REENOVA INVESTMENT HOLDING LIMITED

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

Website: **www.reenovagroup.com**

SGX Stock Code: **5EC**

APPLICATION FOR EXTENSION OF TIME TO SUBMIT PROPOSAL FOR RESUMPTION OF TRADING, AND SUBMISSION OF RESUMPTION PROPOSAL – RESPONSE TO SGX REGCO QUERIES

The Board of Directors (the "**Board**" or the "**Directors**") of Reenova Investment Holding Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcements dated 24 December 2021 and 28 January 2022 in relation to the extension of time to submit a resumption proposal and the submission of a resumption proposal respectively. The Board wishes to inform shareholders of the Company (the "**Shareholders**") that the SGX RegCo had on 31 January 2022 raised queries regarding the aforementioned announcements, and the Company would like to provide its responses herein.

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the Company's announcements dated 10 December 2021, 14 December 2021, 24 December 2021 and 28 January 2022.

The information on 3DOM Inc. and the Target set out below was provided by 3DOM Inc. and the Target respectively. In respect of such information, the Company and its Directors have not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this announcement.

SGX RegCo Query (a)

We note that the Company has not submitted a pre-consult in relation to the current SPA for the Proposed Acquisition of 3DOM (Singapore) Pte. Ltd. (the "Target") and did not obtain the receipt of non-objection from IPO Admissions on the suitability of listing of the Target Group by 31 January 2022 to comply with the waiver conditions set out in the 24 December 2021 extension of time announcement. It was clearly stated in the Waiver letter and in the Company's announcement on 24 December 2021 that the waiver will not be effective if any of the Waiver Conditions have not been fulfilled. Please confirm how the Company has complied with all the conditions of the Waiver announced on 24 December 2021.

Company's Response

The restructuring and the Amended and Restated SPA had only concluded recently. As mentioned in the Company's announcement dated 28 January 2022, the Company had on 28 January 2022 entered into the Amended and Restated with 3DOM Inc. ("**3DOM**") and Future Science Research Inc. due to a restructuring of the share capital of the Target. For further details in relation to the restructuring of the share capital of the Target, please refer to paragraphs 2.1 and 3 of the Company's announcement dated 28 January 2022.

In addition, Evolve Capital Advisory Private Limited ("**ECA**"), the issue manager in respect of the Proposed Acquisition, was appointed only on 21 December 2021. As such, due diligence on the Target Group is still ongoing and has yet to be completed. Based on the indicative RTO timeline set out in the Resumption Proposal, the PCL is expected to be submitted only after all the necessary due diligence has been completed in early May 2022.

As such due to the structural changes to the Original SPA and the Target, and the time required to appoint all professional advisers and the ongoing due diligence, the Company could not reasonably submit its PCL to the IPO Admissions by 31 January 2022 especially when it was only informed on its deadline to complete the pre-consultation of the Target Group on 22 December 2021. Therefore, as announced by the Company on 24 December 2021, the Company had, as part of its Resumption Proposal, asked the SGX RegCo for an extension of time to implement its Resumption Proposal in accordance with the timeline set out therein.

SGX RegCo Query (b)

As the extension of time to 31 January 2022 was for the Company to submit its proposal with a view to resuming trading of the Shares, please advise whether the Company has submitted the Resumption Proposal, the RTO application to SGX IPO Admissions as at 31 January 2022. If not, please elaborate how the condition for the submission of RTO Resumption Proposal application by 31 January 2022 has been fulfilled. Please note that the Exchange reserves the right to delist the Company pursuant to Listing Rule 1304 if the extension conditions have not been fulfilled.

Company's Response

As stated in the Company's announcement dated 28 January 2022, the Company had submitted its Resumption Proposal to the SGX RegCo on 28 January 2022, in compliance with the terms of the SGX RegCo Waiver to submit its Resumption Proposal no later than 31 January 2022.

For the avoidance of doubt, the Resumption Proposal and the RTO application are different submissions. Based on the indicative RTO timeline set out in the Resumption Proposal, the RTO application is envisaged to be submitted on or around 19 August 2022.

