

**QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2019**

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 third quarter ended 31 March 2019.

	Note	Group			Group		
		Third Quarter			Nine Months		
		Jan 2019 - Mar 2019 S\$'000	Jan 2018 - Mar 2018 S\$'000	Inc/ (Dec) %	Jul 2018 - Mar 2019 S\$'000	Jul 2017 - Mar 2018 S\$'000	Inc/ (Dec) %
Revenue	1	3,584	5,170	(30.7)	13,067	13,056	0.1
Cost of sales		(2,725)	(4,423)	(38.4)	(10,979)	(10,907)	0.7
Gross profit		859	747	15.0	2,088	2,149	(2.8)
Other operating income		42	(382)	N.M	947	206	>100
Other operating expenses		(65)	(1)	>100	(681)	(9)	>100
Distribution and selling expenses		(21)	(20)	5.0	(78)	(115)	(32.2)
Administrative expenses		(1,134)	(1,308)	(13.3)	(3,407)	(3,872)	(12.0)
Finance income		22	233	(90.6)	52	642	(91.9)
Finance costs		(6)	(22)	(72.7)	(55)	(69)	(20.3)
Loss before income tax		(303)	(753)	(59.8)	(1,134)	(1,068)	6.2
Income tax		(96)	(55)	74.5	(96)	(45)	>100
Loss for the period		(399)	(808)	(50.6)	(1,230)	(1,113)	10.5
<b>Discontinued operations</b>							
Loss from discontinued operations		-	(45)	(100.0)	-	(367)	(100.0)
<b>Net loss for the period</b>		(399)	(853)	(53.2)	(1,230)	(1,480)	(16.9)
Other comprehensive (loss)/income		(1,474)	(2,937)	(49.8)	24	(1,439)	N.M
Total comprehensive loss		(1,873)	(3,790)	(50.6)	(1,206)	(2,919)	(58.7)
<b>Net (loss)/profit attributable to:</b>							
Equity holders of the Company		(1,352)	(1,226)	10.3	(1,308)	(1,277)	2.4
Non-controlling interests		953	373	>100	78	(203)	N.M
		(399)	(853)	(53.2)	(1,230)	(1,480)	(16.9)
<b>Total comprehensive (loss)/income attributable to:</b>							
Equity holders of the Company		(2,720)	(4,739)	(42.6)	(1,273)	(2,335)	(45.5)
Non-controlling interests		847	949	(10.7)	67	(584)	N.M
		(1,873)	(3,790)	(50.6)	(1,206)	(2,919)	(58.7)

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

	Group			Group		
	Third Quarter			Nine Months		
	Jan 2019 - Mar 2019 S\$'000	Jan 2018 - Mar 2018 S\$'000	Inc/ (Dec) %	Jul 2018 - Mar 2019 S\$'000	Jul 2017 - Mar 2018 S\$'000	Inc/ (Dec) %
Provision of doubtful debts	-	(2)	(100.0)	-	(9)	(100.0)
Depreciation of property, plant and equipment	(60)	(67)	(10.4)	(184)	(209)	(12.0)
Realised exchange (loss)/gain (net)	(8)	5	N.M	(11)	10	N.M
Unrealised exchange (loss)/gain (net)	(52)	(415)	(87.5)	(507)	38	N.M
Loss on disposal of a subsidiary	-	-	N.M	(101)	-	N.M
Interest expense on borrowings	(27)	(14)	92.9	(55)	(44)	25.0
Interest income	22	233	(90.6)	52	642	(91.9)
(Loss)/gain on disposal of plant and equipment	(5)	17	N.M	(30)	32	N.M
Loss on disposal of financial assets	-	-	N.M	(18)	-	N.M
Gain on disposal of business	(32)	-	N.M	857	-	N.M
Adjustment for over provision of tax in respect of prior years	-	-	N.M	-	-	N.M

