

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

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

1(a)(i) A consolidated statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Financial statements on consolidated results for the year ended 30 June 2015. Certain items reported for the year ended 30 June 2014 have been reclassified to conform to this report for the year ended 30 June 2015.

	Note	Group			Group		
		Fourth Quarter			Twelve Months		
		Apr 2015 - Jun 2015 S\$'000	Apr 2014 - Jun 2014 S\$'000 (restated)	Inc/ (Dec) %	Jul 2014 - Jun 2015 S\$'000	Jul 2013 - Jun 2014 S\$'000 (restated)	Inc/ (Dec) %
Revenue	1	14,191	14,332	(1.0)	44,502	45,398	(2.0)
Cost of sales		(11,710)	(11,683)	0.2	(35,650)	(35,804)	(0.4)
Gross profit		2,481	2,649	(6.3)	8,852	9,594	(7.7)
Other operating income		(275)	(7,279)	(96.2)	873	1,796	(51.4)
Other operating expenses		(867)	1,187	N.M	(2,742)	(10,330)	(73.5)
Distribution and selling expenses		(40)	(37)	8.1	(121)	(143)	(15.4)
Administrative expenses		(2,635)	(2,284)	15.4	(9,091)	(9,325)	(2.5)
Finance income		73	274	(73.4)	264	2,022	(86.9)
Finance costs		(32)	(158)	(79.7)	(134)	(281)	(52.3)
Share of results of joint ventures		48	(698)	N.M	227	(833)	N.M
Loss before income tax		(1,247)	(6,346)	(80.3)	(1,872)	(7,500)	(75.0)
Income tax		(385)	(2)	>100	(394)	(478)	(17.6)
Net loss for the year		(1,632)	(6,348)	(74.3)	(2,266)	(7,978)	(71.6)
Other comprehensive income/(loss)		642	5,465	(88.3)	(1,531)	(39,721)	(96.1)
Total comprehensive loss		(990)	(883)	12.1	(3,797)	(47,699)	(92.0)
Net profit/(loss) attributable to:							
Equity holders of the Company		(1,529)	(6,535)	(76.6)	(2,662)	(8,147)	(67.3)
Non-controlling interests		(103)	187	N.M	396	169	>100
		(1,632)	(6,348)	(74.3)	(2,266)	(7,978)	(71.6)
Total comprehensive loss attributable to:							
Equity holders of the Company		(452)	(1,249)	(63.8)	(3,959)	(47,888)	(91.7)
Non-controlling interests		(538)	366	N.M	162	189	(14.3)
		(990)	(883)	12.1	(3,797)	(47,699)	(92.0)

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

Notes:

1) Loss before tax is arrived at after (charging)/crediting the following:-

	Group			Group		
	Fourth Quarter			Twelve Months		
	Apr 2015 - Jun 2015 S\$'000	Apr 2014 - Jun 2014 S\$'000 (restated)	Inc/ (Dec) %	Jul 2014 - Jun 2015 S\$'000	Jul 2013 - Jun 2014 S\$'000 (restated)	Inc/ (Dec) %
Provision of obsolete stocks	(1)	(298)	(99.7)	(1)	(298)	(99.7)
Provision for doubtful debts	(81)	-	N.M	(81)	-	N.M
Depreciation of property, plant and equipment	(95)	(122)	(22.1)	(402)	(533)	(24.6)
Realised exchange loss (net)	(429)	(4)	>100	(311)	(1)	>100
Unrealised exchange (loss)/gain (net)	520	271	91.9	(1,321)	(550)	>100
Fixed assets written off	(7)	-	N.M	(7)	-	N.M
Interest expense	(12)	(143)	(91.6)	(53)	(175)	(69.7)
Interest income	73	274	(73.4)	264	2,022	(86.9)
Gain on disposal of property, plant and equipment	(214)	215	N.M	210	273	(23.1)
(Loss)/gain on disposal of other financial assets	(2)	1,800	N.M	(8)	(8,796)	(99.9)
Gain on disposal of a subsidiary	-	(2,656)	(100.0)	-	967	(100.0)
Bargain purchase from investment in subsidiary	-	-	N.M	509	-	N.M
Fair valuation of financial asset held for trading	(5)	(89)	(94.4)	(5)	(89)	(94.4)
Impairment of available-for-sale financial assets	(985)	(179)	>100	(985)	(179)	>100
Adjustment for over/(under) provision of tax in respect of prior years	-	-	N.M	65	(56)	N.M

