**REENOVA INVESTMENT HOLDING LIMITED**

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

Website: **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 and 27 April 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$282,000 (representing approximately 11.2% of the Net Proceeds) has been used in the following manner:

| **Intended Use of Proceeds** | **Amount Allocated S$** | **Aggregate Amount Utilised per Previous Announcement S$** | **Amount Utilised per Current Announcement S$** | **Aggregate Amount Utilised to Date S$** |
|---|---|---|---|---|
| Repay existing creditors | 700,000 | 851,000 | 80,000 | 931,000 |
| 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 | 696,000 | 202,000 | 898,000 |

* 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 | 312 | 123 | 435 |
| Director's Fees | - | 24 | 24 |
| Office and warehouse rental | 21 | 7 | 28 |
| Professional fees (including legal, secretarial, investor relations) | 237 | 21 | 258 |
| Listing related expenses | 19 | 14 | 33 |
| Office expenses | 45 | 6 | 51 |
| Repair and maintenance | - | 5 | 5 |
| Insurance premiums | 9 | - | 9 |
| Others | 53 | 2 | 55 |
| **Total** | **696** | **202** | **898** |

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$931,000, utilised to repay existing creditors, which has exceeded the amount of S$700,000 that was initially allocated and the aggregate amount of S$898,000, utilised for general working capital purposes, which 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$231,000 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$98,000 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. As an update, the Group continues to experience delays in commencing the pilot production in Madagascar as a result of the travel restrictions in Madagascar due to the COVID-19 pandemic. The Government of Madagascar had declared a renewed state of health emergency on 3 April 2021 and has been extending the state of health emergency since then, with the latest extension of a further 15 days being effective from 28 June 2021. The borders of Madagascar remain closed to passengers from overseas and the Company continues to monitor the COVID19 situation in Madagascar closely. 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, approximately S$1.88 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

7 July 2021