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

	Group			Group		
	Third Quarter			Nine Months		
	Jan 2019 - Mar 2019 S\$'000	Jan 2018 - Mar 2018 S\$'000	Inc/ (Dec) %	Jul 2018 - Mar 2019 S\$'000	Jul 2017 - Mar 2018 S\$'000	Inc/ (Dec) %
<i>Other comprehensive (loss)/income</i>						
Exchange difference on translation of foreign operations	(1,362)	(2,948)	(53.8)	147	(1,439)	N.M
Fair value gain recognised in equity on revaluation of available-for-sale financial assets during the period	(114)	10	N.M	(124)	-	N.M
Deferred tax on fair value changes to available-for-sale financial assets	1	1	0.0	-	-	N.M
<b>Other comprehensive (loss)/income</b>	<b>(1,474)</b>	<b>(2,937)</b>	<b>(49.8)</b>	<b>24</b>	<b>(1,439)</b>	<b>N.M</b>

**QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2019**

**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	
		31-Mar-19 S\$'000	30-Jun-18 S\$'000	31-Mar-19 S\$'000	30-Jun-18 S\$'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	1	18,407	18,709	213	252
Investment in subsidiaries		-	-	13,475	13,475
Other financial assets	2	488	673	488	638
Deferred tax assets	9	48	50	-	-
<b>Total Non-Current Assets</b>		<b>18,943</b>	<b>19,432</b>	<b>14,176</b>	<b>14,365</b>
<b>Current Assets</b>					
Inventories	3	1,432	2,019	-	-
Trade and other receivables	4	3,731	6,424	57	575
Related parties balances	5	212	226	13,023	13,714
Cash and bank deposits		4,804	6,064	38	131
Fixed deposits		3,491	2,612	-	304
<b>Total Current Assets</b>		<b>13,670</b>	<b>17,345</b>	<b>13,118</b>	<b>14,724</b>
Assets classified as held for sale	10	-	607	-	-
<b>Total Current Assets</b>		<b>13,670</b>	<b>17,952</b>	<b>13,118</b>	<b>14,724</b>
<b>Total Assets</b>		<b>32,613</b>	<b>37,384</b>	<b>27,294</b>	<b>29,089</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current Liabilities</b>					
Trade and other payables	6	1,935	5,003	721	828
Related parties balances	5	77	18	-	-
Finance lease obligations	7	-	5	-	-
Convertible loans	8	-	550	-	550
<b>Total Current Liabilities</b>		<b>2,012</b>	<b>5,576</b>	<b>721</b>	<b>1,378</b>
<b>EQUITY</b>					
Share capital		148,782	148,782	148,782	148,782
Reserves		(125,194)	(123,920)	(122,209)	(121,071)
		23,588	24,862	26,573	27,711
Non-controlling interests		7,013	6,946	-	-
<b>Total Equity</b>		<b>30,601</b>	<b>31,808</b>	<b>26,573</b>	<b>27,711</b>
<b>Total Liabilities and Equity</b>		<b>32,613</b>	<b>37,384</b>	<b>27,294</b>	<b>29,089</b>

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**QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2019**

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**Notes to the consolidated statement of financial position**

**1) Property, plant and equipment**

Property, plant and equipment decreased from net book value of S\$18.7 million as at 30 June 2018 to S\$18.4 million as at 31 March 2019. Net additions during the period were S\$0.1 million. Depreciation was S\$0.2 million and translation loss was approximately S\$0.2 million. Decrease in depreciation in 31 Mar 2019 mainly due to lesser depreciable asset as compared to 31 March 2018. The additions mainly pertain to the construction of the microalgae oil cultivation facility.

**2) Other financial assets**

Other financial assets decreased from S\$0.7 million as at 30 June 2018 to S\$0.5 million as at 31 December 2018. The change was mainly due to partial disposal of quoted investment.

	Mar-19	Jun-18
	S\$'000	S\$'000
Quoted investment	488	673

**3) Inventories**

	Mar-19	Jun-18
	S\$'000	S\$'000
Finished goods	292	1,028
Work-in-progress	1,134	61
Goods-in-transit	6	930
	1,432	2,019

Refer to Item 8 on Page 12 for more details on sales performance.

**4) Trade and other receivables**

The amount of trade receivables have decreased from S\$2.7 million as at 30 June 2018 to S\$1.4 million as at 31 March 2019 subsequent to the disposal of business of supplying and distributing oilfield equipment and spares in South-East Asia ("SEA business"). The decrease in other receivables, deposits and prepayments is mainly due to recovery from other receivables.

