

**MAGNUS ENERGY GROUP LTD.**

Company Registration No. 198301375M

(Incorporated in Singapore)

(the “**Company**”)

---

**MINUTES OF THE ANNUAL GENERAL MEETING (THE “AGM”) OF THE COMPANY HELD AT YORK HOTEL, CARLTON HALL, LEVEL 2, 21 MOUNT ELIZABETH, SINGAPORE 228516, ON WEDNESDAY, 30 OCTOBER 2019 AT 10.00 A.M.**

---

**PRESENT:** Please refer to the Attendance Sheet

**1. INTRODUCTION AND QUORUM**

There being a quorum present, the Chairman, Mr Kushairi Bin Zaidel, called the meeting to order at 10.04 a.m.

**2. NOTICE**

With the permission of the meeting, the notice of AGM dated 15 October 2019 (the “**Notice**”), having been duly circulated to all members within the required statutory period, was taken as read.

The Chairman informed the shareholders that on 29 October 2019, an advertisement about the Company was placed in the newspapers. Chairman clarified that the Company did not place the advertisement and that the Company would like to know whether the group of people associated with placing the advertisement could inform the Company that they were responsible for doing so and whether any shareholders present knew who placed the advertisement. Mr Ong Chin Yew (“**OCY**”), a shareholder of the Company, indicated that he was the one who placed the advertisement.

**3. POLLING**

The Chairman informed the shareholders that he had been appointed as proxy by some shareholders in his capacity as Chairman of the AGM and he would be voting in accordance with their instructions. The shareholders were also informed that the voting on all resolutions to be tabled at the AGM would be conducted by way of a poll in accordance with Rule 730A(2) of the Catalist Rules.

It was noted that there would be a move away from seeking seconders and the Chairman would move all motions. As the polling procedures would take some time to complete, the Chairman directed the poll on each resolution to be conducted and put to vote at the conclusion of all businesses as set out in the Notice. The Chairman then announced that Tricor Evatthouse Corporate Services had been appointed as the Polling Agent and Entrust Advisory Pte. Ltd. been appointed as Scrutineers for the AGM. The Chairman then proceeded to give a brief overview of the polling process.

Mr Charles Madhavan (“**CM**”), a deemed shareholder of the Company, asked the Chairman why he was wasting time with this. The Chairman said that it was a matter of procedure.

The Chairman informed the shareholders that the questions from the shareholders would be left until the end of the reading of the resolutions to be tabled at the AGM.

The meeting then proceeded with the formal business on the agenda for the AGM.

#### **4. AGM BUSINESS**

##### **ORDINARY BUSINESS**

##### **4.1 ORDINARY RESOLUTION 1: TO RECEIVE AND ADOPT THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019, DIRECTORS' STATEMENT AND AUDITORS' REPORT THEREON**

The Chairman noted that the shareholders had been provided with the Audited Financial Statements for the financial year ended 30 June 2019, the Directors' Statement and Auditors' Report.

The Chairman moved that Ordinary Resolution 1 as set out in the Notice be tabled for approval.

##### **4.2 ORDINARY RESOLUTION 2: TO RE-ELECT MR WEE LIANG HIAM, WHO IS RETIRING PURSUANT TO REGULATION 83 OF THE COMPANY'S CONSTITUTION**

The next item on the AGM agenda pertained to the re-election of Mr Wee Liang Hiam ("**Mr Wee**") as Director of the Company under Regulation 83 of the Company's Constitution, and who, being eligible, offers himself for re-election.

Ms Ling Mee Choo ("**Ms Ling**"), a shareholder of the Company, asked why was the Chairman reading the resolutions again and asked for the balance sheet of the Company. Mr Wee said told shareholders to please let the Chairman continue, and that shareholders will have the opportunity to ask questions later.

The Chairman moved that Ordinary Resolution 2 as set out in the Notice be tabled for approval.

##### **4.3 ORDINARY RESOLUTION 3: TO RE-ELECT MR ONG SING HUAT, WHO IS RETIRING PURSUANT TO REGULATION 101(1) OF THE COMPANY'S CONSTITUTION**

The next item on the AGM agenda pertained to the re-election of Mr Ong Sing Huat ("**Mr Ong**") as Director of the Company under Regulation 101(1) of the Company's Constitution.

The Chairman stated that upon re-election, Mr Ong shall remain as a member of the Remuneration and Nominating Committees and will be considered non-independent for the purposes of Rule 704(7) of the Catalist Rules.

The Chairman informed the shareholders that Mr Ong was not able to be present at the meeting as he was feeling unwell.