1(a)(ii) Other comprehensive income/(loss) (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	Fourth Quarter			Twelve Months		
	Apr 2015 - Jun 2015 S\$'000	Apr 2014 - Jun 2014 S\$'000 (restated)	Inc/ (Dec) %	Jul 2014 - Jun 2015 S\$'000	Jul 2013 - Jun 2014 S\$'000 (restated)	Inc/ (Dec) %
<i>Other comprehensive income/(loss)</i>						
Exchange difference on translation of foreign operations	(950)	246	N.M	(606)	84	N.M
Fair value changes to available-for-sale financial assets	1,592	(246)	N.M	(918)	(40,197)	(97.7)
Transferred to income statement on disposal of available-for-sale financial assets	-	5,465	(100.0)	-	392	(100.0)
Deferred tax on fair value changes to available-for-sale financial assets	-	-	N.M	(7)	-	N.M
Other comprehensive income/(loss)	642	5,465	(88.3)	(1,531)	(39,721)	(96.1)

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

1(b)(i) A consolidated statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	Group		Company	
		30-Jun-15 S\$'000	30-Jun-14 S\$'000 (restated)	30-Jun-15 S\$'000	30-Jun-14 S\$'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	1	5,415	5,673	37	53
Investment in subsidiaries		-	-	14,856	14,449
Investment in associated companies	2	2	2	-	-
Investment in joint venture entities		776	3,996	-	-
Goodwill	2	1,570	1,570	-	-
Other intangible assets	3	26,475	29,023	-	-
Other financial assets	4	2,787	4,799	1	26
Other receivables	6	1,500	-	-	-
Deferred tax assets	12	166	-	-	-
Total Non-Current Assets		38,691	45,063	14,894	14,528
Current Assets					
Inventories	5	6,534	7,416	-	-
Trade and other receivables	6	6,897	7,957	330	622
Related parties balances	8	275	421	5,915	4,432
Cash and bank deposits		10,094	4,078	2,220	25
Fixed deposits		14,592	12,831	300	-
Total Current Assets		38,392	32,703	8,765	5,079
Total Assets		77,083	77,766	23,659	19,607
LIABILITIES AND EQUITY					
Current Liabilities					
Trade and other payables	7	5,831	8,547	275	2,357
Bank overdrafts	9	677	755	-	-
Related parties balances	8	1	566	2,020	2,468
Finance lease obligations	10	9	10	-	-
Income tax liabilities	11	466	582	-	-
Convertible loans		300	-	300	-
Total Current Liabilities		7,284	10,460	2,595	4,825
Non-Current Liabilities					
Finance lease obligations	10	23	32	-	-
Deferred tax liabilities	12	6,379	7,253	-	-
Total Non-Current Liabilities		6,402	7,285	-	-
Total Liabilities		13,686	17,745	2,595	4,825
EQUITY					
Share capital		128,278	120,127	128,278	120,127
Reserves		(90,597)	(86,818)	(107,214)	(105,345)
		37,681	33,309	21,064	14,782
Non-controlling interests		25,716	26,712	-	-
Total Equity		63,397	60,021	21,064	14,782
Total Liabilities and Equity		77,083	77,766	23,659	19,607

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

Notes to the consolidated statement of financial position

1) Property, plant and equipment

Property, plant and equipment decreased marginally from net book value of S\$5.7 million as at 30 June 2014 to S\$5.4 million as at 30 June 2015. Net additions during the period were S\$0.1 million. Depreciation of property, plant and equipment decreased S\$0.1 million from S\$0.5 million in FY2014 to S\$0.4 million in FY2015. The decrease in depreciation was a result of the disposal of machinery tools and equipment with net book value of \$0.2 million during the financial year. Translation gain was approximately S\$0.2 million.

2) Goodwill

Goodwill remains unchanged over the financial year.

