

MAGNUS ENERGY GROUP LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 198301375M)
(the "Company")

MINUTES OF EXTRAORDINARY GENERAL MEETING ("EGM") HELD AT YORK HOTEL, CARLTON HALL, LEVEL 2, 21 MOUNT ELIZABETH, SINGAPORE 228516 ON 9 JANUARY 2020 AT 10.00 A.M.

PRESENT Please refer to the Attendance Sheet
CHAIRMAN Mr. Lee Chong Ping ("Mr. Lee" or "Chairman") took the Chair of the Extraordinary General Meeting

1. NOTICE OF CONVENING THE MEETING

The Notice convening the Extraordinary General Meeting ("**Notice**" and "**EGM**") was taken as read.

2. QUORUM

It was noted that the number of members present was sufficient to form a quorum.

3. BY POLL

3.1 The Chairman informed the shareholders that he had been appointed as proxy by some shareholders in his capacity as Chairman of the EGM 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 EGM would be conducted by way of a poll in accordance with Rule 730A(2) of the Catalist Rules.

3.2 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 ("**Polling Agent**") and Entrust Advisory Pte. Ltd. been appointed as scrutineers ("**Scrutineers**") for the EGM. The Chairman then proceeded to give a brief overview of the polling process.

4. PRESENTATION BY MR. LUKE HO KHEE YONG

4.1 Before the reading of the resolutions, the Chairman invited Mr. Luke Ho Khee Yong ("**Mr. Ho**") to respond to questions from the Shareholders.

4.2 Mr. Ho explained that he will start by providing important updates for the directors of the Company ("**Directors**" and each, a "**Director**") who will be elected, and all shareholders of the Company ("**Shareholders**"). Mr. Ho summarised three key points for all shareholders to take note, namely what Shareholders must do, the status of the balance sheet, and finances of the group moving forward.

4.3 He elaborated that there is cashflow of approximately S\$4.5 million dollars which can operate as a going concern for the next 12 months. Further, there are three main assets, namely the property in Loyang, the property in Perth and the property in Gatton. There is currently a buyer for the property in Perth, priced at approximately AUD\$1 million dollars. The Company has also

been getting viewers with regards to the property in Loyang, Singapore. The range of value for the Loyang property, for which the Company has a 55.89% stake, is around S\$8 million to S\$9 million dollars. Mr. Ho commented that there will be a cash flow of approximately S\$5 million dollars on a net basis from selling the properties. Mr. Ho also commented that the Company has an operating asset in Mid-Continent Equipment, Inc (USA), trading in oil and gas equipment along with a piece of land. The net value of the business and the land is approximately S\$1.5 million.

- 4.4 Given the above, Mr. Ho commented that there is a total of approximately S\$7 - S\$8 million worth in the company. He explained that with a public float of 12.6 billion shares, if one bought the shares of the Company ("**Shares**") at \$0.001, the worth will be around approximately 60% of the worth of the Company. Mr. Ho explained that the above is with regards to the assets of the company, assuming everything is liquidated.
- 4.5 Mr. Ho noted that some Shareholders had bought the Shares at a higher price whilst others bought the shares at \$0.0010, which was the last traded price of the shares. Mr. Ho then explained that the attempt to commercialise the pilot commercial algae plant has not met the plans and wishes of the Company. He then mentioned that the Group was successful in the past, turning over almost S\$100 million. He attributed the downturn in the oil and gas sector over the past few years which resulted in sales decreasing to approximately S\$12 million. He commented that he hopes the Directors can bring the Company forward in a new direction or market to command sustainable margins and income.
- 4.6 In relation to the disposal of the warehouses, Mr. Ho explained that the delay in selling is due to the Company's reluctance to sell below market value, in order to ensure that the Company would have sufficient cashflow to move forward.
- 4.7 In relation to the suspension on trading on SGX-ST (the "**Exchange**"), Mr. Ho commented that he understands that the Shareholders are concerned as to when the shares can be traded again. He then explained the need for the Directors to bring in new businesses, increase the revenue and to command a sustainable income. The best solution to his knowledge, should the suspension not be lifted, will be to do a Reverse Takeover, which he noted will be costly.
- 4.8 Mr. Ho commented that the succession plan for Magnus started in early 2018, which is the reason Mr. Madhavan was brought into the Group as Managing Director. He stressed that the paramount interest is to move forward as a Company. Mr. Ho mentioned that he has provided the handover list to the Company's finance manager and will remain available to answer any queries the Exchange may need.* He noted that the worth of the shares if bought at \$0.001 is 60%, \$0.002 is 30% and \$0.003 is 10%, and posed the question to the Shareholders on whether they would support fundraising through issuance of shares. Mr. Ho commented that he feels that an issuance of shares should be supported as at the current price, as more Shares are issued and more funds raised, the average value of shares will go up. He recognised that the shares will be diluted but noted that it merely just a suggestion. Mr. Ho then ended off with asking if the Shareholders will support a share consolidation and commented that he hopes the newly elected Directors can bring the Company forward.
- (Post EGM Note: "Please refer to announcement issued by the Company on SGX-Net dated 3 January 2020 entitled "Succession Plan-Resignation of CEO".)*

QUERIES

- 4.9 A Shareholder gave some comments relating to his attempt to remove Mr. Ho three years ago by calling for an EGM but was not successful in doing so. He highlighted that many Shareholders bought the Shares at \$0.20 or \$0.30, but the Company subsequently consolidated and issued new Shares. He queried how much the Company had lost in the past few years, and commented

that even if the Shareholders had purchased the Shares had \$0.001 or \$0.002, the money belonged to the Shareholders and the Company should have utilised the money to grow dividends. He wondered if the Chairman had the authority to chair the EGM and be an independent director ("**Independent Director**") of the Company, in light of the queries from the Exchange.

