

**REENOVA INVESTMENT HOLDING LIMITED**  
**(UNDER JUDICIAL MANAGEMENT)**  
(Company Registration No. 200104762G)  
(Incorporated in Singapore)

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**RESPONSE TO SGX-ST QUERIES**

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The Judicial Managers (the “**Judicial Managers**”) of Reenova Investment Holding Limited (Under Judicial Management) (the “**Company**” and together with its subsidiaries, the “**Group**”) wish to address the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 17 May 2023.

**Question 1: We refer to your announcement dated 11 April 2023 relating to the Completion of Enforcement and Sale of Share. In the announcement it was disclosed that “(a) the Enforcement and the Sale of the RGPL Shares pursuant to the sale and purchase agreement entered into between Harena Resources Pty Ltd and JW Venture Capital Pte Ltd was completed on 10 April 2023 and (b) the transactions contemplated under the Implementation Agreement were completed on 10 April 2023”.**

**Please provide specific details of the terms of the Implementation Agreement and the breakdown of the number of sale shares of Reenova Global Pte. Ltd. (Singapore UEN No. 200921168C) held by the Company to be transferred/sold to each of (1) JW Venture Capital Pte. Ltd. and (2) Harena Resources Pty Ltd under the Sale and Purchase and the Implementation agreements with each of them, respectively.**

Company’s Response

1. In addition to the Company’s announcement dated 11 April 2023, the Judicial Managers refer to the following Company’s announcements:
  - (a) the Company’s Quarterly Update Pursuant to Rule 1313(2) of the Listing Manual announcement dated 27 October 2022 (“**3Q2022 Quarterly Update Announcement**”), where it was announced that the company had entered into a binding Memorandum of Understanding (“**MOU**”) with Harena Resources Pty Ltd (“**HRPL**”) and JW Venture Capital Pte Ltd (“**JWC**”), in which it was contemplated that, *inter alia*:
    - (i) JWC would enforce its security interest in 100% of the issued shares (the “**RGPL Shares**”) in Reenova Global Pte. Ltd. (“**RGPL**”) under the 1<sup>st</sup> JWC Facility and 2<sup>nd</sup> JWC Facility (both as defined in the 3Q2022 Quarterly Update Announcement) (the “**Enforcement**”), and sell the RGPL Shares to HRPL (the “**Sale**”);
    - (ii) in consideration of the Sale, HRPL would pay JWC an amount equivalent to the current outstanding amounts owed by the Company to JWC under the 1<sup>st</sup> JWC Facility and the 2<sup>nd</sup> JWC Facility; and
    - (iii) in consideration of the Company’s consent to the Enforcement and the Sale:
      - (1) HRPL would pay the Company a sum to be agreed with the Judicial Managers, in which the agreed sum shall be utilised for payment to the Company’s preferential and unsecured creditors (where applicable) in accordance with the provisions of the Insolvency, Restructuring and Dissolution Act 2018 and its subsidiary legislation (the “**IRDA**”); and
      - (2) HRPL would waive all loans and liabilities extended by HRPL to the Company under the Letter Agreement dated 20 September 2022 entered into between the Company and HRPL; and

