

## **DISPOSAL OF INTEREST IN JOINT VENTURE ENTITY**

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### **1. INTRODUCTION**

The Board of Directors (the “**Board**” or “**Directors**”) of Magnus Energy Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”), would like to announce that Mid-Continent Environmental Project Pte Ltd (“**MEP**”), a wholly-owned subsidiary of Mid-Continent Equipment Group Pte Ltd., which is a 55.89% subsidiary of the Company, wishes to dispose all its equity interest in its joint venture entity, Plant Tech-Mid Continent (India) Private Limited (“**PTMC**”).

PTMC is a company incorporated in India and has a paid-up share capital of INR 21,125,000 comprising of 211,250 shares, of which, MEP holds 50% shareholding interest. The remaining 50% is held by Plant-Tech Industrial Services Limited (the “**Purchaser**”).

On 11 September 2018, MEP entered into a sale and purchase agreement (the “**Agreement**”) with the Purchaser for the sale of the shares of PTMC held by MEP (the “**Proposed Disposal**”) for a total cash consideration of INR 32,743,750, (the “**Consideration**”) (equivalent to approximately SGD 620,000 based on the exchange rate of INR1:SGD0.019 as at the date of this announcement). Upon completion of the Proposed Disposal, the joint venture agreement will be terminated and PTMC will cease to be a joint venture company of the Group.

### **2. THE PURCHASER**

The Purchaser is a company incorporated in India. There is no relationship between the Purchaser, the Company and the Company’s Directors, or, to the best of the Company’s knowledge, the Company’s substantial shareholders.

### **3. RATIONALE OF THE DISPOSAL**

The Proposed Disposal will allow MEP to realise a loss making asset for a cash consideration, which would further strengthen MEP’s financial position. The proceeds from the Proposed Disposal will be used for working capital purposes.

### **4. PRINCIPLE TERMS OF THE PROPOSED DISPOSAL**

#### **4.1. Consideration**

Consideration for the Proposed Disposal was arrived at on a willing buyer-willing seller basis, taking into account, inter alia, the net asset value of the PTMC. Subject to the approval from Reserve Bank of India, the Consideration will be fully paid on or before 30 September 2018 by the Purchaser. The gain from Proposed Disposal is considered not material.

#### **4.2. Conditions Precedent to Closing**

Pursuant to the terms of the Agreement, the Proposed Disposal is conditional upon, *inter alia*, the following:

- 4.2.1. MEP shall execute the transfer deed and transfer the said shares along with the original share certificates; and

- 4.2.2. MEP shall complete all the legal procedures at the time of effecting the transfer to said shares within the period as may be agreed between the parties.

## 5. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

As the relative figures of the Proposed Disposal computed under Rule 1006 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) do not exceed 5%, the Proposed Disposal is deemed as a non-discloseable transaction under Rule 1008 of the Catalist Rules. This announcement is made pursuant to Rule 704(18)(c) of the Catalist Rules.

## 6. MATERIAL IMPACT

The Proposed Disposal is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the financial year ending 30 June 2019..

## 7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and their respective associates has any interest, direct or indirect, in the Proposed Disposal (other than through their respective shareholding interests in the Company, if any). The Directors have not received any notification of interest in the Proposed Disposal from any controlling shareholders of the Company, and are not aware of any controlling shareholders of the Company who has any interest, direct or indirect, in the Proposed Disposal (other than through their respective shareholding interests in the Company).

## 8. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Agreement is available for inspection during normal business hours at the Company’s registered address at 76 Playfair Road, LHK 2 Building, #02-02, Singapore 367996 for a period of three months after the date of this announcement.

### BY ORDER OF THE BOARD

Magnus Energy Group Ltd.

Luke Ho Khee Yong  
Chief Executive Officer  
14 September 2018

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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. (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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