

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 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 year ended 30 June 2019.

	Note	Group			Group		
		Fourth Quarter			Twelve Months		
		Apr 2019 - Jun 2019 S\$'000	Apr 2018 - Jun 2018 S\$'000	Inc/ (Dec) %	Jul 2018 - Jun 2019 S\$'000	Jul 2017 - Jun 2018 S\$'000	Inc/ (Dec) %
Revenue		4,506	5,885	(23.4)	17,573	18,941	(7.2)
Cost of sales		(4,564)	(5,063)	(9.9)	(15,543)	(15,970)	(2.7)
Gross profit		(58)	822	(107.1)	2,030	2,971	(31.7)
Other operating income		548	(51)	N.M	1,495	155	864.5
Other operating expenses		(15,085)	(8,168)	84.7	(15,766)	(8,177)	92.8
Distribution and selling expenses		(29)	(44)	(34.1)	(107)	(159)	(32.7)
Administrative expenses		(1,548)	(1,496)	3.5	(4,955)	(5,368)	(7.7)
Finance income		17	(499)	N.M	69	143	(51.7)
Finance costs		(9)	(23)	(60.9)	(64)	(92)	(30.4)
Share of results of joint ventures		-	-	N.M	-	-	N.M
Loss before income tax	1	(16,164)	(9,459)	70.9	(17,298)	(10,527)	64.3
Income tax		(67)	(159)	(57.9)	(163)	(204)	(20.1)
Loss from continuing operation		(16,231)	(9,618)	68.8	(17,461)	(10,731)	62.7
Discontinued operations							
Loss from discontinued operations		-	(4,231)	(100.0)	-	(4,598)	(100.0)
Loss for the year		(16,231)	(13,849)	17.2	(17,461)	(15,329)	13.9
Other comprehensive income/(loss)		307	6,165	(95.0)	331	4,726	(93.0)
Total comprehensive loss		(15,924)	(7,684)	107.2	(17,130)	(10,603)	61.6
Net loss attributable to:							
Equity holders of the Company		(16,158)	(13,474)	19.9	(17,466)	(14,751)	18.4
Non-controlling interests		(73)	(375)	(80.5)	5	(578)	N.M
		(16,231)	(13,849)	17.2	(17,461)	(15,329)	13.9
Total comprehensive loss attributable to:							
Equity holders of the Company		(16,158)	(7,571)	113.4	(17,431)	(9,906)	76.0
Non-controlling interests		234	(113)	N.M	301	(697)	N.M
		(15,924)	(7,684)	107.2	(17,130)	(10,603)	61.6

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

	Group			Group		
	Fourth Quarter			Twelve Months		
	Apr 2019 - Jun 2019 S\$'000	Apr 2018 - Jun 2018 S\$'000	Inc/ (Dec) %	Jul 2018 - Jun 2019 S\$'000	Jul 2017 - Jun 2018 S\$'000	Inc/ (Dec) %
Provision of obsolete stocks	-	(187)	(100.0)	-	(187)	(100.0)
Provision of doubtful debts, net	(2,068)	(7,283)	(71.6)	(2,102)	(7,292)	(71.2)
Impairment of asset	(12,975)	-	N.M	(12,975)	-	N.M
Depreciation of property, plant and equipment	(30)	(66)	(54.5)	(239)	(275)	(13.1)
Realised exchange loss	(11)	(38)	(71.1)	(22)	(28)	(21.4)
Unrealised exchange loss	(89)	(383)	(76.8)	(596)	(345)	72.8
Interest expense on borrowings	23	(48)	N.M	(32)	(92)	(65.2)
Interest income	17	(499)	N.M	69	143	(51.7)
Gain/(loss) on disposal of plant and equipment	239	(26)	N.M	209	6	>100
Gain on disposal of other financial assets	(49)	-	N.M	(49)	-	N.M
Loss on disposal and deregistration of subsidiaries	-	(4,488)	(100.0)	-	(4,488)	(100.0)
Inventory written off	-	(1)	(100.0)	(310)	(1)	N.M
Fair value gain from assets held for sale	-	7	(100.0)	-	7	N.M
Other financial assets written off	-	-	N.M	(21)	-	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 2019 - Jun 2019 S\$'000	Apr 2018 - Jun 2018 S\$'000	Inc/ (Dec) %	Jul 2018 - Jun 2019 S\$'000	Jul 2017 - Jun 2018 S\$'000	Inc/ (Dec) %
<i>Other comprehensive income/(loss)</i>						
Exchange difference on translation of foreign operations	362	6,127	(94.1)	293	4,688	(93.8)
Fair value loss recognised in equity on revaluation of available-for-sale financial assets during the period	(55)	(39)	41.0	(40)	(39)	(2.5)
Reversal of fair value gain from equity on disposal of available-for-sale financial assets during the period	-	77	(100.0)	78	77	1.3
Other comprehensive income/(loss)	307	6,165	(95.0)	331	4,726	(93.0)

