



MIRACH ENERGY LIMITED (COMPANY NO.200305397E)

Unaudited Fourth Quarter And Twelve Months Financial Statements and Dividend Announcement for the Period Ended 31 December 2020

The Company is mandatorily required pursuant to the Singapore Exchange Securities Trading Limited (“SGX-ST”) to continue quarterly reporting (“QR”) of its financial statements with effect from 7 February 2020 in view of the modified opinion issued by the Company’s statutory auditors in its annual report for the financial year ended 31 December 2019. QR announcement is mandatory, made pursuant to the Exchange’s requirements, as required under Listing Rule 705(2C).

PART I- INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3, Q4, Q5 & Q6), HALF-YEAR AND FULL-YEAR RESULTS

1(a) Income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding year.

	Group			Group		
	4Q2021	4Q2019	+ / (-)	12M2021	12M2019	+ / (-)
	Oct - Dec 2020	Oct - Dec 2019		Jan - Dec 2020	Jan - Dec 2019	
(Unaudited)	(Unaudited)	Change	(Unaudited)	(Audited)	Change	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	6	466	(99)	649	3,344	(81)
Subcontractor costs	(1)	(1)	-	(72)	(155)	(54)
Consultancy fees	-	-	-	-	(58)	n.m.
Other income	(155)	4,008	n.m.	105	4,033	(97)
Staff cost	(287)	(356)	(19)	(1,065)	(1,206)	(12)
Depreciation	(52)	(53)	(2)	(191)	(145)	32
Expected credit loss on trade and other receivables	(1,539)	(184)	736	(1,589)	(184)	764
Other expenses	(358)	(319)	12	(648)	(1,034)	(37)
Finance costs	(1)	(2)	(50)	(4)	(4)	-
Impairment loss on investment in an associate	-	(193)	n.m.	-	(193)	n.m.
Share of (loss)/profit of associates	(50)	314	n.m.	(19)	300	n.m.
(Loss)/profit before income tax	(2,437)	3,680	n.m.	(2,834)	4,698	n.m.
Income tax	(16)	(177)	(91)	(34)	(647)	(95)
Total (loss)/profit for the period	(2,453)	3,503	n.m.	(2,868)	4,051	n.m.
Other comprehensive income/(loss):						
Currency translation arising from presentation currency	234	193	21	54	58	(7)
Currency translation arising from consolidation	67	80	(16)	10	67	(85)
Other comprehensive income for the period, net of tax	301	273	10	64	125	(49)
Total comprehensive (loss)/income	(2,152)	3,776	n.m.	(2,804)	4,176	n.m.
(Loss)/profit for the period attributable to:						
Equity holders of the Company	(1,959)	3,507	n.m.	(2,357)	3,648	n.m.
Non-controlling interests	(494)	(4)	12,250	(511)	403	n.m.
	(2,453)	3,503	n.m.	(2,868)	4,051	n.m.
Total comprehensive (loss)/income attributable to:						
Equity holders of the Company	(1,667)	3,757	n.m.	(2,274)	3,763	n.m.
Non-controlling interests	(485)	19	n.m.	(530)	413	n.m.
	(2,152)	3,776	n.m.	(2,804)	4,176	n.m.

n.m.: not meaningful



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1(a) Income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding year. (Cont'd)

(loss)/profit before income tax is arrived at after charging/(crediting) the following:

	Group			Group		
	4Q2021	4Q2019	+/(-) Change	12M2021	12M2019	+/(-) Change
	Oct - Dec 2020 (Unaudited)	Oct - Dec 2019 (Unaudited)		Jan - Dec 2020 (Unaudited)	Jan - Dec 2019 (Audited)	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Interest income	(14)	-	n.m.	(50)	-	n.m.
Interest expense	1	2	(50)	4	4	-
Expected credit loss on trade and other receivables	1,539	184	736	1,589	184	764
Foreign exchange loss, net	302	75	303	120	111	8
Depreciation of property, plant and equipment	4	4	-	18	27	(33)
Depreciation of right-of-use assets	48	49	(2)	173	118	47
Share of loss/(profit) of associates	50	(314)	n.m.	19	(300)	n.m.