The Chairman moved that Ordinary Resolution 3 as set out in the Notice be tabled for approval.

4.4 **ORDINARY RESOLUTION 4:  
TO RE-ELECT MR KUSHAIRI BIN ZAIDEL, WHO IS RETIRING PURSUANT TO  
REGULATION 101(1) OF THE COMPANY'S CONSTITUTION**

The next item on the AGM agenda pertained to the re-election of Mr Kushairi bin Zaidel as Director of the Company under Regulation 101(1) of the Company's Constitution.

The Chairman informed the meeting that since this resolution relates to himself, Ms Seet Chor Hoon ("**Ms Seet**"), the Chairwoman of the Remuneration Committee, will take the chair for the purposes of this resolution and handed over conduct of the meeting to Ms Seet.

Ms Seet informed the meeting that upon re-election Mr Kushairi bin Zaidel shall remain as Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees, and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

Ms Seet moved that Ordinary Resolution 4 as set out in the Notice be tabled for approval and handed conduct of the meeting back to the Chairman.

4.5 **ORDINARY RESOLUTION 5:  
TO APPROVE THE PAYMENT OF ADDITIONAL DIRECTORS' FEES OF S\$11,100 FOR  
THE FINANCIAL YEAR ENDED 30 JUNE 2019**

The next item on the AGM agenda was to approve the payment of additional directors' fees of S\$11,100 for the financial year ended 30 June 2019.

The Chairman informed the meeting that the directors' fees for the financial year ended 30 June 2019 were approved at the last annual general meeting held on 30 October 2018, and that the additional directors' fees proposed arise from fees payable to Directors for meetings and work carried out between 1 July 2018 and 30 June 2019 and additional fees for the appointment of Mr Wee Liang Hiam.

The Chairman moved that Ordinary Resolution 5 as set out in the Notice be tabled for approval.

4.6 **ORDINARY RESOLUTION 6:  
TO APPROVE DIRECTORS' FEES OF S\$166,275 FOR THE FINANCIAL YEAR ENDING  
30 JUNE 2020, TO BE PAID QUARTERLY IN ARREARS**

The next item on the AGM agenda was to approve the payment of directors' fees of S\$166,275 for the financial year ending 30 June 2020, to be paid quarterly in arrears.

The Chairman moved that Ordinary Resolution 6 as set out in the Notice be tabled for approval.

**4.7      ORDINARY RESOLUTION 7:  
TO RE-APPOINT MOORE STEPHENS LLP AS AUDITORS OF THE COMPANY**

The next item on the AGM agenda addressed the re-appointment of Moore Stephens LLP as auditors of the Company for the ensuing year at a fee and on such terms to be agreed between the Directors and Moore Stephens LLP. The Secretary informed the meeting that Moore Stephens LLP had expressed their willingness to accept re-appointment as auditors of the Company.

The Chairman moved that Ordinary Resolution 7 as set out in the Notice be tabled for approval.

**SPECIAL BUSINESS**

**4.8      ORDINARY RESOLUTION 8:  
AUTHORITY OF DIRECTORS TO ALLOT AND ISSUE SHARES**

The first item on the AGM agenda under Special Business was Ordinary Resolution 8, which sought shareholders' approval to empower the Directors of the Company to allot and issue shares in the capital of the Company.

The Chairman referred the meeting to item 7 of the Notice for the full text of the resolution. There being no objection from the shareholders present at the meeting, the resolution was taken as read.

The Chairman moved that Ordinary Resolution 8 as set out in the Notice be tabled for approval.

**4.9      ORDINARY RESOLUTION 9:  
AUTHORITY OF DIRECTORS TO ISSUE SHARES UNDER THE MAGNUS ENERGY  
EMPLOYEE SHARE OPTION PLAN**

The next item on the AGM agenda pertained to Ordinary Resolution 9, which sought shareholders' approval to empower the Directors of the Company to offer and grant options under the Magnus Energy Employee Share Option Plan and to issue from time to time such number of shares in the capital of the Company as may be required pursuant to the exercise of options.

The Chairman referred the meeting to item 8 of the Notice for the full text of the resolution. There being no objection from the shareholders present at the meeting, the resolution was taken as read.

The Chairman moved that Ordinary Resolution 9 as set out in the Notice be tabled for approval.

**4.10     ORDINARY RESOLUTION 10:**

### **AUTHORITY OF DIRECTORS TO ISSUE SHARES UNDER THE MAGNUS ENERGY PERFORMANCE SHARE PLAN**

The last item on the AGM agenda was Ordinary Resolution 10, which sought shareholders' approval to authorise the Directors to offer and grant awards in accordance with the provisions of the Magnus Energy Performance Share Plan and to allot shares pursuant to the vesting of the awards.