- (b) the Company's Response to SGX-ST Queries announcement dated 4 November 2022, where it was clarified that the Company will not be disposing of the RGPL Shares under the MOU, and that under the MOU, the sale of the RGPL Shares to HRPL is envisaged to be undertaken by JWC by way of enforcement by JWC of JWC's security interest in the RGPL Shares;
- (c) the Company's Resolutions Passed at the First Creditors' Meeting announcement dated 25 November 2022, where it was announced that, *inter alia*, the creditors' resolution authorising the Judicial Managers to, pursuant to the terms of the MOU, to enter into the Implementation Agreement and any documents in connection therewith and/or ancillary thereto, was approved unanimously by the creditors present and voting;
- (d) the Company's Resolutions Passed at the Second Creditors' Meeting announcement dated 16 January 2023, where it was announced that, *inter alia*, the creditors' resolution approving the Judicial Managers to agree to the RIHL Cash Payment (as defined in the Judicial Managers' circular dated 9 January 2023), which shall be utilized as payment to the Company's preferential and unsecured creditors (where applicable) in accordance with the provisions of the IRDA and any other applicable laws;
- (e) the Company's Implementation Agreement for the Enforcement of Security Interest over and the Sale of Shares in Reenova Global Pte Ltd announcement dated 22 February 2023, where *inter alia*:
  - (i) the salient terms of the Implementation Agreement were provided;
  - (ii) it was highlighted that Section 96(4)(e) of the IRDA provides that no step may be taken to enforce any security over any property of the company, or to repossess any goods under any hire-purchase agreement, chattels leasing agreement or retention of title agreement, except with the consent of the judicial manager, or with the leave of the Court and subject to such terms as the Court may impose;
  - (iii) that the Implementation Agreement sets out the terms and conditions for the Company and the Judicial Managers to provide their consent to the Enforcement and the Sale; and
  - (iv) JWC and HRPL had entered into an agreement regarding the sale and purchase of the RGPL Shares (the "**SPA**"). For the avoidance of doubt, neither the Company nor the Judicial Managers were a party to this SPA;
- (f) the Company's Receipt of Summons announcement dated 13 March 2023, where it was announced that, pursuant to the terms of the SPA and the Implementation Agreement, JWC had filed a summons with the General Division of the High Court of the Republic of Singapore (the "**Singapore Court**"), seeking *inter alia* the following orders:
  - (i) the Claimant (being, JWC) be and is hereby granted leave to enforce its security (the "**Security**") over the RGPL Shares, provided that the enforcement of the Security and the sale of the RGPL Shares shall comply with prayer 2 below; and
  - (ii) the Claimant be and is hereby authorised to sell and transfer the RGPL Shares to only HRPL, subject to the following:
    - (1) the enforcement of the Security and the sale of the RGPL Shares shall comply with the terms and conditions of:
      - (A) the sale and purchase agreement dated 16 January 2023 entered into between the Claimant and HRPL (being, the "**SPA**"); and

- (B) the implementation agreement dated 22 February 2023 entered into amongst the Company, the Judicial Managers and HRPL (being, the “**Implementation Agreement**”); and
- (2) any amendment, variation or waiver of the terms and conditions of the Sale and Purchase Agreement and the Implementation Agreement shall be subject to the consent of the Judicial Managers;
- (g) the Company’s Orders Made in the Summons announcement dated 5 April 2023, where it was announced that the Singapore Court had granted the orders sought by the Claimant (being, JWC) (the “**Court Order**”); and
- (h) the Company’s Completion of Enforcement and Sale of Shares announcement dated 11 April 2023, where it was announced that:
  - (i) the Enforcement and the Sale of RGPL Shares pursuant to the SPA was completed on 10 April 2023;
  - (ii) the transactions contemplated under the Implementation Agreement were completed on 10 April 2023; and
  - (iii) following the completion of the Enforcement and the Sale of the RGPL Shares on 10 April 2023, RGPL, Reenova Holding (Mauritius) Ltd and Reenova Rare Earth (Malagasy) S.A.R.L.U (“**RREM**”) have ceased to be subsidiaries of the Company.
- 2. The announcements referred to above provide the relevant and pertinent information regarding the Enforcement and Sale of the RGPL Shares, including that the Enforcement and Sale of the RGPL Shares was duly approved by the creditors of the Company and the Singapore Court. Upon the completion of the Enforcement and Sale of the RGPL Shares by JWC (in its capacity as a secured creditor of the Company with security interests over 100% of the issued shares of RGPL) pursuant to the Court Order, 100% of the issued shares of RGPL (consisting of 100,000 ordinary shares) were transferred to HRPL. There were no RGPL shares that were transferred to JWC.

**Question 2: Please provide details of the loan from Harena Resources Pty Ltd including the date of announcement of the loan, the date of receipt of the loan, the terms of the loan and how the outstanding amount owing to Harena Resources Pty Ltd has been calculated.**

**Please disclose the details of Harena Resources Pty Ltd, including inter alia its date of incorporation, its principal activities, shareholders, directors and key management, the breakdown for the utilization of the proceeds of the loan to the Company and confirm whether the directors, shareholders of Harena Resources Pty Ltd has any past or current relationships, including business relationship, to any of the (current or former) shareholders, directors or key personnels of Reenova Investment Holding Ltd., REO Magnetic Pte. Ltd., Tantalus Rare Earths AG and their respective associates.**