	Jun-15 S\$'000	Jun-14 S\$'000
Mid-Continent Equipment Group Pte Ltd	1,570	1,570

3) Other intangible assets

	Jun-15 S\$'000	Jun-14 S\$'000
Balance as at 1 July	62,713	62,639
Impairment	(33,690)	(33,690)
Addition	999	2
Currency alignment	(3,547)	72
	26,475	29,023

Other intangible assets consist of:

	Jun-15 S\$'000	Jun-14 S\$'000
20% (2014: 20%) participating interest for the exploration of an area covered by the Petroleum Retention Licence 173 and 174 (formerly known as Petroleum Exploration Licence 101) granted under the Petroleum Act 2000 of South Australia	4,671	4,259
Coal concession rights granted by the Government of Indonesia for a period of 30 years, commencing from the date that mining operations commences, to explore, mine and extract coal from the Kuaro coal formation located at Kabupaten Pasir, East Kalimantan, Indonesia*	20,950	23,883
Exploration and evaluation expenditure incurred for the exploration and evaluation of coal of the Kuaro coal formation located at Kabupaten Pasir, East Kalimantan, Indonesia	854	881
	26,475	29,023

**Due to the impending legal proceedings in relation to the Group's ownership interest in PT Batubara Selaras Sapta, the directors have been unable to determine the recoverable amount of the Group's investment in the Coal Concession Rights. Any adjustment to the figures will largely be dependent on the outcome of the legal proceedings and may significantly affect the Group's results.*

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

Notes to the consolidated statement of financial position (cont'd)

4) Other financial assets - non current

Other financial assets decreased from S\$4.8 million as at 30 June 2014 to S\$2.8 million as at 30 June 2015. The change was mainly due to movement in fair value of available-for-sale financial assets during the year.

	Jun-15	Jun-14
	S\$'000	S\$'000
<u>Available-for-sale financial assets</u>		
Quoted equity shares, at fair value	2,786	4,791
<u>Financial assets held for trading</u>		
Quoted warrants, at fair value	1	8
Total other financial assets	2,787	4,799

5) Inventories

	Jun-15	Jun-14
	S\$'000	S\$'000
		(restated)
Finished goods	5,339	5,817
Work-in-progress	8	31
Goods-in-transit	1,187	1,568
	6,534	7,416

Refer to Item 8 on Page 13 for more details on sales performance.

6) Trade and other receivables

The amount of trade receivables have decreased from S\$6.6 million as at 30 June 2014 to S\$6.2 million as at 30 June 2015, mainly resulting from timely collection from major customers. The decrease in other receivables, deposits and prepayments is mainly from the result of a decrease in advance payment to suppliers and other deposits.

Other receivables (non-current) of S\$1.5 million related to Redeemable Convertible Loan that was disbursed as announced on 22 May 2015.

	Jun-15	Jun-14
	S\$'000	S\$'000
		(restated)
Trade receivables	6,206	6,561
Other receivables, deposits and prepayments	691	1,396
	6,897	7,957
Other receivables - non current	1,500	-
Total trade and other receivables	8,397	7,957

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

Notes to the consolidated statement of financial position (cont'd)

7) Trade and other payables

The amount of trade and other payables have decreased from S\$8.5 million as at 30 June 2014 to S\$5.8 million as at 30 June 2015, mainly resulting from payments made to major suppliers and other payables.

	Jun-15	Jun-14
	S\$'000	S\$'000
		(restated)
Trade payables	5,402	5,930
Other payables and accruals	429	2,617
	<u>5,831</u>	<u>8,547</u>

8) Related parties balances (net)

The related party balances mainly relate to non-trade balances between subsidiary and its joint venture partner and, associated and affiliated companies.

	Jun-15	Jun-14
	S\$'000	S\$'000
		(restated)
Amount due from	275	421
Amount due to	(1)	(566)
Net amount due from/(to)	<u>274</u>	<u>(145)</u>

9) Bank overdrafts

The outstanding bank overdrafts relate mainly to working capital facilities provided by banks to our subsidiaries for the trading of equipment and spares.

	Jun-15	Jun-14
	S\$'000	S\$'000
		(restated)
Bank overdrafts	<u>677</u>	<u>755</u>

10) Finance lease obligations

The decrease in finance lease was due to repayment during the year.

	Jun-15	Jun-14
	S\$'000	S\$'000
		(restated)
Current	9	10
Non-current	23	32
	<u>32</u>	<u>42</u>

11) Income tax liabilities

Income tax liabilities has changed marginally from S\$0.6 million as at 30 June 2014 to S\$0.5 million as at 30 June 2015 as a result of payment of tax and lower provision of current year's income tax expense which resulted from lower profit from oilfield equipment supply and services segment in 30 June 2015.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

Notes to the consolidated statement of financial position (cont'd)

12) Deferred tax liabilities/(assets)

Deferred tax liabilities have been recognised on the coal concession valuation for PT Batubara Selaras Sapta in Indonesia and investments in quoted equities in Australia. Refer to Note 3 on Page 4 for details on the intangible assets. The deferred tax for unutilised benefits mainly comprise the deductible temporary differences arising from the provision for unutilised leave, long service leave and other employee benefits.