The Chairman referred the meeting to item 9 of the Notice for the full text of the resolution. There being no objection from the shareholders present at the meeting, the resolution was taken as read.

The Chairman moved that Ordinary Resolution 10 as set out in the Notice be tabled for approval.

## **5. QUESTIONS FROM SHAREHOLDERS**

### **QUERIES IN RESPECT OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

- 5.1 Mr Doraisamy Sellakannu ("**Mr Sellakannu**"), a shareholder of the Company, requested the financial statements to be put up on the screen at the meeting. The Chairman responded that the financial statements can be found in the annual report of the Company.
- 5.2 Ms Ling queried whether the board of directors present at the meeting (the "**Board**") could give a summary of the financial statements.
- 5.3 Mr Sellakannu then stated that doing so was the normal practice in many companies and that he does not know why the Company did not do so.

### **QUERIES IN RESPECT OF THE MICROALGAE PROJECT**

- 5.4 CM informed the meeting that he was acting as a proxy for Sng Lee Leng, who is his wife; for Blue Water Engineering, a company which he owns; for Idola Cakrawala International Pte Ltd, a company which he owns; for Mr Tan Bak Choon and Mr Tan Yew Meng (Jack), the former financial controller of Magnus Energy Group Ltd.
- 5.5 CM had a question for Mr Luke Ho ("**Luke**"), the Chief Executive Officer ("**CEO**") of the Company. CM mentioned that at the Company's last AGM, Luke said that he was trying to get the microalgae plant certified and to deal with the contamination problems. However, based on the report by Provenance Capital Pte. Ltd. (the "**Report**"), Peter Kim, the business partner, said that he shut down the plant completely and walked away from the project in May 2018. CM then asked Luke to explain how he could still be working on the microalgae project if Peter Kim said that he took the microalgae away.
- 5.6 Luke replied that what transpired at the material time was that Peter Kim said that he shut down the plant and that there was a time where contamination happened. Luke stated that the project is ongoing with tests being done for growth at the factory. The Company ran out of funds and could not complete the remaining plant.

- 5.7 CM then stated that Luke mentioned that he was working on the plant in October 2018 and that since Peter Kim said that he took away the microalgae in May 2018, CM queried how Luke could say that he was working on the plant then. CM then stated that this was a matter of telling the truth and queried whether Luke is saying that Peter Kim had lied in the Report to Provenance Capital Pte. Ltd. Luke replied that there are still microalgae left for testing.
- 5.8 OCY stated that the Company took \$1 million from the shareholders for the algae plant and queried what was meant by the Company running out of funds.
- 5.9 CM continued to query whether Luke or Peter Kim lied in their statements, to which Luke replied that none of them lied. CM then mentioned that Peter Kim said clearly in his report that he shut the plant down and that he never gave the Company the money to carry on the project. CM then queried why Luke told the shareholders at the last AGM that he was working on the plant when the microalgae was not even there.
- 5.10 Luke replied that the microalgae was still present and that the Company has its own microalgae. CM then queried whether Luke was a biotechnology expert and queried what Luke would know about microalgae.
- 5.11 OCY then queried what happened to the shareholders' monies since the Company still had microalgae and asked what was being done with the funds now.
- 5.12 Luke replied that the Company was unable to justify the investment figures in the books and was unable to meet its intended growth targets, thus the provision for impairment has to be made. Luke mentioned that the Company still has its microalgae onsite.
- 5.13 OCY then clarified what CM was saying was that what Luke announced at the Company's last AGM and what Peter Kim said is not congruent.
- 5.14 Ms Ling stated that Luke is saying that the Company would write off the plant. Ms Ling then queried the amount that the Company would take back after taking \$1 million from the investors, the implication of the fund and whether the Company has any money left. Ms Ling also queried whether the Company's finance director can put up the information on the screen at the meeting.

**QUERIES IN RESPECT OF GCM RESOURCES LIMITED ("GCM")**

- 5.15 CM stated that the Company signed a deal to invest in GCM and used a company called Magnus Global Ventures ("**MGV**"), of which Luke is a director. Luke acknowledged that he is the registered director of MGV.
- 5.16 CM mentioned that on 28 August 2013 as stated in the Report, Luke signed the deal with GCM to buy shares in GCM. CM pointed out that MGV was not incorporated until 29 August 2013. CM emphasised that Luke signed a contract for S\$3.7 million, a sum which belonged to the shareholders, using MGV, a company that was not incorporated and asked Luke to explain why.
- 5.17 Luke replied that this was ratified subsequently. CM reiterated that Luke signed a contract for S\$3.7 million when MGV was not incorporated. CM queried why Luke signed the contract as

the Managing Director when he was not even a Managing Director as MGV was not even incorporated at that time.