Company’s Response

- 1. Reference is made to the 3Q2022 Quarterly Update Announcement, where it was announced that:
  - (a) the Company has entered into a letter agreement with HRPL on 20 September 2022 (the “**Letter Agreement**”) to facilitate the settlement of certain critical liabilities owed by RREM to its creditors with the view of preserving RREM’s applications for the exploration and mining licenses for the rare earth concession area of approximately 238km<sup>2</sup> in north-western Madagascar, Africa (being, the “**Rare Earth Project**”); and

(b) HRPL is a company incorporated in Australia and is in the business of acquiring metals in emerging economies, including facilitating the progress of mining and exploration projects in the African continent. The Judicial Managers were introduced to HRPL by Dr Dominique Rakotomanana, the former g rant of RREM, and Mr Eddy Lim Seok Boon ("**Mr Eddy**"), the Singapore-resident director of the Company. Following the appointment of the Judicial Managers, Mr Eddy connected the Judicial Managers with various parties interested in a potential joint venture regarding the Rare Earth Project. After several discussions between these parties and the Judicial Managers, the Judicial Managers began holding exclusive discussions with HRPL to discuss potential avenues by which HRPL can facilitate the rehabilitation of the Group.

2. Based on an extract obtained from the Australian Securities & Investments Commission on or around 4 February 2023, the particulars of HRPL are as follows:

Company Name	:	Harena Resources Pty Ltd
Registration No.	:	658 908 055
Date of Incorporation	:	21 April 2022
Principal Activities	:	Investment Holding Company
Directors	:	(1) Timothy Morrison (2) Allan Ewald Mulligan (3) Philippa Anne Leggat (4) Stephen Francis Lynn
Key Management Personnel	:	(1) Timothy Morrison – Chairperson (2) Allan Ewald Mulligan – Managing Director (3) Philippa Anne Leggat – Director (4) Stephen Francis Lynn – Director (5) Jay Stephenson – Company Secretary and Chief Financial Officer
Shareholders	:	(1) Almaretta Pty Ltd (2) Arlington Capital Pty Ltd (3) Tomori Enterprises Limited (4) Red Warthog SMSF (Indigo Buffalo Pty Ltd) (5) Vivien Enterprises Pte Ltd (6) Pure Ice Ltd. (7) Anthony Peter Nichols (8) Allan Ewald Mulligan (9) Thomas Andrew Calvert Murrell (10) Trevor Bruce Benson (11) Stephen Francis Lynn

3. The Board of HRPL has confirmed to the Judicial Managers that, to the best of its knowledge and belief, it is not aware of any past or current relationships, including business relationship, between its directors and shareholders, and any of the (current or former) controlling shareholder, directors or key management personnels of Reenova Investment Holding Ltd., REO Magnetic Pte. Ltd., Tantalus Rare Earths AG and their respective associates. While HRPL was initially introduced by Dr Dominique Rakotomanana and Mr Eddy, this was as a result of discussions already ongoing prior to the appointment of the Judicial Managers, and as far as the Judicial Managers are aware, not as a result of any business or familial relationship between the two individuals and HRPL's directors and shareholders.

4. The following are the salient terms of the Letter Agreement:

- (a) HRPL hereby agrees to provide loans to the Company on an interest-free basis (collectively “**Loans**”, or each a “**Loan**”), for the purpose of enabling the Company and the Judicial Managers to facilitate the full and final settlement of certain liabilities owed by RREM to its creditors and the release of the pledge lodged by a creditor of RREM, Sté. IDF S.A. (“**IDF**”), against the mining licenses of the Rare Earth Project (the “**Provisional Pledge**”);
  - (b) A Loan shall only be drawn and disbursed in accordance with the following procedure:
    - (i) HRPL shall, by way of written notice, notify the Company and the Judicial Managers of the following details:
      - (1) the identity of the relevant creditor of RREM that HRPL intends to facilitate the repayment of the outstanding debt to;
      - (2) the amount of outstanding debt owed to the relevant creditor of RREM;
      - (3) any information or document that the Judicial Managers may require to validate the claim of the relevant creditor of RREM; and
      - (4) (if any) the repayment schedule;
    - (ii) upon receipt of the written notice stated in sub-paragraph (1) and if the Judicial Managers consent to the repayment of the relevant creditor of RREM, the Judicial Manager shall, by way of written notice, inform HRPL of its consent for the repayment of the outstanding debt to the relevant creditor of RREM (the “**JM Loan Request**”). Upon receipt of the JM Loan Request by HRPL, the Judicial Managers shall be deemed to have made a request for a Loan for and on behalf of the Company to HRPL. For the avoidance of doubt, the Loan amount requested under the JM Loan Request shall be the amount of the outstanding debt owed to the relevant creditor of RREM;
5. As at 10 April 2023, being the date of the completion of the Enforcement and Sale of the RGPL Shares, immediately prior to the discharge of the outstanding amounts owed by the Company to HRPL under the Letter Agreement pursuant to the terms of the Implementation Agreement, the total outstanding amount owed by the Company to HRPL under the Letter Agreement was S\$286,208.00. Pursuant to the Implementation Agreement, upon the completion of the Enforcement and Sale of the RGPL Shares, the outstanding amount was discharged in full and there are no longer any outstanding amounts owed by the Company to HRPL under the Letter Agreement as of the date of this announcement.

