REENOVA INVESTMENT HOLDING LIMITED

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

Website: **www.reenovagroup.com**

SGX Stock Code: **5EC**

ENTRY INTO A LOAN AGREEMENT WITH A GROUP OF LENDERS TO BORROW S$150,000

1. INTRODUCTION

The Board of Directors (the "**Board**") of Reenova Investment Holding Limited (the "**Company**") wishes to announce that the Company (as the "**Borrower**") had on 30 March 2022 entered into a loan agreement (the "**Loan Agreement**") with Mr Peh Tai Kim, Mr Peh Leng Hong, Ms Tan Jun Hui, Mr Raymond Patrick Petrus Handaru, Mdm Ng Ah Ai (hereinafter each individually referred to as the "**Lender**" and collectively as the "**Group of Lenders**") where the Company is desirous of borrowing from the Group of Lenders an amount of S$150,000 (the "**Loan**").

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 for a convertible loan of S$1.2 million (the "**CL**") to finance its intended RTO exercise.

In return for the loan, the Company shall allow the Group of Lenders the right to convert the loan amount to CL and also to subscribe to an additional amount of up of S$1 million of the same CL if the CL is undertaken and approved in an Extraordinary General Meeting ("**EGM**"). The Group of Lenders need to be informed and updated on the progress of the RTO.

2. INFORMATION ON THE LENDERS AND RATIONALE FOR THE LOAN

The Group of Lenders are all individuals. Mr Peh Tai Kim is businessman; Mr Peh Leng Hong is a marketing manager; Ms Tan Jun Hui is a teacher; Mr Raymond Patrick Petrus Handaru is a quality leader; and Mdm Ng Ah Ai is housewife.

As at the date of this announcement, the Lenders each confirmed that they do not hold any shares in the Company. The Group of Lenders is not an interested person as defined under Chapter 9 of the Mainboard Rules of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Group of Lenders has also confirmed that they are not acting in concert with any other person or company, and have not entered into any agreement, arrangement or understanding (whether oral or in writing) with any person or company to act as parties in concert in relation to the Company's shares, within the definition of the Singapore Code on Take-overs and Mergers.

The Company's entry into the Loan Agreement is beneficial to the Company as the Company will be able to utilise the Loan to pay the fees that are outstanding and owing by the Group to its auditors.

3. DETAILS OF THE LOAN

The salient terms and conditions of the Loan Agreement are set out below:

(a) Principal Loan Amount
S$150,000

(b) Interest Rate
12% per annum upfront interest, calculated on a daily rest basis.

(c) Purpose of the Loan
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. The Loan shall be drawn down based on the auditors' invoices received.

(d) Maturity Date and Repayment
12 months after the date of drawdown or such later date as the Group of Lenders and the Borrower may agree (the "**Maturity Date**").

(e) Condition Precedent
The Loan Agreement shall take effect only when the Company has received S$350,000 from the other lender for other professional disbursements

(f) 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. The conversion price shall be $0.0007.

(g) Declaration by Executive Chairman
Due to time constraints, Mr Chen Tong, the Executive Chairman of the Company, is required to sign a declaration confirming certain matters as the Group of Lenders has insufficient time to carry out any due diligence.

(h) Events of Default
If any of the events of default below ("**Events of Default**") shall occur, the Group of Lenders may demand repayment of the Loan and such moneys shall become immediately due and payable notwithstanding anything in the Loan Agreement to the contrary or any delay or previous waiver of the right to exercise such option. For the avoidance of doubt, any demand made shall be made by the Group of Lenders.

The Events of Default are as follows:

(i) breach by the Borrower of any representation or warranty made or deemed to be repeated under the Loan Agreement;
(ii) any fact, event or circumstance that would, in the reasonable opinion of the Group of Lenders, render the Borrower unable to pay its indebtedness to the Group of Lenders or to perform its obligations under the Loan Agreement;
(iii) failure of the Borrower to fulfil its obligations under any guarantee or other financial accommodation;
(iv) any bankruptcy, insolvency or liquidation event occurring in respect of the Borrower.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in the announcement, none of the Directors or substantial shareholders of the Company (other than in their capacity as directors or shareholders of the Company) has any interest, direct or indirect in the Loan Agreement.

5. FURTHER ANNOUNCEMENTS

The Company will make further announcements as and when there are material developments in respect of the Loan Agreement.

6. 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 about the Loan, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

7. CAUTIONARY STATEMENT

Notwithstanding that the trading of the Company's shares is suspended, Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. 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

30 March 2022