



# MIRACH ENERGY LIMITED (COMPANY NO.200305397E)

## Unaudited Third Quarter And Nine Months Financial Statements and Dividend Announcement for the Period Ended 30 September 2019

### PART I- INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1 & Q3), HALF-YEAR (Q2) AND FULL-YEAR (Q4) RESULTS

1(a) Income statement and statement of comprehensive income, or a statement of comprehensive income, for the group – corresponding period of the immediately preceding year.

	Group			Group		
	3Q2019	3Q2018	+ / (-)	9M2019	9M2018	+ / (-)
	30 Sep 2019	30 Sep 2018		30 Sep 2019	30 Sep 2018	
	(Unaudited)	(Unaudited)	Change	(Unaudited)	(Unaudited)	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	1,089	778	40	2,878	1,136	153
Subcontractor costs	-	(292)	n.m.	(154)	(568)	(73)
Consultancy fees	(58)	-	n.m.	(58)	-	n.m.
Other income	4	(4)	n.m.	25	561	(96)
Staff cost	(307)	(242)	27	(850)	(770)	10
Depreciation and amortisation	(36)	(8)	350	(92)	(22)	318
Other expenses	(68)	(496)	(86)	(715)	(812)	(12)
Finance costs	(1)	-	n.m.	(2)	(9)	(78)
Share of (loss) / profit of an associate	(1)	17	n.m.	(14)	40	n.m.
Profit / (loss) before income tax	622	(247)	n.m.	1,018	(444)	n.m.
Income tax	(203)	(89)	128	(470)	(89)	428
Total profit / (loss) for the period	419	(336)	n.m.	548	(533)	n.m.
Other comprehensive income:						
Currency translation arising from presentation currency	(134)	(26)	415	(135)	67	n.m.
Currency translation arising from consolidation	(26)	(126)	(79)	(13)	(187)	(93)
Other comprehensive income for the period, net of tax	(160)	(152)	5	(148)	(120)	23
Total comprehensive income	259	(488)	n.m.	400	(653)	n.m.
<b>Profit / (loss) for the period attributable to:</b>						
Equity holders of the Company	240	(422)	n.m.	141	(1,368)	n.m.
Non-controlling interests	179	86	108	407	835	(51)
	419	(336)	n.m.	548	(533)	n.m.
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	93	(573)	n.m.	6	(1,488)	n.m.
Non-controlling interests	166	85	95	394	835	(53)
	259	(488)	n.m.	400	(653)	n.m.

n.m.: not meaningful



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**1(a) Income statement and statement of comprehensive income, or a statement of comprehensive income, for the group – corresponding period of the immediately preceding year. (Cont'd)**

Profit / (loss) before income tax is arrived at after charging / (crediting) the following:

	Group			Group		
	3Q2019	3Q2018	+ / (-)	9M2019	9M2018	+ / (-)
	30 Sep 2019	30 Sep 2018		30 Sep 2019	30 Sep 2018	
(Unaudited)	(Unaudited)	Change	(Unaudited)	(Unaudited)	Change	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Interest income	-	-	n.m.	-	(1)	n.m.
Interest expense	1	-	n.m.	2	9	(78)
Foreign exchange (gain) / loss, net	(13)	(22)	(41)	36	12	200
Depreciation of property, plant and equipment and right-of-use assets	36	8	350	92	22	318
Share of loss / (profit) of an associate	1	(17)	n.m.	14	(40)	n.m.

*n.m.: not meaningful*



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## 1(b) Statement of financial position (for the issuer and group) as at the end of the immediately preceding year.

