



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

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**Unaudited Condensed Interim Financial Statement and Announcement for  
6 Months Ended 30 June 2022  
("6MFY2022").**

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This announcement has been prepared by Magnus Energy Group Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") 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 (the "**Catalist Rules**"). This announcement on the quarterly financial statements is mandatory, made pursuant to the requirements of the SGX-ST, as required under Rule 705(2)(d) of the Catalist Rules.

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 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.

TABLE OF CONTENTS	Page
A. Condensed interim consolidated statement of profit or loss and other comprehensive income	2
B. Condensed interim statements of financial position	3
C. Condensed interim statements of changes in equity	4
D. Condensed interim consolidated statement of cash flows	6
E. Notes to the condensed interim consolidated financial statements	7
F. Other information required under Appendix 7C of the Catalist Rules	12

**Background:**

Following the Company's announcement dated 14 May 2021 on the change of its financial year end from 30 June to 31 December, the most recently completed financial year of the Company ended on 31 December 2021 ("**FY2021**"), and covered a period of 18 months from 1 July 2020 to 31 December 2021.

In relation to the foregoing, the Company hereby presents its unaudited condensed interim consolidated financial results for the first six months ended 30 June 2022 ("**6MFY2022**"), as compared to the corresponding six months ended 30 June 2021 ("**6MFY2021**").

Please note that figures presented below under the respective financial statements may not add up due to rounding differences.

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

**(A) Condensed interim consolidated statement of profit or loss and other comprehensive income**

	Note	Group				Group		
		Six months ended 30 June 2022				Second quarter ended 30 June ("2Q")		
		Jan 2022- June 2022 S\$'000	Jan 2021- June 2021 S\$'000	Change S\$'000	Change +/(-)%	2Q2022 S\$'000	2Q2021 S\$'000	Change +/(-)%
	Unaudited	Unaudited			Unaudited	Unaudited		
<b>Revenue</b>	4	7,214	5,438	1,776	33	4,113	2,974	38
<b>Cost of Sales</b>		(6,409)	(4,903)	(1,506)	31	(3,671)	(2,678)	37
<b>Gross profit</b>		805	533	272	51	442	295	50
Other operating income		3,615	267	3,348	1,255	1,176	114	932
Other operating expenses		(154)	(314)	160	(51)	(177)	(505)	(65)
Distribution and marketing expenses		(54)	(12)	(42)	369	(37)	(5)	640
Administrative expenses		(1,508)	(1,600)	92	(6)	(785)	(776)	1
Interest income		1	(3)	4	NM	-	0	NM
Finance costs		(31)	(40)	9	(22)	(10)	(20)	(50)
Share of loss from joint venture entity		-	(66)	66	NM	-	(39)	NM
<b>Profit/(loss) before tax</b>		2,674	(1,235)	3,909	(317)	609	(937)	(165)
Tax expense		(112)	(16)	(96)	NM	(69)	8	NM
<b>Profit/(loss) for the financial period</b>		2,562	(1,251)	3,813	(305)	540	(929)	(158)
Other comprehensive (loss)/gain		(465)	302	(767)	NM	(468)	517	NM
<b>Total comprehensive income/(loss) for the financial period</b>		2,097	(949)	3,046	(321)	72	(412)	(117)
<b>Profit/(loss) attributable to:</b>								
Equity holders of the Company		1,533	(836)	2,369	(283)	559	(588)	(195)
Non-controlling interests		1,029	(415)	1,444	(348)	(19)	(341)	(94)
		2,562	(1,251)	3,813	(305)	540	(929)	(158)
<b>Total comprehensive income/(loss) attributable to:</b>								
Equity holders of the Company		1,051	(1,036)	2,087	(201)	75	(521)	(114)
Non-controlling interests		1,046	87	959	1,102	(3)	109	(103)
		2,097	(949)	3,046	(321)	72	(412)	(117)

