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 S$1.2 MILLION CONVERTIBLE LOANS

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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**") has announced on 17 November 2021 (this "**Announcement**") that:

(i) the Company has, on 16 November 2021, entered into a non-binding term sheet with 3DOM Inc. ("**3DOM**"), a company incorporated in Japan 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**") by the Company (the "**Proposed Acquisition**"), and a wholly-owned subsidiary of 3DOM;

(ii) 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; and

(iii) all fees, costs and expenses incurred in relation to the Proposed Acquisition will be borne by the Company.

For the purposes of funding the RTO, the Company has on 16 November 2021 entered into a non-binding term sheet (the "**Term Sheet**") with Evolve Capital Management Fund VCC for and on behalf of ECM Opportunities Growth Fund (the "**Lender**") for a convertible loan of S$1.2 million from the Lender (the "**CL**").

The Term Sheet is not intended to be legally binding between the Parties and remains subject to completion of the final and definitive transactional documents. The Company will make further announcements as and when there are material updates to the CL, including the entry into definitive agreements.

2. 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 CL.

2.1 Tranches and Drawdown Conditions

It is proposed that the CL will be disbursed in three (3) tranches with the following drawdown conditions:

(i) Tranche 1: S$300,000 within 10 business days of the in-principle approval for the listing and quotation of the Conversion Shares (as defined below) by SGX-ST;

(ii) Tranche 2: S$300,000 within 10 business days upon the Company signing a definitive share purchase agreement in relation to the Proposed Acquisition and the completion of the disposal of its rare earth business; and

(iii) Tranche 3: $600,000 within 10 business days upon the in-principle approval of SGX-ST for the RTO and resumption of trading of the Company's shares on the Mainboard of SGX-ST.

2.2 Maturity Date

The maturity date shall be 12 months after the date of disbursement of the first tranche or such later date as the Company and the Lender may agree (the "**Maturity Date**"). The CL is repayable on the Maturity Date unless converted into Conversion Shares.

2.3 Interest Rate

Interest is payable at 6% per annum, payable on Maturity Date. No interest shall be payable in the event the CL is converted into Conversion Shares.

2.4 Mandatory Conversion

The CL shall be mandatorily converted to the Conversion Shares upon the in-principle approval of SGX-ST for the RTO being attained and resumption of trading on the Mainboard of SGX-ST.

2.5 Conversion Price

The conversion price shall be S$0.0007 and the CL shall be converted in its entirety for an aggregate of 1,714,285,714 shares (being 20.267% of the enlarged share capital of the Company) (the "**Conversion Shares**").

2.6 Use of Proceeds

The Company shall use the CL proceeds solely for the purposes of the contemplated RTO expenses.

2.7 Key Conditions Precedent

The definitive agreements for the CL shall contain the customary conditions precedent for a transaction of this nature, including but not limited to the following:

(i) the appointment of a nominee of the Lender as a non-executive Director of the Company and the inclusion of such Director as a signatory for bank accounts of the Company. Such Director shall lead the contemplated RTO and be involved in all matters relating to the RTO;

(ii) completion of financial, legal, operational and any other due diligence exercises on the Company by the Lender, and the results of such due diligence exercises being reasonably satisfactory; and

(iii) Shareholders' approval being obtained by the Company for all resolutions required to approve, implement and/or effect the proposed transactions contemplated under the definitive agreements for the CL, including the issuance of the Conversion Shares.

2.8 Governing Law and Jurisdiction

The Term Sheet shall be governed by and construed in accordance with the laws of the Republic of Singapore.

3. 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 CL or any other transaction contemplated under the Term Sheet (other than in his capacity as a director or Shareholder).

4. FURTHER ANNOUNCEMENTS

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

5. 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 CL, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading.

6. 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