REENOVA INVESTMENT HOLDING LIMITED

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

Website: **www.reenovagroup.com**

SGX Stock Code: **5EC**

RESPONSE TO SGX-ST QUERIES

The Board of Directors (the "**Board**") of Reenova Investment Holding Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to provide the following additional information in response to the queries raised by Singapore Exchange Securities Trading Limited ("**SGX-ST**") in their email dated 1 April 2022.

Query by SGX-ST:

1. We refer to the Company's announcement on the entry into the $150,000 loan with a Group of Lenders.

   a) How did the Company get introduced to this Group of Lenders and why does the Company have to raise funds from these individuals?

   b) What is the relationship between the 5 individuals? To provide specific background information on each of these lenders and what is the reason for them to loan to the Company. For Mr Peh Tai Kim, include specific details of his business, company and designation.

   c) Are they in the business of money lending and what is their objective of lending to the Company.

Company's Response:

1(a) The Company was introduced to the Group of Lenders by Ms Ong Yuen Kuan ("**Ms Ong**"), who is an Associate Director – Equity Sales with UOB Kay Hian Private Limited. Ms Ong has been acquainted with Mr Chen Tong, the Executive Chairman of the Company, since many years ago. For the avoidance of doubt, no introducer fee was payable by the Company to Ms Ong for introducing the Group of Lenders. The Company is raising funds from these individuals as it is unable to secure any other form of financing at short notice to pay its expenses.

1(b) Mr Pei Tai Kim and Mr Peh Leng Hong are father and son while Mdm Ng Ah Ai and Ms Tan Jun Hui are mother and daughter. Mr Raymond Patrick Petrus Handaru is not related to the other lenders. Mr Pei Tai Kim is the managing director of a company that deals with chemical solvent and paint in Singapore. Mr Pei Leng Hong is the marketing manager of a company that deals with chemical solvent and paint in Singapore. Mdm Ng Ah Ai is a housewife while Ms Tan Jun Hui is a teacher. Mr Raymond Patrick Petrus Handaru is a Quality Leader of a MNC that deals in gas power generation. Their reason for lending to the Company is to obtain a good return should the RTO be successful.

1(c) No, they are not in the business of money lending. Their objective for lending to the Company is to obtain a good return should the RTO be successful.

Query by SGX-ST:

2. Clarify what is meant by allowing the Group of Lenders to convert the loan amount to CL if the CL is undertaken and approved in an EGM. What is their relationship with Evolve Capital Management Fund VCC ("Evolve") such that Evolve allows them to subscribe to their CL. How is it in the interest of the Company to issue the CL which was for a loan of $1.2 million to instead be issued to the Group of Lenders for only $150,000, which is 12.5% of the original sum for which would be received by the Company under the CL Term Sheet with Evolve.

Company's Response:

2. As disclosed in the Company's announcement on 30 March 2022, the Company would like to clarify that in return for the loan of S$150,000, the Company shall allow the Group of Lenders the right to convert the loan amount to a CL that is similar to the one that is undertaken by Evolve Capital Management Fund VCC ("**Evolve**") and to also subscribe to an additional amount of up of S$1 million of the CL if the CL is undertaken and approved in an Extraordinary General Meeting ("**EGM**"). For the avoidance of doubt, this CL with the Group of Lenders is to be considered as a separate CL from the one with Evolve, where the Company stands to raise an additional S$1 million from the Group of Lenders on top of the S$1.2 million to be raised from Evolve. As far as the Company is aware, the Group of Lenders is not related to Evolve.

Query by SGX-ST:

3. Provide details of how many shares and the % of share capital under the same CL that would be issued, if approved at an EGM? What would be total CL and conversion shares in the Company after the 2 issuances.

Company's Response:

3. The details required are set out as follows:

Name of Lender	Convertible loan amount	Conversion price per share	Number of Conversion Shares	% of Enlarged Share Capital
	S$			%
Evolve Capital Management Fund VCC	1,200,000	S$0.0007	1,714,285,714	16.97
Group of Lenders	150,000	S$0.0007	214,285,714	2.12
Group of Lenders	1,000,000	S$0.0007	1,428,571,428	14.14
Total number of Conversion Shares:			**3,357,142,856**	**33.23**
Number of shares outstanding as at 5 April 2022:			6,744,247,542	66.77
Total number of shares outstanding after conversion:			**10,101,390,398**	**100.00**

Query by SGX-ST:

4. Out of the S$150,000 principal loan amount, how much has been disbursed and how much has been utilised and for what purpose.

Company's Response:

4. The Company was charged upfront interest of 12% per annum, which was equivalent to S$18,000. As such, only S$132,000 was available to be drawn down by the Company. A sum of S$70,774.30 has been disbursed and utilised to fully pay RT LLP's invoices for the FY2021 audit of Company and its Singapore-incorporated subsidiaries. This purpose of this Loan is to enable the Borrower to pay the fees that are outstanding and owing by the Borrower to its auditors and the Loan shall be drawn down based on the auditors' invoices received.

Query by SGX-ST:

5. For the conditions precedent, what loan is the $350,000 from another lender for professional disbursements referring to? Provide information of the identity of the lender, terms of the loan, and why these loans are inter-conditional.

Company's Response:

5. The loan that is referred to pertains to the business loan of S$350,000 from JW Venture Capital Pte. Ltd.,

the terms and conditions of which have been disclosed and announced by the Company on 19 March 2022. The Group of Lenders wanted to have some assurance that the relevant professionals that were engaged by the Company will commence work on the RTO.

Query by SGX-ST:

6. What matters did Mr Chen Tong sign a declaration for?

Company's Response:

6. Mr Chen Tong was required to sign a declaration confirming the following matters to be true and factual:

   (a) The Company has qualified finance officer/s to liaise with auditors for the completion of the accounts;

   (b) The unaudited financial statements shall be completed in time in order to comply with extension given by the Exchange from the announcement dated 7th March 2022 and the fourth quarter and full year audited financial statements for FY2021 shall be ready by end of May 2022;

   (c) The audit fees owing to the auditors, RT LLP in Singapore, PWC Madagascar and PWC Mauritius are as per the invoices issued by them;

   (d) There are no other outstanding amounts due to the auditors besides those amounts as set out in the invoices issued by them;

   (e) If there is any overpayment, there shall be a refund of the amount to the respective lenders immediately in proportion to their loan amounts as stated in Schedule A of the loan agreement;

   (f) The circular on the $1.2 million CL which the Company had announced on 17 November 2021 shall be sent before 15th April 2022;

   (g) This loan agreement shall be approved by the Board of Directors of Reenova Investment Holding Limited and evidence of approval shall be provided to the Group of Lenders;

   (h) This RTO shall be Reenova Investment Holding Limited's top priority with full commitment of time and resources; and

   (i) Barring any unforeseen circumstances, there shall be no other issues expected from its existing operations that may hinder the completion and signing off of the FY2021 audited accounts and the process of the RTO thereof.

Query by SGX-ST:

7. With reference to the Events of Default, what are the representations or warranties made or deemed to be repeated under the Loan Agreement? Provide specific details of such representations or warranties.

Company's Response:

7. There were no specific warranties or representations attributed to the Company pursuant to the Loan Agreement. However, arguably statements of fact relating to the Company such as its registered address and its company registration number would be deemed to be representations made by it under the Loan Agreement.

On behalf of the Board
Reenova Investment Holding Limited

Chen Tong

Executive Chairman

6 April 2022