pte. Ltd., a company incorporated in the Republic of Singapore (“**3PL**”) and a wholly-owned subsidiary of 3DOM, by the Company (hereinafter referred to as the “**Proposed Acquisition**”).

The Proposed Acquisition, if undertaken and completed, is expected to result in a reverse takeover (“**RTO**”) of the Company as defined under Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Listing Manual**”) and is subject to, *inter alia*, the approval of shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting to be convened and the approval of the SGX-ST.

The Term Sheet is not intended to be legally binding between the Parties, except for certain provisions relating to (i) representations and warranties, (ii) costs and expenses and (iii) confidentiality. As such, the Proposed Acquisition remains subject to the entry into the subsequent definitive agreement for the Proposed Acquisition after negotiations between the Parties. The Company will make further announcements as and when there are material updates to the Proposed Acquisition, including the entry into a definitive agreement.

2. INFORMATION ON THE TARGET

The information in this section relating to 3PL and 3DOM is based on information provided by and/or representations made by 3DOM. The Directors have not conducted an independent review or verification of the accuracy of the statements and information below. The sole responsibility of the Company and the Directors in this regard has been limited to ensuring that such information has been properly extracted and reproduced in the context that the information has been disclosed in this Announcement.

As at the date of this Announcement, 3PL is wholly-owned by 3DOM, and has been granted an irrevocable exclusive global license by 3DOM to manufacture and sell next-generation lithium ion batteries using 3DOM's next-generation lithium ion battery technologies, as well as the sub-licensing right of such technology. Such technologies include:

- (i) Lithium Manganese Iron Phosphate ("**LMFP**"), which uses high energy density cathode material that has thermal stability. In comparison with NCM (Nickel Cobalt Manganese battery that is the mainstream of lithium-ion batteries), it is expected that LMFP will have longer life cycle;
- (ii) high temperature resistant lithium-ion battery, which 3DOM believes will capture very wide applications, particularly in semi-tropical and tropical climates; and
- (iii) the use and supply of 3DOM's proprietary separator, which is highly porous (more than 70%) and highly heat resistant (able to operate in temperatures up to 400°C). The use of the separator cuts down the risk of explosions and fire and lengthens the life span of the battery.

The technology and patents in relation to the manufacturing of the batteries are owned by 3DOM, and while there are a few patents that are jointly owned by other entities such as Tokyo Metropolitan University, etc., but 3DOM has secured the necessary approvals from the relevant parties for the licensing to 3PL. In some instances, the agreement of joint ownership is to merely to inform the joint owners about the licensing, and the joint owners were duly notified.

Generally, 3DOM's business strategy is for itself, the parent company, to be the centre of research and development while positioning 3PL as its global centre for carrying out the business of commercialising the technology. Singapore was chosen because of its position as a financial centre as well as a global hub for technology and business. 3DOM believes the image of 3DOM can be enhanced by positioning Singapore as its global centre of technological excellence.

3PL was incorporated on 25 July 2019, and has been marketing 3DOM technologies and conducting fund raising ever since. With the securing of technology and business rights, it is expected to commence revenue generating business in 2022, starting with LMFP and high temperature resistant lithium-ion batteries. To this end, 3PL has firmed up suppliers and OEM plants to fulfil orders from battery firms and global automobile manufacturers for deliveries in mid-year 2022. 3DOM, on behalf of 3PL, has been in advance talks with OEM battery makers in Japan and Taiwan and these parties will be instrumental in 3PL's plans to roll out the manufacturing and sales of batteries within the next 12 months. 3DOM has also been in negotiations with major automakers in Japan, Europe, U.S. and Asia, on behalf of 3PL, to secure orders for electric vehicles and motorbikes, as well as for energy storage systems for utility companies. These business clients will form the core of 3PL's business in the coming years beginning from 2022.

As at the date of this Announcement, 3PL has an issued and paid up capital of US\$1,557,803.85 and its directors are Hiroshi Iizuka, Shusuke Oguro and Teo Lai Wah Timothy.

3DOM was established in 2014 to deliver a next-generation energy infrastructure through sustainable development and innovative battery technologies, and aims to be at the centre of the technological shift that commercialises battery technology for mass scale usage, powering future applications such as battery energy storage systems. As at the date of this Announcement, Masataka Matsumura is the Representative Director and President of 3DOM, with a shareholding of approximately 52.73% in 3DOM. The remaining directors of 3DOM are Hikari Imai (Chairman), Kiyoshi Kanamura, Shusuke Oguro and Noriyoshi Suzuki. The other shareholders of 3DOM holding more than 5% are Future Science Research Inc. (holding approximately 10.82%) and Yukizo Kuroda (holding approximately 6.18%).

Further financial information on 3PL will be disclosed in subsequent announcement(s) when the definitive agreements have been entered into, including financial information under Chapter 10 of the Listing Manual, such as the financial effects and relative figures in respect of the Proposed Acquisition. Such information will be announced if and when a definitive agreement is entered into in respect of the Proposed Acquisition.

To the best knowledge of the Company, 3DOM and its directors and shareholders do not hold any shares in the Company or have had any previous business, commercial, trade dealings with the Company, and its Directors or substantial shareholders.

3. RATIONALE FOR THE PROPOSED ACQUISITION

As at the date of this Announcement, trading of the shares of the Company is suspended pursuant to Rule 1303(3) of the Listing Manual.

