

MIRACH ENERGY LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200305397E)

UPDATES ON THE PROPOSED DIVERSIFICATION TO EXPAND THE GROUP'S CORE BUSINESSES

*Reference to the Mirach Energy Limited's announcement on 13 February 2018 on the entry into of the memorandum of understanding dated 13 February 2018 and the proposed diversification of its core business ("**13 Feb Announcement**"). All capitalized terms used herein, unless otherwise defined, shall have the meanings ascribed in the 13 Feb Announcement.*

1. PROPOSED DIVERSIFICATION

- 1.1 The Directors of Mirach Energy Limited (the "**Company**", and together with its subsidiaries, the "**Group**") had in the 13 February Announcement, announced the proposed diversification of the Group's core businesses into:
- (a) investments in real property ("**Property**"), investments in Property-related businesses, entities or assets where the term Property-related includes but is not limited to the business activities as described in (b), (c) and (d) below;
 - (b) trading of Property which includes the acquisition and sale of Property;
 - (c) the rental and leasing of Property; and
 - (d) Property management,
- (collectively, referred to as the "**Proposed New Property Related Business**").

The Directors wishes to announce that the Company intends to diversify and expand its core business to include both the Proposed New Property Related Business and the Proposed New Agricultural Crops Related Business (as defined below) (the "**Proposed Diversification**").

The Proposed New Agricultural Crops Related Business relates to:-

- (a) investments in entities and/or businesses involved in the Agricultural Crops Business; and
 - (b) carrying or undertaking on the various business activities in the Agricultural Crops Business,
- "**Agricultural Crops**" includes durians, fruits and other agricultural crops and "**Agricultural Crops Business**" means the various business activities in connection with the production (including planting, processing and harvesting etc.) of Agricultural Crops and their related products and the trading, distribution and/or sale of Agricultural Crops and their related products.
- 1.2 The Proposed New Property Related Business and the Proposed New Agricultural Crops Related Business shall collectively be referred to as the "**Proposed New Businesses**".
- 1.3 The Group is likely to initially focus on the Singapore, Malaysia, People's Republic of China and Southeast Asia in respect of its initial investments in the Proposed New Businesses but the Board wishes to inform Shareholders that the Group may, if opportunities present itself, pursue investments in other geographic regions.

1.4 **Rationale for the Proposed Diversification into the Proposed New Businesses**

The Directors had decided to include the Proposed New Agricultural Crops Related Business as the business activities contemplated under the Proposed New Agricultural Crops Related Business is also a synergistic and logical business expansion from the Proposed Investment. Shareholders can refer to the 13 Feb Announcement for more details on the Proposed Investment.

In addition, the Directors view the Proposed New Businesses as an organic synergistic expansion by the Group from the existing core businesses of namely, the oil exploration and oilfield development, oilfield services and property and construction business as well as the Proposed Investment. The Directors further believes that the Proposed New Businesses is in line with the Company's strategy to return the Company, into profitability and that the Proposed Diversification will assist the Group to improve income streams and deliver value to Shareholders.

Shareholders' approval of the Proposed Diversification will allow the Group, in its ordinary course of business, to enter into major transactions relating to the Proposed New Businesses and which will not compromise the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek shareholders' approval as and when potential major transactions in relation to the Proposed New Businesses arise.

2. **Interests of Directors and Substantial Shareholders**

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Investment and Proposed Diversification other than through their shareholding interests in the Company

3. **Extraordinary General Meeting**

The Company will be seeking Shareholders' approval for the Proposed Diversification.

Accordingly, an extraordinary general meeting ("**EGM**") will be convened by the Company to seek the shareholders' approval, notice of which will be announced in due course subject to clearance from the SGX-ST of the Circular (as defined below). A circular containing, *inter alia*, the relevant information on the Proposed Diversification (the "**Circular**") will be despatched to Shareholders in due course.

Shareholders are advised to exercise caution in dealing with the securities of the Company as there is no certainty or assurance that the Company will, after completing its review, proceed with the Proposed Investment and/or the Proposed Diversification. Shareholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

By Order of the Board

Mr Chan Shut Li, William
Executive Chairman and Chief Executive Officer
9 April 2018