With no other questions from the Shareholders to Mr. Ho, the Chairman then invited the Company Secretary to proceed with reading the resolutions.

5. EGM BUSINESS

RESOLUTION 1 – TO APPOINT MR. CHARLES MADHAVAN AS DIRECTOR OF THE COMPANY WITH EFFECT FROM THE DATE OF THE EGM

- 5.1 The first item on the EGM agenda pertained to the appointment of Mr. Charles Madhavan ("**Mr. Madhavan**") as a Director.
- 5.2 Mr. Madhavan will, upon election as Director, be appointed as Executive Director of the Company and be further appointed as member of the Nominating Committee and will be considered non-independent for the purpose of Rule 704(7) of the Catalist Rules.
- 5.3 The Chairman moved that Resolution 1 – that Mr. Madhavan be appointed as a director of the Company with effect from the date of the EGM - be tabled for approval. *
*(Post EGM Note: *Please refer to announcement issued by the Company on SGX-Net dated 10 January 2020 entitled "Appointment of Executive Director, Non-Independent Non-Executive Director, Independent Non-Executive Directors and Reconstitution of the Board and Board Committees" for the updated constitution of the Board committees.)*

RESOLUTION 2 – TO APPOINT MR. ONG CHIN YEW AS DIRECTOR OF THE COMPANY WITH EFFECT FROM THE DATE OF THE EGM

- 5.4 The next item on the EGM agenda pertained to the appointment of Mr. Ong Chin Yew ("**Mr. Ong**") as Director.
- 5.5 Mr. Ong will, upon election as Director, be appointed as Non-executive Director of the Company and be further appointed as member of the Nominating Committee, Audit Committee and Remuneration Committee and will be considered non-independent for the purpose of Rule 704(7) of the Catalist Rules.
- 5.6 The Chairman moved that Resolution 2 – that Mr. Ong be appointed as a director of the Company with effect from the date of the EGM - be tabled for approval.

RESOLUTION 3 – TO APPOINT MR. KUEK ENG CHYE ANTHONY AS DIRECTOR OF THE COMPANY WITH EFFECT FROM THE DATE OF THE EGM

- 5.7 The next item on the EGM agenda pertained to the appointment of Mr. Kuek Eng Chye Anthony ("**Mr. Kuek**") as Director.
- 5.8 Mr. Kuek will, upon election as Director, be designated as Independent Non-executive Director and appointed as Non-executive Chairman of the Company and be further appointed as the Chairman of the Remuneration Committee and Nominating Committee and member of the Audit Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

- 5.9 The Chairman moved that Resolution 3 – that Mr. Kuek be appointed as a director of the Company with effect from the date of the EGM - be tabled for approval.

RESOLUTION 4 – TO APPOINT MR. CHRISTOPHER B. O’CONNOR AS DIRECTOR OF THE COMPANY WITH EFFECT FROM THE DATE OF THE EGM

- 5.10 The next item on the EGM agenda pertained to the appointment of Mr. Christopher B. O’Connor (“Mr. O’Connor”) as Director.
- 5.11 Mr. O’Connor will, upon election as Director, be appointed as Non-executive Director of the Company and be further appointed as the Chairman of the Audit Committee and member of the Remuneration Committee and Nominating Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.
- 5.12 The Chairman moved that Resolution 4 - that Mr. O’Connor be appointed as a director of the Company with effect from the date of the EGM – be tabled for approval.

RESOLUTION 5 – TO REMOVE MS. SEET CHOR HOON AS INDEPENDENT DIRECTOR OF THE COMPANY WITH EFFECT FROM THE DATE OF THE EGM, AND NECESSARY STEPS BE TAKEN TO REMOVE HER FROM ANY AND ALL APPOINTMENTS (WHETHER AS DIRECTOR, CORPORATE REPRESENTATIVE OR OTHERWISE) WITH THE COMPANY, ITS RELATED AND/OR ASSOCIATED COMPANIES INCLUDING ALL ITS SUBSIDIARIES.

- 5.13 The next item on the EGM agenda was to remove Ms. Seet Chor Hoon (“Ms. Seet”) as Director.
- 5.14 Following the removal as Director of the Company, Ms. Seet also relinquished her position as Chairwoman of the Remuneration Committee and member of the Audit Committee and Nominating Committee.
- 5.15 The Chairman moved that Resolution 5 – that Ms. Seet be removed as Independent Director of the Company with effect from the date of the EGM, and all necessary steps be taken to remove her from any and all appointments (whether as director, corporate representative or otherwise) with the Company, its related and/or associated companies including all its subsidiaries – be tabled for approval.

