

**MAGNUS ENERGY GROUP LTD.**

(Incorporated in Singapore)

(Registration No. 198301375M)

**RESPONSE TO SGX-ST QUERIES – LETTER OF DEMAND**

*Unless otherwise specified, all capitalised terms shall have the same meaning ascribed to them in the Previous Announcement (as defined below).*

The Board of Directors of Magnus Energy Group Ltd (the “**Company**” and, together with its subsidiaries, the “**Group**”) refers to the announcement dated 3 March 2020 (“**Previous Announcement**”).

The Company wishes to respond to the following queries dated 4 March 2020 from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) with regards to the Letter of Demand received by the Company as follows:

No.	Queries From SGX-ST	Response from the Company
1.	Who is Mr Thong Soon Seng and what is his relationship or business associations with the Company? How did he get acquainted with the Company or its directors / management?	Before the receipt of the Letter of Demand, The Company’s current directors (as appointed to the board of directors with effect from 9 January 2020) (the “ <b>Board</b> ”) was not aware of such a person prior to the Company’s receipt of the Letter of Demand. There was no documentation of loans or any transactions with Mr Thong nor any mention of Mr Thong’s names in any of the Company’s records. As at the date of this announcement, the Company and its Board do not know who Mr Thong is, nor has it found any records of transactions of any kind with Mr Thong.
2.	Was the loan of S\$5.1m received by the Company? If so, what were the monies used for? What is the purpose of loan stated in the loan agreement?	<p>Pursuant to the Letter of Demand, we understand that it is alleged that the principal amount which was received by the Company was an aggregate of S\$4 million. As per the Letter of Demand, the total amount is S\$5,118,572.49, representing the amount of loan principal and contractual interest owed as of 18 January 2018 of S\$4,600,000, and further interest of 5.33% per annum on the same pursuant to section 12 of the Civil Law Act, Chapter 43 of Singapore, of S\$518,572.49.</p> <p>Based on bank statements of the Company for the months of September 2016 and October 2016 which was retrieved by the Board pursuant to the receipt of the Letter of Demand (the “<b>Bank Statements</b>”), we note that amounts aggregating to S\$4 million were deposited in Magnus’ bank account on or about the dates as alleged. Notwithstanding, the statement does not provide details on who the payment is from/bank account name and number. The Company has requested from the bank, copies of the alleged cheques which correspond to the dates in the Letter of Demand.</p> <p>Based on the Bank Statements, we note that:</p>

**MAGNUS ENERGY GROUP LTD.**

(Incorporated in Singapore)

(Registration No. 198301375M)

**RESPONSE TO SGX-ST QUERIES – LETTER OF DEMAND**

		<ol style="list-style-type: none"><li>1. there were cheque deposits of S\$1,000,000, S\$2,000,000 and S\$1,000,000 on 14 September 2016, 7 October 2016 and on 10 October 2016, respectively, into Magnus' bank account (the "<b>Cheque Deposits</b>"); and</li><li>2. subsequent to the Cheque Deposits, amounts of S\$990,224.97 and S\$2,866,440 were transferred to Algae Farm Engineering Sdn. Bhd., on 16 September 2016 and 12 October 2016 respectively .</li></ol> <p>The Company does not have a copy of the alleged loan agreement and the Company is not aware of the purpose of the alleged loan. The Company is currently investigating the matters and is seeking independent legal advice on the basis and merits of the claims in the Letter of Demand.</p>
3.	Please explain '...allegedly borrowed from Mr Thong in 2016 purportedly on behalf of the Company' – Was the Company named as the borrower in the agreement? Was the loan recorded in the accounts, financial statements and annual reports?	<p>Since the Company is not aware of, has no records of, nor has seen a copy of the alleged loan agreement, the Board cannot confirm at this point that the Company was named as the borrower in the alleged loan agreement.</p> <p>The Board confirms that the alleged loan was not recorded in the accounts, financial statements and annual reports of the Company.</p>
4.	Was the Board aware of the loan of S\$5.1m and was it authorized by the Board?	<p>There is no documentation of the alleged loan in the Company's resolutions nor in the minutes of its meetings. The Board was not made aware of the loan until the receipt of the Letter of Demand.</p>
5.	Are there other such loans / transactions of similar nature?	<p>None, which the Board is aware of.</p> <p>Save for the prior loans from its ex-CEO, Mr Luke Ho Khee Yong and previous Independent Director, Ms Seet Chor Hoon (as disclosed in announcements dated 27 April 2017, 28 April 2017, 3 May 2017, 27 April 2018 and 31 December 2018), which have been fully repaid, the Company does not have any other borrowings.</p>

Shareholders are advised to exercise caution when dealing with the Company's securities. Shareholders should seek advice from their stockbrokers, bankers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions that they should take.

**MAGNUS ENERGY GROUP LTD.**  
(Incorporated in Singapore)  
(Registration No. 198301375M)

---

**RESPONSE TO SGX-ST QUERIES – LETTER OF DEMAND**

---

**BY ORDER OF THE BOARD**

Magnus Energy Group Ltd.

Charles Madhavan  
Chief Executive Office  
5 March 2020

---

**About Magnus Energy Group Ltd. ([www.magnusenergy.com.sg](http://www.magnusenergy.com.sg))**  
**Listed since 04 August 1999**

Incorporated in 1983, SGX Catalist Board-listed Magnus Energy Group Ltd. (“**Magnus**”) is an investment holding company with a diversified portfolio comprising oil and gas equipment distribution, renewable energy and property and infrastructure development.

Magnus aims to maximise shareholder value through strategic investments in profitable projects and acquisitions globally with the goal of broadening the Group’s earnings base and shareholder value.

---

*This announcement has been reviewed by the Company’s sponsor, Stamford Corporate Services Pte Ltd (the “**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr.. Bernard Lui.  
Telephone: +65 6389 3000. Email: [bernard.lui@morganlewis.com](mailto:bernard.lui@morganlewis.com)*