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 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	
		30-Jun-19 S\$'000	30-Jun-18 S\$'000	30-Jun-19 S\$'000	30-Jun-18 S\$'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	1	849	18,709	201	252
Investment in subsidiaries		-	-	9,425	13,475
Other financial assets	2	477	673	477	638
Deferred tax assets	3	8	50	-	-
Total Non-Current Assets		1,334	19,432	10,103	14,365
Current Assets					
Inventories	4	1,353	2,019	-	-
Trade and other receivables	5	2,116	6,424	241	575
Related parties balances	6	209	226	2,089	13,714
Cash and bank deposits		3,353	6,064	169	131
Fixed deposits		3,465	2,612	-	304
Total Current Assets		10,496	17,345	2,499	14,724
Assets classified as held for sale	7	4,724	607	-	-
Total Current Assets		15,220	17,952	2,499	14,724
Total Assets		16,554	37,384	12,602	29,089
LIABILITIES AND EQUITY					
Current Liabilities					
Trade and other payables	8	3,521	5,003	833	828
Related parties balances	6	113	18	385	-
Due to non-controlling interests	10	2,613	-	-	-
Finance lease obligations		-	5	-	-
Income tax liabilities	9	37	-	-	-
Borrowings		-	550	-	550
Total Current Liabilities		6,284	5,576	1,218	1,378
Total Liabilities		6,284	5,576	1,218	1,378
EQUITY					
Share capital		148,782	148,782	148,782	148,782
Reserves		(141,349)	(123,920)	(137,398)	(121,071)
		7,433	24,862	11,384	27,711
Non-controlling interests		2,837	6,946	-	-
Total Equity		10,270	31,808	11,384	27,711
Total Liabilities and Equity		16,554	37,384	12,602	29,089

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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 30-Jun-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 30-Jun-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 for the year ended 30 June 2018 relates to finance lease and the unsecured borrowings for the year ended 30 June 2018 were from a director and the CEO.

There are no borrowings for the year ended 30 June 2019.

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

	Group	
	Twelve Months Ended	
	Jun-19 S\$'000	Jun-18 S\$'000
Cash flows from operating activities		
Loss for the year from continuing operations	(17,298)	(10,527)
Loss for the year from discontinued operations	-	(4,598)
Adjustments of non-cash items	15,426	12,614
Operating cash flows before working capital changes	(1,872)	(2,511)
- Working capital changes	1,115	831
Cash flows used in operations	(757)	(1,680)
Interest income received	58	65
Interest paid	(42)	(57)
Income taxes paid	(98)	(124)
Net cash used in operating activities	(839)	(1,796)
Cash flows from investing activities		
Proceeds from sale of other financial assets	1,038	22
Purchase of plant and equipment	(220)	(1,992)
Proceeds from disposal of plant and equipment	403	-
Proceeds from disposal of investment in joint venture	607	-
Capital reduction	(2,479)	-
Increase in restricted fixed deposits	(945)	-
Payment of petroleum exploration expenditure	-	(62)
Fixed deposits pledged to banks	-	66
Dividend received from joint venture	-	22
Net cash flows used in investing activities	(1,596)	(1,944)
Cash flows from financing activities		
Repayment of finance lease obligations	(5)	(9)
Share issue expense	-	(72)
Payment of dividends by a subsidiary company to NCI	-	(443)
Proceed from / (redemption of) convertible notes	-	2,000
Repayment of borrowings	(550)	(100)
Proceeds from issue of shares	-	1,179
Net cash flows generated from financing activities	(555)	2,555
Net decrease in cash and cash equivalents	(2,990)	(1,185)
Effects of exchange rate changes on cash and cash equivalents	280	(12)
Cash and cash equivalents at the end of the period	3,493	6,203
<u>Continuing operations</u>		
Cash and bank balances	3,353	6,064
Fixed deposits	140	139
	3,493	6,203
<u>Cash and cash equivalents</u>		
Fixed deposits	3,465	2,612
Cash and cash equivalents	6,818	8,676
Less: Fixed deposits (restricted)	(3,325)	(2,473)
Cash and cash equivalents at the end of the period	3,493	6,203

