

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2020 ("1Q2021")

THIS QUARTERLY FINANCIAL STATEMENT ANNOUNCEMENT IS MANDATORY, MADE PURSUANT TO THE REQUIREMENTS OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S ("SGX-ST"), AS REQUIRED UNDER RULE 705(2C) OF THE SGX-ST LISTING MANUAL SECTION B: RULES OF CATALIST.

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 first quarter ended 30 September 2020.

	Note	First Quarter		
		Jul 2020 - Sep 2020	Jul 2019 - Sep 2019	Inc /(Dec)
		S\$'000	S\$'000	%
Revenue		2,419	3,961	(38.9)
Cost of sales		(2,178)	(3,496)	(37.7)
Gross profit		241	465	(48.2)
Other operating income		54	159	(66.0)
Other operating expenses		(145)	(17)	N.M.
Distribution and marketing expenses		(4)	(22)	(81.8)
Administrative expenses		(589)	(990)	(40.5)
Interest income		0 *	15	N.M.
Finance costs		(22)	(21)	4.8
Loss before tax	1	(465)	(411)	13.1
Tax expense		-	(76)	N.M.
Loss for the financial period		(465)	(487)	(4.5)
Other comprehensive loss		9	(106)	N.M.
Total comprehensive loss for the financial period		(456)	(593)	(23.1)
Loss attributable to:				
Equity holders of the Company		(558)	(270)	N.M.
Non-controlling interests		93	(217)	N.M.
		(465)	(487)	(4.5)
Total comprehensive loss attributable to:				
Equity holders of the Company		(413)	(537)	(23.1)
Non-controlling interests		(43)	(56)	(23.2)
		(456)	(593)	(23.1)

* denotes amount less than S\$1,000

N.M. - not meaningful

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2020 ("1Q2021")

Note:

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

	Jul 2020 - Sep 2020 S\$'000	First Quarter Jul 2019 - Sep 2019 S\$'000	Inc /(Dec) %
Depreciation of property, plant and equipment	(7)	(10)	(30.0)
Depreciation of right-of-use assets	(14)	(14)	-
Write back of allowance for inventory obsolescence	-	72	N.M.
Realised exchange gain/(loss)	1	(4)	N.M.
Unrealised exchange (loss)/ gain	(146)	61	N.M.
Interest expense on lease liabilities	(17)	(17)	-
Finance expense	(5)	(4)	25.0
Interest income	0 *	15	N.M.
Loss on disposal of property, plant and equipment	-	(8)	N.M.
Loss on disposal of other financial assets	-	(5)	N.M.

* denotes amount less than S\$1,000

N.M.: not meaningful

There was a write back of allowance for inventory obsolescence for 1Q2020 due to sale of some previously fully provided inventory for 1Q2020.

There was unrealised exchange loss of approximately S\$146,000 for 1Q2021 as compared to unrealised exchange gain of approximately S\$61,000 for 1Q2020 due mainly to unfavourable exchange rate movements.

1(a)(ii) Other comprehensive income/(loss) (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Jul 2020 - Sep 2020 S\$'000	First Quarter Jul 2019 - Sep 2019 S\$'000	Inc /(Dec) %
<i>Other comprehensive loss:</i>			
Currency translation differences arising on consolidation of foreign operations	9	(9)	N.M.
Fair value loss recognised in equity on revaluation of available-for-sale financial assets during the financial period	-	(97)	N.M.
Other comprehensive loss for the financial period	9	(106)	N.M.

