

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

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**PROPOSED PLACEMENT OF 23,802,447 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF MIRACH ENERGY LIMITED AT THE PLACEMENT PRICE OF S\$0.073 PER SHARE FOR AN AGGREGATE CONSIDERATION OF S\$1.7 MILLION**

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**1. INTRODUCTION**

- 1.1 The Board of Directors (the "**Directors**") of Mirach Energy Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 7 November 2017 entered into a conditional share placement agreement (the "**Placement Agreement**") with the placees (collectively, the "**Placees**" and each a "**Placee**"), pursuant to which the Company agreed to issue an aggregate of 23,802,447 new ordinary shares (the "Placement Shares") in the capital of the Company for an aggregate placement consideration of S\$1.7 million (the "**Proposed Placement**"). The names of each of the Placees, the number of Placement Shares placed to each Placee and the placement consideration to be received from each Placee is as described in paragraph 3 of this announcement.

The price at which each Placement Share is to be issued is S\$0.073 per Placement Share (the "**Placement Price**"). The Placement Price represents a discount of 9.88% to the volume weighted average price of S\$0.081 for trades done on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 6 November 2017 (being the last full market day on which the shares of the Company (the "**Shares**") were traded prior to the day on which the Placement Agreement was signed<sup>(1)</sup>.

- 1.2 When allotted and issued, the Placement Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights and entitlements similar to the existing Shares, except that the Placement Shares will not rank for any dividends, rights, allotments or other distributions the Record Date for which falls on or before the date of the issue of the Placement Shares. "**Record Date**" means in relation to any dividend, right, allotment or other distributions, the date as at the close of business, on which members of the Company must be registered in order to participate in such dividend, right, allotment or other distributions.
- 1.3 The Company will be making an application to the SGX-ST for the listing and quotation of the Placement Shares on the SGX-ST and will make the necessary announcements once the approval in-principle of the listing and quotation of the Placement Shares have been obtained from the SGX-ST.
- 1.4 No placement agent has been appointed in respect of the Proposed Placement. Therefore, no commission or referral fees will be paid to any party.

**Shareholders of the Company and investors are to note that completion of the Proposed Placement with each Placee shall proceed independently, and shall not be conditional upon successful or concurrent completion by any other Placee.**

**Note:**

- (1) Under Rule 811 of the Main Board listing manual rules of the SGX-ST, the 10% discount is based on the weighted average price for trades done on the SGX-ST for the full market day on which the Placement Agreement is signed. As trading of the Shares was halted on 7 November 2017, the 10% discount was computed based on the weighted average price for trades done on the SGX-ST on 6 November 2017.

## 2. SHAREHOLDERS' MANDATE

- 2.1 The Placement Shares will be allotted and issued pursuant to the general share issue mandate obtained from shareholders of the Company ("**Shareholders**"), by way of an ordinary resolution, at the Annual General Meeting of the Company held on 27 April 2017 (the "**General Mandate**"). Pursuant to the General Mandate, the Directors are authorised to, *inter alia*, issue new Shares, other than on a pro rata basis to the shareholders of the Company, of up to 20% of the total number of issued Shares (excluding treasury shares) in the capital of the Company as at the date of the said resolution, being 119,012,238 Shares.
- 2.2 The Placement Shares represent approximately 20% of the share capital in the Company (excluding treasury shares) (the "**Share Capital**") as at the date of this announcement and approximately 16.67% of the enlarged Share Capital (excluding treasury shares) after the issuance of all of the Placement Shares. Accordingly, the proposed issuance of the Placement Shares will be within the limits of the General Mandate.

## 3. INFORMATION ON PLACEES

Name of Placee(s)	Number of Placement Shares	Placement Consideration	Details on how the Placee was identified and rationale for placing to the Placee
Mdm Wong Kai ("WK")	7,854,800	S\$572,614.92	Introduced by the Chief Executive Officer  Please refer to paragraph 5.1 for the rationale
Mr Ho Bun Hoi ("HBH")	7,854,800	S\$572,614.92	Introduced by the Chief Executive Officer  Please refer to paragraph 5.1 for the rationale
Mr Ang Poon Beng ("APB")	4,046,420	S\$294,984.02	Introduced by the Chief Executive Officer  Please refer to paragraph 5.1 for the rationale
Mdm Seah Siu Guat ("SSG")	4,046,427	S\$294,984.53	Introduced by the Chief Executive Officer  Please refer to paragraph 5.1 for the rationale

- 3.1 The Placees are investors who have no connection (including business relationships) with the Company, its Directors and substantial shareholders, save as mentioned in

paragraph 3.3 below, and is not a person to whom the Company is prohibited from issuing shares to, as provided by Rule 812 of the Main Board listing manual rules for the SGX-ST (the "**Listing Manual**").

- 3.2 No commission or other payment is to be made to the Chief Executive Officer for introducing each of the Placees to subscribe for the Placement Shares. As at the date of this announcement, the Placees do not hold any Shares in the Company.
- 3.3 WK runs an elderly medical company in Zhuhai, China and is a director of Hainan Province Elderly Care Association. HBH is an executive director at Thai Village restaurants, based in Shanghai and has over 20 years of experience in the food and beverage sector in Malaysia, Singapore and China. APB is a business owner and works as gym consultant. SSG is a financial planner with Great Eastern Life for more than 20 years.

#### **4. SALIENT TERMS OF THE PLACEMENT AGREEMENT**

- 4.1 Under the terms of the Placement Agreement, each Placee shall within three (3) market days from the date of the Placement Agreement pay to the Company a deposit of Singapore Dollars One Hundred Thousand (S\$100,000.00) (each a "**Deposit**"). The Deposit of any Placee shall be forfeited if the Placee in breach of the Placement Agreement does not at completion date subscribe for the Placement Shares.