	Jun-15 S\$'000	Jun-14 S\$'000 (restated)
Property, plant and equipment	41	67
Intangible assets	8,195	8,607
Available-for-sale financial assets	(179)	(173)
Unutilised benefits	(1,844)	(1,248)
	<u>6,213</u>	<u>7,253</u>
Represented by:		
Deferred tax assets	(166)	-
Deferred tax liabilities	<u>6,379</u>	<u>7,253</u>
	<u>6,213</u>	<u>7,253</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30-Jun-2015	
Secured	Unsecured
S\$'000	S\$'000
686	-

As at 30-Jun-2014	
Secured (restated)	Unsecured (restated)
S\$'000	S\$'000
765	-

Amount repayable after one year

As at 30-Jun-2015	
Secured	Unsecured
S\$'000	S\$'000
23	-

As at 30-Jun-2014	
Secured (restated)	Unsecured (restated)
S\$'000	S\$'000
32	-

Details of group's borrowings, debt securities and any collateral

The secured borrowings as at 30 June 2015 and 30 June 2014 relates to bank overdraft and finance lease. Bank overdraft arose mainly due to short term working capital requirement.

The Group's bank overdraft are secured by the pledging of subsidiaries' fixed deposits.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

1(c) A consolidated statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Twelve Months	
	Jun-15 S\$'000	Jun-14 S\$'000 (restated)
Cash flows from operating activities		
Loss before income tax	(1,872)	(7,500)
Adjustments of non-cash items	1,961	8,583
Operating cash flows before working capital changes	89	1,083
Working capital changes	224	1,362
Cash flows generated from operations	313	2,445
Interest income received	179	1,980
Interest paid	(46)	(175)
Income taxes paid	(710)	(747)
Net cash (used in)/generated from operating activities	(264)	3,503
Cash flows from investing activities		
Acquisition of a subsidiary, net of cash acquired	1,601	-
Acquisition of additional interest in a subsidiary, net of cash acquired	(393)	-
Investment in redeemable convertible loan	(1,500)	-
Proceeds from sale of property, plant and equipment	408	363
Purchase of property, plant and equipment	(128)	(265)
Net proceeds from sale of other financial assets	52	595
Acquisition of other financial assets	-	(3,969)
Payment of petroleum related expenditure	(999)	(2)
Dividends received from joint venture companies	2,677	-
Fixed deposits pledged to banks	(476)	(58)
Net cash flows generated from/(used in) investing activities	1,242	(3,336)
Cash flows from financing activities		
Repayment of finance lease obligations	(13)	(16)
Dividend paid to non-controlling interests	(584)	(751)
Proceeds from convertible notes	7,500	-
Share issue expense	(349)	-
Net cash flows generated from/(used in) financing activities	6,554	(767)
Net increase/(decrease) in cash and cash equivalents	7,532	(600)
Cash and cash equivalents at beginning of the year	10,901	11,949
Effects of exchange rate changes on cash and cash equivalents	205	(448)
Cash and cash equivalents at the end of the year	18,638	10,901
Represented by:		
Cash and bank balances	10,094	4,078
Fixed deposits	9,221	7,578
Bank overdrafts, unsecured	(677)	(755)
	18,638	10,901
Cash and cash equivalents		
Cash and bank balances	10,094	4,078
Fixed deposits	14,592	12,831
Cash and cash equivalents	24,686	16,909
Less: Fixed deposits (restricted)	(5,371)	(5,253)
Less: Bank overdrafts	(677)	(755)
Cash and cash equivalents at the end of the year	18,638	10,901

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Attributable to shareholders					Non-Controlling Interests Total Equity	
	Share Capital	Fair Value Reserve	Translation Reserve	Accumulated Losses	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2014	120,127	961	(7,669)	(80,110)	33,309	26,712	60,021
Total comprehensive (loss)/profit for the year	-	(961)	(336)	(2,662)	(3,959)	162	(3,797)
Issuance of shares	8,500	-	-	-	8,500	-	8,500
Share issuance cost	(349)	-	-	-	(349)	-	(349)
Acquisition of subsidiary	-	-	-	180	180	(574)	(394)
Dividends paid by a subsidiary to non-controlling shareholders	-	-	-	-	-	(584)	(584)
Balance at 30 June 2015	128,278	-	(8,005)	(82,592)	37,681	25,716	63,397