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QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 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	
	Share Capital	Fair Value Reserve	Translation Reserve	Accumulated Losses	Total	Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2018	148,782	(44)	(2,296)	(121,580)	24,862	6,946	31,808
Total comprehensive income/(loss) for the period	-	(55)	89	-	34	297	331
Net (loss)/profit for the year				(17,465)	(17,465)	5	(17,460)
Return of share capital to non-controlling interest						(4,409)	(4,409)
Issuance of shares	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-
Dividends paid by a subsidiary to non-controlling shareholders	-	-	-	-	-	-	-
Balance at 30 June 2019	148,782	(99)	(2,207)	(139,045)	7,431	2,839	10,270

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QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 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	
	Share Capital	Fair Value Reserve	Translation Reserve	Accumulated Losses	Total	Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2017	144,769	-	(7,185)	(106,829)	30,755	8,086	38,841
Total comprehensive income/(loss) for the period	-	(44)	4,889	(14,751)	(9,906)	(697)	(10,603)
Issuance of shares	4,085	-	-	-	4,085	-	4,085
Share issue expenses	(72)	-	-	-	(72)	-	(72)
Dividends paid by a subsidiary to non-controlling shareholders	-	-	-	-	-	(443)	(443)
Balance at 30 June 2018	148,782	(44)	(2,296)	(121,580)	24,862	6,946	31,808

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

Company	Share Capital	Fair Value	Accumulated Losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2018	148,782	(44)	(121,027)	27,711
Issuance of shares	-	-	-	-
Fair value loss	-	(55)	-	(55)
Share issuance expense	-	-	-	-
Total comprehensive loss for the year	-	-	(16,272)	(16,272)
Balance at 30 June 2019	148,782	(99)	(137,299)	11,384
Balance at 1 July 2017	144,769	-	(112,219)	32,550
Issuance of new shares	4,085	-	-	4,085
Fair Value loss	-	(44)	-	(44)
Share issue expenses	(72)	-	-	(72)
Total comprehensive loss for the year	-	-	(8,808)	(8,808)
Balance at 30 June 2018	148,782	(44)	(121,027)	27,711

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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	Paid-up Capital (S\$'000)
30-Jun-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

As at 30 June 2019 and 30 June 2018 there was no outstanding number of shares that may be issued on conversion of all the outstanding convertibles. There is no subsidiary holdings of the issuer as at 30 June 2019 and 30 June 2018.

- 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-19	30-Jun-18
No. of ordinary shares issued and fully paid	12,632,507,107	12,632,507,107

There are no treasury shares as at 30 June 2019 and 30 June 2018.

- 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.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2019

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.

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

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2019

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.

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 financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends is (a) based on the weighted average number of ordinary shares on issue; and (b) on a fully diluted basis (detailing any adjustments made to the earnings).

Earnings per share of the Group after deducting any provision for preference dividends for the year ended 30 June 2019:

	Group		Group	
	Fourth Quarter		Twelve Months	
	Apr 2019 - Jun 2019	Apr 2018 - Jun 2018	Jul 2018 - Jun 2019	Jul 2017 - Jun 2018
Loss for the period (S\$'000)	(16,158)	(13,474)	(17,466)	(14,751)
- Based on weighted average number of ordinary shares in issue (cents) - basic and diluted ⁽¹⁾	(0.13)	(0.12)	(0.14)	(0.13)
- Weighted average number of ordinary shares ('000)	12,632,507	11,467,722	12,632,507	11,467,722

(1) Diluted loss per share is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive as the effect of the share conversion would be to decrease the loss per share.

7 Net asset value (for the issuer and group) per ordinary share is based on the total number of issued shares excluding treasury shares 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-19	As at 30-Jun-18	As at 30-Jun-19	As at 30-Jun-18
Net asset value per ordinary share (cents)	0.06	0.20	0.09	0.22
On a fully diluted basis (cents)	0.06	0.20	0.09	0.22

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2019

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 full year ended 30 June 2019 ("FY2019") and 30 June 2018 ("FY2018")

The Group's revenue decreased by 7.2% from S\$18.9 million for FY2018 to S\$17.6 million for FY2019. For the FY2019, approximately S\$12.2 million (approximately FY2018: S\$9.5 million) was contributed by our USA subsidiary while the remaining revenue was contributed by the disposal of remaining inventories in Australia and Singapore subsidiaries. Gross profit, as a result, has decreased by 31.7% from S\$3.0 million for FY2018 to S\$2.0 million for FY2019. Gross margin has also decreased from 15.7% for FY2018 to 11.6% for FY2019 due to disposal of the said remaining inventories at lower prices.

