
RESPONSES TO SGX-ST QUERIES & UPDATES REGARDING NOTICE RECEIVED BY THE COMPANY FROM EL DAN LAW LLP AND REQUISITIONING SHAREHOLDERS

Unless otherwise specified, all capitalised terms shall have the same meaning ascribed to them in the Previous Announcements (as defined below).

The Board of Directors of Magnus Energy Group Ltd (the “Company” and, together with its subsidiaries, the “Group”) refers to the announcement dated 29 October 2019, 12 November 2019, 13 November 2019 and 19 November 2019 (“**Previous Announcements**”).

Queries From SGX-ST

1. With reference to Magnus’ announcement of 19 Nov 2019 wherein it mentioned that “...a requisition notice dated 7 November 2019 (the “Requisition Notice”) issued by Requisitioning Shareholders to convene an extraordinary general meeting (“EGM”)” – please disclose the status and date of the EGM to be convened.

Company Response

Kindly refer to below paragraph 7a.

2. Please provide the latest updates as to the discussion between Eldan Law and Chris Chong & CT Ho LLP as to the proposed resolutions pursuant to the Company’s suggested amendments.

Company Response

Kindly refer below on the updates to the discussions.

Letters & Notices

The Requisitioning Shareholders have sent a requisition notice to the Company on 7 November 2019 (“**Requisition Notice**”), and have via their solicitors sent letters on 22 November 2019, 27 November 2019, 2 December 2019 and 4 December 2019 pertaining to the matters of the Requisition Notice and stating their disagreements with the Company’s position on requesting for a fresh requisition notice, the appropriateness of the proposed resolutions and alleging that the Company has failed to convene the proposed EGM within the statutory deadline.

The Company has responded accordingly by way of letters dated 19 November 2019 and 4 December 2019, of which an announcement has been made pertaining to the Company’s responses on 19 November 2019 and today.

Amended Proposed Resolutions by the Requisitioning Shareholders

The Requisitioning Shareholders have by way of letter dated **27 November 2019** sent by their solicitors to the Company’s solicitors proposed amendments to the resolutions as well as including a new resolution on the appointment of auditors. The proposed amended resolutions and new resolution are set out below:

Ordinary Resolution 1

Subject to the passing of at least one of Ordinary Resolutions 2, 3 and 4, that SEET CHOR HOON be removed as Independent Director of the Company with effect from the date of the EGM, and all necessary steps be taken to remove her from any and all appointments (whether as director, corporate representative or otherwise) with the Company, its related and/or associated companies including all its subsidiaries.

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Ordinary Resolution 2

That CHARLES MADHAVAN be appointed as Director of the Company with effect from the date of the EGM.

As explanatory note:

Mr Charles Madhavan, upon his election as Director of the Company, is to be appointed Executive Director of the Company and be further appointed as member of the Nominating Committee and the Audit Committee respectively.

Ordinary Resolution 3

That ONG CHIN YEW be appointed as Director of the Company with effect from the date of the EGM.

As explanatory note:

Mr Ong Chin Yew, upon his election as Director of the Company, is to be appointed Non-Executive Director of the Company and be further appointed as Chairman of the Nominating Committee and member of the Remuneration Committee and the Audit Committee respectively.

Ordinary Resolution 4

That KUEK ENG CHYE ANTHONY be appointed as Director of the Company with effect from the date of the EGM.

As explanatory note:

Mr Kuek Eng Chye Anthony, upon his election as Director of the Company, is to be designated as Independent Non-Executive Director and appointed as Non-Executive Chairman of the Company and be further appointed as Chairman of the Remuneration Committee and member of the Audit Committee and Nominating Committee respectively.

Ordinary Resolution 5

That CHRISTOPHER B. O'CONNOR be appointed as Director of the Company with effect from the date of the EGM.

As explanatory note:

Mr Christopher B. O'Connor, upon his election as Director of the Company, is to be designated as Independent Non-Executive Director and appointed as Chairman of the Audit Committee and member of the Remuneration Committee and Nominating Committee respectively.

Ordinary Resolution 6

That any Directors of the Company who may have been appointed between the date of the Requisition Notice and the date of the EGM be removed.

Ordinary Resolution 7 (new resolution)

To appoint Baker Tilly as the Auditors of the Company and to authorize the Directors to fix their remuneration.

