



REENOVA INVESTMENT HOLDING LIMITED

(formerly known as ISR Capital Limited)

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

SGX Stock Code: 5EC

MATERIAL VARIANCES BETWEEN THE UNAUDITED FULL YEAR FINANCIAL RESULTS ANNOUNCEMENT AND THE AUDITED FINANCIAL STATEMENTS IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The Board of Directors of Reenova Investment Holding Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s unaudited full year financial results announcement for the financial year ended 31 December 2019 (“**FY2019**”) released by the Company on 29 February 2020 (the “**Unaudited FY2019 Financial Statements**”).

Pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Company wishes to announce that, subsequent to the release of the Unaudited FY2019 Financial Statements on 29 February 2020, the group auditors have, upon finalisation of their audit, proposed certain reclassifications and adjustments which the Group has adopted accordingly.

Details and clarification of the variances are summarised as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Group 2019		Variances		Note
	Unaudited ^(a) S\$	Audited S\$	S\$'000	%	
Other operating expenses	(4,470,941)	(3,608,203)	(863)	(19.3)	1
Loss before tax	(5,752,655)	(4,889,917)	(863)	(15.0)	
Loss for the year	(5,591,271)	(4,728,533)	(863)	(15.4)	
Currency translation differences arising from consolidation	1,496,247	763,818	(732)	(49.0)	
Loss attributable to:					
Equity holders of the Company	(3,729,588)	(3,137,010)	(593)	(15.9)	1
Non-controlling interest	(1,861,683)	(1,591,523)	(270)	(14.5)	
Loss for the year	(5,591,271)	(4,728,533)	(863)	(15.4)	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Group 2019		Variances		Note
	Unaudited ^(a) S\$	Audited S\$	S\$'000	%	
Equity					
Currency translation reserve	1,008,884	499,896	(509)	(50.5)	1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Group 2019		Variances		Note
	Unaudited ^(a) S\$	Audited S\$	S\$'000	%	
Currency translation reserve					
Other comprehensive income for the year	1,039,789	530,801	(509)	(49.0)	1
Balance at 31 December 2019	1,008,884	499,896	(509)	(50.5)	
Accumulated losses					
Loss for the year	(3,729,588)	(3,137,010)	(593)	(15.9)	1
Non-controlling interest					
Loss for the year	(1,861,683)	(1,591,523)	(270)	(14.5)	1
Other comprehensive income for the year	456,458	233,017	(223)	(49.0)	1
Adjustments for reduction in NCI due to 15% increase by Group	(2,908,631)	-	(2,909)	(100.0)	2
Acquisition of additional shares in a subsidiary	-	2,957,398	2,957	N.M.	

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Group 2019		Variances		Note
	Unaudited ^(a) S\$	Audited S\$	S\$'000	%	
Cash flows from operating activities					
Net loss for the year / Net loss before tax	(5,591,271)	(4,889,917)	(701)	(12.5)	1
Adjustments for:					
Income tax credit	(161,384)	-	(161)	(100.0)	3
Currency translation differences / Unrealised currency translation losses	1,500,634	768,205	(732)	(48.8)	1
Changes in working capital: Other payables	190,462	660,153	470	246.6	4
Cash used in operating activities	(2,919,983)	(2,319,983)	(600)	(20.5)	
Net cash used in operating activities	(2,758,522)	(2,158,522)	(600)	(21.8)	
Cash flows from financing activities					
Advances from bond subscriber	800,000	200,000	(600)	(75.0)	4
Net cash provided by financing activities	2,707,010	2,107,010	(600)	(22.2)	

^(a) As announced by the Company on SGXNET on 29 February 2020
N.M. - Not meaningful

Explanatory Notes:

- The variance was due mainly to the audit adjustment of approximately S\$751,000 by the auditors of Reenova Holding (Mauritius) Limited ("**RHM**") in respect of adjusting for exchange differences arising on translation of opening balance of the loan receivable from Reenova Rare Earth (Malagasy) S.A.R.L.U. ("**RREM**") due to a change in RHM's functional currency from Euro to SGD with effect from 1 January 2019.
- This item was moved to the line for "Acquisition of additional shares in a subsidiary" in the audited Consolidated Statement of Changes in Equity for the financial year ended 31 December 2019.
- This item was removed as "Net loss before tax" rather than "Net loss for the year" was used as the starting point in the audited Consolidated Statement of Cash Flows for the financial year ended 31 December 2019.
- The net advances received from Bond Subscriber during the year amounted to S\$200,000 instead of S\$800,000, which was the amount outstanding as at 31 December 2019 (see page 59 of the Annual Report for FY2019 for details). Amendments have been made in the audited Consolidated Statement of Cash Flows for the financial year ended 31 December 2019 to reflect this.

The above reclassifications and adjustments resulted in the basic and diluted loss per share to be (0.08) Singapore cent (audited) instead of (0.09) Singapore cent (unaudited). The above reclassifications and adjustments did not result in any change in the Group's net asset value per ordinary share as at 31 December 2019, which remains as 0.57 Singapore cent per share (audited and unaudited).

On Behalf of the Board

Reenova Investment Holding Limited

Chen Tong
Executive Chairman

11 June 2020