	Mar-19	Jun-18
	S\$'000	S\$'000
Trade receivables	1,362	2,688
Other receivables, deposits and prepayments	2,369	3,736
	3,731	6,424

**5) Related parties balances (net)**

The related party balances mainly relate to trade and non-trade balances between joint venture entities:

	Mar-19	Jun-18
	S\$'000	S\$'000
Amount due from related parties	212	226
Amount due to related parties	(77)	(18)
	135	208

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**QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2019**

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**6) Trade and other payables**

Trade and other payables have decreased from S\$1.2 million as at 30 June 2018 to S\$0.6 million as at 31 March 2019. The decrease mainly resulted from disposal of SEA business.

	Mar-19	Jun-18
	S\$'000	S\$'000
Trade payables	649	1,176
Other creditors, payables and accruals	1,286	3,827
	<u>1,935</u>	<u>5,003</u>

**7) Finance lease obligations**

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

	Mar-19	Jun-18
	S\$'000	S\$'000
Current	-	5

**8) Borrowings**

	Mar-19	Jun-18
	S\$'000	S\$'000
<u>Current liabilities</u>		
Loan from director and CEO	-	550

The Company obtained unsecured loan from a director and the chief executive officer ("CEO") on April 2017 to fund for the microalgae oil cultivation facility project. The loan is repayable within 1 year and the effective interest of the loan is 10%. The loan has been repaid in Dec 2018.

**9) Deferred tax assets**

The deferred tax for unutilised benefits mainly comprises the deductible temporary differences arising from the provision for unutilised leave, long service leave and other employee benefits.

	Mar-19	Jun-18
	S\$'000	S\$'000
Property, plant and equipment	48	50

**10) Assets held for sale**

Assets classified as held for sale relate to the Group's interest in Plant Tech Mid-Continent (India) Pvt. Ltd. ("PTMC"). On 11 September 2018, the Group entered into a share transfer agreement with Plant-Tech Industrial Services Limited for the disposal of its 50% equity interest in PTMC for a sale consideration of approximately S\$0.6 million. The disposal has been completed on 3 October 2018 and announced with SGX on 4 October 2018.

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**QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2019**

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

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

As at 31-Mar-2019	
Secured	Unsecured
S\$'000	S\$'000
-	-

As at 30-Jun-2018	
Secured	Unsecured
S\$'000	S\$'000
5	550

**Amount repayable after one year**

As at 31-Mar-2019	
Secured	Unsecured
S\$'000	S\$'000
-	-

As at 30-Jun-2018	
Secured	Unsecured
S\$'000	S\$'000
-	-

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

The secured borrowings as at 30 June 2018 relates to finance lease. The unsecured borrowings were from a director and the CEO.

**QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2019**

**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.**

	<b>Group</b>	
	<b>Nine Months Ended</b>	
	<b>Mar-19 S\$'000</b>	<b>Mar-18 S\$'000</b>
<b>Cash flows from operating activities</b>		
Loss before income tax	(1,134)	(1,435)
Adjustments of non-cash items	(193)	(450)
<b>Operating cash flows before working capital changes</b>	<b>(1,327)</b>	<b>(1,885)</b>
- Working capital changes	(1,096)	(926)
<b>Cash flows used in operations</b>	<b>(2,423)</b>	<b>(2,811)</b>
Interest income received	56	405
Interest paid	(28)	(44)
<b>Net cash used in operating activities</b>	<b>(2,395)</b>	<b>(2,450)</b>
<b>Cash flows from investing activities</b>		
Proceed from disposal of quoted investment	970	-
Proceeds from sale of plant and equipment	13	39
Purchase of plant and equipment	(164)	(1,331)
Proceeds from disposal of business	924	-
Proceeds from disposal of asset held for sale	542	-
Payment of petroleum exploration expenditure	-	(59)
Fixed deposits pledged to banks	134	67
<b>Net cash flows generated from / (used in) investing activities</b>	<b>2,419</b>	<b>(1,284)</b>
<b>Cash flows from financing activities</b>		
Repayment of finance lease obligations	(5)	(7)
Share issue expense	-	(64)
Repayment of borrowings	(550)	(100)
Proceeds from issue of shares	-	3,179
<b>Net cash flows (used in) / generated from financing activities</b>	<b>(555)</b>	<b>3,008</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(531)</b>	<b>(726)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>6,203</b>	<b>7,400</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>522</b>	<b>(561)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>6,194</b>	<b>6,113</b>
<b>Represented by:</b>		
Cash and bank balances	4,804	4,971
Fixed deposits	1,390	1,243
Bank overdrafts, unsecured	-	(101)
	<b>6,194</b>	<b>6,113</b>
<b>Cash and cash equivalents</b>		
Cash and bank balances	4,804	4,971
Fixed deposits	3,491	3,716
<b>Cash and cash equivalents</b>	<b>8,295</b>	<b>8,687</b>
Less: Fixed deposits (restricted)	(2,101)	(2,473)
Less: Bank overdrafts	-	(101)
<b>Cash and cash equivalents at the end of the period</b>	<b>6,194</b>	<b>6,113</b>

**QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2019**

**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 2018	148,782	(44)	(2,297)	(121,580)	24,861	6,946	31,807
Total comprehensive loss for the period	-	(124)	159	(1,308)	(1,273)	67	(1,206)
Balance at 31 March 2019	148,782	(168)	(2,138)	(122,888)	23,588	7,013	30,601



**QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2019**

**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					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 2017	144,769	-	(7,186)	(106,828)	30,755	8,086	38,841
Total comprehensive loss for the period	-	-	(1,058)	(1,277)	(2,335)	(584)	(2,919)
Issuance of shares	4,085	-	-	-	4,085	-	4,085
Share issue expenses	(64)	-	-	-	(64)	-	(64)
Balance at 31 March 2018	148,790	-	(8,244)	(108,105)	32,441	7,502	39,943

**QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2019**

**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)**

<b>Company</b>	<b>Share Capital</b>	<b>Fair Value</b>	<b>Accumulated Losses</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Balance at 1 July 2018	148,782	(44)	(121,027)	27,711
Total comprehensive loss for the period	-	(124)	(1,014)	(1,138)
Balance at 31 March 2019	148,782	(168)	(122,041)	26,573
Balance at 1 July 2017	144,769	-	(112,219)	32,550
Issuance of new shares	4,085	-	-	4,085
Share issue expenses	(64)	-	-	(64)
Total comprehensive income for the period	-	-	(1,019)	(1,019)
Balance at 31 March 2018	148,790	-	(113,238)	35,552

**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.**

<b>Date</b>	<b>Description</b>	<b>No of shares</b>	<b>Paid-up Capital (S\$'000)</b>
31-Mar-19	Issued and paid-up capital	12,632,507,107	148,782
30-Jun-18	Issued and paid-up capital	12,632,507,107	148,782

There is no outstanding convertible and no share option or award granted under the Magnus Energy Employee Share Option Plan.

**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.**

	<b>31-Mar-19</b>	<b>30-Jun-18</b>
No. of ordinary shares issued and fully paid	12,632,507,107	12,632,507,107

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(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.

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**QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2019**

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**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.**

The Group has consistently applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited annual financial statements as at 30 June 2018, except for those as disclosed under paragraph 5.

**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 Singapore Financial Reporting Standards (International) ("SFRS(I)s"), the new accounting framework to be mandatory applied in the preparation and presentation of the financial statements for annual reporting periods beginning on or after 1 January 2018 and has prepared its first set of financial information under SFRS(I)s for the reported period.

The adoption of the following new/revised standards and interpretations applicable for the financial year beginning 1 January 2018, did not result in significant change to the Group's accounting policies nor any material impact on the Group's result, are disclosed below:

*SFRS(I) 15 Revenue from Contracts with Customers*

SFRS(I) 15 is effective for financial years beginning on or after 1 January 2018. In accordance with the requirements of SFRS(I) 1, the Group will adopt SFRS(I) 15 retrospectively.

