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 Company's announcements dated 4 December 2017 and 4 December 2019 (the "**Announcements**") in relation to the Company being placed on the Minimum Trading Price ("**MTP**") Entry Criterion Watch-list under Listing Rule 1311(2) and the Financial Entry Criteria Watch-list under Listing Rule 1311(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") with effect from 5 December 2017 and 4 December 2019, respectively.

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 31 December 2019 (**"Q4 FY2019"**) as follows:

(1) The Company notes that on 28 November 2019, the SGX-ST announced that it was reviewing the MTP Entry Criterion and it was reported that it might remove the criterion. Notwithstanding, the Board will continue to monitor the financial position and growth prospects of the Group, and consider various options to comply with (i) the Financial Exit Criteria pursuant to Rule 1314(1) of the Listing Manual, and (ii) 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 Q4 FY2019 and the full financial year ended 31 December 2019 (**"FY2019"**) announced on 29 February 2020 for a detailed update on the Group's financial position.

As of 31 December 2019, the Group had a net asset value of approximately S$24.90 million.

The Group's next quarterly update pursuant to Rule 1313(2) of the Listing Manual will be announced by 15 May 2020.

Update on Future Direction and Other Material Developments

The global rare earth elements market is anticipated to reach US$5.62 billion by 2025[1] according to the "Rare Earth Elements Market Size, Share & Trends Analysis Report By Product (Cerium, Dysprosium, Erbium), By Application (Magnets, Catalyst), By Region, And Segment Forecasts, 2019 - 2025".

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[1] https://www.prnewswire.com/news-releases/global-5-6-billion-rare-earth-elements-market-forecast-study-2019-to-2025---neodymium-volume-anticipated-to-register-a-cagr-of-8-3-owing-to-growing-demand-for-permanent-magnets-300973317.html

The initiatives by various governments to reduce carbon emission are expected to drive growth for electric vehicles, which in turn is expected to boost demand for permanent magnets that are used in the production of batteries for electric vehicles. This will propel the demand for rare earth elements including neodymium, praseodymium, dysprosium, gadolinium, and terbium, which bodes well for the Group.

The Group has been seeking funding arrangements to begin its plans for the next phase of work, after its acquisition of the 238km^2 concession area in north-western Madagascar, Africa that hosts rare earth oxides (the "**Rare Earth Project**"). Rare earth elements including neodymium, praseodymium, and dysprosium, can be found in this Rare Earth Project.

As a result of the ongoing COVID-19 epidemic, the Group expects a slight delay in deploying a team to Madagascar to commence work on the Rare Earth Project, which includes trial leaching, pilot production, feasibility studies, engineering studies, and environmental impact assessments. The Group is committed to complete this phase of work to convert its current exploration licence into a full mining licence and bring the Rare Earth Project to commercial production.

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

By Order of the Board
REENOVA INVESTMENT HOLDING LIMITED

Chen Tong
Executive Chairman

29 February 2020