

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

PROPOSED CHANGE OF AUDITORS FROM ERNST & YOUNG LLP TO BDO LLP

1. The Board of Directors (the “**Board**”) of Mirach Energy Limited (the “**Company**”, and together with its subsidiaries the “**Group**”), wishes to announce the Company’s intention to undertake a change of auditors from Messrs Ernst & Young LLP (“**EY**”) to Messrs BDO LLP (“**BDO**”) (the “**Proposed Change of Auditors**”).
2. The Proposed Change of Auditors is recommended by the audit committee of the Company (the “**Audit Committee**”) for the following reasons:
 - (a) as part of good corporate governance initiatives and the Group’s ongoing efforts to manage its overall business costs and expenses amidst the challenging business climate, the Board is of the view that it would be appropriate and timely to effect a change of auditors of the Company. A change of auditors would also enable the Company to benefit from fresh perspectives and views of another audit firm, thus enhancing the value of the audit of the Group; and
 - (b) the Audit Committee had evaluated proposals from other audit firms and taken into consideration the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority of Singapore (“**ACRA**”), and various factors such as the adequacy of resources and experiences of the audit firm to be selected and the audit engagement partner to be assigned to the audit, the audit firm’s other engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff to be assigned.

After evaluation, the Audit Committee recommended the appointment of BDO as auditors of the Company in place of EY. The quality and scope of audit services to be provided by BDO will be comparable to services currently provided by EY.

3. The Board has taken into account, *inter alia*, that the Proposed Change of Auditors is estimated to result in cost savings of up to approximately 25% in audit fees based on the previous audit fees for the financial year ended 31 December 2018, the Audit Committee’s recommendation and the factors taken into consideration by the Audit Committee as set out in paragraph 2 above, and are satisfied that BDO is the best suited to meet the existing needs and audit requirements of the Group. The Board has therefore accepted the Audit Committee’s recommendation to appoint BDO in place of EY, subject to the approval of the shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting (“**EGM**”) to be convened in due course.
4. In light of the above, EY had on 30 August 2019 applied to ACRA to seek its consent to resign as the auditors of the Company and Mirach HP Management Pte Ltd (“**MHPM**”), the Group’s wholly-owned subsidiary, and had received a letter from ACRA approving its resignation as auditors of the Company and MHPM on 24 September 2019. EY had also provided the

Company with their resignation letters dated 25 September 2019 stating the reasons for its resignation as the auditors of the Company and MHPM (the “**Written Statements**”).

Copies of the Written Statements are attached to this announcement.

5. In accordance with Section 205AB(5) of the Companies Act, Chapter 50, of Singapore (the “**Companies Act**”) and the written approval from ACRA, the resignation of EY as auditors of the Company had taken effect on 25 September 2019.
6. BDO had on 22 August 2019 given its written consent to act as the auditors of the Company, and had on 16 September 2019 given its written consent to act as auditors of MHPM, which will be subject to the approval of the Shareholders at the EGM.

Pursuant to Rule 712(3) of the Main Board listing manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”) and Section 205AF of the Companies Act, the Proposed Change of Auditors must be specifically approved by Shareholders at a general meeting. The appointment of BDO will therefore take effect upon obtaining the approval of the same by Shareholders at the EGM and, if appointed, BDO will hold office until the conclusion of the next annual general meeting.

7. In accordance with Rule 1203(5) of the Listing Manual:
 - (a) the outgoing auditors, EY, has confirmed that they are not aware of any professional reasons why BDO should not accept the appointment as auditors of the Company;
 - (b) the Company confirms that there were no disagreements with the outgoing auditors, EY, on accounting treatments within the last 12 months;
 - (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders;
 - (d) the specific reasons for the Proposed Change of Auditors are provided in paragraph 2 above; and
 - (e) the Company confirms it is in compliance with Rule 712 and Rule 715 of the Listing Manual in relation to the appointment of BDO as the new auditors of the Company.
8. The Board wishes to express their appreciation for the services rendered by EY in the past.

DESPATCH OF CIRCULAR

9. The Company wishes to announce that a circular to Shareholders setting out information on the Proposed Change of Auditors, together with the notice of EGM will be despatched to Shareholders in due course.
10. 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 legal advice from their bankers, stockbrokers, solicitors or other professional advisors.

By Order of the Board

Chan Shut Li, William
Executive Chairman
26 September 2019

Our Ref: ACR.O.PAAE.08.CY19

24 Sep 2019

[By Email and Post]

Mr Chan Yew Kiang
Ernst & Young LLP
1 Raffles Quay
#18-01
Singapore 048583

Dear Mr Chan

APPLICATION FOR CONSENT TO RESIGN AS AUDITOR UNDER SECTION 205AB OF THE COMPANIES ACT, CAP 50

We refer to your application for consent to resign as auditor of the following companies for the financial year ending 31 Dec 2019.

- a. Mirach Energy Limited
- b. Mirach HP Management Pte. Ltd

2 Your application has been approved. The resignation will take effect on 24 Sep 2019.

3 Please note that you are also required to give a written notice of resignation to the company.

4 Please contact me at 6325 0480 or serene_teo@acra.gov.sg if you need further clarification.

Yours sincerely



Serene Teo (Ms)
Assistant Registrar of Companies
Accounting and Corporate Regulatory Authority

Cc:
Mirach Energy Limited & its subsidiary
Attn: The Board of Directors

Our Ref: ASU/61114034/CYK

25 September 2019

The Board of Directors
Mirach Energy Limited
96 Robinson Road
#17-01 SIF Building
Singapore 068899

Attention : Mr William Chan

Mirach Energy Limited

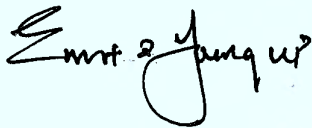
Dear Sirs:

We should be grateful if you would accept this letter as a formal notice of our desire to resign as auditors of Mirach Energy Limited in accordance with Companies Act, Cap. 50.

We have obtained consent from the Registrar for our resignation due to audit fees considerations by the Board of Directors of Mirach Energy Limited. We therefore withdraw our consent to act in this capacity.

We take this opportunity to thank you for your co-operation and kind support accorded to us during the course of our appointment as auditors of the Company. We wish you the very best in all your future endeavours.

Yours faithfully,



CYK/TT/lf

Our Ref: ASU/CYK

25 September 2019

The Board of Directors
Mirach HP Management Pte Ltd
96 Robinson Road
#17-01 SIF Building
Singapore 068899

Attention : Mr William Chan

Mirach HP Management Pte Ltd

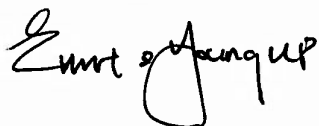
Dear Sirs:

We should be grateful if you would accept this letter as a formal notice of our desire to resign as auditors of Mirach HP Management Pte Ltd in accordance with Companies Act, Cap. 50.

We have obtained consent from the Registrar for our resignation due to audit fees considerations by the Board of Directors of Mirach HP Management Pte Ltd. We therefore withdraw our consent to act in this capacity.

We take this opportunity to thank you for your co-operation and kind support accorded to us during the course of our appointment as auditors of the Company. We wish you the very best in all your future endeavours.

Yours faithfully,



CYK/TT/If