NM: Not meaningful

Note: 0 denotes value less than S\$500

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

**(B) Condensed interim statements of financial position**

	Note	Group		Company	
		30-Jun-22 S\$'000 Unaudited	31-Dec-21 S\$'000 Audited	30-Jun-22 S\$'000 Unaudited	31-Dec-21 S\$'000 Audited
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment		362	333	38	7
Investments in subsidiaries		-	-	5,528	5,528
Other financial assets		0	0	0	0
<b>Total non-current assets</b>		<b>362</b>	<b>333</b>	<b>5,566</b>	<b>5,535</b>
<b>Current assets</b>					
Inventories	5	917	901	-	-
Trade and other receivables	6	2,404	1,645	863	420
Related parties balances		152	-	344	940
Cash and bank balances		2,597	503	692	19
		6,070	3,049	1,898	1,379
Assets classified as held for sale	7	-	3,816	-	-
Right-of-use assets	8	184	1,626	184	-
<b>Total current assets</b>		<b>6,254</b>	<b>8,491</b>	<b>2,082</b>	<b>1,379</b>
<b>Total assets</b>		<b>6,616</b>	<b>8,824</b>	<b>7,648</b>	<b>6,914</b>
<b>Equity and Liabilities</b>					
<b>Non-current liabilities</b>					
Lease liabilities	8	191	-	191	-
<b>Total non-current liabilities</b>		<b>191</b>	<b>-</b>	<b>191</b>	<b>-</b>
<b>Current liabilities</b>					
Trade and other payables	9	2,752	3,338	748	1,206
Contract liabilities	10	-	433	-	-
Related parties balances		-	-	1,360	1,360
Income tax liabilities		0	0	-	-
		2,752	3,771	2,108	2,566
Lease liabilities	8	-	1,692	-	-
<b>Total current liabilities</b>		<b>2,752</b>	<b>5,463</b>	<b>2,108</b>	<b>2,566</b>
<b>Total liabilities</b>		<b>2,942</b>	<b>5,463</b>	<b>2,299</b>	<b>2,566</b>
<b>Equity</b>					
Share capital		148,782	148,782	148,782	148,782
Reserves		(147,460)	(146,727)	(143,433)	(144,434)
		1,322	2,055	5,349	4,348
Non-controlling interests		2,352	1,306	-	-
<b>Total equity</b>		<b>3,674</b>	<b>3,361</b>	<b>5,349</b>	<b>4,348</b>
<b>Total equity and liabilities</b>		<b>6,616</b>	<b>8,824</b>	<b>7,648</b>	<b>6,914</b>

Note: 0 denotes value less than S\$500

**MAGNUS ENERGY GROUP LTD.**

(Registration No. 198301375M)

**(C) Condensed interim statements of changes in equity**

Group	Attributable to equity holders of the Company				Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Currency translation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000		
<b>Balance at 1 January 2022</b>	148,782	(2,083)	(144,643)	2,055	1,306	3,361
Gain for the financial period	-	-	1,533	1,533	1,029	2,562
Dividends paid	-	-	(1,784)	(1,784)	-	(1,784)
Other comprehensive gain for the financial period	-	(482)	-	(482)	17	(465)
Total comprehensive gain for the financial period	-	(482)	(251)	(733)	1,046	313
<b>Balance at 30 June 2022</b>	<b>148,782</b>	<b>(2,565)</b>	<b>(144,895)</b>	<b>1,322</b>	<b>2,352</b>	<b>3,674</b>
<b>Balance at 1 January 2021</b>	148,782	(2,136)	(143,031)	3,615	2,269	5,884
Loss for the financial period	-	-	(836)	(836)	(416)	(1,252)
Other comprehensive loss the financial period	-	(201)	-	(201)	503	302
Total comprehensive loss for the financial period	-	(201)	(836)	(1,037)	87	(950)
Return of share capital to non-controlling interest	-	-	-	-	(880)	(880)
<b>Balance at 30 June 2021</b>	<b>148,782</b>	<b>(2,337)</b>	<b>(143,867)</b>	<b>2,578</b>	<b>1,476</b>	<b>4,054</b>

