REENOVA INVESTMENT HOLDING LIMITED

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

Website: **www.reenovagroup.com**

SGX Stock Code: **5EC**

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

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 and 31 December 2020 (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$514,000 (representing approximately 20.5% of the Net Proceeds) has been used in the following manner:

Intended Use of Proceeds	Amount Allocated S$	Amount Utilised per Previous Announcement S$	Amount Utilised per Current Announcement S$	Aggregate Amount Utilised to Date S$
Repay existing creditors	700,000	616,000	209,000	825,000
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	43,000	11,000	54,000
General working capital purposes *	640,000 to 800,000	183,000	294,000	477,000

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

	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	85	120	205
Office and warehouse rental	13	4	17
Professional fees (including legal, secretarial, investor relations)	4	154	158

	Amount Utilised per Previous Announcement S$'000	Amount Utilised per Current Announcement S$'000	Aggregate Amount Utilised to Date S$'000
Listing related expenses	6	6	12
Office expenses	27	8	35
Insurance premiums	2	-	2
Others	46	2	48
Total	**183**	**294**	**477**

The use of the Net Proceeds set out above is in accordance with the stated use and percentage allocated in the Company's announcement dated 21 October 2020 in relation to the Placement except for the aggregate amount of S$825,000, utilised to repay existing creditors, which has exceeded the amount of S$700,000 that was initially allocated. The increase was mainly a result of further negotiations with some of the existing creditors in order to avoid disruptions in the provision of services by such creditors.

To date, approximately S$1.36 million of the Net Proceeds has been materially disbursed.

The Company will make further announcements on the utilisation of the balance of the Net Proceeds via SGXNET as and when such funds are materially disbursed.

On Behalf of the Board
REENOVA INVESTMENT HOLDING LIMITED

Chen Tong
Executive Chairman

3 March 2021