Turnover, costs, and earnings of the Group for the fourth quarter ended 30 June 2019 ("4Q2019") and 30 June 2018 ("4Q2018")

The Group's revenue decreased by 23.4% from S\$5.9 million in 4Q2018 to S\$4.5 million in 4Q2019. The decrease was due to winding down of the oil and gas equipment distribution segment in Southeast Asia and Australia since FY2018. The marginal gross loss for 4Q2019 has decreased from 14.0% for 4Q2018 to negative 1.2% for 4Q2019 as a result of the disposal of remaining inventories at lower prices.

Other operating income

	Apr 2019 - Jun 2019	Apr 2018 - Jun 2018	Jul 2018 - Jun 2019	Jul 2017 - Jun 2018
	S\$'000	S\$'000	S\$'000	S\$'000
Gain on disposal of property, plant and equipment	-	(26)	-	6
Other income	548	(57)	1,495	149
	548	(83)	1,495	155

Other income of S\$1.5 million for FY2019 comprises of one-off gains from the disposal of our joint venture in India, as announced on 14 September 2018, for approximately S\$0.6 million, sale of oil and gas equipment inventories for approximately S\$0.8 million and dividend income for approximately S\$0.1 million.

Expenses

	Apr 2019 - Jun 2019	Apr 2018 - Jun 2018	Jul 2018 - Jun 2019	Jul 2017 - Jun 2018
	S\$'000	S\$'000	S\$'000	S\$'000
Distribution & selling expenses	29	44	107	159
Administrative expenses	1,548	1,496	4,955	5,368
Other operating expenses	15,085	8,168	15,766	8,177
	16,662	9,708	20,828	13,704

For FY2019, the administrative expenses have reduced by approximately S\$0.4 million or by 7.7% from S\$5.4 million for FY2018 to S\$5.0 million for FY2019 as the Group continue to reduce its salaries and office expenses in the Australia and Singapore subsidiaries. The other operating expenses have increased by S\$7.6 million or 92.8% from S\$8.2 million for FY2018 to S\$15.8 million for FY2019 due to the impairment of approximately S\$12.9 million and provision for doubtful debt of S\$2.1 million during FY2019. Distribution and selling expense have decreased in line with lower revenue in general. The unrealized and realized exchange losses relates to the movement in Australian and US Dollars.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2019

Finance income/(costs)

Finance income is derived mainly from interest income received from placements of fixed deposits and has decreased by S\$0.07 million or 51.7% from S\$0.14 million for FY2018 to S\$0.07 million for FY2019. The negative finance income in 4Q2018 relates to the reversal of interest income together with the full provision of the redeemable convertible loan due from PT Hanjungin in FY2018.

Finance costs has decreased by S\$0.03 million or 30.4% from S\$0.09 million for FY2018 to S\$0.06 million for FY2019 as the loans from director and management have been fully repaid.

	Apr 2019 - Jun 2019	Apr 2018 - Jun 2018	Jul 2018 - Jun 2019	Jul 2017 - Jun 2018
	S\$'000	S\$'000	S\$'000	S\$'000
Finance income	17	(499)	69	143
Finance costs	(9)	(23)	(64)	(92)
	8	(522)	5	51

Net loss after tax

Net loss after tax was S\$17.1 million for FY2019 and S\$15.2 million for FY2018. The net loss after tax for FY2019 was mainly due to lower revenue and the one-off allowance for impairment loss on plant and equipment of approximately S\$12.9 million and allowance for impairment on other receivables of S\$2.1 million.

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

Cash flow

The Group recorded a net cash used in operating activities of S\$0.8 million for FY2019. Cash inflow from working capital was S\$1.1 million for FY2019.

Net cash flow used in investing activities was S\$1.6 million for FY2019, resulting from cash inflow of S\$1.0 million from disposal of quoted investments, S\$0.6 million from disposal of the joint venture in the oil and gas equipment distribution segment and outflow of S\$2.5 million due to the capital reduction and S\$0.9 million in the increase in restricted fixed deposits. Net cash used in financing activities was S\$0.5 million for FY2019 due to the repayment of loans.