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

**(C) Condensed interim statements of changes in equity (Cont'd)**

<b>Company</b>	<b>Share capital</b>	<b>Accumulated</b>	<b>Total</b>
	<b>S\$'000</b>	<b>losses</b>	<b>S\$'000</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Balance at 1 January 2022	148,782	(144,434)	4,348
Total comprehensive gain for the financial period	-	1,001	1,001
<b>Balance at 30 June 2022</b>	<b>148,782</b>	<b>(143,433)</b>	<b>5,349</b>
Balance at 1 January 2021	148,782	(142,566)	6,216
Total comprehensive gain for the financial period	-	(736)	(736)
<b>Balance at 30 June 2021</b>	<b>148,782</b>	<b>(143,302)</b>	<b>5,480</b>

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

**(D) Condensed interim consolidated statement of cash flows**

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30-Jun-22</b>	<b>30-Jun-21</b>
	<b>S\$'000</b>	<b>S\$'000</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>Cash flows from operating activities</b>		
Gain/(loss) before tax	2,674	(1,235)
Adjustment for:		
Adjustments of non-cash items	(3,380)	675
<b>Operating cash flows before working capital changes</b>	<b>(706)</b>	<b>(560)</b>
Working capital changes	(3,396)	(457)
<b>Cash used in operations</b>	<b>(4,102)</b>	<b>(1,017)</b>
Interest paid	1	0
Income taxes paid	-	-
<b>Net cash used in operating activities</b>	<b>(4,101)</b>	<b>(1,017)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(44)	(3)
Proceeds from disposal of property, plant and equipment	6,266	547
Investment in joint venture	(1)	-
<b>Net cash generated from investing activities</b>	<b>6,221</b>	<b>544</b>
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(85)	(16)
<b>Net cash used in financing activities</b>	<b>(85)</b>	<b>(16)</b>
Net increase/(decrease) in cash and cash equivalents	2,035	(489)
Cash and cash equivalents at beginning of the financial period	503	1,269
Effects of exchange rate changes on cash and cash equivalents	58	32
<b>Cash and cash equivalents at end of the financial period</b>	<b>2,597</b>	<b>812</b>

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

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**(E) Notes to the condensed interim financial statements**

1. Corporate information

Magnus Energy Group Ltd. (Co. Reg. No. 198301375M) is incorporated and domiciled in Singapore and listed on the Catalist Board of the SGX-ST. The address of its registered office and principal place of business is at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are investment holding, supply of equipment, tools and accessories used in the oil drilling business as well as the supply of oilfield equipment, engineering, procurement, construction, and commissioning (“**EPCC**”) services and drilling services.

2. Basis of Preparation

(a) Basis of preparation:

The condensed interim consolidated financial statements for the six months ended 30 June 2022 and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited financial statements for the year ended 31 December 2021 (“**FY2021 Audited Financial Statements**”). The FY2021 Audited Financial Statements were prepared under Singapore Financial Reporting Standards (International) (SFRS(I)).

Notwithstanding the disclaimer of opinion set out in the FY2021 Independent Auditor’s report which relates to material uncertainty relating to the going concern of the Group and the Company, the condensed interim financial statements have prepared on a going concern basis. Having considered that:

- (i) the Group had recorded a net profit of S\$2.6 million for 6MFY2022 vis-à-vis a net loss of S\$1.3 million for 6MFY2021;
- (ii) as of 30 June 2022, the Group reported net current assets of S\$3.7 million (31 December 2021: S\$3.4 million), for which current assets comprised mainly cash and cash balances of S\$2.6 million (31 December 2021: S\$0.5 million); and
- (iii) the Group is still in the midst of negotiating several contracts for the extraction of oil and gas and minerals in several locations in Indonesia which the management team is confident of securing within this financial year. These contracts, when executed, are expected to improve the overall financial performance of the Group,

the Board is of the view that the going concern assumptions that were considered and set out in the FY2021 Independent Auditor’s report are still appropriate and adequately reflect the Group’s and Company’s ability to continue as a going concern for the next 12 months.