RESOLUTION 6 – TO REMOVE ANY DIRECTOR(S) OF THE COMPANY WHO MAY HAVE BEEN APPOINTED BETWEEN THE DATE OF THE REQUISITION NOTICE (“REQUISITION NOTICE”), NAMELY 7 NOVEMBER 2019 AND THE DATE OF THE EGM, BE REMOVED.

- 5.16 The Chairman informed the meeting that since this resolution relates to himself, 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.
- 5.17 The next item on the EGM agenda was to remove any Director(s) of the removal of any director(s) of the Company who may have been appointed between the date of the requisition notice, namely 7 November 2019 and the date of the EGM.
- 5.18 Ms. Seet moved that Resolution 6 – that any Director(s) of the Company who may have been appointed between the date of the Requisition Notice, namely 7 November 2019 and the date of the EGM, be removed – be tabled for approval.

RESOLUTION 7 – TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF S\$90,000 FOR THE FINANCIAL YEAR ENDING 30 JUNE 2020

- 5.19 The next item on the EGM agenda was to approve the payment of Directors' fees of S\$90,000 for the financial year ending 30 June 2020.
- 5.20 The Chairman informed that upon passing the Resolutions 1, 2, 3 and 4 above, the Directors' fees of S\$90,000 were recommended for the three (3) new Non-Executive Directors, namely Mr. Ong Chin Yew, Mr. Kuek Eng Chye Anthony and Mr. Christopher B. O'Connor and would be payable on pro-rata basis. The total Directors' fees be fixed at S\$90,000 per annum, or S\$30,000 each.
- 5.21 The Chairman moved that Resolution 7 – that the payment of Directors' fees of S\$90,000 be approved for the financial year ending 30 June 2020 – be tabled for approval.

RESOLUTION 8 – TO APPROVE THE APPOINTMENT OF BAKER TILLY LLP AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

- 5.22 The next item on the EGM agenda addressed the appointment of Baker Tilly LLP as auditors of the Company for the ensuing year at a fee and on such terms to be agreed between the Directors and Baker Tilly LLP. Baker Tilly LLP has expressed their willingness to accept the appointment as auditors of the Company.
- 5.23 The Chairman moved that Resolution 8 – that Baker Tilly TFW LLP be appointed as the auditors of the Company and to authorise the Directors to fix their remuneration – be tabled for approval.

RESOLUTION 9 – TO RE-ELECT AND/OR APPOINT MR. LEE CHONG PING, A DIRECTOR WHO IS RETIRING IN ACCORDANCE WITH REGULATION 83 OF THE COMPANY'S CONSTITUTION

- 5.24 The Chairman informed the meeting that since this resolution again relates to himself, Ms. Seet will take the chair for the purposes of this resolution and handed over conduct of the meeting to Ms. Seet.
- 5.25 The next item on the EGM agenda pertained to the re-election and/or appointment of Mr. Lee as Director of the Company under Regulation 83 of the Company's Constitution, and who, being eligible, offers himself for re-election.
- 5.26 Mr. Lee will, upon re-election as Director, be designated as Independent Non-Executive Director and be appointed as the Chairman of the Audit Committee and member of the Remuneration Committee and Nominating Committee and will be considered independent for the purpose of Rule 704(7) of the Catalyst Rules.
- 5.27 Ms. Seet moved that Resolution 9 – to re-elect and/or appoint Mr. Lee Chong Ping, a Director who is retiring in accordance with Regulation 83 of the Company's Constitution and who, being eligible, offers himself for re-election – be tabled for approval.
- 5.28 Ms. Seet highlighted that on page 26 of the circular dated 18 December 2019 ("**Circular**"), that to avoid any uncertainty as to the outcome of Mr. Lee's status as a director of the Company after this EGM, Shareholders who are desirous of retaining Mr. Lee as a Director after this EGM should vote against Resolution 6 and vote for Resolution 9, whilst Shareholders

who are desirous of not retaining Mr. Lee as a Director after this EGM should vote against Resolution 9 regardless of how they vote on Resolution 6.

RESOLUTION 10 – TO APPOINT MR. SEE SOON HONG AS DIRECTOR OF THE COMPANY

- 5.29 The next item on the EGM agenda pertained to the appointment of Mr. See Soon Hong (“**Mr. See**”) as Director.
- 5.30 Mr. See will, upon election as Director, be appointed as Chief Executive Officer and Executive Director of the Company and will be considered non-independent for the purpose of Rule 704(7) of the Catalist Rules.
- 5.31 The Chairman moved that Resolution 10 – to appoint Mr. See as Director of the Company – be tabled for approval.

RESOLUTION 11 – TO APPOINT MR. STEVEN LAM KUET KENG, BBM AS DIRECTOR OF THE COMPANY

- 5.32 The next item on the EGM agenda pertained to the appointment of Mr. Steven Lam Kuet Keng, BBM (“**Mr. Lam**”) as Director.
- 5.33 Mr. Lam will, upon election as Director, be designated as Lead Independent Non-Executive Director and be appointed as member of the Remuneration Committee, Nominating Committee and Audit Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.
- 5.34 The Chairman moved that Resolution 11 – to appoint Mr. Lam as Director of the Company – be tabled for approval.

