

GENERAL UPDATE

The Board of Directors (“**Board**”) of Magnus Energy Group Ltd (the “**Company**” and, together with its subsidiaries, the “**Group**”) refers to the announcements dated 6 August 2018, 12 October 2018, 12 November 2018, 6 March 2019, 4 April 2019, 28 June 2019, 23 August 2019, 30 September 2019, 31 December 2019, 31 March 2020, 30 June 2020, 30 September 2020, 30 December 2020, 31 March 2021 and 29 April 2021 (the “**Previous Announcements**”) and wishes to provide a general update on the ongoing affairs of the Group.

Save as otherwise defined, all capitalised terms shall have the same meaning as the Previous Announcements.

GENERAL UPDATE (April 2021 – June 2021)

RESUMPTION OF TRADING PROPOSAL AND FOLLOW-UP REVIEW

The Company had on 27 May 2021 submitted the Revised Resumption Proposal to the SGX-ST through its Sponsor. As at the date of this announcement, there are no material updates on this matter.

The Company will continue to keep shareholders of the Company (“**Shareholders**”) updated on any further material developments in respect of the above matter.

POTENTIAL BUSINESS VENTURES

(1) HEADS OF AGREEMENT WITH AREA ENERGY INC (“**AEI**”)

The Company had on 24 May 2021, signed a further six (6) month extension of the HOA with AEI due to the prevailing Covid-19 situation. The Company will continue to keep Shareholders updated on any material developments in respect of the above matter.

(2) LETTER OF OFFER FOR REFURBISHMENT AND REACTIVATION OF CHEMICAL PLANT

There are no material updates to the letter of offer from the Indonesian chemical plant operator (the “**Client**”) for the refurbishment and reactivation of the Client's chemical plant. The Company will continue to keep Shareholders updated on any material developments in respect of the above matter.

(3) HEADS OF AGREEMENT WITH AN INDONESIAN STATE-OWNED ENTERPRISE

There are no material updates to the HOA entered into between the Company’s indirect subsidiary, PT Oriental Magnus Engineering Indonesia (“**OMEI**”), and the state-owned enterprise (the “**SOE**”) on 8 December 2020. The Company will continue to keep Shareholders updated on any material developments in respect of the above matter.

(4) COOPERATION AGREEMENT WITH INDONESIAN STATE-OWNED ENTERPRISE

There are no material updates to the CA entered into between OMEI and the SOE on 25 November 2020. The Company will continue to keep Shareholders updated on any material developments in respect of the above matter.

(5) TRANSFER OF SHARES OF MAGNUS DV ENERGY SERVICES PTE. LTD. TO DOUGLAS VALLEY LIMITED

Pursuant to the new shareholders’ agreement, which was entered into between the Company and Douglas Valley Limited on 24 March 2021, the Company had on 27 May 2021 transferred 400 ordinary shares in Magnus DV Energy Services Pte. Ltd. (“**Magnus DV**”) to Douglas Valley Limited.

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The consideration for the divestment of the shares to Douglas Valley Limited was S\$400 and has been fully satisfied in cash. The consideration was arrived at on a willing buyer-willing seller basis.

Following the completion of the transfer of shares, the shareholding proportion of Magnus DV is as follows:

Party	Number of Shares	Shareholding Percentage
Magnus Energy (SEA) Pte. Ltd.	600	60%
Douglas Valley Limited	400	40%
Total	1,000	100%

As there were no major transactions from 1 to 27 May 2021, the net liabilities value of Magnus DV as at 30 April 2021 was US\$1,999.28.

None of the Directors, controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in Magnus DV (other than through their respective shareholdings in the Company).

ASSET DISPOSALS

(1) MEG Management Sdn Bhd (“MMSB”)

The works performed by West Coast Technology Sdn. Bhd. for the disposal of MMSB’s assets have been completed and the land where the algae plant and the factory are situated has since been returned to the respective two landlords for their confirmation of the termination of the lease agreements. One of the landlords had acknowledged the termination of the lease agreement and returned the deposit. The other landlord did not reply despite several attempts to contact the landlord to obtain his official confirmation. This is despite the landlord’s earlier correspondence that he is agreeable with the termination of lease. The Board had agreed, during the Audit Committee meeting held on 12 May 2021, that MMSB will forfeit its refundable deposit of MYR6,000 from the other landlord and take it that the lease has been terminated with the landlord.

The Company, on advice from its legal advisers, will not be striking off MMSB following the disposal of its assets as it is related to the Company’s writ of summons in the High Court of Singapore (the “Court”) against the following former directors and/or officers of the Company.