The condensed interim financial statements are prepared on a going concern basis and the working capital available to the Group is sufficient to meet its present requirements and for the next 12 months.

The financial statements are presented in Singapore Dollars (SGD or S\$) and all values in the tables are rounded to the nearest thousand (S\$’000), except when otherwise indicated.

The figures have not been audited or reviewed by auditors.

(b) Significant accounting policies:

The accounting policies and presentation adopted for these condensed interim consolidated financial statements are consistent with those of the FY2021 Audited Financial Statements.

(c) New and amended standards adopted by the Group:

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) (SFRS(I)) and Interpretations of SFRS(I) (INT SFRS(I)) that are mandatory for the accounting periods beginning

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

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on or after 1 January 2022. The adoption of these new and revised SFRS(I) and INT SFRS(I) did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

(d) Use of estimates and judgements:

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the FY2021 Audited Financial Statements.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segmental and revenue information

The Group is organised into the following main business segments:

- Oilfield equipment supply and services;
- Renewable energy and minerals;
- EPCC services;
- Drilling services; and
- Investment holding.



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

	<b>Oilfield equipment supply and services S\$'000</b>	<b>Renewable energy S\$'000</b>	<b>EPC services S\$'000</b>	<b>Drilling services S\$'000</b>	<b>Investment holding S\$'000</b>	<b>Group S\$'000</b>
<b>6MFY2022</b>						
<i>Segment revenue</i>						
Sales to external customers	7,214	-	-	-	-	7,214
Total revenue	<u>7,214</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,214</u>
Segment profit/(loss)	1,458	-	(3)	(71)	1,178	2,562
		-				
Depreciation - PPE	13	-	-	-	2	15
Depreciation - ROU asset	9	-	-	-	16	25
Property, plant and equipment written off	-	-	-	-	5	5
Lease liabilities interest	11	-	-	-	3	14
Loss on disposal of assets held for sale	2,464	-	-	-	-	2,464
Unallocated finance income	-	-	-	-	-	(1)
Unallocated finance cost	-	-	-	-	-	31
Unallocated income tax	-	-	-	-	-	112
<i>Assets and liabilities:</i>						
Total segment assets	<u>5,720</u>	<u>-</u>	<u>190</u>	<u>409</u>	<u>297</u>	<u>6,616</u>
Segment assets include:						
Additions to non-current assets	<u>29</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29</u>
Total segment liabilities	<u>(1,596)</u>	<u>-</u>	<u>(510)</u>	<u>(487)</u>	<u>(349)</u>	<u>(2,942)</u>

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

	Oilfield equipment supply and services S\$'000	Renewable energy S\$'000	EPC services S\$'000	Drilling services S\$'000	Investment holding S\$'000	Group S\$'000
<b>6MFY 2021</b>						
<i>Segment revenue</i>						
Sales to external customers	5,438					5,438
Total revenue	5,438	-	-	-	-	5,438
Segment profit/(loss)	(54)	(295)	(83)	(5)	(813)	(1,251)
Depreciation - PPE	13	-	-	-	2	15
Depreciation - ROU asset	27	-	-	-	-	27
Capital reduction of a subsidiary	36	-	-	-	-	36
Share of results of joint venture	-	-	-	-	-	66
Loss on de-registration of subsidiary	23	-	-	-	-	23
Loss on disposal of property, plant and equipment	16	-	-	-	-	16
Unallocated finance income	-	-	-	-	-	3
Unallocated finance cost	-	-	-	-	-	40
Unallocated income tax	-	-	-	-	-	16
<i>Assets and liabilities:</i>						
Total segment assets	8,013	57	3	-	597	8,670
<i>Segment assets include:</i>						
Additions to non-current assets	(25)	-	-	-	(28)	(53)
Total segment liabilities	(2,168)	(12,781)	(12)	(1)	10,346	(4,616)

**Geographical segment**

The Group's businesses are mainly in USA, United Arab Emirates, Saudi Arabia, Japan, Singapore. Revenue is based on the country in which the customer is located.

