

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

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 2017.

	Note	Group			Group		
		Fourth Quarter			Twelve Months		
		Apr 2017 - Jun 2017 S\$'000	Apr 2016 - Jun 2016 S\$'000	Inc/ (Dec) %	Jul 2016 - Jun 2017 S\$'000	Jul 2015 - Jun 2016 S\$'000	Inc/ (Dec) %
Revenue		3,700	4,086	(9.4)	14,685	21,556	(31.9)
Cost of sales		(2,855)	(3,132)	(8.8)	(11,777)	(17,335)	(32.1)
Gross profit		845	954	(11.4)	2,908	4,221	(31.1)
Other operating income		1,380	31	>100	1,764	791	>100
Other operating expenses		(8,204)	(6,270)	30.8	(8,517)	(8,635)	(1.4)
Distribution and selling expenses		32	(54)	N.M	(218)	(187)	16.6
Administrative expenses		(1,282)	(2,107)	(39.2)	(7,564)	(8,066)	(6.2)
Finance income		131	176	(25.6)	603	728	(17.2)
Finance costs		(21)	(84)	(75.0)	(260)	(131)	98.5
Share of results of joint ventures		(501)	(298)	68.1	(77)	122	N.M
Loss before income tax	1	(7,620)	(7,652)	(0.4)	(11,361)	(11,157)	1.8
Income tax		(67)	55	N.M	(110)	-	N.M
Loss from continuing operation		(7,687)	(7,597)	1.2	(11,471)	(11,157)	2.8
Discontinued operations							
Loss from discontinued operations		(244)	(15,282)	(98.4)	(300)	(15,282)	(98.0)
Loss for the year		(7,931)	(22,879)	(65.3)	(11,771)	(26,439)	(55.5)
Other comprehensive (loss)/income		(1,171)	(1,047)	11.9	1,549	(1,214)	N.M
Total comprehensive loss		(9,102)	(23,926)	(62.0)	(10,222)	(27,653)	(63.0)
Net loss attributable to:							
Equity holders of the Company		(4,395)	(13,310)	(67.0)	(7,708)	(16,529)	(53.4)
Non-controlling interests		(3,536)	(9,569)	(63.0)	(4,063)	(9,910)	(59.0)
		(7,931)	(22,879)	(65.3)	(11,771)	(26,439)	(55.5)
Total comprehensive loss attributable to:							
Equity holders of the Company		(5,661)	(13,606)	(58.4)	(6,639)	(16,778)	(60.4)
Non-controlling interests		(3,441)	(10,320)	(66.7)	(3,583)	(10,875)	(67.1)
		(9,102)	(23,926)	(62.0)	(10,222)	(27,653)	(63.0)

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

Notes:

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

	Group			Group		
	Fourth Quarter			Twelve Months		
	Apr 2017 - Jun 2017 S\$'000	Apr 2016 - Jun 2016 S\$'000	Inc/ (Dec) %	Jul 2016 - Jun 2017 S\$'000	Jul 2015 - Jun 2016 S\$'000	Inc/ (Dec) %
Provision of obsolete stocks	(993)	(2,004)	(50.4)	(993)	(2,004)	(50.4)
Provision of doubtful debts, net	(17)	(176)	(90.3)	(104)	(118)	(11.9)
Impairment of goodwill	(1,570)	(297)	428.6	(1,570)	(297)	428.6
Impairment of plant and equipment	-	(462)	(100.0)	-	(462)	(100.0)
Exploration expenditure	-	(3,134)	(100.0)	-	(3,134)	(100.0)
Depreciation of property, plant and equipment	(75)	(77)	(2.6)	(306)	(313)	(2.2)
Realised exchange (loss)/gain (net)	(108)	36	N.M	(150)	(267)	(43.8)
Unrealised exchange (loss)/gain (net)	(254)	(255)	(0.4)	(184)	30	N.M
Fixed assets written off	-	(2)	(100.0)	-	(2)	(100.0)
Interest expense on borrowings	(15)	(26)	(42.3)	(226)	(73)	209.6
Interest income	131	176	(25.6)	603	728	(17.2)
Gain/(loss) on disposal of plant and equipment	-	132	(100.0)	(6)	146	N.M
Gain/(loss) on disposal of other financial assets	1,308	(1)	N.M	1,483	(1)	N.M
Loss on disposal and deregistration of subsidiaries	(149)	-	N.M	(297)	-	N.M
Impairment of other financial assets	-	(1,408)	(100.0)	-	(1,408)	(100.0)
Impairment of available-for-sale financial assets	-	1,196	(100.0)	-	(861)	(100.0)
Impairment of intangible assets	(5,166)	-	N.M	(5,166)	-	N.M
Adjustment for under provision of tax in respect of prior years	(18)	111	N.M	20	166	(88.0)