N.M.: not meaningful

**QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED
30 SEPTEMBER 2020 ("1Q2021")**

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-Sep-20 S\$'000	30-Jun-20 S\$'000	30-Sep-20 S\$'000	30-Jun-20 S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	1	580	598	9	10
Investments in subsidiaries		-	-	7,078	7,077
Other financial assets	2	0 *	0 *	0 *	0 *
Deferred tax assets	3	8	8	-	-
Total non-current assets		588	606	7,087	7,087
Current assets					
Inventories	4	685	540	-	-
Trade and other receivables	5	1,448	969	152	63
Cash and bank balances		2,153	2,964	1,126	1,005
		4,286	4,472	1,278	1,068
Assets classified as held for sale	6	4,498	4,556	-	-
Right-of-use assets		1,718	1,763	-	-
Total current assets		10,502	10,791	1,278	1,068
Total assets		11,090	11,396	8,365	8,155
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	7	2,172	1,815	777	878
Contract liabilities		299	500	-	-
Related parties balances		2	-	807	135
Borrowings	8	38	38	-	-
Income tax liabilities		0 *	0 *	-	-
		2,511	2,353	1,584	1,012
Lease liabilities	9	1,728	1,736	-	-
Total current liabilities		4,239	4,089	1,584	1,012
Non-current liabilities					
Borrowings	8	60	61	-	-
Total liabilities		4,299	4,150	1,584	1,012
Equity					
Share capital		148,782	148,782	148,782	148,782
Reserves		(144,396)	(143,984)	(142,001)	(141,640)
		4,386	4,798	6,781	7,142
Non-controlling interests		2,405	2,448	-	-
Total equity		6,791	7,246	6,781	7,142
Total equity and liabilities		11,090	11,396	8,365	8,155

* denotes amount less than S\$1,000

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

**QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED
30 SEPTEMBER 2020 (“1Q2021”)**

1(b)(ii) Aggregate amount of group’s borrowings and debt securities

	30-Sep-20		30-Jun-20	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	-	38	-	38
Amount repayable after one year	-	60	-	61
Total	-	98	-	99

The unsecured borrowings as at 30 September 2020 and as at 30 June 2020 are in relation to a loan from the US Small Business Administration to a US subsidiary under the Paycheck Protection Program (PPP). PPP is a business loan program established under the 2020 US Federal government Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to help certain businesses continue paying their workers. The loan may be partially or fully forgiven if the business keeps its employee counts and employee wages stable.

Details of collateral

Not applicable

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2020 ("1Q2021")

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.

	Three months ended	
	30-Sep-20 S\$'000	30-Sep-19 S\$'000
Cash flows from operating activities		
Loss before tax	(465)	(411)
Adjustments of non-cash items	184	45
Operating cash flows before working capital changes	(281)	(366)
Working capital changes	(472)	(329)
Cash used in operations	(753)	(695)
Interest income received	0 *	15
Interest paid	(17)	(4)
Income taxes paid	-	-
Net cash used in operating activities	(770)	(684)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	12
Proceeds from disposal of other financial asset	-	13
Fixed deposit pledged to banks	-	1,276
Net cash generated from investing activities	-	1,301
Cash flows from financing activities		
Repayment of lease liabilities	(7)	(24)
Capital reduction of a subsidiary	-	(1,263)
Net cash used in financing activities	(7)	(1,287)
Net decrease in cash and cash equivalents	(777)	(670)
Cash and cash equivalents at beginning of the financial period	2,964	3,494
Effects of exchange rate changes on cash and cash equivalents	(34)	(110)
Cash and cash equivalents at end of the financial period (Note A)	2,153	2,714

Note A - Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprised the following amounts:

	30-Sep-20	30-Sep-19
	S\$'000	S\$'000
Cash and bank balances	2,153	2,569
Fixed deposits	-	2,184
Cash and cash equivalents	2,153	4,753
Less: Fixed deposits (restricted)	-	(2,039)
Cash and cash equivalents at end of the financial period	2,153	2,714

* denotes amount less than S\$1,000

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2020 ("1Q2021")

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 equity holders of the Company					Non-controlling interests	Total equity
	Share capital	Fair value reserve	Currency translation reserve	Accumulated losses	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
Balance at 1 July 2020	148,782	-	(2,574)	(141,409)	4,799	2,448	7,247
Loss for the financial period	-	-	-	(558)	(558)	93	(465)
Other comprehensive loss for the financial period	-	-	145	-	145	(136)	9
Total comprehensive loss for the financial period	-	-	145	(558)	(413)	(43)	(456)
Balance at 30 September 2020	148,782	-	(2,429)	(141,967)	4,386	2,405	6,791