	Group		Company	
	30 Sep 2019 (Unaudited) US\$'000	31 Dec 2018 (Audited) US\$'000	30 Sep 2019 (Unaudited) US\$'000	31 Dec 2018 (Audited) US\$'000
<b>Non-current assets</b>				
Property, plant and equipment	65	88	37	56
Bearer plants	4,655	6,170	-	-
Right-of-use assets	280	-	280	-
Investment in subsidiaries	-	-	1	1
Investment in associates	1,359	1,371	-	-
Deposits	4,939	4,939	-	-
Trade receivables	2,816	493	-	-
	14,114	13,061	318	57
<b>Current assets</b>				
Trade and other receivables	2,693	2,759	419	58
Prepayments	1,813	1,615	23	14
Amounts due from subsidiaries	-	-	9,556	7,541
Cash and cash equivalents	1,501	1,575	653	1,314
	6,007	5,949	10,651	8,927
<b>Current liabilities</b>				
Trade and other payables	9,816	11,031	1,801	2,169
Amounts due to subsidiaries	-	-	2,119	2,531
Contract liabilities	16	23	-	-
Deferred revenue	225	341	-	-
Income tax payable	1,187	730	-	-
Contract deposit	420	820	-	-
Lease liabilities	176	-	176	-
Deferred rent liability	-	3	-	3
Provision for reinstatement cost	22	22	22	22
	11,862	12,970	4,118	4,725
<b>Net current (liabilities) / assets</b>	(5,855)	(7,021)	6,533	4,202
<b>Non-current liabilities</b>				
Deferred revenue	4,430	5,829	-	-
Lease liabilities	104	-	104	-
Deferred tax liabilities	11	11	-	-
	4,545	5,840	104	-
<b>Net assets</b>	3,714	200	6,747	4,259
<b>Equity attributable to owners of the Company</b>				
Share capital	89,992	86,878	89,992	86,878
Accumulated losses	(87,366)	(87,615)	(83,106)	(82,708)
Other reserves	611	854	(139)	89
	3,237	117	6,747	4,259
<b>Non-controlling interests</b>	477	83	-	-
<b>Total equity</b>	3,714	200	6,747	4,259



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**1(c) Borrowings and debt securities (for the group) – as at the end of the immediately preceding year**

**Amount repayable in one year or less, or on demand:**

As at 30 September 2019		As at 31 December 2018	
Secured (Unaudited) US\$'000	Unsecured (Unaudited) US\$'000	Secured (Audited) US\$'000	Unsecured (Audited) US\$'000
Nil	Nil	Nil	Nil

**Amount repayable after one year:**

As at 30 September 2019		As at 31 December 2018	
Secured (Unaudited) US\$'000	Unsecured (Unaudited) US\$'000	Secured (Audited) US\$'000	Unsecured (Audited) US\$'000
Nil	Nil	Nil	Nil

**1(d) Statement of cash flows (for the group) – corresponding period of the immediately preceding year**

	Group		Group	
	3Q2019	3Q2018	9M2019	9M2018
	30 Sep 2019	30 Sep 2018	30 Sep 2019	30 Sep 2018
	(Unaudited) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'000
<b>Cash flows from operating activities</b>				
Profit / (loss) before income tax	622	(247)	1,018	(444)
<b>Adjustments for:</b>				
Share-based compensation expenses	-	(1)	-	70
Introducer fee expense	-	316	-	316
Interest expense	1	-	2	9
Interest income	-	-	-	(1)
Depreciation of property, plant and equipment	7	8	23	22
Depreciation of right-of-use assets	29	-	69	-
Share of loss / (profit) of an associate	1	(17)	14	(40)
Gain arising from reversal of liabilities	-	6	(10)	(549)
Utilisation of deferred rent liability	(1)	(1)	(3)	(3)
Unrealised exchange (gain) / loss	(172)	76	(134)	133
<b>Operating cash flows before working capital changes</b>	<b>487</b>	<b>140</b>	<b>979</b>	<b>(487)</b>



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**1(d) Statement of cash flows (for the group) – corresponding period of the immediately preceding year. (Cont'd)**

