

Ref: REG/LC/QR2020020065

6 February 2020

MAGNUS ENERGY GROUP LTD
32 Loyang Crescent
Singapore 508992

Attn: The Board of Directors

Dear Sirs

MAGNUS ENERGY GROUP LTD (THE "COMPANY")

NOTICE OF COMPLIANCE: REQUIREMENT TO PERFORM QUARTERLY REPORTING OF UNAUDITED FINANCIAL STATEMENTS

1. Singapore Exchange Regulation ("**SGX RegCo**" or the "**Exchange**") refers to:
 - (a) SGXNet announcement dated 12 October 2018 (Announcement Reference No: SG181012OTHRF7YK) titled "*Response to SGX Queries*" ("**Responses to SGX Queries**") in respect of the various investments and transactions entered into by the Company between 2015 and 2019;
 - (b) SGXNet announcement dated 18 April 2019 (Announcement Reference No: SG190418OTHRXKE) titled "*Appointment of External Reviewer*" to conduct an independent review of the investment policies of the past transactions entered into by the Company ("**External Review**");
 - (c) SGXNet announcement dated 23 August 2019 (Announcement Reference No: SG190823OTHR6A9Q) titled "*Release of External Review Report*" on the findings of the External Review conducted ("**Findings of the External Review**");
 - (d) SGXNet announcement dated 23 August 2019 (Announcement Reference No: SG190823SUSPTJMJ) titled "*Request for Suspension*" on the suspension of trading of Company's shares with immediate effect; and
 - (e) SGX RegCo's announcement dated 9 January 2020 titled "*SGX RegCo adopts risk-based approach to quarterly reporting, mandates more robust disclosures on matters of high impact*".

Background

2. On 9 January 2020, SGX RegCo announced the removal of the market capitalisation threshold as a basis for quarterly reporting (“QR”) of financial results. The amended rule 705(2) (the “**Amended Rule 705(2)**”) will take effect from 7 February 2020. Instead, SGX RegCo will take a risk-based approach and will require companies to do QR if (a) auditors have issued a qualified opinion, disclaimer of opinion or adverse opinion (collectively, “**modified opinions**”) or (b) companies that have a material uncertainty relating to going concern as highlighted by their auditors, both based on the latest audited financial statements. In addition, SGX RegCo can also exercise our administrative powers to require QR for companies where we have regulatory concerns.
3. In view of the Responses to SGX Queries and the Findings of the External Review carried out by Provenance Capital Pte Ltd (“**Provenance**”) to look into the investment policies and circumstances of the past investments and transactions entered into by the Company, trading in the Company’s shares had been suspended with effect from 23 August 2019. The Company remains suspended and is currently addressing the concerns and findings raised in the External Review report.

Exchange’s Directive: Requirement to perform Quarterly Reporting

4. For the purposes of ensuring that the market is fair, orderly and transparent, and in view of the regulatory concerns set out above, pursuant to Catalist Rule 305(1)(b), SGX RegCo requires the Company to continue to do QR in accordance with the requirements set out in the Amended Rule 705(2) on an ongoing basis. The grace period extended under amended Rule 705(2A) is not applicable to your company. For the avoidance of doubt, the Company will report the next set of quarterly financial statements for Q2 from Oct to Dec 2019 (“**QR Commencement Date**”) by 14 Feb 2020.
5. The Company will need to perform QR until further notice from SGX RegCo.
6. In the announcement of your quarterly results, please include a statement on the cover page that the QR announcement is mandatory, made pursuant to the Exchange’s requirements, as required under Listing Rule 705(2C).
7. Please announce the Exchange’s directive to the Company and the QR Commencement Date through SGXNet immediately (before 7.30am on 7 February 2020).
8. Pursuant to Catalist Rule 304, failure to comply with the requirements in this notification shall be deemed as a contravention of the Listing Rules.



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9. Please note that 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

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

cc: Mr Bernard Lui, Stamford Corporate Services Pte Ltd