Comparatively, the Group's cash and cash equivalents decreased by approximately S\$3.0 million, after adjusting for effects of foreign currencies exchanges, from S\$6.2 million as at 30 June 2018 to S\$3.5 million as at 30 June 2019. Refer page 5 for the details of the cash flow statement.

Notes to the consolidated statement of financial position

1 Property, plant and equipment

Property, plant and equipment consists mainly of motor vehicles, machinery and warehouse. Property, plant and equipment decreased from net book value of S\$18.7 million as at 30 June 2018 to S\$0.8 million as at 30 June 2019. The decrease is mainly due to the allowance for impairment loss on the microalgae oil cultivation project of S\$12.9 million and reclassification of properties of S\$4.7 million to asset classified as held for sale (Refer to Note 7).

Depreciation was S\$0.2 million for the year ended 30 June 2019 which was slightly lower than S\$0.3 million for the year ended 30 June 2018 in line with lower property, plant and equipment.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2019

2 Other financial assets

Other financial assets consists of quoted investment. Other financial assets decreased from S\$0.7 million as at 30 June 2018 to S\$0.5 million as at 30 June 2019. The change was mainly due to the disposal of quoted investment and decrease in the market value of the quoted investment during the year.

	Jun-19	Jun-18
	S\$'000	S\$'000
Quoted investment	477	673

3 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.

	Jun-19	Jun-18
	S\$'000	S\$'000
Property, plant and equipment	8	50

4 Inventories

	Jun-19	Jun-18
	S\$'000	S\$'000
Finished goods	1,329	1,028
Work-in-progress	6	61
Goods-in-transit	18	930
	<u>1,353</u>	<u>2,019</u>

The inventories are mainly held in our oil and gas equipment distribution subsidiary in the USA. There were no significant obsolete or damaged inventories, and no further allowance for inventory obsolescence during the FY2019. The decrease in Goods-in-transit of S\$0.9 million or 98.1% from S\$0.9 million for FY2018 to S\$0.02 million for FY2019, and the increase of Finished Goods of S\$0.3 million or 29.3% from S\$1.0 million for FY2018 to S\$1.3 million for FY2019, relates to the higher sales from our subsidiary in USA. Refer to item 8 on sales performance of the subsidiary in USA.

5 Trade and other receivables

The amount of trade receivables has decreased from S\$2.7 million as at 30 June 2018 to S\$1.8 million as at 30 June 2019 as a result of decrease in revenue from Australia and Singapore subsidiaries. The reduction of other receivables relates to the allowance for impairment loss of approximately S\$2.0 million in relation to the disposal of securities and receipt of the repayment of other receivables of S\$0.9 million.

	Jun-19	Jun-18
	S\$'000	S\$'000
Trade receivables	1,786	2,690
Other receivables, deposits and prepayments	330	3,734
	<u>2,116</u>	<u>6,424</u>

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2019

6 Related parties balances (net)

The related party balances mainly relate to trade and non-trade balances between subsidiaries and its joint venture entities.

	Jun-19	Jun-18
	S\$'000	S\$'000
Amount due from related parties	209	226
Amount due to related parties	(113)	(18)
	<u>96</u>	<u>208</u>

7 Assets classified as held for sale

The assets classified as held for sale of S\$4.7 million consist of properties in Singapore and Australia.

8 Trade and other payables

Due to the increase in business activities of our oil and gas equipment distribution subsidiary in USA, trade payables have increased by S\$0.3 million, and other payables and accruals have decreased by S\$1.8 million resulting from the offset of advanced payment to suppliers.

	Jun-19	Jun-18
	S\$'000	S\$'000
Trade payables	1,461	1,176
Other payables and accruals (current)	2,060	3,827
	<u>3,521</u>	<u>5,003</u>

9 Income tax liabilities

Income tax liabilities mainly arising from our oilfield equipment supplies and services segment.

10 Due to non-controlling interests

The non-controlling interests are the remaining shareholders or minority interests of Mid-continent Equipment Group Pte Ltd. The S\$2.6 million due to non-controlling interests results from the capital reduction of Mid-continent Equipment Group Pte Ltd.

11 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 focus remain in the energy sector and its oilfield equipment supplies and services segment with Mid-Continent Equipment Inc, USA, as the principal subsidiary. The recent disposal of business in the Southeast Asia market enabled Mid-Con Group to rationalise its business and costs structure so as to focus its resources and efforts in the other territories such as United States. The Group expects to receive funds from the capital reduction in Mid-con Group, as announced on 12 November 2018, which the Group intends to use for its existing working capital. Further announcement(s) will be made when there are material updates on the capital reduction exercise.