Group	Attributable to equity holders of the Company					Non-controlling interests	Total equity
	Share capital	Fair value reserve	Currency translation reserve	Accumulated losses	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
Balance at 1 July 2019	148,782	(99)	(2,207)	(139,045)	7,431	2,837	10,268
Loss for the financial period	-	-	-	(270)	(270)	(217)	(487)
Other comprehensive loss for the financial period	-	(97)	(170)	-	(267)	161	(106)
Total comprehensive loss for the financial period	-	(97)	(170)	(270)	(537)	(56)	(593)
Balance at 30 September 2019	148,782	(196)	(2,377)	(139,315)	6,894	2,781	9,675

Company	Share capital	Fair value reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2020	148,782	-	(141,640)	7,142
Total comprehensive loss for the financial period	-	-	(361)	(361)
Balance at 30 September 2020	148,782	-	(142,001)	6,781

Company	Share capital	Fair value reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2019	148,782	(99)	(137,299)	11,384
Total comprehensive loss for the financial period	-	(97)	(473)	(570)
Balance at 30 September 2019	148,782	(196)	(137,772)	10,814

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2020 ("1Q2021")

- 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)**

Changes in fair value of equity instruments at fair value through other comprehensive income are recognised in other comprehensive income. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to accumulated losses as per the Group's accounting policy.

- 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 (\$'000)
30-Sep-20	Issued and paid-up capital	12,632,507,107	148,782
30-Sep-19	Issued and paid-up capital	12,632,507,107	148,782

As at 30 September 2020 and 30 September 2019, there were (i) no outstanding shares that may be issued on conversion of all the outstanding convertibles; (ii) no treasury shares; and (iii) no subsidiary holdings of the Company.

- 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-Sep-20	30-Jun-20
No. of ordinary shares issued and fully paid	12,632,507,107	12,632,507,107

There are no treasury shares 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, cancellation and/or use of treasury shares as at the end of the current financial period**

There were no sales, transfers, cancellation and/or use of treasury shares during and as at the end of the current financial period.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on**

There were no sales, transfers, cancellation and/or use of subsidiary holdings during and as at the end of the current financial period.

- 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.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2020 ("1Q2021")

- 3A** Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—
(a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.
This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable, as the latest audited financial statements for the financial year ended 30 June 2020 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

- 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 financial statements for the current reporting period has been prepared in accordance with the same accounting policies and methods of computation adopted in the most recent audited annual financial statements for the financial year ended 30 June 2020, except that the Group has adopted all new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)s") which are effective for annual financial periods beginning after 1 January 2020.

- 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.**

The adoption of the new and revised SFRS(I)s as highlighted in item 4 has no significant impact on the financial statements.

- 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.**

	Jul 2020 - Sep 2020	Jul 2019 - Sep 2019
Loss for the financial period (S\$'000)	(558)	(270)
- Based on weighted average number of ordinary shares in issue (cents) - basic and diluted	(0.004)	(0.002)
- Weighted average number of ordinary shares ('000)	12,632,507	12,632,507
- On a fully diluted basis (detailing any adjustments made to the earnings (cents) (see Note 1 below)	(0.004)	(0.002)
- Weighted average number of ordinary shares on fully diluted basis ('000)	12,632,507	12,632,507

Note 1: Diluted loss per share is the same as the basic loss per share because there were no potentially dilutive ordinary shares in issue.

- 7** **Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year.**

	Group		Company	
	30-Sep-20	30-Jun-20	30-Sep-20	30-Jun-20
Net asset value (S\$'000)	4,386	4,798	6,780	7,142
Number of shares ('000)	12,632,507	12,632,507	12,632,507	12,632,507
Net asset value per ordinary share (cents)	0.03	0.04	0.05	0.06

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2020 ("1Q2021")

- 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 revenue, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

Revenue, costs, and earnings of the Group for the three months ended 30 September 2020 ("1Q2021") and 30 September 2019 ("1Q2020")

The Group's revenue decreased by 38.9% from S\$4.0 million for 1Q2020 to S\$2.4 million for 1Q2021 as a result of the scaling down of business in the oil and gas equipment segment in South East Asia since end 2017. Cost of sales decreased by 37.7% (in line with drop in revenue) from S\$3.5 million for 1Q2020 to S\$2.2 million for 1Q2021.

