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**QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE SGX-ST LISTING MANUAL**

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**1. BACKGROUND**

Mirach Energy Limited (the “Company”, and together with its subsidiaries, the “Group”) was placed on the Watch-List pursuant to Rule 1311 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 3 December 2015.

In accordance to Rule 1313(2) of the SGX-ST Listing Manual, the Board of Directors of the Company would like to provide the following updates on the financial situation, its future direction as well as other material developments that may impact the Group’s position.

**2. UPDATE ON FINANCIAL SITUATION**

Total revenue for the Group reported was US\$0.358 million for the period ended 30 June 2018. The revenue generated from the property construction and development business in Malaysia and management services provided in Singapore.

Cost of sales are derived from the cost of construction of property in Malaysia and the cost of management services consumed in Singapore. .

Staff costs were lowered by 25% in 1H2018 as compared to the same period in 2017. Depreciation also declined by 85% for 1H2018 as compared to 1H2017.

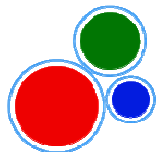
The total comprehensive loss for the period ended 30 June 2018 was US\$0.165 million.

The current assets of the Group as at 30 June 2018 increased by US\$0.383 million as compared to 31 December 2017. This was mainly due to the increased in trade receivables generated from property construction and development projects in 1H2018.

Trade and other payables increased by US\$0.354 million as of 30 June 2018 compared with 31 December 2017. This was mainly due to the receipt of placement deposit at US\$0.741 million and outstanding short-term loans of US\$0.158 million, which were offset by the waiver of amount due to third party at US\$0.555 million.

Cash used in operating activities was US\$0.663 million for 1H2018.

For more details on the results and financial position of the Group, please refer to the Company’s results announcement for the period ended 30 June 2018.



### **3. UPDATE ON FUTURE DIRECTION**

#### Oil and Gas Business

Due to the weak economic climate in the Indonesian Oil Exploration sector, the Group ceased operations and surrendered the Kampung Minyak Oil Field in 2017. The Group is still retains minority ownership of the Gunung Kampung Minyak Ltd Oil Field in Indonesia.

#### Property and Construction Business

In 2017, the Group set up a joint venture company, Premier Mirach Sdn Bhd in Malaysia. The joint venture company is in partnership with PRG Construction Sdn Bhd, a wholly-owned subsidiary of PRG Holdings Berhad which is a public limited liability company listed on the Main Market of Bursa Malaysia Securities Berhad. As of 30 June 2018, the first housing project situated in the Malaysia State of Perak has generated US\$0.307 million revenue to the Group and the Group expects progressive billings in the next 12 months reporting period.

#### Agriculture Business

In 1Q2018, the Group entered into a memorandum of understand with RCL Kelstar Sdn. Bhd (“RCL”) to acquire 70% equity interest in RCL and participate in a new project in agriculture Malaysia. A Share Sale Agreement was subsequently signed on 18 July 2018.

RCL is a company that specialises in the business of timber and logging, cultivation, agriculture and plantation management and was set up as the special purpose vehicle for a Project (the “Project”) relating to the development of a multi storey agricultural project in Malaysia with the Kelantan State Economic Development Corporation (“KSEDC”). KSEDC has been granted a concession of a state land in respect of the Project for 50 years. RCL has in turn secured the right to jointly undertake the Project together with KSEDC. This investment in RCL provides the Company with the opportunity to participate in the Project, for which activity is planned for commencement in 2H2018.

#### Management Services Business

On 28 March 2018, the Group formed a wholly-owned subsidiary Mirach HP Management Pte. Ltd. (“MHPM”) to provide business and management consultancy services. MHPM has commenced business activity and has generated US\$0.051 million in revenue in 2Q2018. MHPM plans to develop further in its business and management consultancy services in the next 12 months reporting period.

**On behalf of the Board of Directors**  
**Chan Shut Li, William**  
**Chairman of the Board**

**13 August 2018**