



REENOVA INVESTMENT HOLDING LIMITED

(formerly known as ISR Capital Limited)

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

SGX Stock Code: **5EC**

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

The Board of Directors (the “**Board**”) of Reenova Investment Holding Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement on 4 December 2017 (the “**Announcement**”) in relation to its inclusion on the Watch-list (the “**Watch-list**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The Company was placed on the Watch-list under the Minimum Trading Price (“**MTP**”) Entry Criterion with effect from 5 December 2017, pursuant to Listing Rule 1311(2) of the Listing Manual of the SGX-ST (the “**Listing Manual**”).

Pursuant to Rule 1313(2) of the Listing Manual of SGX-ST, the Board wishes to provide an update in respect of the three months ended 30 June 2019 as follows:

- (1) The Board will continue to monitor the financial position and growth prospects of the Group, and consider various options to comply with the MTP Exit Criteria pursuant to Rule 1314(2) of the Listing Manual that will best serve the interests of the Company’s shareholders.
- (2) Please refer to the unaudited financial statements of the Group for the three months ended 30 June 2019 (“**2Q2019**”) announced on 14 August 2019 for a detailed update on the Group’s financial position.

As at 30 June 2019, the Group had a net asset value of approximately S\$5.78 million.

The Group’s next quarterly update pursuant to Rule 1313(2) of the Listing Manual will be announced by 14 November 2019.

Update on Future Direction and Other Material Developments

The Group, which owns a 75% stake in the 238km² concession area in north-western Madagascar, Africa that hosts rare earth oxides (the “**Rare Earth Project**”), continues to demonstrate its commitment to bringing the Rare Earth Project to commercial production to maximise value for its shareholders.

Discussions and negotiations are ongoing after the Group entered into the non-binding memorandum of understanding (“**MOU**”) with China Nonferrous Metal Industry’s Foreign Engineering and Construction Co.,

Ltd. (中国有色金属建设股份有限公司) (“**NFC**”), a listed company on the Shenzhen Stock Exchange on 24 June 2019. The Group will keep its shareholders updated on the progress of its discussion with NFC as and when there are material developments in connection with the MOU.

The outlook for global rare earth metals market continues to be positive amid the ongoing trade dispute between the United States and China, as well as the 5G revolution. According to a report by Zion Market Research titled “*Rare Earth Metals Market by Product (Cerium, Lanthanum, Neodymium, Praseodymium, and Others) and by Application (Catalyst, Magnets, Ceramics, Metallurgy, and Others): Global Industry Perspective, Comprehensive Analysis, and Forecast, 2018–2025*”, the global rare earth metals market was valued at approximately US\$8.10 billion in 2018 and is expected to generate around US\$14.43 billion by 2025, at a compound annual growth rate (“**CAGR**”) of around 8.6% between 2019 and 2025.¹

While the positive outlook for global rare earth metal bodes well for the Group, it will continue to be mindful in the management of its operations amid this macroeconomic environment.

The Company will make further announcements to update shareholders as and when appropriate.

On Behalf of the Board

REENOVA INVESTMENT HOLDING LIMITED

Chen Tong

Executive Chairman

15 August 2019

¹ https://www.globenewswire.com/news-release/2019/04/16/1804623/0/en/Global-Rare-Earth-Metals-Market-Will-Reach-USD-14-43-Billion-By-2025-Zion-Market-Research.html#.XQxYA_fwHrE.email