RESOLUTION 12 – TO APPOINT MR. WONG ANN CHAI AS DIRECTOR OF THE COMPANY

- 5.35 The next item on the EGM agenda pertained to the appointment of Mr. Wong Ann Chai (“**Mr. Wong**”) as Director.
- 5.36 Mr. Wong will, upon election as Director, be designated as Independent Non-Executive Director and be appointed as the Chairman of the Nominating Committee and the Remuneration Committee and member of the Audit Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.
- 5.37 The Chairman moved that Resolution 12– to appoint Mr. Wong as director of the Company – be tabled for approval.

6. FULL REPRESENTATION BY MS. SEET TO THE SHAREHOLDERS IN RELATION TO RESOLUTION 5 ON HER REMOVAL AS INDEPENDENT DIRECTOR OF THE COMPANY

- 6.1 The Chairman commented that in relation to Resolution 5 on the removal of Ms. Seet Chor Hoon as Independent Director, Ms. Seet wished to make a full representation to the Shareholders.
- 6.2 Ms. Seet commented that she would like to update Shareholders on a few items leading up to the EGM. She remarked that at previous AGMs, the Board had always informed Shareholders that it is serious about succession planning for the Board and the management,

especially for the position of the chief executive officer. From 2017, the Nominating Committee had started the search for the successor and invited Mr. Madhavan to be the Company's Executive Director in April 2018. She noted that Mr. Charles Madhavan was introduced to the Board by his brother Theron Madhavan, a director of the subsidiary of Magnus, Flagship Ecosystems Pte Ltd (the "**Subsidiary**").

- 6.3 Mr. Madhavan clarified that his brother is currently no longer a director of the Subsidiary.
- 6.4 Ms. Seet noted this and commented that Mr. Madhavan and his associates had visited the plant in Kuala Lumpur, Malaysia before his appointment, had been bullish about the plant, and had thereafter started to buy Shares of the Company. Ms. Seet commented that upon his appointment, Mr. Madhavan requested that the Board remove the key management from Mid-Continent Equipment Group Pte Ltd ("**Mid-Continent**") and also Mr. Kim Jae Hoon ("**Mr. Kim**") who was running the microalgae plant. Ms. Seet added that Mr. Madhavan also requested to change the whole Board, indicating that he will start to bring investments to the Company only after this is done. Ms. Seet commented that given the difference in viewpoints, the Board terminated Mr. Madhavan's appointment after two months. Ms. Seet commented that it was noted that Mr. Madhavan had told the media that he was fired by the Board as he had found the financial statements of the Company unclear. She commented that the Board had challenged this statement through its lawyers.
- 6.5 Since then, Ms. Seet commented that the Nominating Committee had continued to look for, and found the team led by Mr. See (the "**Company Proposed New Directors**"). She commented that the Board had met and assessed the team, and determined that it has the most appropriate business skills, diversified expertise and listed company experience to form the Board and grow Shareholder's value, as detailed in the Circular. She declared that the Company Proposed New Directors is totally different from the old Board and the management and have no previous dealings or transactions with any of the proposed Board members.
- 6.6 She added that as the Board wants the new team elected today to start on a clean slate, she will step down from the Board after this EGM. She commented that she was not able to step down after the October 2019 AGM, as she was the sole director, but that it is now possible with the Mr. Lee joining the Board. She commented that regardless of whether Resolution 5 is passed or not, she will step down from the Board after the EGM. She added that she feels strongly that Shareholders must have an alternative choice to select the new Board so as to protect their investments. She urged the Shareholders to evaluate and consider each team very carefully before casting the vote, to vote for a team without hidden agendas and totally independent with the right expertise to bring the Company forward and bring value to the Shareholders' investments.
- 6.7 With the Chairman's permission, Mr. Madhavan proceeded to address certain points made by Ms. Seet in her representation. First, Mr. Madhavan stated that he did visit the microalgae plant and thought it was a good investment, until he discovered the five documents that indicated it was not a real investment. He added that these documents are the same documents which the Exchange is currently querying the Company on, and this is the reason why he stopped bringing investments to the Company. Further to this discovery, Mr. Madhavan commented that he reported this to Mr. Bernard Lui from Stamford Corporate Services Pte. Ltd (the "**Sponsor**"). Mr. Madhavan commented that the day he reported this to the Sponsor was the day he was removed. Second, Mr. Madhavan commented that he did not ask for the Board to be removed, but rather, that he was informed by Mr. Ho that the Board wanted to step down and that Mr. Ho had asked him to help identify other directors. Mr. Ong affirmed that that he is a witness to this. Mr. Madhavan indicated that he will consider taking legal action against Ms. Seet for lying in front of the Shareholders. Mr. Madhavan commented

that further to the request from Mr. Ho, he had submitted Mr. Kuek's resume to Mr. Ho for him to obtain approval from the Sponsor.