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		
	Fourth Quarter			Twelve Months		
	Apr 2017 - Jun 2017 S\$'000	Apr 2016 - Jun 2016 S\$'000	Inc/ (Dec) %	Jul 2016 - Jun 2017 S\$'000	Jul 2015 - Jun 2016 S\$'000	Inc/ (Dec) %
<i>Other comprehensive (loss)/income</i>						
Exchange difference on translation of foreign operations	290	(1,061)	N.M	1,554	(1,227)	N.M
Fair value loss recognised in equity on revaluation of available-for-sale financial assets during the period	(1,462)	16	N.M	(6)	16	N.M
Deferred tax on fair value changes to available-for-sale financial assets	1	(2)	N.M	1	(3)	N.M
Other comprehensive (loss)/income	(1,171)	(1,047)	11.9	1,549	(1,214)	N.M

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

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-17 S\$'000	30-Jun-16 S\$'000	30-Jun-17 S\$'000	30-Jun-16 S\$'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	1	17,184	5,690	312	346
Investment in subsidiaries		-	-	13,441	14,364
Investment in joint venture entities		628	859	-	-
Goodwill	2	-	1,570	-	-
Other intangible assets	3	-	4,381	-	-
Other financial assets	4	38	5,940	-	-
Other receivables	6	-	5,000	-	5,000
Deferred tax assets	12	241	208	-	-
Total Non-Current Assets		18,091	23,648	13,753	19,710
Current Assets					
Other financial assets	4	-	1,900	-	-
Inventories	5	3,124	4,101	-	-
Trade and other receivables	6	13,059	9,336	5,391	390
Related parties balances	7	282	294	14,415	13,280
Cash and bank deposits		5,410	5,723	214	632
Fixed deposits and other investments		4,529	10,990	304	504
Total Current Assets		26,404	32,344	20,324	14,806
Assets classified as held for sale		-	-	730	1,796
Total Current Assets		26,404	32,344	21,054	16,602
Total Assets		44,495	55,992	34,807	36,312
LIABILITIES AND EQUITY					
Current Liabilities					
Trade and other payables	8	3,749	3,208	589	397
Finance lease obligations	9	9	9	-	-
Income tax liabilities	10	90	21	-	-
Borrowings	11	1,450	4,750	1,450	4,750
Total Current Liabilities		5,298	7,988	2,039	5,147
Liabilities directly associated with assets classified as held for sale		-	-	218	1,759
Total Current Liabilities		5,298	7,988	2,257	6,906
Non-Current Liabilities					
Other payables	8	351	-	-	-
Finance lease obligations	9	5	14	-	-
Deferred tax liabilities	12	-	2	-	-
Total Non-Current Liabilities		356	16	-	-
Total Liabilities		5,654	8,004	2,257	6,906
EQUITY					
Share capital		144,769	140,957	144,769	140,957
Reserves		(114,014)	(107,375)	(112,219)	(111,551)
		30,755	33,582	32,550	29,406
Non-controlling interests		8,086	14,406	-	-
Total Equity		38,841	47,988	32,550	29,406
Total Liabilities and Equity		44,495	55,992	34,807	36,312

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

Notes to the consolidated statement of financial position

1) Property, plant and equipment

Property, plant and equipment increased from net book value of S\$5.7 million as at 30 June 2016 to S\$17.2 million as at 30 June 2017. The increase was mainly due to the construction of microalgae oil cultivation facility.