SFRS(I) 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

There was no significant impact to the financial statements of the Group. Accordingly, comparative financial information presented in this set of announcement has not been restated.

*SFRS(I) 9 Financial Instruments*

SFRS(I) 9 is effective for financial years beginning on or after 1 January 2018. SFRS(I) 9 introduces new requirements for classification and measurement of financial instruments, impairment of financial assets, and hedge accounting. SFRS(I) 9 also introduces expanded disclosure requirements and changes in presentation.

1) Classification and measurement

The Group has assessed the business models for managing the financial assets and the contractual cash flow characteristics of the financial assets to determine the appropriate classification for each financial asset under SFRS(I) 9.

2) Impairment of financial assets

Financial assets are subject to expected credit loss impairment model under SFRS(I) 9. As a result, the Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost.

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There was no change in measurement basis arising from the adoption of the new classification and measurement model. In assessing for impairment losses on financial assets, the Group has adopted the simplified approach and recorded lifetime expected losses on all trade receivables using the expected credit loss model.

There was no significant impact to the financial statements of the Group and accordingly, no adjustments was recognised on 1 July 2018.

**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 period ended 31 March 2019:

	Group		Group	
	Third Quarter		Nine Months	
	Jan 2019 - Mar 2019	Jan 2018 - Mar 2018	Jul 2018 - Mar 2019	Jul 2017 - Mar 2018
Loss for the period (S\$'000)	(1,352)	(1,226)	(1,308)	(1,277)
- Based on weighted average number of ordinary shares in issue (cents) - basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)
- Weighted average number of ordinary shares ('000)	12,632,507	11,467,722	12,632,507	11,467,722

**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 31-Mar-19	As at 30-Jun-18	As at 31-Mar-19	As at 30-Jun-18
Net asset value per ordinary share (cents)	0.19	0.20	0.21	0.22
On a fully diluted basis (cents)	0.19	0.20	0.21	0.22

**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 nine months ended 31 March 2019 ("9 months FY2019") and 31 March 2018 ("9 months FY2018")

The Group's revenue remained at S\$13.1 million for 9 months FY2019 and 9 months FY2018. Cost of sales increased by 0.7% from S\$10.9 million for 9 months FY2018 to S\$11.0 million for 9 months FY2019. Gross profit has decreased by 2.8% from S\$2.2 million for 9 months FY2018 to S\$2.1 million for 9 months FY2019. Gross profit margin maintained at 16.0% for 9 months FY2018 and 9 months FY2019. Refer to item 10 on page 14 for more information on the Group's sales performance.

**QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2019**

Quarter-to-quarter, three months ended 31 March 2019 ("3Q2019") and 31 March 2018 ("3Q2018")

The Group's revenue decreased by 30.7% from S\$5.2 million in 3Q2018 to S\$3.6 million in 3Q2019 due to disposal of SEA business. Gross profit margin increased from at 14.5% for 3Q2018 to 24% for 3Q2019.

Other operating income

	Jul 2018 - Mar 2019	Jul 2017 - Mar 2018
	S\$'000	S\$'000
Gain on disposal of business	857	-
Rental income	14	17
Foreign exchange gain	-	48
Gain on disposal of property, plant and equipment	-	32
Other income	76	109
	<u>947</u>	<u>206</u>

Expenses

	Jul 2018 - Mar 2019	Jul 2017 - Mar 2018
	S\$'000	S\$'000
Distribution & selling expenses	78	115
Administrative expenses	3,407	3,872
Other operating expenses	681	9
	<u>4,166</u>	<u>3,996</u>

Expenses have increased by S\$0.2 million from S\$4.0 million for 9 months FY2018 to S\$4.2 million for 9 months FY2019 resulting from higher other operating expenses. Administrative expenses which includes remuneration-related expenses, professional fees and rental were lower by S\$0.2 million, S\$0.1 million and S\$0.1 million respectively. Other operating expenses for 9 months FY2019 mainly due to unrealised exchange loss of S\$0.5 million and loss on disposal of financial assets of S\$0.1 million. The increase in unrealized exchange loss mainly due to increase in payable denominated in USD. Please refer to Note 1 on Page 2 for further details.

