

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

UPDATE ON APPLICATION FOR FURTHER EXTENSION OF TIME TO MEET THE REQUIREMENTS UNDER RULE 1314 OF THE LISTING MANUAL TO EXIT FROM THE WATCH-LIST

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 announcements released on 28 August 2017, 31 August 2017 (“**31 August Announcement**”) and 1 December 2017 (collectively, the “**2017 Extension of Time Announcements**”) in relation to the grant of an extension of time to meet the financial exit criteria by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) as well as the Company’s announcements dated 28 February 2019 and 4 March 2019 (“**2019 Extension of Time Application Announcements**”).

The Directors of the Company are pleased to announce that SGX-ST has granted the Company a further extension of 15 months from 28 February 2019 to 5 June 2020 (“**New Extension Deadline**”) to meet the requirements for removal from the Watch-list pursuant to Rule 1314 subject to the following conditions:

- (a) the Company announcing the waiver granted, the reasons for seeking the waiver and the conditions as required under Mainboard Listing Rule 107 and if the waiver conditions have been satisfied. If the waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
- (b) submission of a written undertaking from the Company (the “**Company Undertaking**”):
 - (i) that in the event the Company;
 - 1) does not meet the requirements of Rule 1314 of the Listing Manual to exit the Watch-List on or prior to 5 June 2020 and is required by the SGX-ST to be removed from the Official List under Rule 1315 of the Listing Manual; or
 - 2) is profitable for the financial year ending 31 December 2019, but is unable to meet the market capitalisation requirements to exit the Watch-List and does not transfer its listing from the Mainboard to the Catalist,

the Company undertakes to make or procure a reasonable exit offer to the Company’s shareholders in compliance with Rule 1309 of the Listing Manual (the “**Exit Offer**”);

- (ii) that in respect of paragraph (i) above, the Company shall use its best endeavours to identify a reasonable exit alternative within such period as reasonably determined by the Board, failing which, the Company shall use its best endeavours to comply with the requirements in the Companies Act (Cap 50) of Singapore (“**Companies Act**”) for undertaking the Exit Offer by way of a

- 1) voluntary winding up of the Company pursuant to Section 290 of the Companies Act subject to a special resolution being passed by the shareholders of the Company ("**Voluntary Winding Up**"); and/or
 - 2) petition to the Singapore High Court for the winding up of the Company under Section 253(1)(a) of the Companies Act ("**Court Winding Up**") and, subject to such orders that may be made by the Singapore High Court, for the assets of the Company to be distributed to all shareholders on a pro-rata basis pursuant to the Court Winding Up;
- (c) submission of an undertaking by the Company's controlling shareholder, Mr Chan Shut Li, William ("**Mr Chan**") that in the event that the Company convenes a general meeting to seek shareholders' approval for the Voluntary Winding Up, Mr Chan shall exercise the voting rights in respect of the shares that he beneficially owns in the Company at the relevant time in favour of the resolution in connection with the Voluntary Winding Up and any other resolutions necessary or proposed to be implemented to give effect to the Voluntary Winding Up (the "**Controlling Shareholder Undertaking**");
- (d) disclosure via SGXNet of the Company Undertaking and the Controlling Shareholder Undertaking; and
- (e) submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the articles of association of the Company.

The reasons for seeking the further extension of time from the SGX- ST are:

- (a) the Company has streamlined its the existing Oil & Gas business segment and operations, thereby eliminating losses and financial inefficiencies as well as improving cash flow for the Group. In addition, the Company has also diversified and expanded into new businesses and has successfully acquired new revenue streams
- (b) the Group has also undertaken three (3) placement exercises to fund general working capital and the new business activities;
- (c) given the encouraging transformation of the Group through, inter alia, streamlining its Oil & Gas business segment and the diversification into new businesses, the Group has reported a consolidated pre-tax profit (excluding exceptional or non-recurrent income and extraordinary items) of US\$766,000 (approximately S\$1,035,000) for the financial year ended 31 December 2018 as compared to a pre-tax loss position of US\$9,605,000 (approximately S\$12,976,000). Shareholders of the Company (the "**Shareholders**") are to note that the Group's consolidated pre-tax profit (including exceptional or non-recurrent income and extraordinary items) is US\$2,042,000 (approximately S\$2,759,000);
- (d) the Company has shown improving market capitalisation and increasing share price since 31 August 2017 when SGX-ST granted the Company an extension to meet the Financial Criteria Exit Requirements (as defined below), where (1) closing share price of the Company has since increased from S\$0.04 (being the closing share price as at 31 August 2017) to S\$0.139 (being

the latest closing share price at the time of submission as at 22 February 2019) and is close to achieving the minimum trading price of S\$0.20; and (2) the market capitalisation of the Company has increased from approximately S\$4,760,489 (being the market capitalization as at 31 August 2017) to approximately S\$28,224,412 (based on the closing price and the total issued ordinary shares of the Company at the time of submission as at 22 February 2019);

- (e) the Company intends to explore and pursue business opportunities to further enhance the financial performance and improve shareholders' value and will as and when required undertake further fund-raising exercises to fund business opportunities when identified which will in turn improve investors' confidence, thereby improving the Company's share price and its market capitalisation;
- (f) the Company believes that sufficient time should be given for the Company to the New Extension Deadline of 5 June 2020⁽¹⁾ so as to continue with its efforts to transform the Group as well as to materialise the various actions described above, so as to further improve its future prospects, financial performance and shareholders' value which will in turn, enhance investors' confidence, the share price and market capitalisation of the Company;

Footnote:

- (1) The extension of time to **5 June 2020** will allow the Company to align its obligations to both the Financial Criteria Exit Requirements and MTP Exit Requirements.
- (g) the Company is close to satisfying the requirements as stated under Listing Rule 1314 (the "**Financial Criteria Exit Requirements**"):
 - (i) the Company has recorded a consolidated pre-tax profit of US\$766,000 (approximately S\$1,035,000) for the financial year ended 31 December 2018; and
 - (ii) based on the market capitalisation of the Company on 22 February 2019 of approximately S\$28,224,412, the Company is close to meeting the S\$40 million market capitalisation requirement;
 - (h) further and in view of the Company's continuing efforts to transform the Group, it will be in the interests of the Shareholders and the Company for the Company's shares to continue to be publicly listed and traded on the Main Board of the SGX-ST; and
 - (i) for the reasons stated above, it will be in the interests of the Shareholders and the Company to apply for a further extension of time to the New Extension Deadline from the SGX-ST.

The Company will make an update announcement when the conditions of the SGX-ST waiver have all been met as well as such further announcement(s) as appropriate when there are material developments.

By Order of the Board

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

22 April 2019