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, 31 December 2020, 3 March 2021, 27 April 2021 and 7 July 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$456,000 (representing approximately 18.1% 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	931,000	84,000	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	898,000	372,000	1,270,000

* 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	435	271	706
Director's Fees	24	-	24
Office and warehouse rental	28	20	48
Professional fees (including legal, secretarial, investor relations)	258	41	299
Listing related expenses	33	9	42
Office expenses	51	13	64
Repair and maintenance	5	4	9
Insurance premiums	9	7	16
Others	55	7	62
Total	**898**	**372**	**1,270**

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$470,000 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. All routine international flights and private flights to Madagascar continue to be suspended until further notice 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$2.34 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

11 October 2021