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Group	Attributable to shareholders						
	Share Capital	Fair Value Reserve	Translation Reserve	Accumulated Losses	Total	Non-Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2013	120,127	40,839	(7,806)	(71,963)	81,197	27,274	108,471
Total comprehensive (loss)/profit for the year	-	(39,878)	137	(8,147)	(47,888)	189	(47,699)
Dividends paid by a subsidiary to non-controlling shareholders	-	-	-	-	-	(751)	(751)
Balance at 30 June 2014	120,127	961	(7,669)	(80,110)	33,309	26,712	60,021

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Company	Share Capital	Fair Value Reserve	Accumulated Losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2014	120,127	-	(105,345)	14,782
Issuance of shares	8,500	-	-	8,500
Share issuance expense	(349)	-	-	(349)
Total comprehensive loss for the year	-	-	(1,869)	(1,869)
Balance at 30 June 2015	128,278	-	(107,214)	21,064
Balance at 1 July 2013	120,127	27,415	(105,339)	42,203
Total comprehensive loss for the year	-	(27,415)	(6)	(27,421)
Balance at 30 June 2014	120,127	-	(105,345)	14,782

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Date	Description	No of shares⁽¹⁾	Paid-up Capital (S\$'000)
30-Jun-15	Issued and paid-up capital	170,433,223	128,278
30-Jun-14	Issued and paid-up capital	40,973,561	120,127

There is no outstanding share option or award granted under the Magnus Energy Employee Share Option Plan. There is an outstanding share award of 1,358,520⁽¹⁾ unissued shares granted under the Magnus Performance Share Plan. The increase in the Company's share capital during the current financial period was due to the issue of:

- (a) 1,299,720⁽¹⁾ shares for the repayment of a term loan;
- (b) 701,220⁽¹⁾ employees' share awards granted under the Magnus Performance Share Plan; and
- (c) 127,458,722⁽¹⁾ shares converted pursuant to the Notes Issue.

As at 30 June 2015, the Company has outstanding convertible notes of S\$300,000. These convertible notes have been converted to 10,344,827 shares on 30 July 2015.

1(d)(iii) To show the 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.

	30-Jun-15	30-Jun-14
No. of ordinary shares issued and fully paid ⁽¹⁾	170,433,223	40,973,561

There is no treasury share as at the end of the current financial period and as at the end of the immediately preceding year.

⁽¹⁾ On 21 April 2015, the Company consolidated 50 ordinary shares into 1 ordinary share in the capital of the Company and the weighted average number of ordinary shares used for the calculation of earnings per share for FY2014 had been adjusted for the effect of the share consolidation.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Part 5 below, the same accounting policies and methods of computation as in the most recently audited annual financial statements have been applied.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the new or revised FRS and INT FRS that are effective in this financial period. Except for FRS 111 *Joint Arrangements*, the adoption of these FRS do not have any significant impact on the financial statements. FRS 111 has been adopted on 1 July 2014 with full retrospective application.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per share of the Group after deducting any provision for preference dividends for the year ended 30 June 2015:

	Group Fourth Quarter		Group Twelve Months	
	Apr 2015 - Jun 2015	Apr 2014 - Jun 2014 (restated)	Jul 2014 - Jun 2015	Jul 2013 - Jun 2014 (restated)
Loss for the period/year (S\$'000)	(1,529)	(6,535)	(2,662)	(8,147)
- Based on weighted average number of ordinary shares in issue (cents)	(2.83)	(15.95)	(4.93)	(19.88)
- Weighted average number of ordinary shares ('000) ⁽¹⁾	54,050	40,974	54,050	40,974
- On a fully diluted basis (detailing any adjustments made to the earnings (cents))	(2.37)	(15.95)	(4.13)	(19.88)
- Weighted average number of ordinary shares on fully diluted basis ('000) ⁽¹⁾	64,395	40,974	64,395	40,974

⁽¹⁾ On 21 April 2015, the Company consolidated 50 ordinary shares into 1 ordinary share in the capital of the Company and the weighted average number of ordinary shares used for the calculation of earnings per share for FY2014 had been adjusted for the effect of the share consolidation.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

- 7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year.**

	Group		Company	
	As at 30-Jun-15	As at 30-Jun-14 (restated)	As at 30-Jun-15	As at 30-Jun-14
Net asset value per ordinary share (cents) ⁽¹⁾	69.71	81.29	38.97	36.08
On a fully diluted basis (cents) ⁽¹⁾	58.52	81.29	32.71	36.08

⁽¹⁾ On 21 April 2015, the Company consolidated 50 ordinary shares into 1 ordinary share in the capital of the Company and the weighted average number of ordinary shares used for the calculation of earnings per share for FY2014 had been adjusted for the effect of the share consolidation.