#### **4.2 Conditions to the subscription of the Placement Shares**

Under the Placement Agreement, the completion of the Proposed Placement is subject to, *inter alia*, the following conditions precedent:

- 4.2.1 the confirmation from the SGX-ST that the approval granted to the Company under the SGX-ST letter dated 31 August 2017 remains applicable being obtained from the SGX-ST ("**SGX-ST Confirmation**") and where the SGX-ST Confirmation is subject to conditions, such conditions being acceptable to the Company in its sole discretion and to the extent that any conditions for the SGX-ST Confirmation are required to be fulfilled on or before completion date, they are so fulfilled;
- 4.2.2 the approval in principle for the listing and quotation of the Placement Shares on the SGX-ST being obtained from the SGX-ST and not having been revoked or amended and, where such approval is subject to conditions, such conditions being acceptable to the Company in its sole discretion, and to the extent that any conditions for the listing and quotation of the Placement Shares on the SGX-ST are required to be fulfilled on or before completion date, they are so fulfilled;
- 4.2.3 the subscription, issue and allotment and offering (if any) of the Placement Shares being in compliance with the Securities and Futures Act and/or other applicable legislation in applicable jurisdictions in connection with offers of securities and not being prohibited by any statute, order, rule or regulation promulgated by any legislative, executive or regulatory body or authority of Singapore and/or other applicable jurisdictions; and
- 4.2.4 there having been, as at the completion date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any respect or any breach of any of the warranties and undertakings.

If any of the conditions set forth in paragraph 4.1 are not satisfied or waived in whole or in part, within three (3) months from the date of the Placement Agreement or such other date as the parties may agree, the parties shall be released and discharged from their respective obligations under the Placement Agreement.

#### **4.3 Confirmation from the Company**

The Company confirms that the issue of Placement Shares will not transfer a controlling interest without prior approval of Shareholders in general meeting.

### **5. RATIONALE AND USE OF PROCEEDS**

- 5.1 The rationale for the Proposed Placement is to increase resources available to the Company to improve its cash flow and to pursue business opportunities as part of its strategic objectives as and when they arise including but not limited to opportunities available in its diversification into property and construction business. As first announced by the Company on 5 July 2017, the Company had diversified its core business into the property and construction business as part of the Company's strategy to return the Company to profitability.
- 5.2 The estimated net proceeds from the Proposed Placement for all the Placees, after deducting estimated fees and expenses of approximately S\$37,578.00, is approximately S\$1.7 million (the "**Net Proceeds**"). The Company intends to use the net proceeds of the Proposed Placement for general working capital purposes (40% of Net Proceeds) and to pursue business opportunities as part of its strategic objectives as and when they arise (60% of Net Proceeds).
- 5.3 Pending deployment of the proceeds for such purposes, the proceeds may be placed in deposits with banks or financial institutions or invested in short-term money markets or debt instruments or for any other purpose on a short-term basis as the Directors may, in their absolute discretion, deem fit.
- 5.4 The Company will make periodic announcements on the utilisation of proceeds from the Proposed Placement as and when the funds from the Proposed Placement are materially disbursed and provide a status report of the use of proceeds from the Proposed Placement in the Company's annual report.
- 5.5 The Directors are of the opinion that the working capital available to the Group is sufficient to meet its present requirements.

### **6. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT**

- 6.1 On the assumption that all the Placement Shares are subscribed for, when completed, the Proposed Placement will increase the existing issued and paid-up number of Shares by 16.67% from 119,012,238 Shares to 142,814,685 Shares.
- 6.2 For illustrative purposes only and based on the audited consolidated financial statements of the Company for the financial year ended 31 December 2016 ("**FY2016**"), the financial effects of the Proposed Placement on the Company is set out below. The financial effects of the Proposed Placement have been prepared based on the assumptions that:-

- (i) the Proposed Placement is fully subscribed by all Placees;
- (ii) the expenses incurred in the Proposed Placement are approximately S\$37,578; and
- (iii) the financial effect on the consolidated net tangible asset (“**NTA**”) per Share is computed based on the assumption that the Proposed Placement was completed, on 31 December 2016; and
- (iv) the financial effect on the loss per Share (“**LPS**”) is computed based on the assumption that the Proposed Placement was completed on 1 January 2016.

**As at 31 December 2016**

	<b>Before the Proposed Placement</b>	<b>After the Proposed Placement</b>
NTA (S\$)	2,984,580	4,684,580
Number of issued shares of the Company (“ <b>Shares</b> ”)	119,012,238	142,814,685
NTA per Share (S\$)	0.025	0.033

**For the financial year ended 31 December 2016**

	<b>Before the Proposed Placement</b>	<b>After the Proposed Placement</b>
Net loss attributable to Shareholders	19,407,263	19,407,263
Weighted average number of Shares used	119,012,238	142,814,685
Basic LPS (S\$)	0.165	0.136

Note: Exchange rate of USD/SGD 1.3622 has been applied due to the Company’s reporting currency in USD.

**7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or controlling Shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Placement, other than their respective interests in the Shares (if any). None of the Directors or substantial shareholders of the Company or their respective associates have any connection or business relationship with each of the Placees.

**8. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Placement Agreement is available for inspection at the registered office of the Company at 96 Robinson Road, #17-01 SIF Building, Singapore 068899 during normal business hours for a period of three (3) months from the date of this announcement.

## **9. RESPONSIBILITY STATEMENT**

The Directors collectively and individually (including those who have delegated detailed supervision of this announcement) accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## **10. CAUTIONARY STATEMENT**

Shareholders and potential investors should exercise caution when trading in Shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other professional adviser immediately.

### **By Order of the Board**

Mr Chan Shut Li, William  
Executive Chairman and Chief Executive Officer

7 November 2017