**Question 3: The Company announced that a creditors’ meeting was held on 25 November 2022 at 10 am. Please confirm who were the creditors that attended and unanimously approved the resolutions tabled (other than JW Venture Capital Pte. Ltd. and Harena Resources Pty Ltd) that voted at the meeting.**

Company’s Response

There were 12 creditors who attended the creditors’ meeting held on 25 November 2022, with total debts amounting to the sum of S\$1,710,771.09. Save for the Estate of Chen Tong (who attended as an observer), the remaining creditors unanimously approved the resolutions tabled at the said meeting. For the avoidance of doubt, neither JWC nor HRPL attended the said creditors’ meeting.

**Question 4: In the Company’s response to SGX dated 28 March 2022, the Company had disclosed that “the Lender may seek recourse by relying on the other security provided in relation to the Loan, namely the personal guarantee extended by Mr Chen Tong as well as the security interest over 300 million shares in the Company held by him.” To disclose whether the creditors had sought this recourse and if not, why.**

## Company's Response

JWC has confirmed to the Judicial Managers that it has not taken steps to enforce the personal guarantee provided by Mr Chen Tong, or the security interest in the 300 million shares in the Company held by Mr Chen Tong. JWC further informed the Judicial Managers that JWC is not obliged to enforce the other securities first, and that in any event, especially in view of Mr Chen Tong's demise and the Company being placed in judicial management, the prospects of recovery by way of the enforcement of its security interest in the RGPL's shares was more realistic.

***Question 5: It was also disclosed that "the Lender may be able to direct the Company to sell those shares and utilise the proceeds from such sale to repay the Loan (and any accrued interest) in priority to any unsecured creditors of the Company. Any excess remaining will accrue to the Company and other creditors (if any)." [emphasis added] To disclose the actions taken by the JM to undertake a valuation of the Madagascar Mine owned by the Company, which when previously valued by Behre Dolbear Australia Pty Ltd in September 2017 in accordance with the VALMIN Code had a most likely valuation of USD 48.1 million (and a range between USD 25.2 million and USD 74.5 million) and the MOU signed on 10 November 2021 with GRM for the disposal of the Madagascar Mine for a proposed purchase consideration of US\$6,000,000. To also disclose the comparison of Rare Earth prices in September 2017 to current prices, to enable investors to understand the trend of prices for rare earth and the value of the Madagascar Mine.***

## Company's Response

1. Reference is made to the Company's Response to SGX-ST Queries announcement dated 4 November 2022, where it was disclosed:
  - (a) the Statement of Affairs dated 12 August 2022 completed by the Company's Independent director, Mr Eddy Lim Seok Boon, has indicated that the value of the shares in RGPL have been completely written-off, in which this write-off is attributable to the fact that:
    - (i) the exploration licence PR 6698 granting the exclusive rights for prospecting and research in the Rare Earth Project has expired on 5 November 2021 and that there is currently no confirmation from the Ministry of Mines and Strategic Resources of Madagascar that an extension would be granted; and
    - (ii) the 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 is still pending and there is currently no confirmation that the licence would be granted;
  - (b) the relative figures to the bases set out in Listing Rule 1006 for the sale of the RGPL Shares, based on the then-current circumstances of the exploration licence PR 6698 and application for the full mining licence for the Rare Earth Project.
2. Reference is further made to the Company's Quarterly Update Pursuant to Rule 1313(2) of the Listing Manual, where it was disclosed that, as at the appointment of the Judicial Managers, RREM owed a total of approximately USD 800,000 to onshore creditors in Madagascar, and one creditor, IDF, had commenced proceedings against RREM, and subsequently lodged a pledge against the mining licenses of the Rare Earth Project (being, the "**Provisional Pledge**"). The Provisional Pledge by IDF could prejudice the Company's application for the full mining licence. HRPL was the only party (amongst the interested parties that the Judicial Managers had approached) that expressed a willingness to assist the Company in settling the amount owed to IDF and other creditors of RREM, which in turn resulted in the Letter Agreement.
3. The MOU with HRPL was entered into after discussions between the Judicial Managers and several other interested parties. The Judicial Managers had also approached GRM in respect of the completion of the non-binding MOU previously signed by GRM. However, no response was forthcoming.