Gross profit had decreased by 48.2% from S\$0.5 million for 1Q2020 to S\$0.2 million for 1Q2021 whereas gross profit margin decreased by 1.7% from 11.7% for 1Q2020 to 10.0% for 1Q2021. The decrease was mainly due to the scaling down of business since end 2017 and the decrease in demand for this quarter, as a result of the prolonged impact of the Covid-19 outbreak which had led to the current weak market conditions.

Other operating income

	Jul 2020 - Sep 2020 S\$'000	Jul 2019 - Sep 2019 S\$'000
Foreign exchange gain	-	61
Write back of allowance for inventory obsolescence	-	72
Other income	54	26
	54	159

Other operating income had decreased from S\$159,000 for 1Q2020 to S\$54,000 for 1Q2021. This was mainly due to the absence of foreign exchange gain and write back of allowance for inventory obsolescence.

Expenses

	Jul 2020 - Sep 2020 S\$'000	Jul 2019 - Sep 2019 S\$'000
Other operating expenses	145	17
Distribution and marketing expenses	4	22
Administrative expenses	589	990
	738	1,029

Expenses had decreased by S\$0.3 million from S\$1.0 million for 1Q2020 to S\$0.7 million for 1Q2021. This was mainly due to decrease in distribution and marketing expenses and administrative expenses. Administrative expenses, which include remuneration-related expenses, rental expenses, depreciation expenses, property tax and professional fee, were lower by S\$0.4 million in total. The increase in other operating expenses was mainly due to the foreign exchange loss. Please refer to Note 1 on page 2 for further details.

Interest income & finance costs

	Jul 2020 - Sep 2020 S\$'000	Jul 2019 - Sep 2019 S\$'000
Interest income	0 *	15
Finance costs	(22)	(21)

* denotes amount less than S\$1,000

Interest income pertaining to 1Q2020 was due to some interest received from a customer for some long outstanding receivables. Finance costs were mainly due to bank charges and interest expense on lease liabilities.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2020 ("1Q2021")

Loss for the financial period

Loss for the period was S\$465,000 for 1Q2021 and S\$487,000 for 1Q2020. The decrease in loss was mainly due to the drop in administrative expenses of S\$401,000, which was offset by the fall in gross profit of S\$224,000 as well as the increase in other operating expenses by S\$128,000.

(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 net cash used in operating activities of S\$0.7 million for 1Q2020 and S\$0.8 million for 1Q2021. Cash outflow from working capital was S\$0.3 million for 1Q2020 as compared to S\$0.5 million for 1Q2021. This was mainly due to increase in inventories and trade and other receivables.

Net cash generated from investing activities was S\$1.3 million for 1Q2020 as compared to nil for 1Q2021. For 1Q2020, the S\$1.3 million was mainly due to the reduction of fixed deposits pledged to banks.

Net cash flows used in financing activities was S\$1.3 million for 1Q2020 as compared to S\$7,000 for 1Q2021. This was mainly due to capital reduction of a subsidiary for 1Q2020.

Comparatively, the Group's cash and cash equivalent decreased by S\$0.8 million, after adjusting for effects of exchange rate changes, from S\$3.0 million as at 30 June 2020 to S\$2.2 million as at 30 September 2020. The details of the cash flow statement are on page 5.

Notes to the consolidated statement of financial position

1) Property, plant and equipment

Property, plant and equipment ("PPE") consist mainly of motor vehicles, machinery and warehouse. PPE decreased from net book value of S\$598,000 as at 30 June 2020 to S\$580,000 as at 30 September 2020. The decrease was mainly due to depreciation during the current financial period reported on.

2) Other financial assets

Other financial assets consist of quoted investment, which amounts to S\$40 as at 30 September 2020 and 30 June 2020.

3) Deferred tax assets

The deferred tax for unutilised benefits mainly comprise the deductible temporary differences arising from property, plant and equipment.

4) Inventories

	30-Sep-20	30-Jun-20
	S\$'000	S\$'000
Finished goods	685	517
Goods-in-transit	-	23
	<u>685</u>	<u>540</u>

Inventories are held in a US subsidiary, Mid-Continent Equipment, Inc. The increase in inventory level was due to the pending delivery of orders.