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

Turnover, costs, and earnings of the Group for twelve months ended 30 June 2015 ("FY2015") and 30 June 2014 ("FY2014")

The Group's revenue decreased by 2.0% from S\$45.4 million in FY2014 to S\$44.5 million in FY2015. The decrease in revenue for FY2015 resulted from the recent plunge in the global oil prices which leads to a weaker demand in oilfield equipment supply and service segment. Consequently, cost of sales decreased by 0.4% from S\$35.8 million in FY2014 to S\$35.7 million in FY2015. Gross profit has decreased by 7.7% from S\$9.6 million in FY2014 to S\$8.9 million in FY2015. Due to the sale of lower margin products and long-standing tubular products below cost, gross margin has decreased from 21.1% in FY2014 to 19.9% in FY2015.

Quarter-to-quarter

The Group's revenue decreased by 1.0% from S\$14.3 million in 4Q14 to S\$14.2 million in 4Q15. Gross profit margin decreased from 18.5% in 4Q14 to 17.5% in 4Q15. The lower margin recorded in the 4Q15 was resulted from sale of lower margin products and long-standing tubular products below cost.

Other operating income

	Jul 2014 - Jun 2015	Jul 2013 - Jun 2014
	S\$'000	S\$'000 (restated)
Gain on disposal of a subsidiary	-	967
Bad debts recovered	-	18
Bargain purchase from investment in a subsidiary	509	-
Services income from environmental projects	39	444
Gain on disposal of property, plant and equipment	210	273
Other income	115	94
	<u>873</u>	<u>1,796</u>

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

Expenses

Expenses have decreased by 40% or S\$7.8 million from S\$19.8 million in FY2014 to S\$12.0 million in FY2015 resulting from lower other operating expenses. Reductions were achieved across all expense categories except for unrealised exchange loss which increased S\$0.8 million from S\$0.5 million in FY2014 to S\$1.3 million in FY2015, which is mainly affected by the weakness in Australian Dollar. The higher other operating expenses in FY2014 were mainly due to losses from trading of quoted equities. As part of cost reduction process, remuneration related expenses decreased S\$0.4 million from S\$6.3 million in FY2014 to S\$5.9 million in FY2015.

	Jul 2014 - Jun 2015	Jul 2013 - Jun 2014
	S\$'000	S\$'000 (restated)
Distribution and selling expenses	121	143
Administrative expenses	9,091	9,325
Other operating expenses	2,742	10,330
	<u>11,954</u>	<u>19,798</u>

Finance income/(costs)

Finance income in FY2015 is mainly derived from fixed deposit. Finance income in FY2014 mainly derived from shares lending agreement which were terminated on 30 April 2014. Finance expenses are mainly due to hire purchase interests, other short term borrowings and bank charges.

	Jul 2014 - Jun 2015	Jul 2013 - Jun 2014
	S\$'000	S\$'000 (restated)
Finance income	264	2,022
Finance costs	(134)	(281)
	<u>130</u>	<u>1,741</u>

Net loss after tax

Despite the reduction in revenue, the Group narrowed the losses before income tax by 75.0% or S\$5.6 million from loss of S\$7.5 million in FY2014 to S\$1.9 million in FY2015. Net loss after tax was S\$8.0 million and S\$2.3 million in FY2014 and in FY2015, respectively. The net loss for FY2015 was mainly contributed by unrealised exchange losses as mentioned above. Despite the exchange losses, our oilfield equipment supply and services segment remains profitable.

- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group recorded a net cash generated from operating activities of S\$3.5 million in FY2014 and net cash used in operating activities of S\$0.3 million in FY2015. Cash inflow from working capital was S\$1.4 million in FY2014 as compared to cash inflow of S\$0.2 million in FY2015.

Net cash flow used in investing activities was S\$3.3 million in FY2014, mainly due to the acquisition of 15% stake in GCM Resources plc. for S\$3.7 million in 1Q2014, which was significantly higher as compared to an inflow of S\$1.2 million in FY2015. The net cash generated in FY2015 was mainly due to the dividend received from joint venture operations.