n.m.: not meaningful



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1(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31 Dec 2020 (Unaudited) US\$'000	31 Dec 2019 (Audited) US\$'000	31 Dec 2020 (Unaudited) US\$'000	31 Dec 2019 (Audited) US\$'000
Non-current assets				
Property, plant and equipment	47	62	23	35
Right-of-use assets	1,898	238	81	238
Investment in subsidiaries	-	-	1	1
Investment in associates	1,508	1,526	-	-
Deferred tax assets	42	42	-	-
Deposits	3,903	4,939	-	-
Trade receivables	-	733	-	-
	7,398	7,540	105	274
Current assets				
Trade and other receivables	3,724	4,897	38	58
Prepayments	1,599	2,265	7	13
Amounts due from subsidiaries	-	-	8,605	8,713
Cash and cash equivalents	329	1,087	174	365
	5,652	8,249	8,824	9,149
Current liabilities				
Trade and other payables	4,313	4,253	330	152
Contract liabilities	-	15	-	-
Income tax payable	1,317	1,346	-	-
Contract deposit	420	420	-	-
Lease liabilities	76	159	75	159
	6,126	6,193	405	311
Net current (liabilities)/assets	(474)	2,056	8,419	8,838
Non-current liabilities				
Other payables	2,044	2,014	1,750	1,720
Lease liabilities	177	75	-	75
Deferred tax liabilities	17	17	-	-
	2,238	2,106	1,750	1,795
Net assets	4,686	7,490	6,774	7,317
Equity attributable to owners of the Company				
Share capital	89,992	89,992	89,992	89,992
Accumulated losses	(86,256)	(83,859)	(83,378)	(82,734)
Other reserves	944	861	160	59
	4,680	6,994	6,774	7,317
Non-controlling interests	6	496	-	-
Total equity	4,686	7,490	6,774	7,317



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1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

Amount repayable in one year or less, or on demand:

As at 31 December 2020		As at 31 December 2019	
Secured (Unaudited) US\$'000	Unsecured (Unaudited) US\$'000	Secured (Audited) US\$'000	Unsecured (Audited) US\$'000
Nil	Nil	Nil	Nil

Amount repayable after one year:

As at 31 December 2020		As at 31 December 2019	
Secured (Unaudited) US\$'000	Unsecured (Unaudited) US\$'000	Secured (Audited) US\$'000	Unsecured (Audited) US\$'000
Nil	Nil	Nil	Nil

1(c) Statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	4Q2021	4Q2019	12M2021	12M2019
	Oct - Dec 2020	Oct - Dec 2019	Jan - Dec 2020	Jan - Dec 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
(Loss)/profit before income tax	(2,437)	3,680	(2,834)	4,698
Adjustments for:				
Interest expense	1	2	4	4
Interest income	(14)	-	(50)	-
Depreciation of property, plant and equipment	4	4	18	27
Depreciation of right-of-use assets	48	49	173	118
Expected credit loss on trade and other receivables	1,539	184	1,589	184
Significant financing component	-	77	-	77
Share of loss/(profit) of an associate	50	(314)	19	(300)
Impairment loss on investment in an associate	-	193	-	193
Gain arising from reversal of liabilities	-	(50)	-	(60)
Adjustment to payables and provisions in relation to the oil and gas business	-	(3,957)	-	(3,957)
Utilisation of deferred rent liability	-	-	-	(3)
Unrealised exchange loss	319	282	68	148
Operating cash flows before working capital changes	(490)	150	(1,013)	1,129



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1(c) Statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)