- 6.8 Additionally, Mr. Madhavan commented that on the day he reported the discovery of the five documents indicated above to the Sponsor, a trading halt was called and Mr. Madhavan was subsequently removed by the Board. Mr. Madhavan added that he subsequently commenced a suit against the Company for unreasonable termination and won. He elaborated that he had refused a settlement with the Company as he wanted to make public what the Company was doing.
- 6.9 With the Chairman's permission, Mr. Kuek commented that he wanted to be very clear with regards to the statement made by Ms. Seet. He commented that she is still representing the Company in her capacity as Independent Director, and accordingly should be acting independently in a balanced manner. He commented that it was in his opinion inappropriate for Ms. Seet to have made personal references in respect of Mr. Madhavan's involvement with the Company in her representation right after the reading of the resolutions. He also clarified that he had not met Ms. Seet before the EGM. He added that his second objection to Ms. Seet's representation is that her admission that she had selected **the** Company Proposed New Directors indicated her lack of independence. He commented that he would like to go on record that perhaps all the Shareholders would like to request that Ms. Seet withdraws her comments and apologises for supporting one team against another.

7. PRESENTATION BY REQUISITIONING SHAREHOLDERS

- 7.1 At the request of Mr. Madhavan, Mr. Kuek addressed the Shareholders on behalf of the requisitioning Shareholders to present the business plan of the proposed new Board led by Mr. Madhavan (the "**Requisitioning Shareholders Proposed New Directors**"). Mr. Kuek began by noting he wish to put on record today's EGM was a result of the Company's failure to arrange for an EGM following the abortive AGM in end October where all the Company's resolutions were voted down. The minority shareholders led by Mr. Madhavan had notified the Company to convene an EGM by end November required under prevailing guidelines for listed companies. The Company failed to respond. Mr. Madhavan with other minority shareholders (Requisitioning Shareholders) notified the Company of their right to convene an EGM on 7 Jan 2020 (subsequently moved to 9 Jan due to a prior booking of the conference room) with resolutions including a new Board and Management team. He stressed that the Company and the remaining Independent Director (Ms. Seet) had, post-AGM elected to appoint a new Independent Director (Mr. Lee) and showed no indication to and procrastinated on convening an EGM. Mr. Kuek understood that the sponsors (including SGX) desired to have a joint EGM to which the Company agreed to, albeit hesitantly. The correspondences on this are well documented and attached to the Circular Notice for the Meeting.
- 7.2 Mr. Kuek began his presentation by referring the power point presentation prepared by the Requisitioning Shareholders Proposed New Directors (the "**Presentation**"). He began by commenting that in their opinion, it was time for a change, as the only remaining asset of the Company, Mid-Continent has been further diluted through the prospected sale of its assets. He pointed out that the proposal of the directors put forth by the Company, as indicated in the Circular, is to raise cash to declare more cash dividends of which the S\$5 million or so that would be raised from this exercise would only be a fraction of such sum as had been diluted. He explained that the purpose of his presentation is for the Shareholders to make an informed decision before casting their votes.
- 7.3 Mr. Kuek commented that the Company Proposed New Directors put forth by the Company has not come up with anything new beyond suggesting that they will raise cash and bring dividends over. In elaborating on the need for rejuvenation of the Company, Mr. Kuek pointed out the need

to come up with a real sustainable business plan, and not indulge in financial engineering. He asked Shareholders to consider what is happening to the Company's only asset, the Mid-continent, and whether the Company has done anything to extract or build on the goose that lays the golden egg. He commented that it appears that the Company is attempting to kill the goose that lays the golden egg by stripping the Company of its assets.

- 7.4 He remarked that there are many things going on for which an independent team and Board would have to take decisive action without fear or favour. He asked the Shareholders to consider if they think the Company Proposed New Directors can be truly independent.
- 7.5 Mr. Kuek reviewed the financial figures extracted from the annual reports from 2017 to 2019, and commented that there has been three years of cumulative losses – amounting to S\$20 million equity loss, and the net asset value was reduced from S\$30.7 million in 2017 to S\$7.4 million in 2019, with the cumulative loss of 37 cents of share value in 3 years.
- 7.6 In relation to the consolidated statement of comprehensive income, Mr. Kuek highlighted that the gross profit had gone down to about S\$2 million in 2019 from about S\$2.9 million in 2017. He then highlighted that the cumulative losses for four years amounted to S\$56.6 million and a net loss to equity holders of S\$51.6 million.
- 7.7 Mr. Kuek pointed out that the long-term assets, or non-current assets have been very severely depleted, from S\$23.6 million in 2016 to S\$19.4 million in 2018 and reduced to S\$1.3 million in 2019. He commented that the Company had been disposing of long-term productive assets or "asset stripping" to finance losing operations.
- 7.8 Mr. Kuek further elaborated that the impact of such asset stripping is that any fundraising effort by the Company would be limited in success, since no fund manager would be willing to invest in a company with no long-term assets. Consequently, the Company can only borrow from its Directors at high interest rates, such as the Company's loan of S\$500,000 from Ms Seet, and S\$150,000 from Mr. Ho, of which the loan from Ms Seet was subsequently drawn down to S\$400,000, and the balance of the loan from Mr. Ho. [He pointed out that based on the annual report, the loan was used to purchase, inter alia, vehicles. He commented that he is going through this to allow the Shareholders to understand why the Shares, which were valuable before, are now worth nothing. Mr. Ho corrected Mr Kuek that the loan from Ms Seet and Mr. Ho was used to pay up for the MicroAlgae project.
- 7.9 Accordingly, Mr. Kuek pointed out that for corporate governance, the former Board and management should be held accountable for these actions.
- 7.10 Mr. Kuek then highlighted the report independently conducted by Provenance Capital Pte. Ltd. (the "**Provenance Report**"), which reviewed eight selected transactions undertaken by the Company.