#### **QUERIES IN RESPECT OF DISPOSAL OF SECURITIES**

- 5.18 CM stated that on 25 January 2017, the Company gave shares in GCM to Thames Capital Partners LLC in the UK. CM stated that he and 2 law firms did a search on Thames Capital Partners LLC and found that this company does not exist. CM mentioned that this was stated in the Provenance Report. CM then queried how 9 million shares worth about S\$3.7 million were transferred to a company that was not even registered.
- 5.19 Luke replied that in the Provenance Report, the company (Thames Capital Partners Limited) did exist. CM then denied this and said that the Provenance Report said that the company does not exist. CM then mentioned that in 23 May 2018 there was a company called Thames Capital Partners Limited, which is not the same company. CM then said that Thames Capital Partners Limited was apparently registered to 1 shareholder, a Mr Patric Lim from Malaysia and is only a £1 company.
- 5.20 CM proceeded to correct Luke, reiterating that Thames Capital Partners LLC does not exist and that it was a different company which was incorporated in 2018, 16 months after Luke had transferred the 9 million shares to a company that did not exist. Luke will take note on what CM had said.
- 5.21 CM then requested the Company not to just take note of what he had said but to also answer why S\$3.7 million worth of the Company's money was given to a company that has a registered capital of only £1. Luke then replied that the Company has taken up legal advice and planning to take legal action.
- 5.22 CM then said that he was addressing this point from the Provenance Report and that he was not talking about a legal suit and that the issue of a legal suit can come later. CM then asked the Chairman whether he would like to answer on Luke's behalf.
- 5.23 Luke stated that during the material time, the Company was trying to sell the shares to finance the project that the Company had, to which CM replied that the point was that shares were being transferred without payment. Luke replied that the Company worked on the terms that were agreed upon. CM then stated that if no due diligence was done on the other company, it is gross negligence.
- 5.24 CM said that on 9 March 2017, when the Company only collected a third of the money, it paid £180,000 to Mr Patric Lim, who is the only shareholder of Thames Capital Partners Limited. Luke stated that CM got his facts wrong and that when the Company entered into the agreement, Thames was supposed to pay the Company a 10% down-payment of £180,000 and that the Company did not pay Thames £180,000.
- 5.25 CM replied that the Company did not pay Thames but paid money to Mr Patric Lim directly to Mr Patric Lim's Standard Chartered bank account. CM stated that this was in the Provenance Report. Luke reiterated that CM got his facts wrong. CM replied that if he got his facts wrong, Provenance Capital, who was asked by SGX to do a special audit on the Company, would be wrong and not him.

- 5.26 CM then asked why the Company transferred £180,000 when it was not paid in return. Luke asked whether there was any source clearly stating that the Company transferred £180,000 and reiterated that CM's facts are wrong and referred to page 36, last second paragraph of the Provenance Report. CM replied that it was in the Provenance Report and asked for it to be read.
- 5.27 CM then stated that the Company does not bother with the shareholders' monies and just uses them as it wishes. CM referred the shareholders to page 37 at paragraph 4.1.5(c) of the Provenance Report, stating that the Company paid money to Mr Patric Lim's Hong Kong Standard Chartered account. Luke explained that the Company retained £180,000 as down-payment.
- 5.28 OCY queried whether the Company effectively paid £180,000 to a broker to sell shares, how much money the Company would get back from the investment and how much of \$3.6 million was recovered by the Company.
- 5.29 Luke replied that the Company got back £605,000 and that his understanding from Thames is that they have sustained a loss in the trades, of which the money is due to the Company and the Company is supposed to sue for it. OCY asked if the Company has sued for this and Luke replied that the Company has not commenced the intended legal action.
- 5.30 OCY then asked whether this has been written down by the Company, to which Luke replied that it was already provided for. Ms Ling then queried why is it that the Company did not analyse the situation when it transferred money and did not even check whether the other party was trustworthy.
- 5.31 CM expressed that the Board had not read the Provenance Report and called out individually to each of the directors to explain themselves. Mr Wee mentioned that he joined the Company only in June 2019 and Provenance had at that point been finalising their report. Mr Wee added that he had read the report. CM then exclaimed that management had not been able to explain themselves. Mr Wee mentioned that there was no point getting aggressive, to which CM replied that if he lost money, he will get aggressive.
- 5.32 Ms Ling then stated that the question is being posed so the Board should answer the question. Ms Ling stated that there were payments made over the years to appoint directors to the Board and that there are a lot of doubtful transactions going on. Ms Ling then indicated that she was quite shocked that the CEO cannot even answer the question and mentioned that the financial statements were also not displayed on the screen at the meeting. Ms Ling stated that the Board should be able to tell her how much assets there are in the Company and in the financial statements.
- 5.33 Mr Wee stated that management was trying to project the figures when CM jumped in to ask another question. Ms Ling replied that it was not fair for the Board to give this response. Mr Wee stated that the Board will answer questions one by one and that they were still working on the answers to the regulators as well. CM then stated that Mr Wee should not answer the questions as he was not a director during the relevant period (of the various transactions) and requested Mr Wee not to answer.

