
HC/S 202/2020 (“SUIT 202”) – ACTION BY THE COMPANY AGAINST ITS FORMER DIRECTORS AND FORMER CEO

**HC/S 1075/2020 (“SUIT 1075”) – ACTION BY THONG SOON SENG AGAINST THE COMPANY AND THIRD-PARTY PROCEEDINGS COMMENCED BY COMPANY AGAINST LUKE HO
– SETTLEMENT AGREEMENT REACHED**

The Board of Directors (“**Board**”) of Magnus Energy Group Ltd (the “**Company**” and, together with its subsidiaries, the “**Group**”) refers to the announcements dated 4 March 2020, 31 March 2020, 30 June 2020, 30 September 2020, 30 December 2020, 31 March 2021, 30 June 2021, 30 September 2021 and 30 December 2021 (the “**Previous Announcements**”) and wishes to provide an update on the actions by the Company against its former directors and former CEO in Suit 202 and Suit 1075.

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

As set out in the Previous Announcements, the Company had on 3 March 2020 commenced Suit 202 against its following former directors and/or officers of the Company:

- (a) Luke Ho Khee Yong (“**Luke Ho**”) (former chief executive officer);
- (b) Seet Chor Hoon (former independent director);
- (c) Kushairi bin Zaidel (former chairman and independent director);
- (d) Ong Sing Huat (former non-independent non-executive director);
- (e) Ong Chin Chuan (former independent director);
- (f) Lim Kuan Yew (former managing director); and
- (g) Koh Teng Kiat (former chief operating officer and executive director).

As also set out in the Previous Announcements, the Company had on 6 December 2020 issued and served a Third-Party Notice on Luke Ho in Suit 1075.

As announced in the announcement dated 31 March 2021, the Company had discontinued Suit 202 against Lim Kuan Yew as he is a bankrupt in Singapore and Malaysia.

The Board wishes to announce that the Company has reached a full and final settlement on all claims which arise out of or in connection with Suit 202 and Suit 1075 (the “**Settlement**”) with Luke Ho, Seet Chor Hoon, Kushairi bin Zaidel, Ong Sing Huat and Ong Chin Chuan (the “**Relevant Defendants**”) and has entered into a Settlement Agreement dated 17 January 2022 (the “**Settlement Agreement**”).

Subject to the confidentiality terms of the Settlement Agreement, the Company wishes to disclose the salient terms of the Settlement Agreement as follows:

- (a) The Settlement was negotiated and agreed on a without admission of fault or liability basis between the Company and the Relevant Defendants;
- (b) The Company shall receive a certain sum of money within 21 days from the date of the Settlement Agreement;
- (c) The Relevant Defendants have agreed to surrender all their respective control, rights, title and interest in and over a total of 946,009,420 ordinary shares in the capital of the Company that are currently registered in the names of the Relevant Defendants (the “**Relevant Shares**”), representing approximately 7.49% of the capital of the Company. Pending the lifting of the trading suspension of the Company’s shares, the Company shall be entitled to sell the Relevant Shares and the proceeds of any sale of the Relevant Shares shall be paid to the Company for the Company’s benefit;

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- (d) Within 21 days of the date of the Settlement Agreement, each of the Relevant Defendants shall deliver to the Company an irrevocable power of attorney to appoint any person designated by the Company for the sole purpose of the disposal of the Relevant Shares, and Form 9 "Charge of Shares", being the statutory instrument of charge to lodge a charge over the Relevant Shares in favour of the Company pending the disposal, and a statutory declaration giving the necessary representations and warranties relating to each of the Relevant Defendant’s respective Relevant Shares;
- (e) Within 21 days of the date of the Settlement Agreement, the Company shall file the Notice of Discontinuance in respect of Suit 202; and
- (f) On the next calendar day following the execution of the Settlement Agreement, the Company shall file a Notice of Discontinuance of the third-party proceedings in Suit 1075 against Luke Ho.

With regard to the claim against Koh Teng Kiat in Suit 202, as Mr Koh does not hold any ordinary shares in the Company, the Company does not intend to take any further action against Mr Koh and the Notice of Discontinuance to be filed in respect of Suit 202 will also discontinue the claim against Mr Koh.

Saved as disclosed in item (b) above and the proceeds arising from sale of the Relevant Shares as set out in items (c) and (d) above, the Company does not expect the Settlement Agreement to have any other material impact on the financial position of the Group for the current financial year.

BY ORDER OF THE BOARD
Magnus Energy Group Ltd.

Charles Madhavan
Executive Director and
Chief Executive Officer
17 January 2022

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.