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Response of the Company

The Company has by way of letter dated 4 December 2019 sent by its solicitors to the Requisitioning Shareholders' solicitors informed the Requisitioning Shareholders of the following:

1. that Resolution 1 as revised and set out in the attachment in their solicitors' letter dated 27 November 2019 is still defective in that the proposal that the Company takes all necessary steps to remove Ms Seet Chor Hoon from any and all appointments (whether as director, corporate representative or otherwise) with the Company, its related and/or associated companies including all its subsidiaries is an usurpation of the powers of the Directors and not a valid or binding resolution that can be validly passed by the shareholders;
2. that Resolution 6 is redundant for the reasons set out in the Company's solicitor's letter dated 19 November 2019 (of which the Company has pointed out in the announcement dated 19 November 2019);
3. **Resolution 7 is a fresh resolution being proposed by the Requisitioning Shareholders and is not an item covered by the Requisition Notice dated 7 November 2019;**
4. **the Company is therefore of the view that the Requisitioning Shareholders have served a fresh requisition to convene an EGM to consider and if deem fit, pass Resolutions 1 and 7 as set out in your letter dated 27 November 2019;**
5. notwithstanding the Company's aforesaid position in respect of Resolution 1 and Resolution 6, the Company is prepared to convene an EGM to put Resolutions 1 to 7 as proposed by the Requisitioning Shareholders together with such other resolutions that the Company may wish to propose before the shareholders in the EGM to be convened;
6. to facilitate the proper convening of the EGM and to mitigate the risks of these resolutions being challenged, the Company has obtained certain agreements and undertakings from the existing Directors relating to Resolution 1 and Resolution 6 if the procedure as described below are followed by the Company. Ms Seet Chor Hoon has agreed to waive her right to challenge Resolution 1 if this is passed in the EGM convened by the Directors following the procedure set out below and has further agreed to resign from any and all appointments (whether as director, corporate representative or otherwise) with the Company, its related and/or associated companies including all its subsidiaries if Resolution 1 is passed. Mr Lee Chong Ping has agreed to waive his right to challenge Resolution 6 if this is passed in the EGM convened by the Directors following the procedure set out below. The existing Directors have however indicated that they will reserve their rights to challenge Resolution 1 and Resolution 6 as originally proposed by the Requisitioning Shareholders or if the Requisitioning Shareholders proceed to convene an EGM on their own.
7. The procedure that the Company will follow in convening the EGM will be as follows:
 - a. the Company's appointed solicitors, M/s Chris Chong & CT Ho LLP ("CCCTH"), **will prepare the shareholders' circular and seek to obtain clearance of the same from the Sponsor on or before 13 December 2019, the Company will print and send out the notice of EGM and the shareholders' circular to shareholders on or before 20 December 2019 and the EGM will be held between 17 January 2019 to 21 January 2019 to take into account any contingencies in the preparation and clearance of the shareholders' circular and the arrangement of a venue;**
 - b. all potential candidates will provide the necessary information to CCCTH by 6 December 2019 to enable CCCTH to complete drafting the shareholders' circular for circulation to the existing Directors

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and Sponsor for approval; potential candidates may provide their plan(s) for the Company should they become director(s) of the Company to be annexed as appendices to the shareholders' circular, such plan(s) may be presented as from a group of candidates or from individual candidates as these candidates deem fit; we are given to understand by our client that Sponsor has been in touch with your firm and we trust that your clients are aware of the questions that Sponsor may have for the candidates in connection with their plan(s) for the Company should they become director(s) of the Company;

- c. special notice pursuant to section 185 of the Companies Act (Cap. 50) to move Resolution 1 and Resolution 6 shall be deemed to be given and received by the Company on 27 November 2019 to remove directors and the directors subject to the resolutions to remove them (i.e. Resolution 1 and Resolution 6 relating to Ms Seet Chor Hoon and Mr Lee Chong Ping respectively) shall be entitled to special notice and to make representations to shareholders as contemplated by section 152 of the Companies Act (Cap. 50);
- d. the existing Director and all candidates being proposed as directors of the Company shall be permitted to sit at the podium facing shareholders in the proposed EGM and shall be permitted to present their plan(s) to shareholders and to take questions from shareholders;

The Directors believed that they have proposed a framework and a procedure that would provide a level playing field for all potential candidates as well as fully according to directors who are subject to the resolutions to remove them as directors their full right and the opportunity to make representations as contemplated by section 152 of the Companies Act (Cap. 50). The Company has also taken steps to mitigate any risks of challenge notwithstanding the defects to Resolution 1 and Resolution 6 as identified by CCCTH.

The Company is now awaiting the response from the Requisitioning Shareholders but have meanwhile instructed CCCTH to proceed with the preparation of the shareholders' circular on the above described framework and timeline. It must be noted that a reasonable time frame must be given to the Company's Sponsor to review and provide their comments on the notice of the extraordinary general meeting and the circular.

The Company will update the shareholders upon receipt of the Requisitioning Shareholders' response.

Shareholders are advised to exercise caution when dealing with the Company's securities. Shareholders should seek advice from their stockbrokers, bankers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions that they should take.

BY ORDER OF THE BOARD
Magnus Energy Group Ltd.

Luke Ho Khee Yong
Chief Executive Officer
04 December 2019

About Magnus Energy Group Ltd. (www.magnusenergy.com.sg)
Listed since 04 August 1999

Incorporated in 1983, SGX Catalyst Board-listed Magnus Energy Group Ltd. ("**Magnus**") is an investment holding company with a diversified portfolio comprising oil and gas equipment distribution, renewable energy and property and infrastructure development.

MAGNUS ENERGY GROUP LTD.

(Incorporated in Singapore)

(Registration No. 198301375M)

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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 reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (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. Bernard Lui.

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