Net cash flow used in in financing activities was S\$0.8 million in FY2014 million as compared to an inflow of S\$6.6 million in FY2015, mainly due to the proceeds from convertible notes starting from 2Q2015.

Comparatively, the Group's cash and cash equivalents increased by approximately S\$7.7 million, after adjusting for effects of foreign currencies exchanges, from S\$10.9 million as at 30 June 2014 to S\$18.6 million as at 30 June 2015. The details of the cash flow statement are on Page 8.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

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

Not applicable.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group's oilfield equipment supplies and services segment, Mid-Continent Equipment Group Pte Ltd and its subsidiaries ("Mid-Con Group") currently forms the Group's main core business. The recent plunge in global oil prices may negatively affect the overall performance of the Mid-Con Group and hence, the Group. Together with the anticipated discoveries from the drilling campaign in the PEL101, Mid-Con Group remains cautiously optimistic about its growth prospects and shall continue to focus on its multi-pronged strategy to expand geographically, diversify its business model, widen its product range, and enhance its productivity, and it expects to remain profitable in the next twelve months. The Company has increased its stakes in Mid-Con Group from 54.35% to 55.89%, and shall continue to maintain its acquisition intent for the remaining shares of Mid-Con Group from the minority shareholders.

MEG Global Resources Limited ("MGR") has taken a cautious approach to its investment in PT Hanjungin by extending a Redeemable Convertible Loan ("RCL"), while taking a view on the possibility of converting the RCL into equity in PT Hanjungin. The immediate property development project under PT Hanjungin has started and is expected to be completed in approximately the next 15 months. MGR is also actively sourcing for trading partners and will keep the shareholders updated of any material events.

Our subsidiary APAC Coal Limited ("APAC") has recently appointed A. Setiadi Attorneys-at-Law to continue to engage the Government of the Republic of Indonesia on the Notice of Intent to resolve the dispute in a mutual agreement under the relevant Bilateral Investment Treaty. Further, APAC is also actively looking for opportunities for new investments and acquisitions.

Having divested from certain unprofitable segments and rigorously rationalizing its cost structure, the Group shall continue to enhance the effectiveness and efficiencies of its operations. With new funding at hand, the Group is actively pursuing new acquisitions and investments opportunities across the Asia Pacific region in the near future. The Group is exposed to movements in US Dollar and Australian Dollar. Such movements in the currencies may have a significant impact on the Group's future results.

11 Dividend

- (a) Current Financial Period Reported On - Not applicable
- (b) Corresponding Period of the Immediately Preceding Financial Year - Not applicable
- (c) Tax exempt dividend - Not applicable
- (d) Date payable - Not applicable
- (e) Book closure date - Not applicable

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

No dividend has been declared/recommended for the year ended 30 June 2015.

13 If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), 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.

No IPT general mandate has been obtained by the Group from the shareholders. There was no interested person transaction for the year under review, save for interest-free loans provided by directors to the Company.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

14 Confirmation by the Board pursuant to Rule 705(5)

We, Kushairi Bin Zaidel and Ong Chin Chuan, being two directors of 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 financial statements for the year ended 30 June 2015 to be false or misleading in any material aspect. A signed confirmation copy is kept in record.

On behalf of the Board of Directors

Kushairi Bin Zaidel
Non-executive Independent Director

Ong Chin Chuan
Non-executive Independent Director

15 Disclosure of person occupying a managerial position in the issuer of any of its principal subsidiaries who is a relative or a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there is no such person, the issuer must make an appropriate negative statement.

There is no person occupying managerial positions in the Company or its principal subsidiaries who is related to a director or chief executive officer or substantial shareholder of the Company or its principal subsidiaries.

16 Use of proceeds from notes issue as at 21 August 2015

Notes Issue	S\$'000	Utilisation of Proceeds as at 21 August 2015	S\$'000
Convertible Notes	35,000	Investments and general corporate purposes	
Notes Issued	(12,000)	- Increase in stake in Midcon ⁽¹⁾	393
Notes Unissued	<u>23,000</u>	- Amount disbursed in relation to the RCL ⁽²⁾	5,000
		- Physical trading of renewable energy and natural resources	507
		- Investment in quoted equities ⁽³⁾	1,408
		General working capital	
		- Repayment of convertible loan	798
		- General working capital	<u>1,935</u>
			<u>10,041</u>

(1) Please refer to the announcement "Completion of Acquisition in Mid-Continent Equipment Group Pte. Ltd." dated 26 January 2015 for further information.

