

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\$1.789 million for the period ended 30 June 2019. The revenues are generated from the property construction and development business, as well as timber logging activities and 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 1H2019 fell by 96% as compared to 1H2018 due to the one-off US\$0.560 million waiver of an amount due to a third party that occurred in 1H2018. Depreciation and amortization in 1H2019 increased by 300% as compared to 1H2018 due to the adoption of SFRS(I) 16 as discussed in Note 5. In addition, other expenses in 1H2019 increased by 105% as compared to the same period in 2018 mainly due to the expenses incurred to operate the agriculture business in Malaysia.

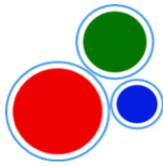
Total comprehensive income of US\$0.141 million generated in 1H2019 as compared to a total comprehensive loss of US\$0.165 million in the 1H2018 was mainly due to the increase in revenue, which was offset by the decrease in other income and the increase in other expenses.

The non-current assets of the Group as at 30 June 2019 increased by US\$0.534 million as compared to 31 December 2018 mainly due to the increase in trade receivables as well as right-of-use asset resulting from the Group’s adoption of SFRS(I) 16.

The current assets of the Group as at 30 June 2019 increased by US\$1.518 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 30 June 2019 decreased by US\$1.204 million as compared to 31 December 2018. This was mainly due to the decrease in trade and other payables of US\$1.334 million, 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. 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.

As a result of the above description, the net current liabilities and net assets of the Group as at 30 June 2019 decreased by US\$2.722 million and increased by US\$3.255 million respectively, as compared to 31 December 2018.



MIRACH ENERGY LIMITED (COMPANY NO.200305397E)

Cash used in operating activities was US\$2.698 million for 1H2019.

For more details on the results and financial position of the Group, please refer to the Company's results announcement for the period ended 30 June 2019.

3. UPDATE ON FUTURE DIRECTION

Property and Construction Business

As of 30 June 2019, the construction activity for the first housing project situated in the Malaysia State of Perak is at 15.94% completion and has generated US\$0.077 million revenue for the Group in 1H2019. The second construction project has not commenced due to ongoing discussions with the developer.

Agriculture Business

As at 30 June 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 1H2019, RCL generated revenue of RM6.824 million (approximately US\$1.658 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.

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

14 August 2019