Depreciation was S\$0.3 million and translation loss was approximately S\$0.4 million.

2) Goodwill

Goodwill has been fully impaired during the financial year.

	Jun-17	Jun-16
	S\$'000	S\$'000
Mid-Continent Equipment Group Pte Ltd	-	1,570

3) Other intangible assets

	Jun-17	Jun-16
	S\$'000	S\$'000
Other Intangible assets	-	4,381

Other intangible assets consist of:

	Jun-17	Jun-16
	S\$'000	S\$'000
20% (2016: 20%) participating interest for the exploration of an area covered by the Petroleum Retention Licence 173 and 174 granted under the Petroleum Act 2000 of South Australia	5,116	4,381
Impairment of intangible assets	(5,116)	-
	-	4,381

4) Other financial assets

Other financial assets decreased from S\$7.8 million as at 30 June 2016 to S\$0.04 million as at 30 June 2017. The change was mainly due to redemption of S\$4.0 million other financial assets and disposal of quoted investment during the year.

	Jun-17	Jun-16
	S\$'000	S\$'000
Other financial assets (current) – Indonesia projects	-	1,900
Other financial assets (non-current) – Quoted investment	38	1,940
Other financial assets (non-current) – Indonesia projects	-	4,000
Total other financial assets	38	7,840

5) Inventories

	Jun-17	Jun-16
	S\$'000	S\$'000
Finished goods	2,154	3,617
Work-in-progress	87	184
Goods-in-transit	883	300
	3,124	4,101

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

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

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

6) Trade and other receivables

The amount of trade receivables have decreased from S\$3.0 million as at 30 June 2016 to S\$1.6 million as at 30 June 2017 as a result of decrease in revenue. The increase in other receivables, deposits and prepayments is mainly due to the reclassification of S\$3.0 million from deposit paid for microalgae oil cultivation facility to construction in progress and S\$1.9 million from other financial asset to other receivables.

Other receivables (non-current) of S\$5 million related to Redeemable Convertible Loan (the "RCL") with PT Hanjungin as announced on 22 May 2015, has been reclassification to other receivables, deposits and prepayment (current) in the financial year 2017.

	Jun-17	Jun-16
	S\$'000	S\$'000
Trade receivables	1,637	2,964
Other receivables, deposits and prepayments (current)	11,422	6,372
	<u>13,059</u>	<u>9,336</u>
Other receivables (non-current)	-	5,000
Total trade and other receivables	<u>13,059</u>	<u>14,336</u>

7) Related parties balances (net)

The related party balances mainly relate to trade balances between subsidiary and its joint venture entities.

	Jun-17	Jun-16
	S\$'000	S\$'000
Amount due from related parties	<u>282</u>	<u>294</u>

8) Trade and other payables

Trade and other payables have increased from S\$3.2 million as at 30 June 2016 to S\$4.1 million as at 30 June 2017. The increase was mainly due to provision for restoration costs.

	Jun-17	Jun-16
	S\$'000	S\$'000
Trade payables	1,630	1,206
Other payables and accruals (current)	2,120	2,002
Other payables (non-current)	351	-
	<u>4,101</u>	<u>3,208</u>

9) Finance lease obligations

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

	Jun-17	Jun-16
	S\$'000	S\$'000
Current	9	9
Non-current	5	14
	<u>14</u>	<u>23</u>

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

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

10) Income tax liabilities

Income tax liabilities mainly arising from our oilfield equipment supplies and services segment decreased as a result of losses suffered by the Group.