To rebuild shareholder value, the Company is desirous of injecting an appropriate business into the Group. The Company is of the view that the Proposed Acquisition will place the Company in a position to expand into new business sectors and grow revenues, thereby assisting with the rebuilding of shareholder value.

4. PRINCIPAL TERMS OF THE TERM SHEET

The following are the material terms of the Term Sheet and save as disclosed there are no further material conditions attaching to the Proposed Acquisition.

4.1 Indicative Acquisition Consideration

The Company is to acquire the entire issued and paid-up share capital of 3PL for between 75% and 80% of the valuation of 3PL conducted by an independent qualified valuer (to be appointed by the Company), which shall not be lower than US\$1 billion (equivalent to approximately S\$1.36 billion assuming an exchange rate of US\$1:S\$1.36) (the “**Indicative Consideration**”). The acquisition consideration will be paid via the issuance of the Company’s shares (the “**Consideration Shares**”) at a pre-consolidation issue price of S\$0.0075 per share (which is a premium of 150% over S\$0.003 which was the closing price per share prior to the suspension on 16 November 2020). 3DOM will become the largest shareholder of the Company upon the completion of the Proposed Acquisition. The Parties agree to renegotiate the acquisition consideration in good faith if the valuation of 3PL is less than US\$1 billion. Based on the Indicative Consideration, the number of Consideration Shares to be issued is approximately 181,333,333,333 (rounded down to the nearest whole number), which will amount to approximately 96.4% of the enlarged share capital of the Company based on the current number of issued and paid-up shares.

4.2 Funding for the Proposed Acquisition

The Parties agree that all fees, costs and expenses incurred in relation to the Proposed Acquisition will be borne by the Company.

4.3 Conditions Precedent

Completion of the Proposed Acquisition will be subject to the satisfaction (or waiver) of customary conditions precedent for a transaction of this nature, including, amongst others:

- (i) the completion of financial, legal, operational and any other due diligence exercise on the 3PL by the Company, and the results of such due diligence exercise being reasonably satisfactory to the Company;
- (ii) the appointment of the independent valuer being satisfactory to the Company, SGX-ST and the financial advisor to be appointed for the Proposed Acquisition;
- (iii) the findings and methodology presented in the valuation report to be issued by the appointed independent valuer being satisfactory to the Company, the financial advisor to be appointed and the SGX-ST;
- (iv) Shareholders' approval being obtained by the Company for all resolutions required to approve, implement and effect the proposed transactions contemplated under the Definitive Agreements, including in respect of:
 - a. the Proposed Acquisition;
 - b. the issuance of the Consideration Shares (the “**Proposed Share Issuance**”);
 - c. the transfer of a controlling interest in the Company to the Vendor arising from the Proposed Share Issuance;
 - d. the proposed resolution which if passed would result in a waiver by the independent shareholders of their right to receive a mandatory general offer from 3DOM and/or parties acting in concert with it in connection with the Proposed Share Issuance (the “**Proposed Whitewash Resolution**”);
 - e. the appointment of individuals nominated by 3DOM to serve as directors of the Company post-completion; and
 - f. the compliance placement, if necessary, to satisfy the minimum public float requirement under the Listing Manual.

- (v) approval in-principle for the listing and quotation of the Consideration Shares on the Main Board of the Singapore Exchange Securities Trading Limited being obtained by the Company, and such approval being valid and in full force and effect as at completion of the Proposed Acquisition; and
- (vi) waiver being obtained by 3DOM and parties acting in concert with it from the Securities Industry Council of Singapore in respect of the obligation to make a mandatory general offer arising from the Proposed Share Issuance, and such waiver being valid and in full force and effect as at the completion date of the Proposed Acquisition.

4.4 Long-Stop Date

The proposed long-stop date for completion of the Proposed Acquisition and any other transaction contemplated under the Term Sheet shall be 30 June 2022 or such other date as mutually agreed in writing between the Parties, or such date falling three (3) months from the date on which the proposed whitewash resolution, being the waiver by the independent Shareholders of their right to receive a mandatory general offer from 3DOM and/or its concert parties, is approved, whichever is earlier.

4.5 Governing Law and Jurisdiction

The Term Sheet shall be governed by and construed in accordance with the laws of the Republic of Singapore. The jurisdiction for determining any claim, dispute concerning the Term Sheet and any matter arising therefrom is the courts of Singapore on an exclusive basis.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or, as far as the Directors are aware, controlling Shareholders have any interest, direct or indirect, in the Proposed Acquisition or any other transaction contemplated under the Term Sheet (other than in his capacity as a director or Shareholder).

6. FURTHER ANNOUNCEMENTS

The Company will make further announcements, in compliance with the requirements of Chapter 10 of the Listing Manual, upon the execution of the definitive agreement and/or when there are material developments in respect of the Proposed Acquisition or any other transaction contemplated under the Term Sheet, as well as seek the approval of Shareholders where required.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts of the Term Sheet and the Proposed Acquisition, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading.

Where information in this Announcement (including information relating to 3PL and 3DOM) has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

8. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when trading in the shares of the Company as the Term Sheet is non-binding in nature. There is no assurance or certainty that any definitive agreement will be eventually entered into on the same terms set out herein and/or that such agreements, having been entered into and being subject to certain conditions, will be completed. In the event of any doubt as to the action they should take, Shareholders and potential investors should consult their stock brokers, bank managers, solicitors, or other professional advisers.

By Order of the Board

REENOVA INVESTMENT HOLDING LIMITED

Chen Tong
Executive Chairman

17 November 2021