Note: Please refer to the slide 8 and slide 9 of the Presentation, and the Provenance Report.

- 7.11 Mr. Kuek commented that in his opinion, the Provenance Report demonstrated weak Board oversight and a lack of proper due diligence for transactions entered into. He cited the example of the shares that were awarded to Mr. Ho under the performance share plan ("**PSP**"). He also pointed out the lack of transparency as regards the microalgae project, as no information had been forthcoming. He pointed out that the new Board needs to hold the people responsible for this to account.
- 7.12 In concluding his presentation, Mr. Kuek highlighted the following areas of focus and priority actions for the Shareholders' consideration:

- (i) Immediate attention on all transactions undertaken by the Company including all ongoing and past transactions entered into by Management-including not identified under Provenance Report
 - (ii) All transactions relating to disposal of property, plant and equipment
 - (iii) Further detailed examination of transactions including those in the Provenance Report to identify culpability and accountability to commence restitution and recovery process under section 216A of the Companies Act (Cap 50) by past and present Directors and the management; and
 - (iv) Take immediate steps to strengthen internal control and risk management incorporating corporate governance practices.
- 7.13 In relation to the business plan, Mr. Kuek pointed out that the immediate priority of the team is to re-build the Company's balance sheet. He remarked that on-going discussions with overseas principals in the energy sector have been taking place with good prospects of collaboration with global business partners, and that Mr. Madhavan would bring into the Company using the network he has built based on his years in the industry.
- 7.14 Mr. Kuek added that the team will also capitalize on the Group's existing competitiveness in the energy sector and explore collaborate synergistic partnership with established prospective business operators in energy sector for mutually beneficial arrangements to contribute to sustainable income towards a return of financial stability in the short term.
- 7.15 Mr. Kuek then asked the Shareholders if the Company Proposed New Directors as proposed by the Company would be able to bring in real business, and consequently real income to the Company. He pointed out that Mr. Madhavan and his persons acting in concert together holds about 12% of the Shares. They have financial interest in the Company to ensure success of their investment, and will suffer if they cannot turn the Company around.
- 7.16 Another priority highlighted by Mr. Kuek pertains to meeting the Exchange's regulatory requirements to facilitate early resumption of trading for the Company's Shares.
- 7.17 Mr. Kuek further commented that the team led by Mr. Charles Madhavan will review past and on-going transactions, identify breaches of governance and propose measures for their recovery from past Board and management.
- 7.18 Mr. Kuek cautioned that moving forward, the road ahead to rebuild the Company would not be easy. He asked the Shareholders to consider if they would want to put in place a team that has a network, with an understanding of the importance of good corporate governance, and the independence to do the necessary investigative work to ensure accountability. He commented that the Requisitioning Shareholders Proposed New Directors is not promising to recover the full value of the losses incurred by Shareholders, but that monies that can be recovered is eventually recovered, while tapping into the business network of Mr. Madhavan to secure business, to ensure the Company remains a going concern.
- 7.19 Mr. O' Connor then addressed the Shareholders. He first recapitulated the financial performance of the Company and that the Company had proposed disposing of its assets to return dividends to the Shareholders. He then queried who would be the beneficiaries of this exercise and pointed out that former Board and Chief Executive Officer holds relatively larger percentages of Shares through the PSP and would consequently receive more dividends from such an exercise.

Note: Please refer to the slide 13 and slide 14 of the Presentation.

8. PRESENTATION BY PROPOSED DIRECTORS

- 8.1 The Chairman invited the Company Proposed New Directors to address the Shareholders.
- 8.2 Mr. See thanked the requisitioning Shareholders for the presentation and clarified that the proposed Board led by him is independent, and do not have any prior business dealings with the current Board, or the management team. He commented that his team is here to give Shareholders an alternative choice, and that the team has three important and immediate issues to address, the first of which would be to work with a law firm to seek legal advice, and to work with the Exchange to take action against any misconduct of the previous Board and management. Second, Mr. See commented that his team will work closely with Mid-Continent Equipment, Inc (USA) to enter new markets in China. Third, Mr. See commented that the team plans to diversify and grow the Company. The team is exploring the acquisition of a stake of about S\$100 million of environment assets that can stabilise the Company's recurring income. He further commented that keeping in mind that microalgae is the future, his team has been talking to Aramco Asia Singapore to discuss how to explore this business interest together. He added that the team has also had another discussion with another China state-owned enterprise construction firm to jointly develop the land in Kupang, but first the Company would need to seek legal assistance to take back the land.
- 8.3 Mr. See acknowledged that his team do not have Shares at the moment, but affirmed that once trading resumes, the team will purchase Shares of the Company as investment so as to have a stake in the future of the Company. He commented that this is in broad strokes the business plan of the team.