11) Borrowings

	Jun-17	Jun-16
	S\$'000	S\$'000
<u>Current liabilities</u>		
Unsecured convertible notes ⁽¹⁾	800	1,250
Secured convertible notes ⁽²⁾	-	3,500
Loan from director and CEO ⁽³⁾	650	-
	<u>1,450</u>	<u>4,750</u>

- 1) On 3 September 2014, the Company entered into a subscription agreement with Premier Equity Fund (the "Subscriber"), a company incorporated in the Cayman Islands and Value Capital Asset Management Private Limited (the investment manager for the Subscriber) pursuant to which the Company shall issue up to S\$35 million in aggregate principal amount of unsecured redeemable convertible notes due 2017 (the "Notes Issue").

The issue price of the convertible notes is 100% of the principal amount and may be converted into fully paid ordinary shares in the share capital of the Company at the option of the Subscriber on the terms and subject to the conditions of the subscription agreement. Any convertible notes not converted will be redeemed by the Company at 100% of their principal amount on 36 months after the closing date for the first sub-tranche of the tranche 1 notes.

The remaining outstanding secured and unsecured convertible notes can be converted into 888,888,888 ordinary shares based on the latest conversion price of S\$0.0009 per share as at 21 July 2017.

- 2) The Company entered into a secured convertible note ("CN") agreement with Financial Frontiers Pte Ltd, a Singapore-based private equity firm to issue S\$3.5 million 8% redeemable convertible notes due 180 days from the date of issue. The CN was fully redeemed during the financial year 2017.
- 3) 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%.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

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

12) Deferred tax liabilities/(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-17 S\$'000	Jun-16 S\$'000
Property, plant and equipment	(65)	(16)
Intangible assets	(18)	1,503
Available-for-sale financial assets	(189)	(185)
Unutilised benefits	31	(1,508)
	<u>(241)</u>	<u>(206)</u>
Represented by:		
Deferred tax assets	(241)	(208)
Deferred tax liabilities	-	2
	<u>(241)</u>	<u>(206)</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-2017	
Secured	Unsecured
S\$'000	S\$'000
9	1,450

As at 30-Jun-2016	
Secured	Unsecured
S\$'000	S\$'000
3,509	1,250

Amount repayable after one year

As at 30-Jun-2017	
Secured	Unsecured
S\$'000	S\$'000
5	-

As at 30-Jun-2016	
Secured	Unsecured
S\$'000	S\$'000
14	-

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

The secured borrowings as at 30 June 2017 and 30 June 2016 relates to finance lease and secured convertible notes. The secured convertible notes was secured by a fixed and floating charge over the Company's assets.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

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-17	Jun-16
	S\$'000	S\$'000
Cash flows from operating activities		
Loss for the year from continuing operations	(11,361)	(11,158)
Loss for the year from discontinued operations	(300)	(15,281)
Adjustments of non-cash items	7,819	22,620
Operating cash flows before working capital changes	(3,842)	(3,819)
- Working capital changes	3,857	383
Cash flows from/(used in) operations	15	(3,436)
Interest income received	462	579
Interest paid	(226)	(75)
Income taxes paid	(31)	(491)
Net cash generated from/(used in) operating activities	220	(3,423)
Cash flows from investing activities		
Net cash outflow on acquisition of a subsidiary net of cash acquired	-	(982)
Proceeds from sale of plant and equipment	9	388
Purchase of plant and equipment	(8,747)	(431)
Proceeds from redemption of/(payment for) other financial assets	4,556	(5,900)
Investment in joint investment	-	(1,408)
Redemption of/(investment in) fixed income investment	200	(200)
Payment of petroleum exploration expenditure	(225)	(2,967)
Investment in redeemable convertible loan	-	(3,500)
Fixed deposits pledged to banks	2,853	17
Payment for assignment for the benefit of a loan	-	(1,009)
Deposit for microalgae cultivation facility	-	(3,025)
Net cash inflow on disposal of subsidiary	81	-
Net cash flows used in investing activities	(1,273)	(19,017)
Cash flows from financing activities		
Repayment of finance lease obligations	(9)	(9)
Share issue expense	(114)	(381)
Payment of dividends by a subsidiary company to non-controlling interests	(2,633)	(435)
Redemption of convertible notes	(3,500)	-
Proceeds from borrowings	650	-
Proceeds from issue of shares	2,500	17,500
Net cash flows (used in)/generated from financing activities	(3,106)	16,675
Net decrease in cash and cash equivalents	(4,159)	(5,765)
Cash and cash equivalents at beginning of the period	11,121	18,638
Effects of exchange rate changes on cash and cash equivalents	438	(1,752)
Cash and cash equivalents at the end of the period	7,400	11,121
Represented by:		
Cash and bank balances	5,410	5,723
Fixed deposits	1,990	5,398
	7,400	11,121
<u>Cash and cash equivalents</u>		
Cash and bank balances	5,410	5,723
Fixed deposits	4,529	10,790
Cash and cash equivalents	9,939	16,513
Less: Fixed deposits (restricted)	(2,539)	(5,392)
Cash and cash equivalents at the end of the period	7,400	11,121