	Group		Group	
	3Q2019	3Q2018	9M2019	9M2018
	30 Sep	30 Sep	30 Sep	30 Sep
	2019	2018	2019	2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Changes in working capital</u>				
Decrease in contract deposit	(200)	-	(400)	-
Increase in trade and other receivables and prepayments	(817)	(203)	(2,455)	(1,119)
(Decrease) / increase in amount due to contract customers	(2)	44	(7)	37
Increase / (decrease) in trade and other payables	129	1,170	(1,215)	2,056
<b>Cash (used in) / generated from operations</b>	<b>(403)</b>	<b>1,151</b>	<b>(3,098)</b>	<b>487</b>
Income tax refunded	4	-	1	-
Interest received	-	-	-	1
<b>Cash flows (used in) / generated from operating activities</b>	<b>(399)</b>	<b>1,151</b>	<b>(3,097)</b>	<b>488</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment	-	-	(1)	(2)
Net cash outflow on acquisition of subsidiary	-	(5,193)	-	(5,193)
<b>Cash flows used in investing activities</b>	<b>-</b>	<b>(5,193)</b>	<b>(1)</b>	<b>(5,195)</b>
<b>Financing activities</b>				
Decrease in short-term loans	-	(158)	-	-
Interest paid	(1)	-	(2)	(9)
Proceeds from placement of new shares	-	4,045	3,114	4,045
Payment of lease liabilities	(33)	-	(73)	-
<b>Cash flows (used in) / generated from financing activities</b>	<b>(34)</b>	<b>3,887</b>	<b>3,039</b>	<b>4,036</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(433)</b>	<b>(155)</b>	<b>(59)</b>	<b>(671)</b>
Effects of exchange rate changes on balances held in foreign currencies	-	(116)	(15)	(140)
Cash and cash equivalents at beginning of the period	1,934	1,814	1,575	2,354
<b>Cash and cash equivalents at the end of the period (Note)</b>	<b>1,501</b>	<b>1,543</b>	<b>1,501</b>	<b>1,543</b>

**Note :**

Cash and cash equivalents consist of cash at banks and on hand.



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## 1(e) Changes in equity (for the issuer and group) – corresponding period of the immediately preceding year.

The Group	Share capital	Merger reserve	Statutory / equity reserves	Foreign exchange reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling Interests	Total Equity
	(Unaudited) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'000	(Unaudited) US\$'000
<b>At 1 January 2018 - as previously reported</b>	<b>82,522</b>	<b>763</b>	<b>220</b>	<b>(2,804)</b>	<b>(85,181)</b>	<b>(4,480)</b>	<b>(1,240)</b>	<b>(5,720)</b>
Adjustment from adoption of SFRS(I)	-	-	-	3,019	(3,019)	-	-	-
<b>At 1 January 2018 - as restated</b>	<b>82,522</b>	<b>763</b>	<b>220</b>	<b>215</b>	<b>(88,200)</b>	<b>(4,480)</b>	<b>(1,240)</b>	<b>(5,720)</b>
Profit / (loss) for the period	-	-	-	-	(1,368)	(1,368)	835	(533)
<u>Other comprehensive income</u>								
- Foreign currency translation	-	-	-	(120)	-	(120)	-	(120)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(120)</b>	<b>(1,368)</b>	<b>(1,488)</b>	<b>835</b>	<b>(653)</b>
Issuance of shares arising from placement	4,421	-	-	-	-	4,421	-	4,421
Share issue expense	(65)	-	-	-	-	(65)	-	(65)
Increase in non-controlling interests due to acquisition of subsidiary	-	-	-	-	-	-	2,006	2,006
Share-based compensation expenses	-	-	70	1	-	71	-	71
Expiration of share options	-	-	(183)	-	183	-	-	-
<b>At 30 September 2018</b>	<b>86,878</b>	<b>763</b>	<b>107</b>	<b>96</b>	<b>(89,385)</b>	<b>(1,541)</b>	<b>1,601</b>	<b>60</b>
<b>At 1 January 2019 - as previously reported</b>	<b>86,878</b>	<b>763</b>	<b>108</b>	<b>(17)</b>	<b>(87,615)</b>	<b>117</b>	<b>83</b>	<b>200</b>
Profit for the period	-	-	-	-	141	141	407	548
<u>Other comprehensive income</u>								
- Foreign currency translation	-	-	-	(135)	-	(135)	(13)	(148)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(135)</b>	<b>141</b>	<b>6</b>	<b>394</b>	<b>400</b>
Issuance of shares arising from placement	3,158	-	-	-	-	3,158	-	3,158
Share issue expense	(44)	-	-	-	-	(44)	-	(44)
Expiration of share options	-	-	(108)	-	108	-	-	-
<b>At 30 September 2019</b>	<b>89,992</b>	<b>763</b>	<b>-</b>	<b>(152)</b>	<b>(87,366)</b>	<b>3,237</b>	<b>477</b>	<b>3,714</b>



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**1(e) Changes in equity (for the issuer and group) – corresponding period of the immediately preceding year. (Cont'd)**

