

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

NOTIFICATION OF DELISTING

Reference is made to:-

- (i) the Company's announcement on SGXNet dated 3 December 2015 in relation to its entry into the financial watch-list of the Singapore Exchange Securities Trading Limited ("**SGX-ST**");
- (ii) the Company's announcements on SGXNet dated 28 August 2017, 31 August 2017, 1 December 2017, 28 February 2019, 4 March 2019, 22 April 2019 and 29 April 2019 in relation to the grant of extensions of time to meet the requirements to exit from the financial watch-list of the SGX-ST;
- (iii) the Company's announcements on SGXNet dated 3 April 2020, 13 April 2020, 25 April 2020 and 12 May 2020 in relation to the Company's applications for an extension of time to hold its AGM for FY2019, to publish its corresponding annual report and sustainability report, and to publish its 1Q2020 financial statements;
- (iv) the Company's announcement on SGXNet dated 24 June 2020 in relation to, *inter alia*, grant of extensions of time, receipt of notice of resignation and the submission of further extension of time applications;
- (v) the Company's announcement on SGXNet dated 3 July 2020 in relation to the Accounting and Corporate Regulatory Authority's rejection of the Company's external auditors, BDO LLP's, resignation application to resign as the Company's auditors; and
- (vi) the Company's announcement on SGXNet dated 7 July 2020 in relation to the grant of further extensions of time by the SGX-ST;
- (vii) the Company's announcement on SGXNet dated 3 August 2020 in relation to the submission of further extension of time applications and progress of the audit for FY2019; and
- (viii) the Company's announcement on SGXNet dated 25 August 2020 in relation to the latest grant of further extensions of time by the SGX-ST.

1. The Board of Directors ("**Directors**") Mirach Energy Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company has, on 4 September 2020, received from the SGX-ST a notification of delisting ("**Notification**"). In the Notification, the SGX-ST has informed the Company of, *inter alia*, as follows:

- (a) The Company was placed on the watch-list under the financial entry criteria on 3 December 2015 pursuant to Listing Rule 1311. Pursuant to the Listing Rules, the Company is required to meet the financial exit criteria set out under Listing Rule 1314 (the "**Financial Exit Criteria**") for removal from the watch-list by 2 December 2017 (the "**First end date of cure period**"). In this regard, the Company was granted 5 instances of time extension of a total of 33 months from 2 December 2017 to 4 September 2020 to meet the Financial Exit Criteria.
- (b) The Company has not met the requirements under Listing Rule 1314 read with paragraph 3.3 of Practice Note 13.2: Watch-list for its removal from the watch-list by the extended deadline of 4 September 2020. Paragraph 3.3 of Practice Note 13.2 states, amongst others, that the Exchange will reject an application for exit from the watch-list if the issuer's latest audited full year consolidated accounts are subject to an adverse opinion, a qualified opinion, a disclaimer of opinion or the issuer's auditors have stated that a material uncertainty related to going concern exists. As at 3 September 2020, the Company has an average daily market capitalisation of S\$20.8 million over the last 6 months. The SGX-ST also note that the Company's auditors, BDO LLP, had issued a disclaimer of opinion on the Company's latest financial statements for the year ended 31 December 2019 ("**Disclaimer of Opinion**") due to (i) revenue recognition for the agriculture 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; and (vii) opening balances. Taking into consideration the Disclaimer of Opinion and that the Company's average daily market capitalisation for the last 6 months is less than S\$40 million, the Company does not satisfy the Financial Exit Criteria. Accordingly, the Company will be delisted pursuant to Listing Rule 1315.

- (c) Pursuant to Listing Rule 1306, the Company or its controlling shareholder(s) must comply with Listing Rule 1309 which requires the Company or its controlling shareholder(s) to provide a fair and reasonable exit offer to shareholders.
- (d) The SGX-ST also noted the undertakings provided by the Company and Mr. William Chan ("**Mr Chan**") as stated in the Company's announcement of 29 April 2019 (the "**Announcement**"). In the Announcement, the Company has undertaken to SGX-ST:
 - (i) that in the event the Company:
 - 1) does not meet the requirements of Rule 1314 of the Listing Manual to exit the Watch-List on or prior to 5 June 2020 and is required by the SGX-ST to be removed from the Official List under Rule 1315 of the Listing Manual; or
 - 2) is profitable for the financial year ending 31 December 2019, but is unable to meet the market capitalisation requirements to exit the Watch-List and does not transfer its listing from the Mainboard to the Catalist,

the Company undertakes to make or procure a reasonable exit offer to the Company's shareholders in compliance with Rule 1309 of the Listing Manual (the "**Exit Offer**");

- (ii) that in respect of paragraph (i) above, the Company shall use its best endeavours to identify a reasonable exit alternative within such period as reasonably determined by the Board, failing which, the Company shall use its best endeavours to comply with the requirements in the Companies Act (Cap 50) of Singapore ("**Companies Act**") for undertaking the Exit Offer by way of a
 - 1) voluntary winding up of the Company pursuant to Section 290 of the Companies Act subject to a special resolution being passed by the shareholders of the Company ("**Voluntary Winding Up**"); and/or
 - 2) petition to the Singapore High Court for the winding up of the Company under Section 253(1)(a) of the Companies Act ("**Court Winding Up**") and, subject to such orders that may be made by the Singapore High Court, for the assets of the Company to be distributed to all shareholders on a pro-rata basis pursuant to the Court Winding Up.

Mr Chan has undertaken that in the event that the Company convenes a general meeting to seek shareholders' approval for the Voluntary Winding Up, Mr Chan shall exercise the voting rights in respect of the shares that he beneficially owns in the Company at the relevant time in favour of the resolution in connection with the Voluntary Winding Up and any other resolutions necessary or proposed to be implemented to give effect to the Voluntary Winding Up.

- (e) The Company or its controlling shareholder(s) must thus proceed to make an exit offer pursuant to Listing Rule 1309, failing which, an exit offer in accordance with the undertakings as set out in above-mentioned 1(d). The Company is to inform the SGX-ST of the exit offer proposal as soon as practicable and no later than one (1) month from the date of the Notification. The Company is also required to provide updates via SGXNET on the status on the Company's exit offer proposal. The Company must also provide prompt updates in respect of the implementation of its exit offer.
- (f) Trading in the Company's securities will continue until 5.16 pm, 2 October 2020 and the trading will remain suspended from 9 am, 5 October 2020 until completion of the exit offer.
- (g) The Company is also required to make an immediate SGXNET announcement to inform shareholders of the Notification, requirement for a fair and reasonable exit offer, the undertakings provided by the Company and Mr William Chan, the trading suspension, as well as the Company's plans, milestones and timeline to comply with the requirements relating to the exit offer.

2. The Company is considering various options available, including but not limited to, the lodgement of an appeal on the Notification and will keep shareholders informed of any developments in this regard and will make the necessary announcements as and when there are further material developments.
3. **Shareholders and potential investors of the Company are advised to read this announcement and any further potential announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors, or other professional advisers if they have any doubt as to the action they should take.**

By Order of the Board

Mr. Chan Shut Li, William
Executive Chairman

5 September 2020