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

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 2016	140,957	-	(8,254)	(99,121)	33,582	14,406	47,988
Total comprehensive income/(loss) for the period	-	-	1,069	(7,708)	(6,639)	(3,583)	(10,222)
Issuance of shares	3,926	-	-	-	3,926	-	3,926
Share issue expenses	(114)	-	-	-	(114)	-	(114)
Acquisition of additional interest in a subsidiary	-	-	-	-	-	(104)	(104)
Dividends paid by a subsidiary to non-controlling shareholders	-	-	-	-	-	(2,633)	(2,633)
Balance at 30 June 2017	144,769	-	(7,185)	(106,829)	30,755	8,086	38,841

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

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	
	Share Capital	Translation Reserve	Accumulated Losses	Total	Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2015	128,278	(8,005)	(82,592)	37,681	25,716	63,397
Total comprehensive loss for the year	-	(249)	(16,529)	(16,778)	(10,875)	(27,653)
Issuance of shares	13,060	-	-	13,060	-	13,060
Share issue expenses	(381)	-	-	(381)	-	(381)
Dividends paid by a subsidiary to non-controlling shareholders	-	-	-	-	(435)	(435)
Balance at 30 June 2016	140,957	(8,254)	(99,121)	33,582	14,406	47,988

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

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	Accumulated Losses	Total
	S\$'000	S\$'000	S\$'000
Balance at 1 July 2016	140,957	(111,551)	29,406
Issuance of shares	3,926	-	3,926
Share issuance expense	(114)	-	(114)
Total comprehensive loss for the year	-	(668)	(668)
Balance at 30 June 2017	144,769	(112,219)	32,550
Balance at 1 July 2015	128,278	(107,214)	21,064
Issuance of new shares	13,060	-	13,060
Share issue expenses	(381)	-	(381)
Total comprehensive loss for the period	-	(4,337)	(4,337)
Balance at 30 June 2016	140,957	(111,551)	29,406

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	Paid-up Capital (S\$'000)
30-Jun-17	Issued and paid-up capital	8,105,619,899	144,769
30-Jun-16	Issued and paid-up capital	3,911,612,739	140,957

As at 30 June 2017, there was no outstanding convertible and no share option granted under the Magnus Energy Employee Share Option Plan. The increase in the Company's share capital during the current financial period was due to the issue of:

- (a) 975,753,200 employees' share awards granted under the Magnus Performance Share Plan; and
- (b) 3,218,253,960 shares converted pursuant to the Notes Issue.

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-17	30-Jun-16
No. of ordinary shares issued and fully paid	8,105,619,899	3,911,612,739

There are 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.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

- 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 the audited annual financial statements as at 30 June 2016.

- 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.**

Not applicable. Refer to Note 4 above.