The Company	Share capital (Unaudited)	Equity and share options reserve (Unaudited)	Foreign exchange reserves (Unaudited)	Accumulated losses (Unaudited)	Total equity (Unaudited)
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>At 1 January 2018 - as previously reported</b>	<b>82,522</b>	<b>220</b>	<b>(4,015)</b>	<b>(78,098)</b>	<b>629</b>
Adjustment from adoption of SFRS(I)	-	-	4,026	(4,026)	-
<b>At 1 January 2018 - as restated</b>	<b>82,522</b>	<b>220</b>	<b>11</b>	<b>(82,124)</b>	<b>629</b>
Loss for the period	-	-	-	(711)	(711)
<u>Other comprehensive income</u>					
- Foreign currency translation	-	-	44	-	<b>44</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>44</b>	<b>(711)</b>	<b>(667)</b>
Issuance of shares arising from placement	4,421	-	-	-	<b>4,421</b>
Share issue expense	(65)	-	-	-	<b>(65)</b>
Share-based compensation expenses	-	70	1	-	<b>71</b>
Expiration of share options	-	(183)	-	183	-
<b>At 30 September 2018</b>	<b>86,878</b>	<b>107</b>	<b>56</b>	<b>(82,652)</b>	<b>4,389</b>

<b>At 1 January 2019</b>	<b>86,878</b>	<b>108</b>	<b>(19)</b>	<b>(82,708)</b>	<b>4,259</b>
Loss for the period	-	-	-	(509)	<b>(509)</b>
<u>Other comprehensive income</u>					
- Foreign currency translation	-	-	(120)	3	(117)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(120)</b>	<b>(506)</b>	<b>(626)</b>
Issuance of shares arising from placement	3,158	-	-	-	<b>3,158</b>
Share-based compensation expenses	(44)	-	-	-	<b>(44)</b>
Expiration of share options	-	(108)	-	108	-
<b>At 30 September 2019</b>	<b>89,992</b>	<b>-</b>	<b>(139)</b>	<b>(83,106)</b>	<b>6,747</b>

**1(f) Changes in issuer's share capital (for the issuer) – since the end of the previous period reported on.**

As at 30 September 2019, there is no change in the issuer's share capital (for the issuer) – since the end of the previous period reported on.

**1(g) Number of shares that may be issued on conversion of all outstanding convertibles – corresponding period of immediately preceding year.**

As at 30 September 2019, the Company has no outstanding convertible loan.



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- 1(h) **Number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer – corresponding period of immediately preceding year.**

	As at 30 Sep 2019	As at 30 Sep 2018
Total number of issued shares excluding treasury shares	<u>231,615,325</u>	<u>203,053,325</u>

- (a) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Details are as follows:

	As at 30 Sep 2019	As at 30 Sep 2018
Total number of ordinary shares before share placement	203,053,325	142,814,685
Share issuance under the placement	28,562,000	56,000,000
Share issuance as introducer shares	-	4,238,640
Total number of issued shares excluding treasury shares	<u>231,615,325</u>	<u>203,053,325</u>

- (b) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on. If the issuer has granted options or shares under its share scheme during the period, please confirm that an SGXNET announcement has been made on the date of the offer as well as details of the grant in accordance with Rule 704(29).**

As at 30 September 2019, the Company does not have treasury shares.

There are no options or shares granted under its share scheme during the period ended 30 September 2019.

2. **Please state whether the figures have been audited or reviewed, and if so which auditing standard or practice has been followed.**

The figures as at 30 September 2019 have neither been audited nor reviewed by the Company's auditors.

3. **If the figures have been audited or reviewed, please provide a statement on whether there are any qualifications or emphasis of a matter.**

Not applicable.

4. **Please state whether the same accounting policies and method of computation as the issuer's most recently audited financial statements have been followed.**

Except as disclosed in paragraph 5 below, the Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period, as those used for the audited consolidated financial statements for the financial year ended 31 December 2018.





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5. **If there have been any changes in the accounting policies and method of computation from the most recently audited financial statements, please make adequate disclosure and state the reasons for and effect of the change.**

SFRS(I) 16 Leases

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of ‘low value’ assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use (“ROU”) asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the ROU asset.

The Group adopted SFRS(I) 16 on 1 January 2019, using the modified retrospective approach, without restating prior years’ information.