Non-current assets, excluding unallocated deferred tax assets, are shown by the geographical areas in which these assets are located.

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

	Sales to external customers		Non-current asset	
	6MFY2022	6MFY2021	6MFY2022	6MFY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	199	611	39	-
Australia	-	-	1	1
Malaysia	-	-	0	17
United States of America	4,801	2,309	322	534
United Arab Emirates	434	705	-	-
Thailand	87	74	-	-
Saudi Arabia	342	331	-	-
Japan	373	842	-	-
China/Hong Kong	200	183	-	-
India	45	23	-	-
Others	733	359	-	-
	<b>7,214</b>	<b>5,438</b>	<b>362</b>	<b>552</b>

The Group applies the practical expedient in SFRS(I) 15 and does not disclose information about its remaining performance obligation if the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, and it recognises revenue in that amount.

5. Inventories

Inventories amounting to S\$0.9 million as at 30 June 2022 comprises mainly finished goods from the Company's subsidiary, Mid-Continent Equipment, Inc. ("MEI") in the USA.

6. Trade and other receivables

Trade and other receivables include:

	30-Jun-22	31-Dec-21
	S\$'000	S\$'000
	Unaudited	Audited
Advances to supplier	188	-
Deposit	25	15
Other taxes recoverable	2	3
Other receivables	1,083	549
Prepayments	33	68
Trade receivables	1,073	1,010
	<b>2,404</b>	<b>1,645</b>

Trade receivables are due within normal trade credit terms of 30 – 90 days. The increase in trade receivables and advances to supplier are primarily due to the increased business activities in MEI in the USA. In addition, a significant increase of S\$0.5 million in other receivables pertains to receivables from MEI in 2Q2022.

7. Assets classified as held for sale

The assets classified as held for sale amounting to S\$3.8 million as at 31 December 2021 pertains to the property located at 32 Loyang Crescent (the "**Loyang Property**"), which was fully disposed during 1Q2022.

8. Right-of-use assets

The right-of-use assets amounting to S\$1.6 million as at 31 December 2021 pertains to the leasehold land from JTC Corporation in respect of the Loyang Property which had a remaining lease period of 32 years. The right-of-use asset has been fully disposed at cost in 1Q2022 and its respective lease liabilities has been fully reversed out upon disposal.

During 2Q2022, the Company has entered into a new lease agreement with a lease period of 3 years. This has resulted in the increase in right-of-use asset despite the abovementioned disposal. The new lease is solely for the purpose of rental of office premises.

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

9. Trade and other payables

Trade and other payables include:

	<b>30-Jun-22</b>	<b>31-Dec-21</b>
	<b>S\$'000</b>	<b>S\$'000</b>
	<b>Unaudited</b>	<b>Audited</b>
Accrued operating expenses	234	1,314
Amount due to directors	-	101
Grant payable	-	8
GST payables	(10)	(2)
Other payables	1,163	903
Trade payables	1,365	1,013
	<u>2,752</u>	<u>3,338</u>

Trade payables increased by S\$0.4 million from S\$1.0 million as at 31 December 2021 as compared to S\$1.4 million as at 30 June 2022. An increase in trade payables can be seen as more purchases are required to support the increased business activities in MEI due to the increase in global demand for oil and gas equipment distribution through its USA operations.