SGX RegCo Query (c)

In the Company's announcement of the RTO on 10 December 2021, it is disclosed that the consideration for the Acquisition Target will be based on an Actual Valuation, being not less than US$1 billion. Please provide further details on how this US$1 billion valuation has been achieved noting that the Target was only incorporated on 25 July 2019, has a negative net book value or S$1.3million and no revenue for FY2020. Please disclose with specific details how the negative net book value of S$1.3 million has an Actual Valuation of not less than US$1 billion. To also substantiate the Board's view on the Target's suitability for listing, with specific reference to the listing requirements under Chapter 2 of the Listing Manual.

Company's Response

The US$1 billion figure is a minimum consideration which the Target hopes to attain, based on a preliminary valuation carried out by an independent qualified valuer on 3DOM in July 2021. The Company had disclosed in its announcement on 14 December 2021 that the valuation by the independent qualified valuer had formed the basis of the commercial terms.

The independent qualified valuer's valuation was derived using the discounted cash flow method with data provided by 3DOM, along with the present value of the terminal value, based on the exit multiple method. Crucially, it should be noted that the valuation of the Target was calculated to be in the range of approximately US$1.355 billion to US$1.613 billion.

Notwithstanding the independent qualified valuer's involvement in respect of 3DOM, for the purpose of this RTO, Ernst & Young Corporate Advisors Pte. Ltd. ("**EY**") has been appointed as the independent qualified valuer to determine the value of the Target for the Proposed Acquisition, and as such, EY's valuation report will be more relevant and take precedence over the earlier independent qualified valuer's preliminary report. This is provided for in the Amended and Restated SPA, as the consideration may be adjusted based on the Actual Valuation determined by EY. Based on initial estimates, the valuation process to be carried out by EY will take approximately 10 weeks and will be extensive in scope, covering the commercial and business viability, industry competitiveness, and technological and cost effectiveness of the Target's battery business as currently carried out. The earnings assumptions provided by the Target will also be extensively evaluated.

Finally, it is respectfully submitted that the disclosure on the book value and net tangible asset value of the Sale Shares have been misunderstood. The Company had clearly disclosed in paragraph 3.1 of its announcement dated 10 December 2021 that it had capitalised certain shareholder loans owing to 3DOM into equity after its financial period from its date of incorporation on 25 July 2019 to 31 December 2020, after which the book value and net tangible asset value of the Sale Shares are both approximately S$152,000. Notwithstanding such misunderstanding, the net book value of the Target is not of major significance to the overall valuation of the Target Group. It is reiterated that the valuation will ultimately be determined by EY based on generally accepted valuation principles.

SGX RegCo Query (d)

In the Company's announcement of the RTO on 10 December 2021, the Company disclosed that 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". Please provide further details of the current business model of the Target and clarify whether the Target will be manufacturing the components to sell to these customers or whether the Target is merely acting as a middle man in these transactions. Please elaborate how much these orders been fulfilled to-date.

Company's Response

The Target has full exclusive rights to utilise the battery technology developed by 3DOM and will operate as a full profit centre, making and selling batteries using 3DOM's next generation separator and battery technologies. The Target's business model involves the Target using original equipment manufacturers to manufacture batteries with 3DOM's technology, and then selling these batteries to clients such as renewable energy players, energy storage system suppliers and electric vehicle manufacturers. One of the key

components of the Target's batteries and key strengths of 3DOM's technology is its proprietary separator, which 3DOM will manufacture and deliver to the Target for manufacturing its battery cells and packs.

In terms of future orders, the Target has already entered into agreements with four (4) third-party customers. It expects to conclude three (3) more of such agreements in the first half of 2022. As at the date of this Announcement, the Target is already in the process of taking orders and discussing battery specifications with one of such third-party customers.

SGX RegCo Query (e)

Please provide the salient financial information for 3DOM Inc. to substantial the US$1 billion valuation of the Target derived from the irrevocable global license of 3DOM Inc.'s lithium-ion battery technologies.

Company's Response

It is humbly submitted that the US$1 billion valuation of the Target is independent of the financial results and operations of 3DOM. This is because the Target and 3DOM are not in the same or competing field of business – 3DOM is predominantly focused on research and development of its own battery technologies which it licences to the Target, and the Target is in the business of manufacture, distribution and sale of lithium-ion secondary batteries using 3DOM's next-generation battery technologies

Cautionary Statement

Notwithstanding that the trading of the Company's Shares is suspended, Shareholders and potential investors are advised to read this Announcement and any further announcements by the Company carefully. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. 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

3 February 2022