

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE SGX-ST LISTING MANUAL

1. BACKGROUND

Mirach Energy Limited (the “Company”, and together with its subsidiaries, the “Group”) was placed on the Watch-List pursuant to Rule 1311 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 3 December 2015.

In accordance to Rule 1313(2) of the SGX-ST Listing Manual, the Board of Directors of the Company would like to provide the following updates on the financial situation, its future direction as well as other material developments that may impact the Group’s position.

2. UPDATE ON FINANCIAL SITUATION

Total revenue for the Group reported was US\$1.074 million for the financial period ended 31 March 2019. The revenues are generated from the property construction and development business, as well as management services provided to agriculture business partners in Malaysia.

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

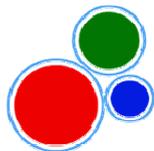
Other income in 1Q2019 fell by 96% as compared to 1Q2018 due to the one-off US\$0.560 million waiver of an amount due to a third party that occurred in 1Q2018. Depreciation and amortization in 1Q2019 increased by 300% as compared to 1Q2018 due to the adoption of SFRS(I) 16 as discussed in Note 5. In addition, other expenses in 1Q2019 increased by 96% as compared to the same period in 2018 mainly due to the expenses incurred to operate the agriculture business in Malaysia.

Total comprehensive income of US\$0.175 million generated in 1Q2019 as compared to US\$0.166 million in the 1Q2018 was mainly due to the increase in revenue, which was offset by the increase in subcontractor cost and the increase in other expenses.

The non-current assets of the Group as at 31 March 2019 increased by US\$0.167 million as compared to 31 December 2018 mainly due to the increase in right-of-use asset as a result of the Group’s adoption of SFRS(I) 16. There was also an increase in bearer plant from the agriculture business in Malaysia in 1Q2019 entirely due to exchange gains during the quarter.

The current assets of the Group as at 31 March 2019 increased by US\$2.042 million as compared to 31 December 2018. This was mainly due to the receipt of the share placement proceeds upon the completion of the placement of shares on 5 March 2019, as well as the increase in trade and other receivables generated from the agriculture business in Malaysia.

The current liabilities of the Group as at 31 March 2019 decreased by US\$1.171 million as compared to 31 December 2018. This was mainly due to the decrease in trade and other payables of US\$1.420 million, which was largely due to the payment of RM4.500 million (approximately US\$1.075 million) to the vendors of RCL Kelstar Sdn. Bhd. to further settle the outstanding amount due to them. The decrease in the share placement deposits of US\$0.314 million also contributed to the decrease in trade and other payables, as these deposits were realized following the completion of the placement of shares on 5 March 2019.



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As a result of the above description, the net current liabilities and net assets of the Group as at 31 March 2019 decreased by US\$3.213 million and increased by US\$3.289 million respectively, as compared to 31 December 2018.

Cash used in operating activities was US\$1.806 million for 1Q2019.

For more details on the results and financial position of the Group, please refer to the Company's results announcement for the period ended 31 March 2019.

3. UPDATE ON FUTURE DIRECTION

Property and Construction Business

Our Malaysian subsidiary, Premier Mirach Sdn. Bhd. ("PMSB"), has provided an update on the construction and development of 213 units single-storey terrace houses in West Malaysia State of Perak which was awarded to PMSB for a gross development value of RM20.500 million (approximately US\$5.022 million). As of 31 March 2019, the construction activity for the first housing project situated in the Malaysia State of Perak is at 15.92% completion and has generated US\$0.077 million revenue for the Group in 1Q2019. PMSB expects to complete the project in April 2020, with progressive billings to continue in the next twelve months. The second construction project has not commenced due to ongoing discussions with the developer.

Agriculture Business

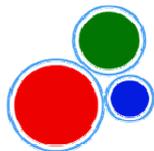
On 18 July 2018, the Group completed the acquisition of 70% equity interest in RCL Kelstar Sdn. Bhd ("RCL"), which enabled it to participate in a new agriculture development project in Malaysia.

RCL was incorporated to hold the business of a multi-storey agricultural project ("Project") in Malaysia in cooperation with the Kelantan State Economic Development Corporation ("KSEDC"). RCL has secured the right to jointly develop the Project together with KSEDC. The Project is a multi-crop agriculture land development with 50 years concession on a total area of approximately 5,500 acres. RCL is in the midst of obtaining the necessary approvals and permits, including logging permits, to commence logging and land clearing activities.

As at 31 March 2019, RCL had entered into three separate cooperation agreements with business partners, whereby the partners are allowed to cultivate, harvest or sell durian trees and fruits on approximately 1,650 acres or 30% of the concession land. RCL will provide management services to these partners and in turn collect management fees from these partners. In 1Q2019, RCL generated revenue of RM3.960 million (approximately US\$0.970 million) through the provision of management services to the partners, and RCL will continue to fulfill its obligations in the next twelve months. RCL 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.



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Oil and Gas Business

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

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

14 May 2019