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

PROPOSED PLACEMENTS OF 28,562,000 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF MIRACH ENERGY LIMITED AT THE PLACEMENT PRICE OF S$0.15 PER SHARE FOR AN AGGREGATE CONSIDERATION OF S$4.28 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 27 December 2018 entered into 6 separate conditional share placement agreements (collectively, the "**Placement Agreements**") with 6 placees (collectively, the "**Placees**" and each a "**Placee**"), pursuant to which the Company agreed to issue an aggregate of 28,562,000 new ordinary shares in the capital of the Company ("**Shares**" and "**Placement Shares**" respectively) for an aggregate placement consideration of S$4,284,300 (collectively, the "**Proposed Placements**" and each a "**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 are described in paragraph 3 of this announcement.

The price at which each Placement Share is to be issued is S$0.15 per Placement Share (the "**Placement Price**"). The Placement Price represents a premium of approximately 29.3% to the volume weighted average price of S$0.116 for trades done on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 27 December 2018, being the full market day on which the respective Placement Agreements were signed.

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 respective dates 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 applications 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 respective Proposed Placements.

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.

2. GENERAL MANDATE

2.1 The Company intends to issue the Placement Shares pursuant to the general share issue mandate approved and granted by shareholders of the Company ("**Shareholders**") at the annual general meeting of the Company held on 26 April 2018 ("**AGM**") ("**General Mandate**").

2.2 The General Mandate authorises the Directors to allot and issue new Shares not exceeding 50% of the total number of issued Shares (excluding treasury shares) as at the date of the AGM, of which the aggregate number of Shares to be issued other than on a *pro rata* basis to existing Shareholders of the Company shall not exceed 20% of the total number of issued Shares (excluding treasury shares) as at the date of the AGM. As at 26 April 2018, the Company had 142,814,685 Shares in issue (excluding treasury shares). Accordingly, the total number of shares that may be issued pursuant to the General Mandate is 71,407,342 Shares, of which the maximum number of Shares to be issued other than on a *pro rata* basis is 28,562,937. As at the date of this announcement, no new Shares have been issued pursuant to the General Mandate.

2.3 As such, the proposed allotment and issuance of 28,562,000 Placement Shares will fall within the limits of the General Mandate.

2.4 The Placement Shares represent approximately 14.1% of the existing issued and paid-up share capital of the Company comprising 203,053,325 Shares ("**Existing Share Capital**"). Assuming that all the 28,562,000 Placement Shares are issued, on completion of the Proposed Placements, the number of issued shares in the share capital of the Company will increase to 231,615,325 Shares ("**Enlarged Share Capital**") and the Placement Shares will represent approximately 12.3% of the Enlarged Share Capital.

3. INFORMATION ON PLACEES

Name of Placee(s)	Number of Placement Shares	Deposit paid (10% of Placement Consideration)	Placement Consideration	Details on how the Placee was identified and rationale for placing to the Placee
Chen Cheng Yuan	9,746,500	S$146,197.50	S$1,461,975	Introduced by a business contact of the Company Please refer to paragraph 5.1 for the rationale
Chen Hang Jin	3,763,100	S$56,446.50	S$564,465	Introduced by a business contact of the Company Please refer to paragraph 5.1 for the rationale
Qiu Han	3,763,100	S$56,446.50	S$564,465	Introduced by a business contact of the Company Please refer to paragraph 5.1 for the rationale

Liu Kai Chun	3,763,100	S$56,446.50	S$564,465	Introduced by a business contact of the Company Please refer to paragraph 5.1 for the rationale
Gao Xi Sheng	3,763,100	S$56,446.50	S$564,465	Introduced by a business contact of the Company Please refer to paragraph 5.1 for the rationale
Wang Mei Yi	3,763,100	S$56,446.50	S$564,465	Introduced by a business contact of the Company Please refer to paragraph 5.1 for the rationale

3.1 The respective Placees have no connection (including business relationships) with the Company, its Directors and substantial Shareholders, and each of them is not a person to whom the Company is prohibited from issuing shares to, as provided by Rule 812 of the Listing Manual.

3.2 No commission or other payment is to be made to the business contact of the Company for introducing each of the Placees to subscribe for the relevant Placement Shares. As at the date of this announcement, the Placees do not hold any Shares in the Company.

3.3 **Details of Placees**

The background of the Placees is set out in the Appendix to this announcement. They are all individual private investors who have expressed their interest in taking up new shares in the Company for investment purposes and the Company has agreed to allot and issue new shares to them on the terms and conditions as set out in the respective Placement Agreements.