However, accrued operating expenses has decreased by S\$1.1 million from S\$1.3 million as at 31 December 2021 to S\$0.2 million as at 30 June 2022. The decrease in accrued operating expenses is mainly due to the recognition of balance payment made for the share capital reduction of a subsidiary in accordance with the special resolution dated 24 November 2020.

10. Contract Liabilities

As at 30 June 2022, there are no contract liabilities recognised. There were no advance payments received from customers based on a billing schedule as established in contracts and will be recognised as revenue as (or when) the Group satisfies the performance obligations under its contracts.

11. Contingent liabilities

The Company was served with the letter of demand dated 29 February 2020 from solicitors acting on behalf of Mr. Thong notifying the Company of his claim for repayment of loans which Mr. Luke Ho, the former chief executive officer, allegedly borrowed from Mr. Thong in 2016 purportedly on behalf of the Company. However, the Company has no records of the alleged loan.

Mr. Thong had demanded payment from the Company of S\$5,118,572.49 representing the amount of loan principal and contractual interest owed as of 18 January 2018 of S\$4,600,000 and further interest of 5.33% per annum on the same, pursuant to Section 12 of the Civil Law Act 1909, of S\$518,572.49.

On 10 November 2020, the Company was served with the Writ of Summons and Statement of Claim in respect of Mr. Thong's claim against the Company for the alleged loans purportedly provided to the Company.

The Company in turn commenced third-party proceedings against Luke Ho in Suit 1075 on 6 December 2020, seeking that Luke Ho fully indemnifies the Company for Mr. Thong's claims in the event the Company is found liable to Mr. Thong.

The Company and Mr. Thong have been directed by the Court to file and exchange the Affidavits of Evidence in-Chiefs of their respective witnesses of fact by 4 January 2022.

On 17 January 2022, the Company had reached a settlement with Luke Ho where the Company will file a Notice of Discontinuance of the third-party proceedings in Suit 1075 against Luke Ho.

As announced by the Company on 28 April 2022, the trial date in respect of Suit 1075 was discussed and a period of the last 2 weeks of September 2022 will be set aside for the trial. On 29 April 2022, the Company was informed that the trial will be set from 20-23 September 2022.

Save as disclosed above, there are no material updates in respect of the Suit 1075 as at the date of this financial statements. Notwithstanding the lodgement of Suit 1075, the board and management holds the view that no material losses detrimental to the Group's and the Company's financial position as a going concern will arise from this Suit for the financial year ending 31 December 2022. As to date, there is no provision made.

12. Borrowings and debt securities

The Group did not have bank borrowings and debt securities as at 30 June 2022 and 31 December 2021.

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

**(F) Other information required under Appendix 7C of the Catalyst Rules**

- 1a) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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 (S\$'000)
30-Jun-22	Issued and paid-up capital	12,632,507,107	148,782
31-Dec-21	Issued and paid-up capital	12,632,507,107	148,782

There was no change in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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.

As at 30 June 2022 and 30 June 2021, 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.

- 1b) 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-Jun-22	31-Dec-21
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.

- 1c) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

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

- 1d) 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.

- 2a) 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.

- 2b) Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

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

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- 3) 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 disclaimer of opinion set out in the FY2021 Independent Auditor's report relates to material uncertainty relating to the going concern of the Group and the Company, the details of which are disclosed in Section E10 above.

- 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 condensed interim financial statements for the six months period ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The condensed interim financial statements for the current reporting period have 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 31 December 2021, 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 2022.

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the financial year ended 31 December 2021. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

- 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.

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

- 6) Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: (a) based on the weighted average number of ordinary shares on issue; and (b) on a fully diluted basis (detailing any adjustments made to the earnings).