	Group		Group	
	4Q2021	4Q2019	12M2021	12M2019
	Oct - Dec 2020	Oct - Dec 2019	Jan - Dec 2020	Jan - Dec 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Changes in working capital</u>				
(Increase)/decrease in trade and other receivables and prepayments	(656)	(834)	417	(3,289)
Decrease in amount due to contract customers	-	(1)	(15)	(8)
Increase in trade and other payables	314	1,523	90	308
Cash (used in)/generated from operations	(832)	838	(521)	(1,860)
Income tax (paid)/refunded	(34)	(79)	(85)	(78)
Cash flows (used in)/generated from operating activities	(866)	759	(606)	(1,938)
Investing activities				
Purchase of property, plant and equipment	-	-	(1)	(1)
Payment relating to an asset acquisition	-	(1,120)	-	(1,120)
Cash flows used in investing activities	-	(1,120)	(1)	(1,121)
Financing activities				
Interest paid	(1)	(2)	(4)	(4)
Repayment of contract deposit	-	-	-	(400)
Proceeds from placement of new shares	-	-	-	3,114
Addition to/(payment of) lease liabilities	567	(51)	(158)	(124)
Cash flows generated from/(used in) financing activities	566	(53)	(162)	2,586
Net decrease in cash and cash equivalents	(300)	(414)	(769)	(473)
Effects of exchange rate changes on balances held in foreign currencies	15	-	11	(15)
Cash and cash equivalents at beginning of the period	614	1,501	1,087	1,575
Cash and cash equivalents at the end of the period (Note)	329	1,087	329	1,087

Note :

Cash and cash equivalents consist of cash at banks and on hand.



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding year.

The Group	Share capital	Merger reserve	Equity and share options reserve	Foreign exchange reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling Interests	Total Equity
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2019	86,878	763	108	(17)	(87,615)	117	83	200
Profit for the period	-	-	-	-	3,648	3,648	403	4,051
<u>Other comprehensive income</u>								
- Foreign currency translation	-	-	-	115	-	115	10	125
Total comprehensive income for the period	-	-	-	115	3,648	3,763	413	4,176
Issuance of shares arising from placement	3,158	-	-	-	-	3,158	-	3,158
Share issue expense	(44)	-	-	-	-	(44)	-	(44)
Expiration of share options	-	-	(108)	-	108	-	-	-
At 31 December 2019	89,992	763	-	98	(83,859)	6,994	496	7,490

The Group	Share capital	Merger reserve	Equity and share options reserve	Foreign exchange reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling Interests	Total Equity
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2020	89,992	763	-	98	(83,859)	6,994	496	7,490
Changes to non-controlling interests	-	-	-	-	(40)	(40)	40	-
Loss for the period	-	-	-	-	(2,357)	(2,357)	(511)	(2,868)
<u>Other comprehensive income/(loss)</u>								
- Foreign currency translation	-	-	-	83	-	83	(19)	64
Total comprehensive income/(loss) for the period	-	-	-	83	(2,357)	(2,274)	(530)	(2,804)
At 31 December 2020	89,992	763	-	181	(86,256)	4,680	6	4,686



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding year. (Cont'd)

The Company	Share capital (Audited)	Equity and share options reserve (Audited)	Foreign exchange reserves (Audited)	Accumulated losses (Audited)	Total equity (Audited)
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2019	86,878	108	(19)	(82,708)	4,259
Loss for the period	-	-	-	(137)	(137)
<u>Other comprehensive income/(loss)</u>					
Foreign currency translation	-	-	78	3	81
Total comprehensive income/(loss) for the period	-	-	78	(134)	(56)
Issuance of shares arising from placement	3,158	-	-	-	3,158
Share-based compensation expenses	(44)	-	-	-	(44)
Expiration of share options	-	(108)	-	108	-
At 31 December 2019	89,992	-	59	(82,734)	7,317

The Company	Share capital (Unaudited)	Equity and share options reserve (Unaudited)	Foreign exchange reserves (Unaudited)	Accumulated losses (Unaudited)	Total equity (Unaudited)
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2020	89,992	-	59	(82,734)	7,317
Loss for the period	-	-	-	(644)	(644)
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	101	-	101
Total comprehensive income/(loss) for the period	-	-	101	(644)	(543)
At 31 December 2020	89,992	-	160	(83,378)	6,774



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- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Changes in Company's share capital:

	Group and Company Issued ordinary shares		Group and Company Issued and fully paid-up capital	
	No. of shares		US\$'000	
	2020	2019	2020	2019
At 1 January	231,615,325	203,053,325	89,992	86,878
Share issuance under the placement	-	28,562,000	-	3,114
At 31 March, 30 June, 30 September and 31 December	231,615,325	231,615,325	89,992	89,992

There were no changes in the issued and paid-up share capital of the Company from 30 September 2020 to 31 December 2020.