4. Given the expired status of the exploration licence PR 6698 and the pending application for the full mining licence (Permis de Exploitation), the insolvent situation of the Company and the Provisional Pledge, the Judicial Managers were of the view that the transactions under the MOU with HRPL had to be progressed with urgency. The transaction with HRPL was placed before the creditors of the Company and the Singapore Court for approval, and the relevant announcements were also made to keep all stakeholders duly informed on the progress of the transaction, commencing from the announcement of the MOU with HRPL in the Company's 3Q2022 Quarterly Update Announcement on 27 October 2022, the Company's Implementation Agreement for the Enforcement of Security Interest and the Sale of Shares in Reenova Global Pte. Ltd. announcement dated 22 February 2023, the Company's Receipt of Summons announcement dated 13 March 2023 in respect of the Enforcement and Sale, and finally the Company's Completion of Enforcement and Sale of Shares announcement dated 11 April 2023. Throughout the entire process, including during the hearing in the Singapore Court, there was no opposition received by the Judicial Managers and the Company's creditors in respect of the transaction with HRPL.
5. In light of the foregoing, in particular that the exploration licence PR 6698 had expired, that the 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 is still pending, the Provisional Pledge and RIHL's lack of funds, the Judicial Managers are of the view that information on Rare Earth prices in September 2017 to current prices would not be a meaningful comparison against the value obtained by the Company in respect of the Enforcement and Sale.

***Question 6: To disclose the names of the creditors and the corresponding value of the debts owing to these creditors for which the Madagascar Mine was transferred. To also disclose whether there will be "any excess remaining [that] will accrue to the Company and other creditors (if any)" noting the significant value of the Madagascar Mine in comparison to the debts to be repaid. Please provide details and quantify to substantiate your response.***

Company's Response

1. The Judicial Managers wish to clarify that 100% of the issued shares of RGPL was transferred by JWC to HRPL by way of enforcement of the security interest of JWC over the RGPL Shares, pursuant to the Court Order. There was no transfer of ownership of the Madagascar Mines to any of the Company's creditors (aside from HRPL).
2. Upon completion of the Enforcement and Sale, including the payment of S\$804,545.50 by HRPL to JWC as consideration for the RGPL Shares (being also the outstanding principal amount owed by the Company to JWC), all liabilities of the Company owing to JWC and HRPL were discharged in full.
3. Further, as per the terms of the Implementation Agreement, HRPL has paid the RIHL Cash Payment (as defined in the Company's announcement dated 22 February 2023, and being an amount of S\$800,000) to the Company, in which the RIHL Cash Payment is to be held by the Company for the benefit of its preferential and unsecured creditors, solely for the purpose of making payments to the Company's preferential and unsecured creditors, as determined by the Judicial Managers in their full and absolute discretion, subject always to and in accordance with the provisions of the Insolvency, Restructuring and Dissolution Act 2018. The Judicial Managers estimate that, based on the proofs of debt and management accounts available to the Judicial Managers, the Company has liabilities amounting to an aggregate of S\$2,385,379.66. There are no other assets of significant value known to the Judicial Managers. Therefore, the Judicial Managers expect the RIHL Cash Payment would be substantially distributed to the Company's preferential and unsecured creditors, in accordance with the provisions of the Insolvency, Restructuring and Dissolution Act 2018.

**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 stockbrokers, bank managers, solicitors, or other professional advisers.**

Luke Furler and Ellyn Tan  
**Joint and Several Judicial Managers**

23 May 2023