



Our Ref: REG/LC/GT/NOC-MEG

3 January 2020

**The Board of Directors**

Magnus Energy Group Ltd.

32 Loyang Crescent

Singapore 508992

**PRIVATE & CONFIDENTIAL**

Dear Sirs,

**MAGNUS ENERGY GROUP LTD. (“MAGNUS” OR THE “COMPANY”, TOGETHER WITH ITS SUBSIDIARIES, THE “GROUP”)**

**NOTICE OF COMPLIANCE (THE “NOTICE”)**

1. Singapore Exchange Regulation (“**SGX RegCo**” or the “**Exchange**”) refers to:
  - (a) SGXNet announcement dated 31 December 2019 (Announcement Reference No: SG191231OTHR8D3E) entitled “*General Update*” (the “**General Update**”); and
  - (b) The Circular dated 18 December 2019 (the “**EGM Circular**”) (Announcement Reference No: SG191218XMETKLN3) and the SGXNet announcement dated 20 December 2019 (Announcement Reference No: SG191220OTHROEVL) on the “*PROPOSED RE-ELECTION AND APPOINTMENT OF DIRECTORS FOR UPCOMING EGM*” (the “**Proposed EGM**”).

**Background**

2. The Company will be convening an EGM on 9 January 2020 in relation to (i) the requisition for an EGM pursuant to Section 176 of the Companies Act for the proposed appointment and removal of directors by the Requisitioning Shareholders; and (ii) the proposed appointment of new directors by the Company. The EGM Circular contains all relevant information to the Company’s shareholders in relation to the board nominations.
3. In the General Update on 31 December 2019, the Company states that due to the upcoming EGM on 9 January 2020, the Board is of the view that **all planned actions are expected to be taken only after the EGM.**

4. The Company holds 50% indirect interest in Mid-continent Environmental Protection Pte Ltd (“**MEPWM**”) through its subsidiaries. It was brought to SGX RegCo’s attention that this interest was sold to the existing director of MEPWM, Ms Chong Yen Yee, for RM1.00.
5. The Disposal was completed without consulting SGX RegCo on the applicability of Chapter 10 pursuant to Rule 1007(1) of the Catalist Rules as the Disposal involves negative relative figures under Catalist Rule 1006.
6. According to the Company, the disposal of MEPWM is part of the winding down process of the oil and gas equipment supplies and services segment of the Group. The transfer of the shares of MEPWM to Ms Chong enables the Group to exit from its loss-making associate and to facilitate the statutory process to strike off the respective associate in Malaysia.
7. The Company had proceeded to complete the Disposal despite being informed by the Sponsor of the need to consult the Exchange for the Disposal.
8. In relation to the Disposal, SGX RegCo notes that the existing Board at the relevant time comprises Ms Seet Chor Hoon and Mr Lee Chong Ping. Mr Lee Chong Ping is proposed to be re-elected by the Company as a director at the upcoming EGM.

#### **Exchange’s Directives**

9. SGX RegCo notes that the Board will be reconstituted depending on the outcome of the EGM and the existing Board’s view that all planned actions are expected to be taken only after the EGM.
10. In the interest of safeguarding the Company’s assets and shareholders’ interest, pursuant to Catalist Rule 305(1)(k), SGX RegCo requires the Company to put on hold all corporate transactions, including but not limited to acquisitions, disposals, fund raising and restructuring, until such time the Board is fully reconstituted.
11. Please note that this Notice is an official notification to the Company with immediate effect.
12. SGX RegCo will be investigating the circumstances surrounding the Disposal for breaches of the Catalist Rules, if any.
13. Pursuant to Catalist Rule 305(4), failure to comply with the requirements imposed by the Exchange shall be deemed to be a contravention of the Catalist Rules.

14. Please note that compliance with this Notice does not constitute a waiver of any kind, and SGX RegCo reserves the right to take disciplinary action against the Company and / or Relevant Persons for breaches of the Listing Rules, including any failure to comply with the requirements imposed by the Exchange.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "msm", with a long, sweeping flourish extending to the right.

June Sim  
Senior Vice President  
Head, Listing Compliance  
Singapore Exchange Regulation

*cc: Mr Bernard Lui, Stamford Corporate Services Pte. Ltd.*