There were no treasury shares held or issued as at 31 December 2019 and 31 December 2020.

- 1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 31 Dec 2020	As at 31 Dec 2019
Total number of issued shares excluding treasury shares	231,615,325	231,615,325

- 1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on. If the issuer has granted options or shares under its share scheme during the period, please confirm that an SGXNET announcement has been made on the date of the offer as well as details of the grant in accordance with Rule 704(29).**

Not applicable. The Company does not have any treasury shares.

There are no options or shares granted under its share scheme during the period ended 31 December 2020.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company does not have any subsidiary holdings.

- 2. Whether the figures have been audited or reviewed, and in accordance with which accounting standard or practice.**

The figures as at 31 December 2020 have neither been audited nor reviewed by the Company's auditors.



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- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**

In the Company's latest audited financial statements for the financial year ended 31 December 2019 ("FY2019"), BDO LLP, the Group's auditor, has issued a disclaimer of opinion in respect of the following:

- (i) Revenue recognition for the agricultural project in Malaysia
- (ii) Adequacy of expected credit loss allowance of the trade receivables related to the agriculture project
- (iii) Going concern assumption
- (iv) Adequacy of expected credit loss allowance of amounts due from subsidiaries
- (v) Equity accounting of an associate in China
- (vi) Trade and other payables of a subsidiary in Indonesia
- (vii) Opening balances

Details relating to the Group's comments on the disclaimer points and its efforts taken to resolve the matter may be found in the Company's announcements dated 30 August 2020 and 1 October 2020.

- (b) Confirmation from the Board that the impact of all outstanding audit issues on the consolidated financial statements have been adequately disclosed.**

The Board confirms that all impact of outstanding audit issues on the financial statements in relation to FY2019 have been adequately disclosed.

- 4. Please state whether the same accounting policies and method of computation as the issuer's most recently audited financial statements have been followed.**

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period, as those used for the audited consolidated financial statements for the financial year ended 31 December 2019.

- 5. If there have been any changes in the accounting policies and method of computation from the most recently audited financial statements, please make adequate disclosure and state the reasons for and effect of the change.**

The Group has adopted all the applicable Singapore Financial Reporting Standards (International) ("SFRS(I)") and related Interpretations ("INT SFRS(I)") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2020. The adoption of the new accounting standards does not have any material effect on the financial results of the Group and the Company.



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6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	4Q2021 Oct - Dec 2020 (Unaudited)	4Q2019 Oct - Dec 2019 (Unaudited)	12M2021 Jan - Dec 2020 (Unaudited)	12M2019 Jan - Dec 2019 (Audited)
(Loss)/earnings per ordinary share of the Group for the financial period based on net (loss)/earnings attributable to equity holders of the Company:				
Basic (US\$ cents)	(0.85)	1.54	(1.02)	1.61
Fully diluted (US\$ cents)	(0.85)	1.54	(1.02)	1.61
Basic loss/(earnings) per share were based on:				
Net (loss)/profit for the period (US\$'000)	(1,959)	3,507	(2,357)	3,648
	No. of shares	No. of shares	No. of shares	No. of shares
Weighted average number of ordinary shares for fully diluted (loss)/earnings per share computation	231,615,625	226,685,446	231,615,625	226,685,446

7. Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the Issuer at the end of the:

