

ISR CAPITAL LIMITED

(Company Registration No. 200104762G)
(Incorporated in the Republic of Singapore)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF SGX-ST LISTING MANUAL

The Board of Directors (the “**Board**”) of ISR Capital 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 31 December 2018 (“**Q4 2018**”) 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 Company’s announcement on 31 March 2019 for the unaudited financial statements of the Group for the fourth quarter and financial year ended 31 December 2018 (“**FY2018**”) for a detailed update on the Group’s financial position, and the progress of its strategic investments in (i) the rare earth concession in Madagascar, and (ii) Straits Hi-Rel Pte. Ltd. (“**SHR**”), a start-up focusing on specialty testing and back-end manufacturing for high reliability integrated chips and electronic modules.

The Group’s next quarterly update pursuant to Rule 1313(2) of the Listing Manual will be announced by 15 May 2019.

Update on Future Direction and Other Material Developments

The Group is mindful of the global economic slowdown and geopolitical uncertainties. Nevertheless, the Group is committed to making good progress for its current investment portfolio, particularly in the operation, management and production of rare earth oxides for the 238 km² concession area in north-western Madagascar, Africa. The Group believes that the reorganisation of its investment portfolio to focus on the supply chain of high-tech industries will generate value for its shareholders in the long term.

As announced on 3 January 2019, the Group has legally completed its acquisition of the 60% stake in Tantalum Holding (Mauritius) Ltd (“**THM**”). Pursuant to the Notice of Compliance dated 10 January 2019

from the Singapore Exchange Regulation (“**SGX RegCo**”), the Company will convene an extraordinary general meeting in due course for shareholders to ratify the waiver of a condition precedent related to the acquisition of THM.

The wholly-owned subsidiary of THM, Tantalum Rare Earth Malagasy S.A.R.L.U. (“**TREM**”) with its renewal of exploration license for three years from 6 November 2018 to 5 November 2021, enables the Group to commence the next phase of work. This includes trial leaching and pilot production, conducting feasibility and engineering studies, and environmental impact assessments with the aim of converting the exploration licence into a *Permis de Exploitation* licence or full mining licence before 5 November 2021.

The Group will continue to review and monitor the progress of SHR and follow up with the final two stages of investment, upon it achieving definite milestones.

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

By Order of the Board
ISR CAPITAL LIMITED

Chen Tong
Executive Chairman

31 March 2019