- 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 2017:

	Group		Group	
	Fourth Quarter		Twelve Months	
	Apr 2017 - Jun 2017	Apr 2016 - Jun 2016	Jul 2016 - Jun 2017	Jul 2015 - Jun 2016
Loss for the period (S\$'000)	(4,395)	(13,310)	(7,708)	(16,529)
- Based on weighted average number of ordinary shares in issue (cents) - basic and diluted ⁽¹⁾	(0.06)	(1.18)	(0.10)	(1.46)
- Weighted average number of ordinary shares ('000)	7,626,164	1,128,786	7,626,164	1,128,786

(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 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-17	As at 30-Jun-16	As at 30-Jun-17	As at 30-Jun-16
Net asset value per ordinary share (cents)	0.38	0.86	0.40	0.75
On a fully diluted basis (cents)	0.35	0.42	0.37	0.37

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

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 2017 ("FY2017") and 30 June 2016 ("FY2016")

The Group's revenue decreased by 31.9% from S\$21.6 million for FY2016 to S\$14.7 million for FY2017. Despite the recent improvement in global oil prices, the Group's tubular products, oil and gas equipment and spare parts have not experienced a quick recovery. Gross profit has decreased by 31.1% from S\$4.2 million for FY2016 to S\$2.9 million for FY2017. Gross profit margin for FY2017 and FY2016 were 19.8% and 19.6% respectively. Refer to item 10 on page 15 for more information on the Group's sales performance.

Quarter-to-quarter

The Group's revenue decreased by 9.4% from S\$4.1 million in 4Q2016 to S\$3.7 million in 4Q2017. Gross profit margin decreased from 23.3% for 4Q2016 to 22.8% for 4Q2017. The decrease was due to lower profit margin recorded from the waste water segment.

Other operating income

	Jul 2016 - Jun 2017	Jul 2015 - Jun 2016
	S\$'000	S\$'000
Bad debts recovered	47	57
Unrealised foreign exchange gain	-	30
Service income from environmental projects	-	266
Gain on disposal of property, plant and equipment	-	146
Gain on disposal of quoted investment	1,483	-
Other income	234	292
	<u>1,764</u>	<u>791</u>

Expenses

	Jul 2016 - Jun 2017	Jul 2015 - Jun 2016
	S\$'000	S\$'000
Distribution & selling expenses	218	187
Administrative expenses	7,564	8,066
Other operating expenses	8,517	8,635
	<u>16,299</u>	<u>16,888</u>

Overall expenses have decreased by S\$0.6 million from S\$16.9 million for FY2016 to S\$16.3 million for FY2017 resulting from lower other operating expenses and administrative expenses. Decrease in administrative expenses was mainly due to a decrease in professional fees expenses. Please refer to Note 1 on Page 2 for further details.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

Finance income/(costs)

Finance income is mainly due to interest income from RCL. Finance expenses are mainly due to interest on convertible notes.

	Jul 2016 - Jun 2017	Jul 2015 - Jun 2016
	S\$'000	S\$'000
Finance income	603	728
Finance costs	(260)	(131)
	<u>343</u>	<u>597</u>

Net loss after tax

Net loss after tax was S\$11.8 million for FY2017 and S\$26.4 million for FY2016. The decrease of net loss after tax was mainly due to loss from discontinued operations of S\$15.3 million in FY2016. The net loss after tax for the period was mainly contributed by decrease in revenue, gross profit and increase in administrative expenses as mentioned above.

- (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\$3.4 million for FY2016 and net cash generated from operating activities of S\$0.2 million for FY2017. Cash inflow from working capital was S\$0.4 million for FY2016 as compared to cash inflow of S\$3.9 million for FY2017.

Net cash flow used in investing activities was S\$19.0 million for FY2016. Net cash flow used in investing activities was S\$0.1 million for FY2017 which was significantly lower as compared to an outflow of S\$19.0 million for FY2016. Net cash outflow of FY2016 was mainly due to the acquisition of other financial assets, payment of petroleum exploration expenditure, deposit for investment of other financial assets and investment in the RCL (as defined in Section 10) in the prior period.

