

MIRACH ENERGY LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200305397E)

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- (A) **THE PROPOSED CONSOLIDATION OF EVERY TEN (10) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE IN THE CAPITAL OF THE COMPANY; AND**
- (B) **ADJUSTMENTS TO THE CONVERTIBLE LOANS AND SHARE OPTIONS ARISING FROM THE PROPOSED CONSOLIDATION**
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1. INTRODUCTION

- 1.1 The Board of Directors (“Board”) of Mirach Energy Limited (the “Company”) wishes to announce that the Company is proposing to consolidate every ten (10) existing ordinary shares (“Shares”) in the capital of the Company (including treasury shares) held by shareholders as at the Books Closure Date (defined below) into one (1) ordinary share (“Consolidated Share”) in the capital of the Company (“Proposed Share Consolidation”).
- 1.2 As a result of the Proposed Share Consolidation, each shareholder of the Company (“Shareholder”) will receive one (1) Consolidated Share for every ten (10) Shares held prior to the Share Consolidation as at the Books Closure Date, fractional entitlements to be disregarded.

2. PROPOSED SHARE CONSOLIDATION

2.1 Rationale of the Proposed Share Consolidation

- 2.1.1 In view of the joint press release by the Monetary Authority of Singapore and the Singapore Exchange (“SGX-ST”) on 1 August 2014 in relation to the minimum trading price of companies listed on the SGX Mainboard with effect from 1 March 2015, the Directors are of the view that the Proposed Share Consolidation will rationalise the share capital of the Company and may a) reduce the magnitude of volatility of the share price, and b) increase market interest and attractiveness of the Company and its shares.
- 2.1.2 Shareholders should note, however, that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

2.2 Information on the Proposed Share Consolidation

- 2.2.1 Under the Proposed Share Consolidation, every ten (10) issued and unissued Share registered in the name, or standing to the credit of the securities account, of each Shareholder (as the case may be) as at the Books Closure Date to be determined by the Directors (“Books Closure Date”) will be consolidated into one (1) Consolidated Share, fractional entitlements to be disregarded.
- 2.2.2 Each Consolidated Share shall rank *pari passu* in all respects with each other, except that the Consolidated Shares which are held as treasury shares by the Company will be subject to the provisions of the Singapore Companies Act on treasury shares. The Consolidated Shares will be traded in board lots of 100 Consolidated Shares.
- 2.2.3 Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the existing Shares as at Books Closure Date, will be rounded down to the nearest

whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. Fractions of a Consolidated Share arising from the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

- 2.2.4 As at the Latest Practicable Date, the Company had an issued share capital of S\$109,798,325 divided into 1,190,122,448 Shares. Subject to Shareholders' approval being obtained for the Proposed Share Consolidation, the issued share capital of the Company will become S\$109,798,325 divided into up to 119,012,245 Shares after the Proposed Share Consolidation.
- 2.2.5 The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders' funds of the Group. Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation. Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the extraordinary general meeting ("EGM"), Shareholders' holding the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Books Closure Date.
- 2.2.6 To facilitate Shareholders in trading in odd lots of the Consolidated Shares which may arise following the Proposed Share Consolidation, the Company will be applying with the SGX-ST for the establishment of a temporary counter to allow Shareholders to trade in odd lots. Further announcements relating to this matter will be made at the appropriate time.

3. ADJUSTMENTS TO THE CONVERTIBLE LOANS

- 3.1 Adjustments to the convertible loans (pursuant to which a convertible loan agreement dated 5 July 2013 was entered into between the Company and the several investors and approved by the Shareholders at an EGM for the same held on 9 October 2013, by which the Company agreed to issue the convertible loans and the investors agreed to grant the said convertible loans on the terms and conditions set out therein) and Share Options as a result of the Proposed Share Consolidation
 - 3.1.1 The alteration to the number of Shares as a result of the Proposed Share Consolidation will constitute an event giving rise to an adjustment to the conversion price of the convertible loans ("CL") issued pursuant to clause 8.1(a) of the convertible loan agreement dated 5 July 2013 ("Adjustment Mechanism").
 - 3.1.2 The adjustments to the CL will be effective on the effective date of the Proposed Share Consolidation.
 - 3.1.3 As at the date of this announcement, the CL totalling S\$6,000,000 in principal has not been drawn down by the Company.
 - 3.1.4 If the outstanding CL of S\$6,000,000 as described in paragraph 3.1.3 above is drawn down by the Company, pursuant to the Adjustment Mechanism, the Board will subject the CL to the Adjustment Mechanism as provided, and accordingly, the conversion price of the CL will be adjusted from S\$0.1242 to S\$1.242.

4. APPROVALS

- 4.1 The Proposed Share Consolidation and the proposed increase of authorised share capital of the Company are subject to, inter alia, the approval from SGX-ST and the Shareholders at the EGM to be convened.
- 4.2 An application will be made to the SGX-ST for permission to deal in and for the listing and quotation of the Consolidated Shares pursuant to the Proposed Share

Consolidation on the SGX Mainboard of the SGX-ST. An announcement on the outcome of the application will be made in due course.

5. DESPATCH OF CIRCULAR

Subject to the receipt of the approval in-principle from the SGX-ST, a circular containing, *inter alia*, further information on the proposed increase of authorised share capital of the Company and the Proposed Share Consolidation will be despatched to Shareholders in due course.

Meanwhile, shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. When in doubt, shareholders and potential investors are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.

By Order of the Board of Mirach Energy Limited

Chan Shut Li, William
Executive Chairman and Chief Executive Officer

3 March 2015