5) Trade and other receivables

	30-Sep-20	30-Jun-20
	S\$'000	S\$'000
Trade receivables	1,076	854
Other receivables, deposits and prepayments	372	115
	<u>1,448</u>	<u>969</u>

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The increase in trade receivables from approximately S\$0.9 million as at 30 June 2020 to S\$1.1 million as at 30 September 2020 was mainly due to invoices issued for recent months' sales which were not due for payment yet. Other receivables, deposits and prepayments had increased from S\$0.1 million as at 30 June 2020 to S\$0.4 million at 30 September 2020 and this was mainly due to prepaid expenses.

6) Assets classified as held for sale

The assets classified as held for sale of approximately S\$4.5 million as at 30 September 2020 consist of properties in Singapore and Australia.

7) Trade and other payables

	30-Sep-20	30-Jun-20
	S\$'000	S\$'000
Trade payables	815	378
Other payables and contract liabilities	1,656	1,937
	<u>2,471</u>	<u>2,315</u>

Trade payables increased from approximately S\$0.4 million as at 30 June 2020 to S\$0.8 million as at 30 September 2020. This was mainly due to slower payment to creditors as a result of the current market conditions.

Other payables and contract liabilities decreased from approximately S\$1.9 million as at 30 June 2020 to S\$1.7 million as at 30 September 2020, mainly due to the decrease of S\$0.2 million of advance payments from our US subsidiary's customers during this quarter.

8) Borrowings (current and non-current)

Current and non-current borrowings amounting to approximately S\$0.1 million as at 30 September 2020 relate to the loans taken up by a US subsidiary. The details of the loans are on page 4 of this announcement.

9) Lease liabilities (current and non-current)

Lease liabilities amounting to approximately S\$1.7 million relates to the Right-of-use assets.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

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 operating environment continues to be challenging and uncertain despite the gradual ease of the circuit breaker measures, movement control or lockdown in Singapore and other countries which the Group operates or has potential overseas projects in.

Nevertheless, the Group continues to seek and engage our business partners in potential overseas opportunities in preparation for when we are able to resume some normality in the overall business and social environment overseas.

Most recently, the Group had obtained shareholders' approval at the extraordinary general meeting held on 30 October 2020 (the "EGM") to diversify its business further to include engineering, procurement, construction and Commissioning ("EPCC") services, and drilling and consultancy services.

Following the approval by shareholders to diversify its business to include EPCC services, the Group had on 2 November 2020 announced the extension of timeline for the execution of the heads of agreement with AREA Energy Inc on the collaboration to jointly pursue the Australasian region for EPCC type projects in view of the Covid-19 situation which had made it difficult to travel to the project sites to conduct the necessary due diligence and to start work and operations safely.

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In addition to the collaboration with AEI, the Group had on 9 November 2020 announced the entry into a shareholders' agreement with H.E. ENG. Salah Salem Bin Omair Al Shamsi and Douglas Valley Limited to form a joint venture company. The joint venture will provide a strategic platform for the Group to execute its business diversification plans as approved at the EGM.

The Group will continue to manage our financial resources prudently and monitor the evolving situation. The Board will endeavour to provide regular and timely updates to shareholders in due course.

11 If a decision regarding dividend has been made:

(a) Whether an interim (Final) ordinary dividend has been declared(recommended); and

No.

(b) (i) Amount per share (cents)

Not applicable.

(b) (ii) Previous corresponding period (cents)

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated)

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

The directors did not recommend any interim dividend as the Company does not have profits.

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.

The Group has not obtained a general mandate from shareholders for IPTs. There were no IPTs of S\$100,000 and above during 1Q2021.

14 Confirmation by the Board pursuant to Rule 705(5)

We, Charles Madhavan and Farooq Ahmad Mann, 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 period ended 30 September 2020 to be false or misleading in any material aspect. A signed confirmation copy is kept in record.

On behalf of the Board of Directors

Charles Madhavan
Executive Director and CEO

Farooq Ahmad Mann
Independent Non-Executive Director

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

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2020 (“1Q2021”)

15 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 the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (“Catalist Listing Manual”) in accordance with Rule 720(1) of the Catalist Listing Manual.

BY ORDER OF THE BOARD

Charles Madhavan
Chief Executive Officer
11 November 2020

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 in 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 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.