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

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON MIRACH ENERGY LIMITED'S ANNOUNCEMENT OF ITS UNAUDITED FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 DATED 25 FEBRUARY 2019

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*Unless otherwise defined, all terms used herein shall bear the same meaning as in Mirach Energy Limited's (the "**Company**") announcement dated 25 February 2019.*

The Board of Directors (the "**Directors**") of Mirach Energy Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's previous announcement released on 25 February 2019 (the "**25 February Announcement**") in relation to the Company's unaudited financial results for the financial year ended 31 December 2018 (the "**FY2018 Results**"). The Board wishes to announce that the Company has received queries from the Singapore Exchange Trading Limited (the "**SGX-ST**") on 7 March 2019 in relation to its FY2018 Results and wishes to provide its responses as set out below.

Query:

On page 12 of the 25 February Announcement, 5th paragraph under Assets & Liabilities, please disclose:

(a) the source of the deferred revenue and how it is earned;
(b) why is the consideration in the form of trees;
(c) how did the company derive the value of the consideration since it was received in the form of trees; and
(d) how the Company intends to determine how much of the deferred revenue is to be recognised as current and non-current.

Response:

(a) Pursuant to the three (3) cooperation agreements relating to the agriculture crops (mainly durian trees) development in Malaysia with three (3) separate parties, RCL Kelstar Sdn. Bhd. ("**RCL**") will provide services and facilitate the various partners in the operations and development of the agriculture land. The consideration for the services rendered by RCL is in the form of service fees and in the form of trees.

The deferred revenue arose from expected revenues from the durian trees that RCL is entitled to as part of the consideration from the cooperation agreements. It is recognised as deferred revenue as RCL has not obtained the land use rights and has not performed its service obligations under the said agreements to the three business partners yet. Once RCL has obtained the land use rights and has performed its service obligations, the deferred revenue will start to be recognised as revenue.

(b) The consideration is in the form of service fees, as well as in the form of trees. This payment term is derived from negotiations between RCL and the business partners.

(c) The total consideration is in the form of fees and trees. The value of consideration in the form of trees has been derived from market research on selling prices quoted in the market by various competitors in the same industry.

(d) Deferred revenue is recognised as current deferred revenue based on the work schedule where service obligations to the business partners are to be completed within 12 months. Service obligations that are to be done after 12 months are recognised as non-current deferred revenue. RCL can only perform its service obligations after obtaining the land use rights.

Query:
On page 13 of the 25 February Announcement, under section 10, please disclose the percentage of units sold for the 1st housing project as at 31 December 2018.

Response:

The developer has not sold any unit yet as it is still getting the permit to sell. However, the developer has started to make payments to Premier Mirach Sdn. Bhd. ("**PMSB**") based on the progress billings billed to them pursuant to the completion of the construction work by PMSB.

Query:
We note that the Company had generated US$3.7 million revenue in FY2018, with its "Trade and other receivables" increasing from US$659,000 in FY2017 to US$3.09 million in FY2018. Please provide a breakdown and aging schedule of the "Trade and other receivables" and whether the Company foresees any issue(s) with the collection of these receivables. Please also elaborate on the nature of transactions recorded under "other receivables" and provide details of the contracts relating to these, where applicable.

Response:

The Group has done the impairment assessment for the trade and other receivables amounts and does not expect any collection issues.

Breakdown of trade and other receivables

Trade receivables:	2,354,710
Other receivables:	
Sundry debtors (mainly proceeds receivable from disposal of subsidiary)	185,222
Rental/other deposits	52,261
Performance bond (in relation to PMSB Project 1)	495,996
VAT/GST outstanding / recoverable	1,892
Trade and other receivables	**US$3,090,081**

Aging for trade receivables

Current	1,789,541
Past due (0 - 30 days)	55,947
31 - 60 days	114,028
61- 90 days	130,327

91 - 120 days	7,393
121 - 150 days	50,997
151 - 180 days	180,718
>180 days	25,759
Total	**US$2,354,710**

By Order of the Board

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

11 March 2019