Net cash inflow from financing activities was S\$16.7 million for FY2016 as compared to an outflow of S\$3.1 million for FY2017, mainly due to payment of dividend to non-controlling interest and redemption of convertible notes.

Comparatively, the Group's cash and cash equivalents decreased by approximately S\$3.7 million, after adjusting for effects of foreign currencies exchanges, from S\$11.1 million as at 30 June 2016 to S\$7.4 million as at 30 June 2017. Refer to item 1(c) on page 8 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.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

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 (the "Mid-Con Group") currently forms the Group's main core business. The overall performance of the Mid-Con Group remains weak for FY2017 and hence the Group has invested in the microalgae cultivation project as detailed below.

The Group 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 Group has taken continuous efforts to review the economy of Kupang to assess the ongoing viability of the property project and is of the view that the long term prospects of Kupang remains positive. To further mitigate our risks and enhance the recoverability of the RCL, we have negotiated with PT Hanjungin to increase the collateral provided against the RCL and will be restructuring the debt owing by PT Hanjungin to manage the recoverability of the RCL.

On 22 June 2016, the Company's wholly-owned subsidiary, MEG Management Sdn Bhd has entered into an engineering, procurement and construction contract and operation and maintenance agreement with Algae Farm Engineering Sdn Bhd to build and manage a microalgae oil cultivation facility in Selangor, Malaysia. The Group has thus far provided approximately 65% of the project budget and expects delays in the completion of the project due to delays in fund-raising. Nevertheless, the Group is seeking to raise sufficient and timely funds via the existing Notes Issue program, realise some liquid assets and plausible loans to complete the said project. The completion timeline remains to be sometime during the first quarter of the Group's financial year FY2018. The project is expected to have a positive effect on the net tangible assets per share and earnings per share of the Group once full production has started. The Group will continue to keep our shareholders informed on the development of the said project.

With the existing funding arrangements from the Notes Issue, the Group is actively pursuing new acquisitions and investment opportunities globally as part of its diversification efforts to minimise its reliance on 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 fixed deposits which are denominated in US Dollar and Australian Dollar. 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 2017.

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, 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 and 3 May 2017 for further information.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

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 2017 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.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

17 Use of Proceeds from Notes Issue

<u>Notes Issue</u>	<u>S\$'000</u>	<u>Utilisation of Proceeds as at 28 August 2017</u>	<u>S\$'000</u>
Convertible Notes	35,000	<i>Investments and general corporate purposes</i>	
Notes Unissued	(11,000)	Increase in stake in Midcon ⁽¹⁾	393
Arranger fees	(480)	Amount disbursed in relation to the Redeemable	5,000
Proceed from Notes	<u>23,520</u>	Convertible Loan of up to S\$5,000,000 ⁽²⁾	
		Physical trading of renewable energy and natural	2,407
		resource ⁽³⁾	
		Deposit paid for investment in quoted equities ⁽⁴⁾	1,408
		Investment in infrastructure development ⁽⁵⁾	1,900
		Acquisition of subsidiary ⁽⁶⁾	1,000
		Investment in dam project in West Java Indonesia ⁽⁷⁾	1,000
		Deed of assignment ⁽⁸⁾	1,009
		Microalgae oil cultivation facility in Malaysia ⁽⁹⁾	4,605
		Fixed income investment	200
		<i>General working capital</i>	
		Repayment of convertible loan	798
		General working capital	<u>3,709</u>
			<u>23,429</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) This include trading of crude palm oil, coal and raw materials for construction of infrastructure.
- (4) Please refer to the announcement "Joint Investment with Yangtze Investment Partners Limited" dated 20 August 2015, 9 November 2015, 19 February 2016 and 14 June 2016 for further information.
- (5) Please refer to the announcement "Road Project in Central Java Indonesia" dated 16 November 2015 and "Road Project in West and Central Java Indonesia" dated 1 February 2016 for further information.
- (6) Please refer to the announcement "Completion of subscription of 2,700,000 shares in Flagship Ecosystems Pte. Ltd." dated 1 December 2015 for further information.
- (7) Please refer to the announcement "Dam Project in West Java Indonesia" dated 23 March 2016 and 21 September 2016 for further information.
- (8) Please refer to the announcement "MEG Global Ventures Pte Ltd entering into a Deed of Assignment with Revenue Anchor Sdn Bhd" dated 28 April 2016.
- (9) Please refer to the announcement "Microalgae oil cultivation facility in Malaysia" dated 22 June 2016.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

