

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 and 3 March 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\$245,000 (representing approximately 9.7% 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	825,000	26,000	851,000
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	477,000	219,000	696,000

* 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	205	107	312
Office and warehouse rental	17	4	21
Professional fees (including legal, secretarial, investor relations)	158	79	237
Listing related expenses	12	7	19
Office expenses	35	10	45
Insurance premiums	2	7	9
Others	48	5	53
Total	477	219	696

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\$851,000, utilised to repay existing creditors, which has exceeded the amount of S\$700,000 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. However, as a result of further negotiations with some of the existing creditors (including the consultant/project manager in Madagascar), the Group paid out more monies than initially allocated to those creditors in order to avoid disruptions to the continued provision of services by such creditors.

To date, approximately S\$1.60 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

27 April 2021