(2) Please refer to the announcement "Redeemable Convertible Loan of up to S\$5,000,000" dated 22 May 2015 for further information.

(3) Please refer to the announcement "Joint Investment with Yangtze Investment Partners Limited" dated 20 August 2015 for further information.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

PART II- ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 17 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

FY 2015

	Oilfield equipment supply and services	Coal mining	Trading of renewable energy and natural resources	Investment holding	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
External revenue	43,997	-	505	-	44,502
Profit/(Loss) from operations before interest, income tax and depreciation	487	(161)	21	(2,174)	(1,827)
Depreciation	(383)	-	-	(19)	(402)
Profit/(Loss) from operations before interest and income tax	104	(161)	21	(2,193)	(2,229)
Share of profit from joint ventures					227
Unallocated finance income					264
Unallocated finance costs					(134)
Loss before income tax					(1,872)
Unallocated income tax					(394)
Loss after income tax					(2,266)
<u>Segment assets and liabilities</u>					
Current assets	34,850	71	581	2,890	38,392
Fixed assets	5,377	1	-	37	5,415
Intangible assets and goodwill	4,671	21,804	-	1,570	28,045
Unallocated non-current assets					5,065
Unallocated deferred tax assets					166
Consolidated assets					77,803
Current liabilities	6,080	143	-	586	6,809
Unallocated current and non-current liabilities:					
Finance lease obligations					32
Income tax liabilities					466
Deferred income tax liabilities					6,379
Consolidated liabilities					13,686

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

17 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year. (cont'd)

FY 2014 (restated)

	Oilfield equipment supply and services	Coal mining	Investment holding	Total
	S\$'000	S\$'000	S\$'000	S\$'000
External revenue	45,398	-	-	45,398
Profit/(Loss) from operations before interest, income tax and depreciation	2,918	(928)	(9,865)	(7,875)
Depreciation	(507)	(1)	(25)	(533)
Profit/(Loss) from operations before interest and income tax	2,411	(929)	(9,890)	(8,408)
Share of loss from joint ventures				(833)
Unallocated finance income				2,022
Unallocated finance costs				(281)
Loss before income tax				(7,500)
Unallocated income tax				(478)
Loss after income tax				(7,978)
<u>Segment assets and liabilities</u>				
Current assets	32,018	25	660	32,703
Fixed assets	5,618	1	54	5,673
Intangible assets and goodwill	4,259	24,764	1,570	30,593
Unallocated non-current assets				8,797
Consolidated assets				77,766
Current liabilities	7,252	236	2,380	9,868
Unallocated current and non-current liabilities:				
Finance lease obligations				42
Income tax liabilities				582
Deferred income tax liabilities				7,253
Consolidated liabilities				17,745

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

18 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

There is no material change in contributions to turnover and earnings by the business or geographical segments.

19 A breakdown of sales.

	Group		
	1-Jul-2014 to 30-Jun-2015	1-Jul-2013 to 30-Jun-2014 (restated)	Inc/ (Dec)
	S\$'000	S\$'000	%
Sales reported for the first half year	20,633	19,881	3.8
Operating loss after tax before deducting minority interests reported for the first half year	(1,023)	(2,229)	(54.1)
Sales reported for the second half year	23,869	25,517	(6.5)
Operating loss after tax before deducting minority interests reported for the second half year	(1,243)	(5,749)	(78.4)

20 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total annual dividend

	Latest Full Year	Previous Full Year
	(30-Jun-2015)	(30-Jun-2014)
Ordinary	-	-
Preference	-	-
Total	-	-

BY ORDER OF THE BOARD

Luke Ho Khee Yong
Chief Executive Officer
27 August 2015

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

About Magnus Energy Group Ltd. (www.magnusenergy.com.sg)
Listed since 04 August 1999

Magnus Energy Group Ltd is listed on the Catalist Board of the SGX-ST. While started its businesses as the integrated mechanical and engineering specialist, the Group swiftly added the property development, construction and related businesses into its diversified portfolio. The acquisition of a controlling stake in Mid-Continent Equipment Group Pte Ltd in April 2004 has enabled the Group to establish new business opportunities in the oil and gas as well as alternative energies industries.

The Group seeks to achieve a diversified portfolio and will selectively invest in profitable projects. This will be an ongoing process for the Group as it looks to broaden its earnings base and at the same time re-engineer itself to explore new acquisition and investment opportunities across the Asia Pacific region.

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

The announcement has not been examined or approved by 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.

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