- 5.34 Luke then began to address Ms Ling's query about the June 2019 financial statements but Ms Ling responded with a request that he should just summarise the financial statements on the board so that everyone can be informed.

**QUERIES IN RESPECT OF THE JOINT INVESTMENT WITH YANGTZE INVESTMENT PARTNERS LIMITED**

- 5.35 CM mentioned that the Company invested USD 1 million in Yangtze Investment Partners ("**Yangtze**") and that he did a record search on the company and found that it only had HKD 10,000 paid-up capital, which is equivalent to S\$2,000. CM stated that the Company gave Yangtze USD 1 million and was supposed to receive USD 1.2 million if the deal went through. CM pointed out that the director of Yangtze was also Mr Patric Lim. CM emphasised that the Company gave this USD 1 million to Mr Patric Lim in August 2015 and gave \$3.7 million worth of shares in 2017 to Mr Patric Lim, who has not repaid these sums back to the Company.
- 5.36 CM then stated that in a statement given by the Chairman and Mr Ong, it was stated that reason the Company invested with Mr Patric Lim was because Luke knows Mr Patric Lim. CM then said the reason why the Company invested is because Luke knows Mr Patric Lim and not because the entity is like JP Morgan etc. CM then requested Luke to answer to this and pointed out that according to the statement given by the Chairman and Mr Ong, Luke was supposed to talk to Mr Patric Lim to get the money back.
- 5.37 Luke stated that through Yangtze, the Company invested in a solar company that was going through a reverse takeover exercise of a listed company on London mainboard. He said that the deal has not gone through and this has been announced in London Stock Exchange. CM then queried whether the Company had obtained any collateral from Yangtze, how the Company would be claiming back the money it is owed and the current whereabouts of said monies.
- 5.38 CM asked whether Luke is now speaking to Mr Patric Lim to sue him and queried how the Company could sue Mr Patric Lim when Mr Patric Lim did not give any personal guarantee or bank guarantee. CM then mentioned that this was exactly the same as the microalgae project with Peter Kim. CM stated that having been in the oil and gas industry for 40 over years, there was no way he would engage an EPC contractor without taking out a performance bond or performance guarantee. CM queried why no performance bond or performance guarantee was taken out. CM then said that the Company's answer to this is because Peter Kim is a partner.
- 5.39 Luke stated that the microalgae project is something that the Company wants to do in-house and that the Company intended to build it from scratch. CM repeated his query on why the Company would allow an EPC contractor to do work on the plant without taking a performance bond.

**QUERIES IN RESPECT OF PT HANJUNGIN**

- 5.40 CM pointed out the Indonesian company PT Hanjungin ("**PT Hanjungin**") owes the Company \$10 million. CM stated that Ms Seet was sent to Kupang in Indonesia, where she met Linda Ludianto ("**Linda**"), who is the owner of the project and because the Chairman said that Ms Seet has sixth sense, she can tell if that Linda was a good person to deal with.