In compliance with SFRS(I) 16, the Group and the Company have applied the practical expedient to recognise the amount of ROU assets equal to the lease liabilities as at 1 January 2019. Subsequent to initial recognition, the Group and the Company depreciate the ROU assets over the shorter of the useful life of the ROU assets and the lease term and recognise interest expenses on the lease liabilities.

The adoption of SFRS(I) 16 resulted in an increase in total assets and total liabilities. The impact on the statement of comprehensive income and balance sheet is as follow:

	<u>9M2019 US\$'000</u>
<u>Group statement of comprehensive income</u>	
(Decrease) in other expenses – rental and management expenses	(75)
Increase in depreciation and amortization – depreciation of ROU assets	69
Increase in finance expenses on lease liabilities	2
<u>Group balance sheet</u>	
Increase in non-current asset – ROU assets	280
Increase in current liabilities – lease liabilities	176
Increase in non-current liabilities – lease liabilities	104



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**6. Earnings per share: - calculation is based on both a weighted average and fully diluted basis.**

	3Q2019 30 September 2019  (Unaudited)	3Q2018 30 September 2018  (Unaudited)	9M2019 30 September 2019  (Unaudited)	9M2018 30 September 2018  (Unaudited)
<b>Profit / (loss) per ordinary share of the Group for the financial period based on net loss attributable to equity holders of the Company:</b>				
Basic (US\$ cents)	0.11	(0.26)	0.06	(0.85)
Fully diluted (US\$ cents)	0.11	(0.26)	0.06	(0.85)
<b>Basic profit / (loss) per share were based on:</b>				
Net profit / (loss) for the period (US\$'000)	240	(422)	141	(1,368)
	<b>No. of shares</b>	<b>No. of shares</b>	<b>No. of shares</b>	<b>No. of shares</b>
Weighted average number of ordinary shares for fully diluted profit / (loss) per share computation	225,024,094	161,530,304	225,024,094	161,530,304

**7. Net asset value per share: - calculation is based on issued share capital as at the end of the current period and the immediately preceding financial year.**

	Group		Company	
	30 September 2019 (Unaudited)	31 December 2018 (Audited)	30 September 2019 (Unaudited)	31 December 2018 (Audited)
Net assets value per ordinary share (US\$ cents)	1.40	0.06	2.91	2.10
Net assets value (US\$'000)	3,237	117	6,747	4,259
Issued and fully paid ordinary shares	231,615,325	203,053,325	231,615,325	203,053,325



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8. A review of the performance for the group, to the extent necessary for a reasonable understanding of the group's business. In particular, please include a discussion of significant factors affecting the turnover, costs and earnings; and material factors affecting the cash flow, working capital, assets or liabilities of the group during the current period reported on.

## (A) INCOME STATEMENT/STATEMENT OF COMPREHENSIVE INCOME

### Turnover Analysis

Revenue (US\$'000)	3Q2019 (Unaudited)	3Q2018 (Unaudited)	Change %	9M2019 (Unaudited)	9M2018 (Unaudited)	Change %
Management services	826	454	82	2,407	505	377
Timber logging	262	-	n.m.	393	-	n.m.
Property construction and development	1	324	(100)	78	631	(88)
<b>Total revenue</b>	<b>1,089</b>	<b>778</b>	<b>40</b>	<b>2,878</b>	<b>1,136</b>	<b>153</b>

Total revenue for the Group reported was US\$2.878 million for the period ended 30 September 2019.

The revenues are generated from management services provided to agriculture business partners in Malaysia, timber logging activities as well as the property construction and development business.

### Costs and Earnings Analysis

Subcontractor costs are derived from the cost of construction of property in Malaysia and infrastructure cost in relation to the agriculture business in Malaysia. Consultancy fees relate to the agriculture business in Malaysia.

Other income in 9M2019 fell by 96% as compared to 9M2018 due to the one-off US\$0.560 million waiver of an amount due to a third party that occurred in 9M2018. Depreciation and amortization in 9M2019 increased by 318% as compared to 9M2018 due to the adoption of SFRS(I) 16 as discussed in Note 5. In addition, finance costs in 9M2019 dropped by 78% as compared to the same period in 2018 as there was a short-term loan that was fully repaid in 2018.

Total comprehensive income of US\$0.400 million generated in 9M2019 as compared to a total comprehensive loss of US\$0.653 million in the 9M2018 was mainly due to the increase in revenue and decrease in subcontractor costs, which was slightly offset by the decrease in other income.