	6 months ended	
	6MFY2022 S\$'000	6MFY2021 S\$'000
Profit/(loss) attributable to equity holders of the Company	1,533	(836)
Earnings per ordinary share of the Group based on weighted average number of ordinary shares in issue (cents)		
- basic and diluted	0.01	(0.01)
Weighted average number of ordinary shares ('000)	12,632,507	12,632,507
Earnings per ordinary share of the Group on a fully diluted basis (detailing any adjustments made to the earnings (cents) - (see Note below)		
	0.01	(0.01)
Weighted average number of ordinary shares on fully diluted basis ('000)	12,632,507	12,632,507

Notes:

(1): Rounded to the nearest two (2) decimal places.

(2): The diluted loss per share is the same as the basis gain/(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-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
Net asset value (S\$'000)	1,322	2,055	5,349	4,348
Number of shares ('000)	12,632,507	12,632,507	12,632,507	12,632,507
Net asset value per ordinary share (cents)	0.01	0.02	0.04	0.03

Net asset value is based on equity attributable to owners of the Company.

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

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- 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 turnover, 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 6MFY2022 and 6MFY2021**

The Group's operations during the periods under review are primarily carried out by MEI. Revenue increased by 33% from S\$5.4 million in 6MFY2021 to S\$7.2 million in 6MFY2022. The increase is due to the strong recovery of economy and post COVID-19 pandemic global demands for oil and gas equipment as well as the Group's focus on building the oil and gas equipment distribution business through its USA operations. In tandem with the increase in revenue, the cost of sales saw a corresponding increase of 31% from S\$4.9 million for 6MFY2021 to S\$6.4 million for 6MFY2022.

Overall, the Group gross profit has improved significantly from approximately S\$0.5 million in 6MFY2021 to S\$0.8 million in 6MFY2022.

**Other operating income of the Group for 6MFY2022 and 6MFY2021**

The Group's other operating income increased by S\$3.3 million from S\$0.3 million in 6MFY2021 to S\$3.6 million in 6MFY2022, mainly due to the gain on disposal of assets classified as held for sales pertaining to the Loyang Property amounting to S\$2.4 million and foreign exchange gain from intercompany loan amounting to S\$0.9 million.

**Expenses**

Other operating expenses decreased by S\$0.2 million in 6MFY2022. This fluctuation is mainly due to both realised and unrealised exchange gains. The Group had recorded a favourable exchange rate movement for 6MFY2022 as compared to 6MFY2021.

Administrative expenses comprised of staff and director costs, professional fees, depreciation expenses, SGX listing compliance costs and other general office expenses. There was a slight decrease in administrative expenses of S\$0.1 million for 6MFY2022 as compared to 6MFY2021.

Finance costs are primarily related to interest on lease liabilities recorded for 6MFY2022 and 6MFY2021.

Overall, the Group recorded a net profit after tax of S\$2.6 million for 6MFY2022, an increase of S\$3.8 million, as compared to 6MFY2021 which recorded net loss after tax of S\$1.3 million.

**Other comprehensive (loss)/gain of the Group for 6MFY2022 and 6MFY2021**

The Group's other comprehensive loss increased by S\$0.7 million from other comprehensive gain of S\$0.3 million in 6MFY2021 to other comprehensive loss of S\$0.4 million in 6MFY2022, due to the currency translation differences arising on consolidation.



- b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

#### **Consolidated Statement of Financial Position**

##### **Assets:**

The Group's total assets, which mainly comprised of current assets, decreased by approximately S\$2.2 million in 6MFY2022. As at 30 June 2022, current assets accounted for 94.5% of the Group's total assets. The decrease in current assets from S\$8.5 million as at 31 December 2021 to S\$6.3 million as at 30 June 2022 was mainly due to:

- the decrease in assets classified as held for sale and right-of-use assets from an aggregate of S\$5.4 million as at 31 December 2021 to S\$0.2 million as at 30 June 2022. The decrease is due to the disposal of the Loyang Property that took place in March 2022.

which was partially offset by:

- the increase in trade and other receivables of approximately S\$0.8 million, details of which are set out in Section E6 above and;
- the increase in cash and bank balances of approximately S\$2.1 million

There are no significant movements in the Group's non-current assets except for some small purchases of property, plant and equipment which was offset by the depreciation charges and foreign exchange fluctuation during 6MFY2022.