- 5.41 CM stated that according to Ms Seet's statement in the Provenance Report, on 30 July 2019, due to all the problems that arose, Luke went to Indonesia recently to talk to Linda to get the money back and find out what was happening. CM pointed out to Ms Seet that the original land was supposed to be for manganese mining, but that Ms Seet followed Linda's expert advice that the Company should not do manganese mining but should do property development on the land. Ms Seet replied that she did not say that.
- 5.42 CM stated that Ms Seet did say that in her statement. CM queried whether Ms Seet was a property developer or a manganese miner and why Ms Seet took Linda's expert opinion when Linda was neither a property developer nor a manganese miner. CM then queried whether Luke went to meet Linda recently because Ms Seet said that Luke did so. Luke replied that he met Linda early this year.
- 5.43 CM queried the outcome of the meeting between Luke and Linda. Luke stated that Linda (PT Hanjungin) owes the Company the money (S\$6.9 million) that it has invested and that the Company would have to take back the collateral. CM stated that the Company could not take back the collateral because there is no first charge and the land is contested. Luke said that PT Hanjungin has won the case on the contested land. CM also mentioned that Linda is now in jail in Kupang since 30 June and that 5 to 6 people, including her, were arrested for fraud.
- 5.44 Luke replied that the Company has already announced this. CM queried how the Company would claim back the monies owed to it from a person who is in jail and suggested that the Company had written off the monies owed to it by Linda (PT Hanjungin). Luke replied that the Company had made provision for this. CM stated that the Company wrote off the entire \$10.9 million.
- 5.45 OCY then asked Luke whether, in his honest opinion, the Company would get the money back in the next 1 to 2 years and whether the Company would get back the entire amount. Luke replied that the Company would not get back the entire amount and that it would have to take over the land (collateral), which OCY pointed out that it was contested. Luke said that the Company is working through lawyers to get the money bank. OCY queried when the money was disbursed, to which Luke replied it was disbursed between 2015 and 2016.
- 5.46 CM stated that in the contract that was signed, PT Hanjungin was supposed to drawdown the money over 50 tranches but this was done in 5 tranches instead. CM pointed out that this was against the contract. CM also stated that moreover, the Company was given instructions to transfer money to Indo Energy Pte Ltd in Singapore in 2015 and the latter company was struck off in 2011. CM then said that this means the Company basically transferred money to whatever company it wants, with no due diligence done on the company it transferred the money to. Luke referred to page 52 of the Provenance Report regarding the company that was struck off to correct CM's facts.

#### **QUERIES IN RESPECT OF THE LOAN TO REVENUE ANCHOR SDN BHD**

- 5.47 CM raised another issue regarding the Company's transfer of £510,000 to Revenue Anchor Sdn Bhd ("**Revenue Anchor**") to invest in GCM, a company which the Company had already invested in before and lost money on. CM stated that there was no collateral and no interest on the loan of £510,000 and the money was not even given to Revenue Anchor. CM stated that he checked the books of Revenue Anchor and it was not reflected in their books.

Revenue Anchor told the Company to transfer the money to Mr Farhash Wafa Salvador instead. CM mentioned that there was a news article showing that Mr Farhash Wafa Salvador is wanted by the police.

- 5.48 Luke stated that the Company has recovered entirely the amount due to it.
- 5.49 CM replied that the Company supposed to recover over 4 million shares but it only got back over 2 million shares and the Company lost S\$71,000 due to exchange losses and that this was stated in the Report. Luke acknowledged that this was stated in the Report. CM said that this meant that the Company did not get its money back.
- 5.50 Luke mentioned that the Company was supposed to get the assignment and was interrupted at this juncture by CM stating that “supposed to get” and “get” are two different things. CM stated that the Company did not bother to take any collateral against the loan monies. CM stated that there is a fine against Mr Patric Lim, who is John Soh’s proxy. CM mentioned that Luke’s name was stated in a Business Times article on 30 March 2019, where a Mr Andy Lee accused Luke of being the mastermind and the Company’s name was also stated in the same article.

#### **OTHER MISCELLANEOUS QUERIES**

- 5.51 CM asked Luke if he was still on bail, to which Luke replied that he is. CM then stated that Mr Jeffrey Ong was Luke’s lawyer and Mr Jeffrey Ong was caught by Singapore authorities. CM mentioned that these were published facts.
- 5.52 Mr Wee mentioned that most of the things raised by CM were in the Provenance Report. CM said that most shareholders did not read the Report as it is 137 pages. Mr Wee then said that it is good for shareholders to raise to the other shareholders the issues that the Company has and that there has to be people who have to work to resolve these issues.
- 5.53 CM responded that it should not be the current people present on the Board and management who are to resolve these issues since they caused these issues. CM stated that when he was Managing Director of the Company, he gave the Board the chance to explain those contracts to him and he turned to the SGX as the answers he received were unsatisfactory.
- 5.54 CM queried why all the directors present at the meeting did not raise any questions about the various transactions and why they did not see all these issues before the Report was issued. Mr Wee replied that he only joined the Company on 1 June 2019 and Provenance was still finalising the Report and he was still reading through the Report at the time.
- 5.55 OCY asked Mr Wee whether he knows Luke. Mr Wee clarified that before he joined the Board of the Company, he did not know Luke and he was only acquainted with Mr Ong because he was the Lead Independent Director of the board of another Company of which Mr Ong was the Company Secretary. OCY commented that Mr Wee is truly an independent director.
- 5.56 Ms Ling requested for a summary of the value of the Company’s shares at this point in time, and how confident the Company was in bringing up the share value. Luke then wrote on the whiteboard in the meeting venue that the net asset value of the Company reported on 30 June 2019 was \$11.38 million. CM then stated that the Company’s annual report said there