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31 December 2020 (Unaudited)	31 December 2019 (Audited)	31 December 2020 (Unaudited)	31 December 2019 (Audited)
Net assets value per ordinary share (US\$ cents)	2.02	3.02	2.92	3.16
Net assets value (US\$'000)	4,680	6,994	6,774	7,317
Issued and fully paid ordinary shares	231,615,625	231,615,325	231,615,625	231,615,325



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8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(A) INCOME STATEMENT/STATEMENT OF COMPREHENSIVE INCOME

Turnover Analysis

Revenue (US\$'000)	4Q2021 Oct - Dec 2020 (Unaudited)	4Q2019 Oct - Dec 2019 (Unaudited)	Change +/(-) %	12M2021 Jan - Dec 2020 (Unaudited)	12M2019 Jan - Dec 2019 (Audited)	Change +/(-) %
Timber logging	5	237	(98)	561	630	(11)
Management services	-	402	n.m.	3	3,673	(100)
Less: Reversal of revenue due to cancellation of agreement	-	-	-	-	(864)	n.m.
Less: Significant financing component	-	(77)	n.m.	-	(77)	n.m.
Property construction and development	1	1	-	85	79	8
Less: Discount	-	(97)	n.m.	-	(97)	n.m.
Total revenue	6	466	(99)	649	3,344	(81)

Total revenue for the Group reported was US\$0.649 million for the twelve month period ended 31 December 2020.

The revenues are generated from property construction and development business, as well as timber logging activities and management services provided to agriculture business partners in Malaysia.

Costs and Earnings Analysis

Subcontractor costs are derived from the cost of construction of property in Malaysia and infrastructure cost in relation to the agriculture business in Malaysia. Consultancy fees relate to the agriculture business in Malaysia.

Total loss of US\$2.868 million was incurred in 12M2021 as compared to total profit of US\$4.051 million earned in 12M2019. It was mainly due to the US\$2.695 million decrease in revenue, US\$3.928 million decrease in other income, US\$1.405 million increase in expected credit loss on trade receivables and US\$0.319 million decrease in share of profit from associates. These were offset mainly by the US\$0.141 million decrease in staff cost, US\$0.386 million decrease in other expenses and the US\$0.613 million decrease in income tax.

Revenue in 12M2021 fell by 81% as compared to 12M2019 mainly due to the drop in revenue from management services provided in relation to the agriculture business in Malaysia.

Other income in 12M2021 decreased by 97% as compared to 12M2019 mainly due the US\$3.957 million non-recurrent gains recorded in 12M2019, relating to adjustment to payables and provisions in relation to the oil and gas business as well as gain arising from reversal of liabilities.

Depreciation in 12M2021 increased by 32% as compared to 12M2019 mainly due to an addition to rights-of-use assets made in 3Q2019 and its corresponding depreciation being recorded for the full period of 12M2021 but only for a 4-month period in 12M2019. In addition, other expenses in 12M2021 decreased by 37% as compared to the same period in 2019 mainly due to a drop in other consultancy fees paid in relation to the agriculture business in Malaysia.



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There was a 95% decrease in income tax expense, which is in line with the loss before income tax in 12M2021 as compared to the profit before income tax in 12M2019.

As a result of the above description, a total comprehensive loss of US\$2.804 million was incurred in 12M2021 as compared to a total comprehensive income of US\$4.176 million that was generated in 12M2019.

The above cost and earnings analysis relate to the current financial period ended 31 December 2020. Following is additional information relating to the financial year ended 31 December 2019:

The profit before income tax of US\$4.698 million contains a non-recurrent other income of US\$3.957 million, which resulted from an adjustment to payables and provisions in relation to the termination of oil and gas.

(B) BALANCE SHEET/STATEMENT OF FINANCIAL POSITION

Assets & Liabilities

The non-current assets of the Group as at 31 December 2020 decreased by US\$0.142 million as compared to 31 December 2019 due the US\$0.733 million decrease in trade receivables which has been reclassified to current assets according to its due date. There was also a US\$1.036 million decrease in deposits, which has been reclassified to right-of-use assets, as the Use Permit for the first block of concession land in Malaysia was obtained in 19 July 2020. An additional RM2.503 million (approximately US\$0.622 million) was also reclassified from prepayments (in current assets) to right-of-use assets, as the lease accounting for the first block of concession land has commenced upon obtaining the Use Permit.

