REENOVA INVESTMENT HOLDING 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 2019 in relation to the Company being placed on 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 and 4 December 2019.

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 2020 (**"Q2 FY2020"**) as follows:

(1) The Board will continue to monitor the Group's developments and prospects, as well as its financial position, and review the options to comply with the Financial Exit Criteria that will best serve the interests of the Company's shareholders.

(2) Please refer to the unaudited financial statements of the Group for the financial period ended 30 June 2020 (**"Q2 FY2020"**) announced on 14 August 2020 for a detailed update on the Group's financial position.

As of 30 June 2020, the Group had a net asset value of approximately S$24.3 million.

The Group's next quarterly update pursuant to Rule 1313(2) of the Listing Manual will be announced by 14 November 2020.

Update on Future Direction and Other Material Developments

The uncertainties arising from the ongoing trade dispute between the United States and China and geopolitical tensions have caused anxiety across the world, raising awareness that the industry may need a supply chain outside of China[1].

The Group remains upbeat on the prospects of its Rare Earth Project with the growing initiatives by the governments towards renewable energy consumption which is one of the strong driving forces promoting the rising demand for clean and renewable energy.

According to Global Market Insights Inc, the rare earth metals market was estimated at $13.2 billion in 2019 and is expected to hit nearly $19.8 billion by 2026, registering a CAGR of 10.8% from 2020 to 2026[2].

One of the rare earth elements, neodymium is extensively utilised in the renewable energy sector and electric vehicles among others. These rare earth elements including praseodymium, and dysprosium can be found in the Group's 238km^2 concession area in north-western Madagascar, Africa (the "**Rare Earth Project**").

The ongoing COVID-19 pandemic caused delays and disruptions to planned schedules and the Group is monitoring the situation and striving to achieve the stipulated milestones towards the application of the full mining licence for Rare Earth Project. The Group remains committed to overcome the challenges in bringing the Rare Earth Project to commercial production.

The Company will make further announcements on material developments to update shareholders as and when it arises.

Source:

1 https://www.ft.com/content/fc368da6-1c86-454b-91ed-cb2727507661
2 https://www.globenewswire.com/news-release/2020/06/30/2055207/0/en/The-Rare-Earth-Metals-Market-is-growing-at-10-8-CAGR-to-2026-Says-Global-Market-Insights-Inc.html

On Behalf of the Board
REENOVA INVESTMENT HOLDING LIMITED

Chen Tong
Executive Chairman

14 August 2020