- was a loss of over \$15 million, which Luke acknowledged which is due to the provisions for impairment.
- 5.57 Luke mentioned that since the last investment, the Company has stopped investing further and it is trying to conserve money and dispose some of the assets left. Luke stated that the Company would be left with about \$6-7 million cash, subject to sale of properties.
- 5.58 Mr Liu Yong Qiang ("**Mr Liu**"), a shareholder of the Company, stated that at the time, he was one of the top 20 shareholders in the Company. He spent more than \$200,000 invested into the Company and was surprised that a company can lose so much money every year. Mr Liu indicated that he would strongly support shareholders to remove the existing Board, which cannot be trusted anymore. Mr Liu mentioned that the Company's performance was so bad and queried why are directors are still awarded so much share bonus. Mr Liu stated that he has raised these questions to SGX, to MAS, to the Minister of Finance.
- 5.59 CM also stated that the Board spent \$300,000 for Luke buy a car and helped Luke pay his bail. CM then stated that Luke and Ms Seet had made loans to the company at 10% interest, but there was no interest on the bail money for Luke. OCY sought explanation regarding why the Company would continue to hire Luke as CEO when he is still under police investigation. OCY queried how the Board could expect the CEO to work under such conditions and directed this query to the Chairman.
- 5.60 The Chairman replied that Luke continued to rectify whatever is a work in progress. CM responded that Luke cost the Company and its shareholders over \$30 million for the last few years and that the Chairman should not come up with such excuses. The Chairman began to state that continuity was needed when CM asked whether the Chairman was saying that the shareholders are going to continue to lose money. CM stated that if the members of the Board genuinely care for the Company, they would resign.
- 5.61 Mr Tan Seng Ho Phillip ("**Mr Tan**"), a shareholder of the Company, stated that he was quite disturbed by what has been going on and suggested that if the directors were not doing a good job, it can be remedied by having no director fees paid to them at all. Mr Tan stated that many years ago, no director fees were paid at all and proposed that all directors' remuneration should be removed until the company is in good shape. Mr Tan stated that the Company only started paying directors fees when Ms Seet and Kush came in.
- 5.62 Mr Liu stated that because the Board and CEO are not taking care of the shareholders' interest at all, all the money raised in the open market were from new shareholders. Mr Sellakannu said that he bought a share of the Company some years ago at 20 cents per share and now the value of the share is S\$0.001. Mr Sellakannu stated that the directors were getting so much director fees and are still trying to leach from the shareholders.
- 5.63 Ms Ling stated that the Company should tell shareholders its plan and mentioned that if the Company continues to issue new shares, it will lead to further dilution. Ms Ling asked for the Company's plan moving forward.
- 5.64 Mr Tai Chee Ming, a shareholder of the Company, queried about the expected amount of money that shareholders can get back on a per share basis in the event the Company undergoes liquidation. Luke replied that on the assumption that if the Company continues without a good plan, the amount will deteriorate. He said that based on the 30<sup>th</sup> June 2019

books, if liquidation commences, there will be expenses and towards the end of the liquidation exercise the distributable amount may be between 50 cents - 70 cents to a dollar (or S\$0.0005 to S\$0.0007 per share).

5.65 CM then stated that the shareholders should remove the Board and get a strong businessman board to come and do business.

5.66 Ms Ling asked whether the Company can stop issuing shares, to which Luke replied that the Company has not issued any shares. Ms Ling pointed out the authority to issue shares and allot shares being sought for in the meeting agenda. Luke replied that when shares are issued (if done via placement at current price), the net assets per share of the Company does not change and assured Ms Ling that the Company would not issue shares for free.

5.67 The Chairman added that it is the choice of the shareholders to elect the directors.

## **6. CASTING OF VOTES**

There being no further questions from the shareholders present, the representative from Entrust Advisory Pte. Ltd. provided a brief overview of the polling process to the shareholders, and briefed the meeting on the procedure in completing the voting slips.

The Chairman requested that the shareholders submit their Poll Voting Slips to the Polling Agent upon completion.

As the counting of the votes by the scrutineers would take some time, the Chairman, with the consent of the shareholders, adjourned the meeting for the counting process to be carried out.