The current assets of the Group as at 31 December 2020 decreased by US\$2.597 million as compared to 31 December 2019. This was mainly due to the RM2.503 million (approximately US\$0.622 million) that has also been reclassified from prepayments (in current assets) to right-of-use assets, as explained above. There was also a US\$0.758 million decrease in cash and cash equivalents during the period. Additionally, there was a US\$1.173 million decrease in trade and other receivables, which was mainly due to the US\$1.589 million provision of expected credit loss on trade receivables from the agriculture business, as a result of delayed payments from business partners due to COVID-19. These were slightly offset by the final billing being issued for the first construction project in West Malaysia.

The current liabilities of the Group as at 31 December 2020 decreased by US\$0.067 million as compared to 31 December 2019. There was mainly due to the decrease in lease liabilities as a result of lease payments made in 12M2021. Included in the trade and other payables is an amount of approximately US\$1.119 million (equivalent to RM4.500 million) relating to the final tranche of consideration payable to the vendors of RCL Kelstar Sdn. Bhd.. With reference to the Company's announcement made on 5 March 2020, this final tranche of payment was to be settled via a proposed placement of new ordinary shares in the share capital of the Company. However, settlement via a proposed placement will not proceed due to the Company's current delisting process. Management is still in discussions with the vendors on the terms of settlement.

The non-current liabilities of the Group as at 31 December 2020 increased by US\$0.132 million as compared to 31 December 2019. This was mainly due to the US\$0.102 million increase in lease liabilities as the lease accounting for the first block of concession land has commenced upon obtaining the use permit.

As a result of the above description, the net current liabilities of the Group increased by US\$2.530 million and net assets of the Group decreased by US\$2.804 million as at 31 December 2020, as compared to 31 December 2019.



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(C) CASHFLOW STATEMENT/STATEMENT OF CASHFLOWS

Cash Flow & Working Capital

	12M2021 Jan - Dec 2020 (Unaudited)	12M2019 Jan - Dec 2019 (Audited)
	(US\$'000)	(US\$'000)
Cash generated used in operating activities	(606)	(1,938)
Cash used in investing activities	(1)	(1,121)
Cash (used in)/generated from financing activities	(162)	2,586
Net decrease in cash and cash equivalents	(769)	(473)
Effect of exchange rate changes on cash and cash equivalents	11	(15)
Cash and cash equivalents at beginning of period	1,087	1,575
Cash and cash equivalents at end of period	329	1,087

Cash and cash equivalent position (inclusive of exchange effects) decreased by US\$0.758 million for 12M2021 as compared with 31 December 2019.

Cash used in operating activities was US\$0.606 million in 12M2021 as compared to US\$1.938 million in 12M2019. This was mainly contributed by a drop in other consultancy fees paid as well as the collection of trade receivables from the agriculture business in Malaysia in 12M2021.

Cash used in investing activities was US\$0.001 million in 12M2021 as compared to US\$1.121 million in 12M2019. This was due to the US\$1.120 million payment made in 12M2019 relating to an asset acquisition. No such payment was made in 12M2021.

Cash used in financing activities was US\$0.162 million in 12M2021 as compared to cash generated from financing activities of US\$2.586 million in 12M2019. This was mainly due to the receipt of the share placement proceeds upon the completion of the placement of shares on 5 March 2019. There was no share placement in 12M2021. The Group also made lease payments amounting to US\$0.158 million in 12M2021.

Update on Use of Proceeds from the Placement

For the placement of shares in 1Q2019, the Company raised US\$3.11 million in total. The proceeds have been fully utilized as at 31 December 2020. The list below summarized the usage of the proceeds.

	US\$ million
Net proceeds from drawdown of placement	3.11
Less use of proceeds:	
Payment to Vendors	0.27
Provision of working capital within the Group	2.84
Balance as at 31 December 2020	-

Please refer to the Company's announcements dated 19 October 2020 for a detailed breakdown of the provision of working capital within the Group of US\$2.84 million.

