

**REENOVA INVESTMENT HOLDING LIMITED**

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

 Website: [www.reenovagroup.com](http://www.reenovagroup.com)

 SGX Stock Code: **5EC**


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**PLACEMENT OF UP TO 979,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF REENOVA INVESTMENT HOLDING LIMITED – USE OF PROCEEDS**


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The Board of Directors (the "**Board**") of Reenova Investment Holding Limited (the "**Company**") refers to the Company's announcements dated 26 August 2020, 21 October 2020, 25 October 2020, 3 November 2020, 5 November 2020, 31 December 2020, 3 March 2021, 27 April 2021, 7 July 2021 and 11 October 2021 (the "**Previous Announcements**") in relation to the Placement. Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as in the Previous Announcements.

Further to the Previous Announcements, the Board wishes to announce that out of the net proceeds of approximately S\$2,513,000 from the Placement (the "**Net Proceeds**"), a further amount of approximately S\$174,000 (representing approximately 6.92% of the Net Proceeds) has been used in the following manner:

<b>Intended Use of Proceeds</b>	<b>Amount Allocated S\$</b>	<b>Aggregate Amount Utilised per Previous Announcement S\$</b>	<b>Amount Utilised per Current Announcement S\$</b>	<b>Aggregate Amount Utilised to Date S\$</b>
Repay existing creditors	700,000	1,015,000	-	1,015,000
Commence the next phase of works for the Company's rare earth project, such as trial leaching and pilot production, environmental impact assessment, feasibility and engineering studies and application for the full mining licence	998,000 to 1,158,000	54,000	-	54,000
General working capital purposes*	640,000 to 800,000	1,270,000	174,000	1,444,000

\* The breakdown of the amount utilised for general working capital is as follows:

	Aggregate Amount Utilised per Previous Announcement S\$'000	Amount Utilised per Current Announcement S\$'000	Aggregate Amount Utilised to Date S\$'000
Wages, salaries, bonuses and other short-term employee benefits and employer's contributions to Central Provident Fund	706	124	830
Director's Fees	24	-	24
Office and warehouse rental	48	11	59
Professional fees (including legal, secretarial, investor relations)	299	17	316
Listing related expenses	42	6	48
Office expenses	64	9	73
Repair and maintenance	9	2	11
Insurance premiums	16	2	18
Others	62	3	65
<b>Total</b>	<b>1,270</b>	<b>174</b>	<b>1,444</b>

In relation to the stated use and percentage allocated for the use of the Net Proceeds in the Company's announcement dated 21 October 2020, the aggregate amount of S\$1.02 million utilised to repay existing creditors, has exceeded the amount of S\$700,000 that was initially allocated and the aggregate amount of S\$1.27 million utilised for general working capital purposes, has exceeded the range of S\$640,000 to S\$800,000 that was initially allocated. The Group's initial allocation of funds during the Placement exercise was based on our best understanding and expectation of the Group's payables at that point in time. The excess of S\$315,000 over the amount of S\$700,000 that was initially allocated to repay existing creditors was mainly due to additional payments made as a result of further negotiations with some of the existing creditors (including the consultant/project manager in Madagascar). The excess of S\$644,000 over the maximum amount of S\$800,000 that was initially allocated for general working capital purposes was mainly due to payment of recurring expenses that are incurred beyond the estimated range of S\$640,000 to S\$800,000 over the initial period of four to five months following the completion of the Placement in early November 2020. Madagascar has until recently suspended all flights to and from the country due to the ongoing COVID-19. Consequently, the Group had paid out more monies than initially allocated to the creditors and service providers in order to maintain the continued provision of services so as to avoid disruptions to the operations of the Group.

To date, the Net Proceeds of approximately S\$2.51 million has been fully disbursed.

On Behalf of the Board

**REENOVA INVESTMENT HOLDING LIMITED**

Chen Tong

Executive Chairman

18 March 2022