Finance income/(costs)

Finance income is mainly due to interest income from redeemable convertible loan, the decrease is due to absent of redeemable convertible loan interest from PT Hanjunging. Decrease in finance expenses mainly due to decrease in bank charges as a result from reduced banking activities subsequent to disposal of the SEA business.

	Jul 2018 - Mar 2019	Jul 2017 - Mar 2018
	S\$'000	S\$'000
Finance income	52	642
Finance costs	(55)	(69)
	<u>(3)</u>	<u>573</u>

Net loss after tax

Net loss after tax was S\$1.2 million for 9 months FY2019 and S\$1.1 million for 9 months FY2018.

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**QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2019**

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- (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 used in operating activities of S\$2.4 million for 9 months 2019 and S\$2.5 million for 9 months FY2018. Cash outflow from working capital was S\$1.1 million for 9 months FY2018 and S\$0.9 million for 9 months FY2018.

Net cash flow generated from investing activities was S\$2.4 million for 9 months FY2019, mainly due to the disposal of business and disposal of asset held for sale. Net cash flow used in investing activities was S\$1.3 million for 9 months FY2018 mainly due to the Group's investment in the microalgae cultivation facility.

Net cash used in financing activities was S\$0.6 million for 9 months FY2019 as compared to a cash inflow from financing activities was S\$3.0 million for 9 months FY2018 million. The decrease is mainly due to absent of proceed from issue of shares.

Comparatively, the Group's cash and cash equivalents increased by approximately S\$0.1 million, after adjusting for effects of foreign currencies exchanges, from S\$6.1 million as at 31 March 2018 to S\$6.2 million as at 31 March 2019. Refer to item 1(c) on page 7 for the details of the cash flow statement.

**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.**

Through the restructuring of Mid-Continent Equipment Group Pte Ltd. and its subsidiaries (the "Mid-Con Group"), Mid-continent Equipment Inc. ("MEI") now becomes the principal subsidiary of the Group. Except for MEI, the Mid-con Group is now undergoing the realisation of its assets into cash. The Group's main focus remains in the energy sector and its oilfield equipment supplies and services in the USA and tubular sales in the Asia Pacific region.

Since 2016, the Group has embarked on the pilot commercialisation of microalgae crude oil production with the ultimate objective of providing a renewable source of energy. The current status of the plant remains at growth testing phase and oil extraction test phase. The Group has recently made an announcement to inform our shareholders that contamination has negatively affected both the growth rates and thus oil extraction rates. The professional certifications of the said tests have not been conducted as the test results have not been stable.

The Group is actively pursuing collaborative and funding opportunities globally as part of its diversification efforts to build a positive segment in addition to its core business in the oil and gas segment. The Group is exposed to movements in US Dollar and Australian Dollar as a result of operations in USA and Australia. The strengthening or weakening of these currencies may have a significant impact on the Group's future results.

The Group will provide further updates to our shareholders when there are material developments in both the aforesaid restructuring exercise and the pilot microalgae project.

**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

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**QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2019**

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

No dividend has been declared/recommended for the period ended 31 March 2019.

**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. As announced on 27 April 2017 and 27 April 2018, the Group has IPT loans from a director and the CEO. However, approval of the shareholders of the Company is not required as the interest payable on the Loans is less than 5% of the Group's latest audited net tangible assets. Please refer to the announcement on 27 April 2017, 3 May 2017, 27 April 2018 and 31 December 2018 for further information.

**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 period ended 31 March 2019 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 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual**

The Company hereby confirms that it has procured signed undertakings from all its Directors and the relevant executive officers in the format as set out in Appendix 7H of Section B: Rules of Catalist of the Listing Manual of the SGX ST ("Catalist Rules") in accordance with Rule 720(1) of the Catalist Rules.

**BY ORDER OF THE BOARD**

Luke Ho Khee Yong  
Chief Executive Officer  
10 May 2019

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**QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2019**

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**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, coal and gas assets, oil and gas equipment distribution, renewable energy and natural resources trading, property and infrastructure development, and industrial waste water treatment.

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.

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

*This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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.*  
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