9. Where a forecast, or a prospect statement has been made and disclosed to shareholders, any variance between it and the actual results has been explained.

There was no forecast or prospect statement made or disclosed to shareholders for the period.



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10. **A commentary of the competitive conditions of the industry in which the group operates and any known factors that might affect the group in the next reporting period and the next 12 months.**

Property and Construction Business

The construction project in West Malaysia was delayed in 2019 for a considerable amount of time due to a restructuring exercise by the project's developer and PMSB has been in discussion with the relevant parties towards a recovery plan since 2019. The discussions were also delayed due to the Movement Control Order ("MCO") which was imposed by the government of Malaysia on 18 March 2020 as a result of the Coronavirus outbreak. On 25 August 2020, PMSB signed a final settlement agreement with the developer and the final settlement amount was supposed to be completed by the fourth quarter of 2020. However, due to the increase in COVID-19 cases and the current Conditional Movement Control Order ("CMCO") imposed, PMSB expects the progress to be further delayed, and is still currently awaiting further updates from the developer regarding the progress of the settlement.

Agriculture Business

As at 31 December 2020, RCL Kelstar Sdn. Bhd. ("RCL") has entered into five separate cooperation agreements with business partners, for the purpose of developing a multi crop agriculture development project on approximately 2,750 acres or 50% of the concession land. The cooperation allows the business partners to engage in the planting, cultivation and harvesting of approved plant species.

RCL will provide services and work with the business partners to facilitate the operations and development of the agriculture land and in turn collect management fees from these business partners.

The COVID-19 outbreak resulted in certain operational delays in the Agricultural Business in 1H2020 due to the precautionary and control measures that have been and continue to be implemented in Mainland China and Malaysia, where RCL's business partners and operations are located in. Despite Malaysia being in Recovery Movement Control Order ("RMCO") since July, RCL's operations were further affected due to the Malaysian government imposing Conditional Movement Control Order ("CMCO") again since 14 October 2020 in selected states, as a result of the increasing number of COVID-19 cases.

Additionally, RCL has completed the logging activities and successfully obtained the Use Permit on 19 July 2020, for the first block of concession land.

In November 2020, RCL received an email request from one business partner to terminate one cooperation agreement. Both parties are still engaged in discussions to find a mutually agreeable resolution.

Management Services Business

The Group's wholly-owned subsidiary Mirach HP Management Pte. Ltd. ("MHPM") provide business and management consultancy services

Oil and Gas Business

As at 31 December 2020, the Group still retained minority ownership (9%) of the Gunung Kampung Minyak Ltd ("GKM") Oil Field in Indonesia.

The Group has received a letter of intent from the majority shareholder of GKM on 10 November 2020, informing us on their decision to dissolve the GKM KSO contract and wind up GKM, to which the Group agrees with. According to the letter, due to the oil prices remaining extremely low as well as the low production volume as a result of COVID-19, GKM was not able to fulfil the firm commitment to Pertamina on time and will be subjected to the relevant procedures governed by the terms and conditions in the KSO agreement. Therefore, given the existing and unpredictable future financial and operational difficulties that GKM is facing, the majority



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shareholder of GKM has decided to cease its operations. The Group will continue to monitor the development and will update the shareholders when there is further information.

E-commerce Business

As part of the Group's plans to diversity into the online trading business, the Group acquired full equity interest in Smart Life International Investment Group Co., Limited ("Smart Life"), in Hong Kong in 2019.

Smart Life then acquired a 30% equity interest in Hu Bei ZeGang, a company which specialises in e-commerce, trading of agriculture products and construction material etc. as well as provision of internet information services. The Group recorded a US\$0.043 million share of loss and a US\$0.046 million share of profit from Hu Bei ZeGang in 4Q2021 and 12M2021 respectively.