##### **Liabilities:**

The Group's liabilities, which comprised mainly current liabilities as at 30 June 2022, decreased by about S\$2.6 million from S\$5.5 million as at 31 December 2021 to S\$2.9 million as at 30 June 2022. The decrease is due to:

- decrease in trade and other payables in 6MFY2022 as explained in Section E9 of this announcement;
- decrease in contract liabilities in 6MFY2022 as explained in Section E10 of this announcement; and
- the reversal of lease liabilities in 6MFY2022 as explained in Section E8 of this announcement.

#### **Consolidated Statement of Cash Flows**

Net cash used in operating activities increased by S\$3.1 million in 6MFY2022. This was mainly due to the adjustment of non-cash item pertaining to the unrealised gain on foreign exchange in relation to intercompany loan of S\$0.9 million which contributed to the increase in cash flow used in operating activities in 6MFY2022. In addition, an increase in working capital changes from day-to-day operations as a result of increased business activities by MEI has resulted in the increase in net cash used in operating activities as well.

Net cash generated from investing activities increased from S\$0.5 million in 6MFY2021 to \$6.2 million in 6MFY2022 due to the proceeds received from the disposal of property, plant and equipment in 6MFY2022.

Net cash used in financing activities has been relatively constant in 6MFY2022 as compared to 6MFY2021.

In view of the aforementioned, the Group saw a net increase in cash and cash equivalents by S\$2.1 million in 6MFY2022, and the Group's cash and cash equivalents amount to S\$2.6 million as at 30 June 2022.

Taking into account the cash resources available to the Group and the net cash used in operating activities for the Group, as well as the assessment of the Group's and Company's going concern assumptions set out in Sections E2 and E10 above, the Board is of the view that the Group is able to continue operating as a going concern and the working capital available to the Group is sufficient to meet its present requirements and for the next 12 months.

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

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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.

MEI's contribution to the Group's revenue over the past quarters reflects a steady recovery of MEI's business during the aforementioned periods under review.

At this juncture, the Group is also in the midst of negotiating several contracts for the extraction of oil and gas and minerals in several locations in Indonesia which the management team is confident of securing within this financial year. These contracts, when executed, are expected to improve the overall financial performance of the Group. In respect of the nickel ore shipments, Management is aware that (i) the weather, which determines when the ore can be hauled from the pit to the stockpile and then to the barge and (ii) the benchmark price set by the Indonesian Government (HPM) are the key factors that are beyond the control of PT MEG Harta Indonesia, and will impact its cashflow and profitability. Management will continue to monitor the aforementioned factors closely in the course of its negotiations for potential contracts and/or performing the services set out under the secured contracts.

The above improvements are predicated on several factors including the economic recovery from the global pandemic COVID-19.

Based on the above developments, the management remains cautiously positive on the outlook for the Group.

11. If a decision regarding dividend has been made:

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

No dividend has been declared or recommended for 2Q2022.

- (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) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend has been declared or recommended for 2Q2022 as the Group would like to retain its earnings as working capital.

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

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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 2Q2022.

14. 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).

The Company hereby confirms that it has procured signed undertakings from all of its Directors and the relevant executive officers in the format as set out in Appendix 7H of the Catalist Rules in accordance with Rule 720(1) of the Catalist Rules.

15. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

On behalf of the board of directors of the Company, we, Charles Madhavan and Budi Rahardjo, being two directors of the Company, do hereby confirm to the best of our knowledge that nothing has come to the attention of the board of directors of the Company which may render the financial statements for the six months period ended 30 June 2022 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

Budi Rahardjo  
Independent Non-Executive Director

**By Order of the Board**

Charles Madhavan  
Executive Director and CEO  
12 August 2022