3.4 The Proposed Placements will not cause a transfer of controlling interest in the Company and Mr William Chan, the existing single largest shareholder of the Company, will continue to remain as the single largest shareholder of the Company after completion of the Proposed Placements. Please refer to paragraph [5.7] of this announcement for more details of the shareholding interest changes.

3.5 Under the Placement Agreements, each Placee has warranted to the Company, *inter alia*, that he is acquiring the Placement Shares as principal and not as nominee or agent, and he is not acting in concert (as defined in the Singapore Code on Take-overs and Mergers) with any other Placee or any Shareholder.

4. SALIENT TERMS OF THE PLACEMENT AGREEMENTS

4.1 Under the terms of the Placement Agreement, a Placee shall within five (5) market days from the date of the Placement Agreement or such other date as the Company determines pay to the Company a deposit being 10% of the placement

consideration to be paid by such Placee to the Company, details of which are set out in the table in paragraph 3 above (each a "**Deposit**"). The Deposit of a Placee shall be forfeited if the Placee in breach of the Placement Agreement does not complete the Proposed Placement in accordance with the terms of the Placement Agreement.

4.2 Conditions to the subscription of the Placement Shares

Under each of the Placement Agreements, the completion of each of the Proposed Placements is subject to, the following conditions precedent ("**Conditions Precedent**"):

4.2.1 the Company records consolidated pre-tax profit for the financial year ended 31 December 2018 based on the full year consolidated unaudited results to be announced by the Company on the SGX-ST in accordance with the Listing Manual. The term "**pre-tax profit**" shall not include exceptional or non-recurrent income and extraordinary items;

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 (as defined in paragraph 4.3 below), 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 of any other applicable jurisdictions; and

4.2.4 there having been, as at the Completion Date (as defined in paragraph 4.3 below), 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 contained in the Placement Agreement if they were repeated on and as of the Completion Date.

If any of the Conditions Precedent set forth above are not satisfied or (i) in connection with paragraph 4.2.4, waived by the Company in respect of a breach by a Placee of any of the Placee's warranties and undertakings specified in the Placement Agreement; or (ii) in connection with paragraph 4.2.4, waived by a Placee in respect of a breach by the Company of any of the Company's warranties and undertakings specified in the Placement Agreement; or (iii) in connection with paragraph 4.2.1, waived by a Placee, within four (4) months from the date of the Placement Agreement or such other date as the Placee and the Company may agree, the obligations of the Company to issue the Placement Shares for such Placee and of such Placee to subscribe for the Placement Shares shall terminate.

In the event of termination as aforesaid and unless such termination is by reason of a non-waiver by the Company in respect of the non-satisfaction of the conditions in paragraph 4.2.4 in respect of a breach by a Placee of any of the Placee's warranties and undertakings or is caused by the act or omission of such Placee, the Deposit received by the Company shall be refunded to the Placee without interest.

4.3 Completion of each of the respective Proposed Placements will take place on (i) a date notified by the Company to the relevant Placee being a market day falling on or after the satisfaction and/or waiver by the relevant party of all the Conditions Precedent; or (ii) such other date as the Company and the relevant Placee may agree ("**Completion Date**").

5. RATIONALE FOR THE PROPOSED PLACEMENTS AND USE OF PROCEEDS

5.1 The rationale for the Proposed Placements is to raise funds partly to pay to the vendors of RCL Kelstar Sdn. Bhd., and partly to increase the Company's general working capital.

5.2 Assuming that all the Placement Shares are successfully allotted and issued, the Proposed Placement will raise gross proceeds ("**Gross Proceeds**") of S$4,284,300 and net proceeds ("**Net Proceeds**") of approximately S$4,136,300 (after deducting estimated expenses of approximately S$148,000.

5.3 The Company intends to use 100% of the Net Proceeds for purposes as stated in paragraph 5.1 above.

5.4 Pending the deployment of the Net Proceeds for the abovementioned intended purpose, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets or debt instruments and/or marketable securities, or used for any other purpose on a short-term basis as the Directors may in their absolute discretion deem fit.

5.5 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed, and will provide a status report on the use of the Net Proceeds in its interim and full-year financial statements and its annual report. Where the proceeds have been used for working capital, the Company will provide a breakdown with specific details on how the proceeds have been applied in the announcements and status reports. Where there is a material deviation in the use of proceeds, the Company will also state the reasons for such deviation. Any material deviation in the use of the Net Proceeds will be subject to the Listing Manual and appropriate announcements will be made by the Company on the SGXNET.