Change of financial year end

The Company has changed its financial year end ("FYE") from 31 December to 30 June. Following the change, the current FYE of the Company shall end on 30 June 2021 ("FY2021") and the next audit of the financial statements of the Company shall cover a period of 18 months from 1 January 2020 to 30 June 2021. Details relating to the change of FYE may be found in the Company's announcement dated 16 December 2020.

Others

The Company has, on 4 September 2020, received from the SGX-ST a notification of delisting. Details relating to the notification of delisting may be found in the Company's announcements dated 5 September 2020 and 2 October 2020.

The Singapore Exchange Limited has approved the Company's application for a further time extension, until 26 March 2021, to submit the exit offer proposal and announce the exit offer. Details relating to the extension of time may be found in the Company's announcement dated 27 January 2021.

11. **If a decision regarding dividend has been made:**

(a) Whether an interim (final) dividend has been declared (recommended); and

None.

(b) (i) Amount per share

Not applicable.

(ii) Previous corresponding period

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers receive by the Group (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.



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12. **If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividends have been declared or recommended for the period ended 31 December 2020, as cash flows are being directed to the Group's various projects.

13. **If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

There was no IPT mandate obtained.

Additional Disclosure Required for Mineral, Oil and Gas Companies admitted for listing pursuant to Rules 210(8) and 210(9);

Rule 705(7) of the Mainboard Listing Rules – if the Issuer has made an announcement on the use of funds/cash for the quarter and a projection on the use of funds/cash for the next immediate quarter, including material assumptions within 45 days after the relevant financial period.

- (a) *Details of exploration (including geophysical surveys), development and/or production activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity recently, that fact must be stated.*

The funds / cash for 4Q2021 were mainly used for the following activities:-

Purpose	Amount (US\$ million)
Exploration, drilling and testing activities at Kampung Minyak Oil Field	-
Working capital	-
Total	-

There are no funds utilized for the purpose of exploration, drilling and testing activities. Funds were only utilized for working capital purposes and capital expenditure in 4Q2021.

The usage of funds / cash for exploration activities and others for the next immediate quarter (i.e. Period from 1 January 2021 to 31 March 2021) including are expected to be as follows:-

Purpose	Amount (US\$ million)
Exploration, drilling and testing activities at Kampung Minyak Oil Field	-
Working capital	-
Total	-

- (b) *An update on its reserves and resources, where applicable. In accordance with the requirements as set out in Practice Note 6.3, including a summary of reserves and resources as set out in Appendix 7.5.*

The Board confirms to the best of their knowledge and that nothing has come to their attention which may render the above information provided to be false or misleading in any material aspect pursuant for Rules 705(6) and 705(7).



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14. Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A

The Company has, on 14 January 2021, incorporated a subsidiary in Malaysia wholly owned by CPHL (HK) Limited (“CPHL”), with the name Wisdom Agri Sdn Bhd (“Wisdom Agri”), and with an issued and paid-up capital of RM100 comprising 100 ordinary shares.

The incorporation of Wisdom Agri is for the Group restructuring purpose and to better manage the future plans of RCL. CPHL has transferred its 70% equity interest in RCL to Wisdom Agri and the restructuring is not expected to have any material impact on the net assets value of the Group.

15. Please disclose a confirmation that the issuer has provided undertakings from all its directors and executive officers (in the format set out in Appendix 7.7 under Rule 720(1))

The Company confirmed that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

16. In the case of an announcement of interim financial statement (quarterly or half-yearly), the issuer’s directors must that, to the best of their knowledge, nothing has come to the attention of the board of directors which may render the interim financial results to be false and misleading, in the material aspect.

We, CHAN Shut Li, William and CHEN Chengyuan, being two of the Directors of Mirach Energy Limited (the “Company”), do hereby confirm on behalf of the Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Company and of the Group for the fourth quarter of 2020 and the twelve months ended 31 December 2020 to be false or misleading in any material respect.

On behalf of the Board of Directors

**Chan Shut Li, William
Executive Chairman**

8 February 2021

**Chen Chengyuan
Vice Chairman and Executive Director**

8 February 2021