## (B) BALANCE SHEET/STATEMENT OF FINANCIAL POSTION

### Assets & Liabilities

The non-current assets of the Group as at 30 September 2019 increased by US\$1.053 million as compared to 31 December 2018 mainly due to the increase in trade receivables as well as right-of-use assets. This was offset by the decrease in bearer plants due to revised terms of consideration in a contract in 3Q2019 from the agriculture business (Note 10).

The current assets of the Group as at 30 September 2019 increased by US\$0.058 million as compared to 31 December 2018. This was mainly due to the increased in prepaid expenses in relation to the agriculture business in 9M2019, that was offset by a decrease in trade and other receivables.



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The current liabilities of the Group as at 30 September 2019 decreased by US\$1.108 million as compared to 31 December 2018. This was mainly due to the decrease in trade and other payables, which was largely due to the payment of RM4.500 million (approximately US\$1.089 million) to the vendors of RCL Kelstar Sdn. Bhd. to further settle the outstanding amount due to them. There was also a US\$0.400 million decrease in contract deposit, due to repayments made in 9M2019. There was also a US\$0.116 million decrease in deferred revenue as a result of revised terms of consideration in a contract in 3Q2019 from the agriculture business (Note 10).

The non-current liabilities of the Group as at 30 September 2019 decreased by US\$1.295 million as compared to 31 December 2018. This was mainly due to a US\$1.399 million decrease in deferred revenue as a result of revised terms of consideration in a contract in 3Q2019 from the agriculture business (Note 10). This was slightly offset by a US\$0.104 million increase in lease liabilities due to the adoption of SFRS(I) 16 as discussed in Note 5.

As a result of the above description, the net current liabilities of the Group decreased by US\$1.166 million and net assets of the Group increased by US\$3.514 million as at 30 September 2019, as compared to 31 December 2018.

### (C) CASHFLOW STATEMENT/STATEMENT OF CASHFLOWS

#### Cash Flow & Working Capital

	9M2019 (Unaudited)  (US\$'000)	9M2018 (Unaudited)  (US\$'000)
Cash (used in) / generated from operating activities	(3,097)	488
Cash used in investing activities	(1)	(5,195)
Cash generated from financing activities	3,039	4,036
Net decrease in cash and cash equivalents	(59)	(671)
Effect of exchange rate changes on cash and cash equivalents	(15)	(140)
Cash and cash equivalents at beginning of period	1,575	2,354
Cash and cash equivalents at end of period	1,501	1,543

Cash and cash equivalent position (inclusive of exchange effects) decreased by US\$0.074 million for 9M2019 as compared with 31 December 2018.

Cash used in operating activities was US\$3.097 million for 9M2019. This is compared to US\$0.488 million generated from operating activities for 9M2018. This was mainly contributed by the increase in trade and other receivables and decrease in trade and other payables.

Cash generated from financing activities was US\$3.039 million in 9M2019. This was mainly due to the receipt of the share placement proceeds upon the completion of the placement of shares on 5 March 2019.

#### **Update on Use of Proceeds from the Placement**

For the placement of shares in 1Q2019, the Company raised US\$3.11 million in total. The amount from the proceeds unutilized as at 30 September 2019 amounted to US\$1.52 million. The list below summarized the usage of the proceeds.

	<b>US\$ million</b>
Net proceeds from drawdown of placement	<b>3.11</b>
Less use of proceeds:	
Payment to Vendors	0.27
Provision of working capital to subsidiaries of the Group	1.32
<b>Balance as at 30 September 2019</b>	<b>1.52</b>



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9. **Where a forecast, or a prospect statement has been made and disclosed to shareholders, any variance between it and the actual results has been explained.**

There was no forecast or prospect statement made or disclosed to shareholders for the period.

10. **A commentary of the competitive conditions of the industry in which the group operates and any known factors that might affect the group in the next reporting period and the next 12 months.**

### Property and Construction Business

As of 30 September 2019, construction activity for the first housing project situated in the state of Perak, Malaysia, is going through a restructuring exercise which has caused a delay. As a result, the project has not made much progress, pending the outcome from the restructuring.