(2) Flagship Ecosystems Pte. Ltd. (“FES”)

The Company had on 14 June 2021 applied to ACRA to strike off FES. The entire striking of process is expected to take around four (4) months.

The striking-off of FES is not expected to have any material impact on the net tangible assets or earnings per share of the Company for the financial year ending 31 December 2021. None of the Directors, controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in the striking-off of FES, other than through their respective shareholdings in the Company.

The Company will continue to keep Shareholders updated on any further material developments in respect of the above matter.

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(3) Property in Loyang (Singapore)

On 17 May 2021, JTC had informed Mid-Continent Equipment Group Pte. Ltd. ("**Midcon**") that, among others, (a) approval had been obtained for the assignment of the lease of the Loyang Property from Midcon to the Purchaser, and (b) that Midcon is required to conduct an exit Environmental Baseline Study ("**EBS**").

The Company understands that Midcon has since engaged a qualified EBS consultant company (the "**EBS Consultant**") to perform the exit EBS and is now awaiting the report from the EBS Consultant which is expected to take up to approximately two (2) weeks. Subject to the findings of the said report, Midcon may need to rectify any issues (if any) before sending the report to JTC for their review and clearance.

The Company will make further announcements in relation to the sale of the Loyang Property as and when there are any material developments.

ACCOUNTABILITY AND LEGAL PROCESSES

(1) LEGAL DISPUTES ON INDONESIAN CONTRACTOR, PT HANJUNGIN

There are no material updates to this matter.

(2) THAMES CAPITAL

There are no material updates to this matter.

(3) HC/S 202/2020 ("**Suit 202**") – Action by the Company against its former directors and former CEO

The Company had on 3 March 2020 filed a writ of summons in the Court against the following former directors and/or officers of the Company:

- a) Luke Ho Khee Yong ("**Luke Ho**") (former chief executive officer) (the "**1st Defendant**");
- b) Seet Chor Hoon (former independent director) (the "**2nd Defendant**");
- c) Kushairi bin Zaidel (former chairman and independent director) (the "**3rd Defendant**");
- d) Ong Sing Huat (former non-independent non-executive director) (the "**4th Defendant**");
- e) Ong Chin Chuan (former independent director) (the "**5th Defendant**");
- f) Lim Kuan Yew (former managing director) (the "**6th Defendant**"); and
- g) Koh Teng Kiat (former chief operating officer and executive director),

(collectively, the "**Defendants**").

Suit 202 has been fixed for a nine (9) week trial commencing 1 March 2022 (the "**Trial**"), and the Court has also made various directions for the filing of documents leading up to the Trial.

Concurrently, the parties are engaged in the specific discovery stage of the proceedings arising from Luke Ho's amendments to his Defence ("**Amended Defence**") and the Company's consequential amendments to its Reply to Luke Ho's Defence.

The Company will keep Shareholders updated on any material developments in respect of the above matter.

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(4) HC/S 1075/2020 (“Suit 1075”) – Action by Thong Soon Seng against the Company and Third Party Proceedings commenced by Company against Luke Ho (the “Third Party”)

On 29 February 2020, the Board received a letter of demand from a Mr. Thong Soon Seng regarding a loan allegedly entered into by the Company’s former CEO, Luke Ho. The Company has no records of this transaction, as announced on 3 March 2020.

On 10 November 2020, the Company was served with the Writ of Summons and Statement of Claim in respect of Mr Thong’s claim against the Company under the Alleged Oral Loan Agreements.

On 18 January 2021, the Company filed its Statement of Claim against the Third Party Luke Ho. Luke Ho then filed his Defence on 1 February 2021 and the Company filed its Reply to Luke Ho’s Defence on 16 February 2021.

Since the last update on Suit 1075:

- (1) Each of the parties have since filed their respective list of documents and general discovery is completed.
- (2) On 4 June 2021, the Plaintiff filed its amended Reply to the Company’s Defence.
- (3) The parties are currently engaged in the specific discovery stage of the proceedings. The Court has directed for any specific discovery applications to be filed by 29 June 2021.
- (4) As at 30 June 2021, the Company understands that no specific discovery application has been filed.

The Company will keep Shareholders updated on any material developments in respect of the above matter.

BY ORDER OF THE BOARD

Magnus Energy Group Ltd.

Charles Madhavan
Executive Director and
Chief Executive Officer
30 June 2021

This announcement has been prepared by the Company and reviewed by the Company’s sponsor, Novus Corporate Finance Pte. Ltd. (the “Sponsor”), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist.

This 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.

The contact person for the Sponsor is Mr Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.