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 2017

	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	14,122	-	563	-	-	14,685
Loss from operations before interest, income tax and depreciation	(8,194)	(531)	(477)	(2,119)	(300)	(11,621)
Depreciation	(223)	-	(14)	(69)	-	(306)
Loss from operations before interest and income tax	(8,417)	(531)	(491)	(2,188)	(300)	(11,927)
Share of profit from joint ventures						(77)
Unallocated finance income						603
Unallocated finance costs						(260)
Loss before income tax						(11,661)
Unallocated income tax						(110)
Loss after income tax						(11,771)
<u>Segment assets and liabilities</u>						
Current assets	14,653	8	52	11,691	-	26,404
Fixed assets	5,776	11,096	1	311	-	17,184
Unallocated non-current assets						666
Unallocated deferred tax assets						241
Consolidated assets						44,495
Current liabilities	3,019	22	120	2,038	-	5,199
Non-current liabilities	351	-	-	-	-	351
Unallocated current and non- current liabilities:						
Finance lease obligations						14
Income tax liabilities						90
Consolidated liabilities						5,654

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

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 2016

	Oilfield equipment supply and services	Waste water treatment	Investment holding	Coal mining (discontinu ed)	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
External revenue	21,100	456	-	-	21,556
Loss from operations before interest, income tax and depreciation	(6,208)	(941)	(4,415)	(21,359)	(32,923)
Depreciation	(235)	(28)	(50)	-	(313)
Loss from operations before interest and income tax	(6,443)	(969)	(4,465)	(21,359)	(33,236)
Share of loss from joint ventures					122
Unallocated finance income					728
Unallocated finance costs					(131)
Loss before income tax					(32,517)
Unallocated income tax					6,078
Loss after income tax					(26,439)
<u>Segment assets and liabilities</u>					
Current assets	22,526	582	7,335	-	30,443
Fixed assets	5,118	226	346	-	5,690
Intangible assets and goodwill	4,381	-	1,570	-	5,951
Other financial assets	37	-	7,804	-	7,841
Unallocated non-current assets					5,859
Unallocated deferred tax assets					208
Consolidated assets					55,992
Current liabilities	2,197	570	5,191	-	7,958
Unallocated current and non-current liabilities:					
Finance lease obligations					23
Income tax liabilities					21
Deferred income tax liabilities					2
Consolidated liabilities					8,004

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

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.

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

20 A breakdown of sales.

	Group		
	1-Jul-2016 to 30-Jun-2017	1-Jul-2015 to 30-Jun-2016	Inc/ (Dec)
	S\$'000	S\$'000	%
Sales reported for the first half year	7,684	12,088	(36.4)
Operating loss after tax before deducting minority interests reported for the first half year	(3,096)	(3,207)	(3.5)
Sales reported for the second half year	7,001	9,468	(26.1)
Operating loss after tax before deducting minority interests reported for the second half year	(8,675)	(23,232)	(62.7)

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-2017)	Previous Full Year (30-Jun-2016)
Ordinary	-	-
Preference	-	-
Total	-	-

BY ORDER OF THE BOARD

Luke Ho Khee Yong
Chief Executive Officer
29 August 2017

MAGNUS ENERGY GROUP LTD.
(Registration No. 198301375M)

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

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 (“**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.

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