The Group had embarked on the pilot commercialisation of microalgae crude oil production with the ultimate objective of providing a renewable source of energy. As of the date of this announcement, the Group has been unable to bring the plant into the production phase due to several reasons such as funding, contamination and

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2019

low growth rates of the microalgae. As such, the Group had provided for an impairment loss of S\$12.9 million for the plant. The Company has received some proposals for the resolution of the contamination issues, however, as these are exploratory and require further funding, the Group continues to explore other options for the resolution of these issues.

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.

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/recommendeded for the year ended 30 June 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 Wee Liang Hiam, 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 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

Wee Liang Hiam
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.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2019

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.

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

18 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 2019

	Oilfield equipment supply and services	Trading of renewable energy & natural resources	Waste water treatment	Investment holding	Coal mining	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
External revenue	17,573	-	-	-	-	17,573
Loss from operations before interest, income tax and depreciation	(83)	(13,262)	26	(3,745)	-	(17,064)
Depreciation	(187)	(1)	-	(51)	-	(239)
Loss from operations before interest and income tax	(270)	(13,263)	26	(3,796)	-	(17,303)
Share of profit from joint ventures						-
Unallocated finance income						69
Unallocated finance costs						(64)
Loss before income tax						(17,298)
Unallocated income tax						(163)
Loss after income tax						(17,461)
<u>Segment assets and liabilities</u>						
Current assets	14,753	27	1	442	-	15,223
Fixed assets	158	70	-	620	-	848
Unallocated non-current assets						477
Unallocated deferred tax assets						8
Consolidated assets						16,556
Current liabilities	5,305	55	88	840	-	6,288
Non-current liabilities						
Unallocated current and non-current liabilities:						
Finance lease obligations						-
Income tax liabilities						-
Consolidated liabilities						6,288

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2019

18 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 2018

	Oilfield equipment supply and services	Trading of renewable energy & natural resources	Waste water treatment	Investment holding	Coal mining	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
External revenue	18,941	-	-	-	-	18,941
Loss from operations before interest, income tax and depreciation	(1,238)	(117)	(33)	(8,915)	(4,598)	(14,901)
Depreciation	(215)	-	(1)	(59)	-	(275)
Loss from operations before interest and income tax	(1,453)	(117)	(34)	(8,974)	(4,598)	(15,165)
Share of profit from joint ventures						-
Unallocated finance income						143
Unallocated finance costs						(92)
Loss before income tax						(15,125)
Unallocated income tax						(204)
Loss after income tax						(15,329)
<u>Segment assets and liabilities</u>						
Current assets	13,213	25	52	11,691	-	17,952
Fixed assets	5,506	12,951	-	252	-	18,709
Unallocated non-current assets						673
Unallocated deferred tax assets						50
Consolidated assets						37,384
Current liabilities	3,974	80	118	1,399	-	5,571
Non-current liabilities						-
Unallocated current and non-current liabilities:						
Finance lease obligations						-
Income tax liabilities						5
Consolidated liabilities						5,576

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

The contributions to turnover and earnings were derived from the oilfield equipment supply and services segment and there is no material change in contributions to turnover and earnings by the business or geographical segments. Refer to item 8 above for the review of performance.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2019

20 A breakdown of sales.

	Group		
	1-Jul-2018 to 30-Jun-2019	1-Jul-2017 to 30-Jun-2018	Inc/ (Dec)
	S\$'000	S\$'000	%
Sales reported for the first half year	7,014	7,886	(11.1)
Operating loss after tax before deducting minority interests reported for the first half year	(511)	(627)	(18.5)
Sales reported for the second half year	10,559	11,055	(4.5)
Operating loss after tax before deducting minority interests reported for the second half year	(16,950)	(14,702)	15.3

21 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 (30-Jun-2019)	Previous Full Year (30-Jun-2018)
Ordinary	-	-
Preference	-	-
Total	-	-

BY ORDER OF THE BOARD

Luke Ho Khee Yong
Chief Executive Officer
29 August 2019

About Magnus Energy Group Ltd. (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.

"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")."

"This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST"). The SGX-ST assumes no responsibility for the contents in this announcement, including the accuracy, completeness, correctness of any of the information, statements made, reports contained or opinions expressed in this announcement."

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