9. QUERIES FROM SHAREHOLDERS

QUERY 1

- 9.1 In relation to queries as to whether the Requisitioning Shareholders Proposed New Directors will go after the previous Board and the CEO for losses incurred not due to business losses, Mr. Madhavan first highlighted that the Chairman and newly appointed Independent Director of the Company, Mr. Lee Chong Ping, had received queries from the Exchange in relation to his appointment as Independent Director of the Company, the latest of these queries being announced by the Exchange the previous night before the EGM. He further commented that the queries show that the character and integrity of Mr. Lee appeared to have been called into question. He requested for the Chairman to comment on this.
- 9.2 The Chairman commented that the queries relate to his previous employer and that he will respond to the Exchange's queries by that day or the following day.*
*(Post EGM note: *Please refer to announcement issued by the Company on SGX-Net dated 13 January 2020 entitled "Response to SGX-ST queries – Appointment of Mr Lee Chong Ping as independent director".)*

QUERY 2

- 9.3 Mr. Madhavan further questioned the Company's disposal of its 50% indirect interest in Mid-continent Environmental Project Pte. Ltd.* before consulting the Exchange. Mr. Madhavan commented this indicated a disregard for the Company, and a lack of respect for the Exchange and the Shareholders and requested that the Independent Directors of the Company explain the reasons for the disposal.
*(*referring to Mid-continent Environmental Protection Waste Management Sdn Bhd as announced on SGXNet on 3 January 2020)*

- 9.4 Ms. Seet explained that Mid-continent has been in the process of winding up since 2019, and these are the subsidiaries of Mid-continent. She elaborated that the Malaysian branch had been in negative equity all this while and was nearly dormant with no sales except for lease of service equipment contract from Mid-continent for a period of two months, which resulted in a sale registered early last year. The decision was made to wind up the branch by mid-2020. To do that, the Company had to strike off all the dormant companies before Mid-continent can be closed totally. As part of this process, the Board decided that it was easier for the Malaysian branch with the negative equity to be sold away.
- 9.5 Mr. Madhavan commented that Ms. Seet had missed the point of the question and highlighted that the disposal was carried out 4 days before the EGM was held.
- 9.6 Ms. Seet explained that this process of winding up and clearing up of the dormant units had been on-going and had been brought up to the Sponsor since two months ago, the Company having sought approval since August 2019, and which, due to the EGM and other on-going matters in the Company, no approval from the Exchange came forth. She emphasized that this was an on-going process and there are email trails indicating that the Company had requested for approval for the transaction, leading up to the disposal on 31 December 2019 for 1 Malaysian Ringgit. She highlighted that the disposal would facilitate the process of striking off the company in Malaysia, without which such process could take years to complete.
- 9.7 She commented that in preparation for this EGM, the Board and management of the Company were glutted with emails. She acknowledged that the disposal without the Exchange's approval could have been an oversight of the Independent Directors, but pointed out once again that this approval process had been taking place for months, and was not an event that happened with short notice on 31 December 2019. She commented that she would like to set the record straight on this point, and that the Board will explain the circumstances surrounding the disposal to the Sponsor and to the Exchange.
- 9.8 She added that the Chairman, Mr. Lee was not involved in this decision to sell, such decision having been made by the old Board, which was removed in the AGM held on 30 October 2019, and which left herself as the sole remaining director. She added that the Chairman was appointed on 22 November 2019, and the last conversation as regards this disposal happened on 21 November 2019 seeking approval from the Sponsor. She commented that there has been no activity since then as the Company was focused on matters in relation to the lawsuit and this EGM. She commented that the company was subsequently sold to a shareholder on 31 December 2019 for 1 Malaysian Ringgit so that this dormant unit could be wound up. She emphasised that the Chairman was not informed of this decision as he was appointed on 22 November 2019, and that decision was approved by the old Board.
- 9.9 Mr. Madhavan pointed out that it was for the Exchange, and not Ms. Seet to determine the Chairman's liability. He further pointed out that the Board could have held its hands on the sale until after this EGM but did not do so.

QUERY 3

- 9.10 Mr. Madhavan further queried what happened to the car the Company had purchased for the use of Mr. Luke Ho since he has now resigned. Mr. Ho acknowledged that the car was sold under his name for S\$110,000 and added that the proceeds was returned directly back to the Company. Mr. Madhavan queried why this was not announced.
- 9.11 Mr. Madhavan then queried if severance pay was paid out to Mr. Ho pursuant to his resignation. Ms. Seet explained that it had been Mr. Ho's intention to resign so that a new team can come

in to lead the Company, but it was tough finding a successor. She commented that Mr. Ho's contract required a six month notice for resignation, and he tendered his resignation late last year. Ms. Seet commented that knowing that a new Board would not want him to be the CEO of the Company, the Board negotiated with Mr. Ho for his last day of service to be on 8 January 2020, with severance pay for a reduced notice. She commented that in view of human resource policies, she would not be able to share the amount of such severance pay and commented that should Mr. Madhavan be elected to the new Board, he would be privy to this information.