Due to the unexpected continuous delay of the second construction project, Premier Mirach Sdn. Bhd. held discussions with the developer and both parties have mutually agreed to cancel the Partnership Agreement in relation to the development of individual residential unit of townhouses in West Malaysia. No cost will be incurred by the Group as a result of this cancellation.

### Agriculture Business

As at 30 September 2019, RCL Kelstar Sdn. Bhd. ("RCL") has entered into five separate cooperation agreements with business partners. As a result of revised terms of consideration in one cooperation agreement in 3Q2019, the bearer plants and corresponding deferred revenue figures of the Group have decreased. There was no impact on the net assets of the Group.

To date, the business partners are allowed to cultivate, harvest or sell durian trees and fruits on approximately 2,750 acres or 50% of the concession land. RCL will provide management services to these partners and in turn collect management fees from these partners.

In 9M2019, RCL generated revenue of RM11.351 million (approximately US\$2.745 million) through the provision of management services to the partners and from the logging of timber on the concession land. RCL will continue to fulfill its obligations in the next twelve months and will further look for other business partners to cultivate the land separately.

### Management Services Business

The Group's wholly-owned subsidiary Mirach HP Management Pte. Ltd. ("MHPM") provide business and management consultancy services. MHPM is currently working with partners in Malaysia to provide marketing and sales consultancy for their business development, and hopes to acquire more human resource along the way to further develop its business.

### Oil and Gas Business

Currently, the Group still retains minority ownership (9%) of the Gunung Kampung Minyak Ltd Oil Field in Indonesia.

### A New Subsidiary

The Group established a wholly-owned subsidiary in Hong Kong on 3 June 2019 which will provide trading activities in the future.



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11. If a decision regarding dividend has been made, the required information has been disclosed.

	(a) Current Financial Period	(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared on the financial period reported:	None	None
(c) Date Payable	Not applicable	Not applicable
(d) Book Closure Date	Not applicable	Not applicable

12. If no dividend has been declared/recommended, a statement to that effect.

No dividends has been declared or recommended for the period ended 30 September 2019, as cash flows are being directed to the Group's various projects.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There was no IPT mandate obtained.

**Additional Disclosure Required for Mineral, Oil and Gas Companies admitted for listing pursuant to Rules 210(8) and 210(9):**

**Rule 705(7) of the Mainboard Listing Rules – if the Issuer has made an announcement on the use of funds/cash for the quarter and a projection on the use of funds/cash for the next immediate quarter, including material assumptions within 45 days after the relevant financial period.**

- (a) *Details of exploration (including geophysical surveys), development and/or production activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity recently, that fact must be stated.*

The funds / cash for 3Q2019 were mainly used for the following activities:-

Purpose	Amount (US\$ million)
Exploration, drilling and testing activities at Kampung Minyak Oil Field	-
Working capital	-
Total	-

There are no funds utilized for the purpose of exploration, drilling and testing activities. Funds were only utilized for working capital purposes and capital expenditure in 3Q2019.

The usage of funds / cash for exploration activities and others for the next immediate quarter (i.e. Period from 1 October 2019 to 31 December 2019) including are expected to be as follows:-

Purpose	Amount (US\$ million)
Exploration, drilling and testing activities at Kampung Minyak Oil Field	-
Working capital	-
Total	-



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(b) *An update on its reserves and resources, where applicable. In accordance with the requirements as set out in Practice Note 6.3, including a summary of reserves and resources as set out in Appendix 7.5.*

The Board confirms to the best of their knowledge and that nothing has come to their attention which may render the above information provided to be false or misleading in any material aspect pursuant for Rules 705(6) and 705(7).

**14. Please disclose a confirmation that the issuer has provided undertakings from all its directors and executive officers (in the format set out in Appendix 7.7 under Rule 720(1))**

The Company confirmed that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

**15. In the case of an announcement of interim financial statement (quarterly or half-yearly), the issuer's directors must that, to the best of their knowledge, nothing has come to the attention of the board of directors which may render the interim financial results to be false and misleading, in the material aspect.**

We, CHAN Shut Li, William and LIU Mei Ling, Rhoda, being two of the Directors of Mirach Energy Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Company and of the Group for the third quarter of 2019 and the nine months ended 30 September 2019 to be false or misleading in any material respect.

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

**Liu Mei Ling, Rhoda  
Director**

**12 November 2019**

**12 November 2019**