*[Adjournment of approximately 30 minutes for the counting of the votes]*

**7. RESULTS OF POLL:**

The Chairman re-convened the meeting at 12.10 p.m. after the Scrutineers had completed counting and verified the votes. The results of the poll were shown to shareholders on the screen in the meeting venue. The Chairman mentioned that the results of the poll as shown on the screen were self-explanatory, as follows:

**Results of the AGM:**

| Resolution   | Total number of shares represented by votes for and against the resolution | For              |   | Against          |   |
|--|--|------------------|---|------------------|---|
|  |  | Number of Shares | As percentage of total number of votes for and against the resolution (%) | Number of Shares | As percentage of total number of votes for and against the resolution (%) |
| <b>As Ordinary Business</b>  |  |                  |   |                  |   |
| <b>Ordinary Resolution 1</b><br><br>Adoption of Audited Financial Statements for the financial year ended 30 June 2019, together with the Directors' Statement and Auditors' Report thereon. | 7,198,412,693  | 3,485,312,053    | 48.42   | 3,713,100,640    | 51.58   |

| Resolution  | Total number of shares represented by votes for and against the resolution | For              |   | Against          |   |
|---|--|------------------|---|------------------|---|
|   |  | Number of Shares | As percentage of total number of votes for and against the resolution (%) | Number of Shares | As percentage of total number of votes for and against the resolution (%) |
| <b>Ordinary Resolution 2</b><br><br>Re-election of Mr Wee Liang Hiam as Director of the Company.              | 7,198,807,753  | 3,333,073,593    | 46.30   | 3,865,734,160    | 53.70   |
| <b>Ordinary Resolution 3</b><br><br>Re-election of Mr Ong Sing Huat as Director of the Company.               | 7,051,406,933  | 3,175,152,373    | 45.03   | 3,876,254,560    | 54.97   |
| <b>Ordinary Resolution 4</b><br><br>Re-election of Mr Kushairi bin Zaidel as Director of the Company.         | 7,051,801,933  | 3,175,152,373    | 45.03   | 3,876,649,560    | 54.97   |
| <b>Ordinary Resolution 5</b><br><br>Payment of additional Directors' fees of S\$11,100 for the financial year | 6,882,343,633  | 3,037,635,663    | 44.14   | 3,844,707,970    | 55.86   |

| Resolution  | Total number of shares represented by votes for and against the resolution | For              |   | Against          |   |
|---|--|------------------|---|------------------|---|
|   |  | Number of Shares | As percentage of total number of votes for and against the resolution (%) | Number of Shares | As percentage of total number of votes for and against the resolution (%) |
| ended 30 June 2019.   |  |                  |   |                  |   |
| <b>Ordinary Resolution 6</b><br><br>Payment of Directors' fees of S\$166,275 for the financial year ending 30 June 2020, to be paid quarterly in arrears.     | 6,882,039,633  | 2,981,784,463    | 43.33   | 3,900,255,170    | 56.67   |
| <b>Ordinary Resolution 7</b><br><br>Re-appointment of Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. | 7,198,412,753  | 3,455,111,593    | 48.00   | 3,743,301,160    | 52.00   |
| <b>As Special Business</b>  |  |                  |   |                  |   |
| <b>Ordinary Resolution 8</b><br><br>Authority to allot and issue shares in the capital of the Company.  | 7,198,807,753  | 3,324,978,373    | 46.19   | 3,873,829,380    | 53.81   |

| Resolution  | Total number of shares represented by votes for and against the resolution | For              |   | Against          |   |
|---|--|------------------|---|------------------|---|
|   |  | Number of Shares | As percentage of total number of votes for and against the resolution (%) | Number of Shares | As percentage of total number of votes for and against the resolution (%) |
| <b>Ordinary Resolution 9</b><br><br>Authority to issue shares under the Magnus Energy Employee Share Option Plan. | 6,881,843,613  | 3,000,508,833    | 43.60   | 3,881,334,780    | 56.40   |
| <b>Ordinary Resolution 10</b><br><br>Authority to issue shares under the Magnus Energy Performance Share Plan.    | 6,882,343,613  | 3,001,008,833    | 43.60   | 3,881,334,780    | 56.40   |

The Chairman thus declared Resolutions 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 not carried.

**8. CONCLUSION**

As no notice was received in respect of any other ordinary business that may properly be transacted at the meeting, the Chairman declared the meeting closed at 12:10 p.m.

Confirmed as a true record of minutes.

Ms Seet Chor Hoon  
Director