5.6 The Directors are of the opinion that, after taking into consideration the present bank facilities of the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

Illustrative shareholding effects

5.7 For illustrative purposes only and assuming all the Placement Shares are successfully allotted and issued, the table below sets out the shareholdings of the existing substantial Shareholders of the Company and the Placees before and after the Proposed Placements:

	Before the Proposed Placement[(1)]		**After the Proposed Placement[(2)]**	
Existing Substantial Shareholders	**Direct Interest No. of Shares %**	**Deemed Interest No. of Shares %**	**Direct Interest No. of Shares %**	**Deemed Interest No. of Shares %**

Chan Shut Li, William	18,569,673 (9.15%)	-	18,569,673 (8.02%)	-
See Hoy Chan Investment Limited	18,080,000 (8.90%)	-	18,080,000 (7.81%)	-
Lee Beng Tee	-	18,080,000 (8.90%)	-	18,080,000 (7.81%)
Wee Cheng Kwan	13,000,000 (6.4%)		13,000,000 (5.6%)	
Placees				
Chen Cheng Yuan	-	-	9,746,500 (4.21%)	-
Chen Hang Jin	-	-	3,763,100 (1.62%)	-
Qiu Han	-	-	3,763,100 (1.62%)	-
Liu Kai Chun	-	-	3,763,100 (1.62%)	-
Gao Xi Sheng	-	-	3,763,100 (1.62%)	-
Wang Mei Yi	-	-	3,763,100 (1.62%)	-

Notes:
(1) Based on the Existing Share Capital of 203,053,325 Shares as at the date of this announcement.
(2) Based on the Enlarged Share Capital of 231,615,325 Shares assuming all the Placement Shares are successfully allotted and issued.

6. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENTS

6.1 For illustrative purposes only and based on the audited consolidated financial statements of the Company for the financial year ended 31 December 2017, the financial effects of the Proposed Placements on the Company are set out below. The financial effects of the Proposed Placements have been prepared based on the assumptions that:-

(i) the Proposed Placements of 28,562,000 Placement Shares are fully subscribed by all Placees on the basis of the Placement Price of S$0.15 per Placement Share and an aggregate placement consideration of S$4,284,300;

(ii) the expenses incurred in the Proposed Placements are approximately S$148,000;

(iii) the financial effect on the consolidated net tangible asset ("**NTA**") per Share is computed based on the assumption that the Proposed Placements were completed on 31 December 2017; and

(iv) the financial effect on the consolidated loss per Share ("**LPS**") is computed based on the assumption that the Proposed Placements were completed on 1 January 2017.

Net Tangible Asset

	As at 31 December 2017	
	Before the Proposed Placements[(1)]	**After the Proposed Placements[(2)]**
NTA (S$)	S$(6,140,852)	S$(1,856,552)
Number of issued shares of the Company ("**Shares**")	203,053,325	231,615,325
NTA per Share (Singapore cents)	(3.02)	(0.80)

Notes:
(1) Based on the Existing Share Capital of 203,053,325 Shares as at the date of this announcement.
(2) Based on the Enlarged Share Capital of 231,615,325 Shares assuming all the Placement Shares are successfully allotted and issued.

Loss Per Share

	For the financial year ended 31 December 2017	
	Before the Proposed Placements[(1)]	**After the Proposed Placements[(2)]**
Net loss attributable to Shareholders	S$13,049,312	S$13,049,312
Weighted average number of Shares used	203,053,325	231,615,325
Basic LPS (Singapore cents)	(6.43)	(5.63)

Notes:
(1) Based on the Existing Share Capital of 203,053,325 Shares as at the date of this announcement.
(2) Based on the Enlarged Share Capital of 231,615,325 Shares assuming all the Placement Shares are successfully allotted and issued.

General Note: Exchange rate of USD/SGD 1.370726 has been applied due to the Company's reporting currency in USD.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial Shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Placements other than through their respective shareholdings (direct and indirect) in the Company (if any). None of the Directors or substantial Shareholders of the Company or their respective associates has any connection or business relationship with any of the Placees

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Placement Agreements are 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 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 Placements, 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 are advised to exercise caution in trading their Shares. The completion of the Proposed Placement is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Proposed Placement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements as and when there are further developments. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully, and when in doubt as to the action they should take, they should consult their legal, financial, tax or other professional adviser immediately.

By Order of the Board

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

27 December 2018

Appendix

1. Chen Cheng Yuan

   Chen Cheng Yuan is the Chairman of a company engaged in the business of trading and investments.

2. Chen Hang Jin

   Chen Hang Jin is the Chairman of an e-commerce company.

3. Qiu Han

   Qiu Han is the Chief Investment Officer of an asset management company.

4. Liu Kai Chun

   Liu Kai Chun is the Chairman of an asset management company.

5. Gao Xi Sheng

   Gao Xi Sheng is the Chairman of a logistics company.

6. Wang Mei Yi

   Wang Mei Yi is the Assistant General Manager of a supply chain management company.