9.12 Mr. Madhavan queried if this was announced. Ms. Seet answered in the affirmative and added that the proceeds from the sale of the car had been returned to the Company.

9.13 Mr. Madhavan repeated his question as to the quantum of Mr. Ho's severance pay. Ms. Seet once again declined to provide the figures as it was not appropriate to disclose HR details in a public forum, but commented that Mr. Ho was supposed to be paid for six months for his resignation notice but the Company negotiated for a 4.5-month severance pay in lieu of notice.

QUERY 4

9.14 In relation to whether Mr. Ho's last day of service could be on the 9 January 2020, the date of the EGM, instead of 8 January 2020 so that he would have to abstain from voting on the resolutions, Ms. Seet commented that Mr. Ho's resignation had been announced and effected, with his last official day with the Company being 8 January 2020. Ms. Seet pointed out that Mr. Ho would be eligible to vote as he is also a shareholder. Mr. Madhavan pointed out that Mr. Ho's last day should be on 9 January 2020. Ms. Seet reaffirmed Mr. Ho's last day was 8 January 2020 and it was specified clearly in the separation letter and announcement was also made accordingly. This was to enable the new Board elected on 9 January to take over and select their own management team.

QUERY 5

9.15 A shareholder commented that certain EGM documents were sent to his workplace and not to his home, which was the registered address with the Central Depository. He further queried if on the plans by the next Board in the next one year in terms of concrete steps to be taken to bring the Company forward in gaining market share or revenue.

Note: Please refer to Part 7 above, the relevant presentation slides attached, and 9.20 – 9.22 below.

QUERY 6

9.16 Mr. Madhavan then updated that he and his team has commenced an action under 216A of the Companies Act (Cap 50) and will look into commencing lawsuits against individual Board members if there should be issues in recovering the monies from the various transactions, such as recovery of the monies lost from the Kupang land project. He clarified that any monies recovered will be returned to the Company, not to him or his team.

QUERY 7

9.17 One Shareholder queried how many times the Company Proposed New Directors as well as the current Board had been to the microalgae plant in Kuala Lumpur. Ms. Seet replied that she had been to the plant twice, and Mr See replied that he had been to plant once. The Shareholder commented that by the Board's own admission, the only core business that the Company has for the past five years is Mid-continent and questioned how the Board could be selling off parts

of Mid-continent in such case. He questioned how the Company can run a business if it strips itself of the core assets, and commented that it does not make sense in his opinion.

QUERY 8

- 9.18 In responding to the query of how the Company Proposed New Directors can run the business when they do not have the relevant experience in the industry, Mr. Lam commented that he had been in the oil business since 2004, where he was the personal assistant of the Chairman of Titan Petrochemicals Group Limited (“Titan”), which was involved in downstream operations in the oil and gas industry and operated in 8 countries. He added that he was therefore familiar with the business.
- 9.19 Mr. Madhavan, in his capacity as a Shareholder, pointed out that Mid-continent is an upstream business, and not a downstream business (like Titan). In view of this, he expressed his doubt as to how well Mr. Lam knew the business, and whether Mr. Lam’s experience in Titan would assist him in running the Company. In response, Mr. Lam pointed out that Titan is also the owner of the Blue Sky Refinery which is an upstream business.

QUERY 9

- 9.20 In responding to the query by Mr. Madhavan, in his capacity as Shareholder, as to whether the microalgae plant had been headed back to the Company or whether it is still under AFE, the EPC contractor, Ms. Seet commented that the Company had not written it off, and that it was just provided for, although it is still under AFE. Mr. Madhavan commented that the Company therefore had no rights to the plant and queried how the Company then intend to revive the plant in such case. He further highlighted that EPC contractor had not secured his contract with a performance bond and could therefore walk away without any repercussions.

QUERY 10

- 9.21 In response to a request to elaborate on and provide concrete details on the actions that would be taken, Mr. See remarked that while he does not have oil and gas experience, he has connections and the new team will work closely with Mid-continent to explore new markets like China.
- 9.22 In further response to whether the proposed Board led by Mr. See will pursue all improper transactions undertaken by the previous Board and the management, Mr. See once again affirmed the team’s independence and commented that his team will take immediate action to seek legal advice in respect of any possible misconduct by the previous Board and how to recover the money.
- 9.23 In response, Mr. Madhavan pointed out that the problem Mr. See and his team face in trying to put together a full business plan is that they are not aware of what is happening. He commented that his opinion as to why the business of Mid-continent has fallen so badly is due to bad management, and added that he is unable to give an answer as to how he can turn the Company around until he takes a good look at what is happening. He assured the Shareholders however that he had been speaking to all his contacts and is working towards getting Mid-continent above its current value. Mr. Madhavan commented that he is ready to fly his contacts down to Singapore after the EGM. He remarked that he is actually giving up business that he has spent a long time cultivating to the Company and that he is doing this because he is confident that doing so will increase the value of the Shares, which will benefit everyone. He commented that the Shareholders will see that he will put his plan in action upon his election, that it is recorded and that the Shareholders can hold him to his word.

QUERY 11

- 9.24 In responding to a clarification on whether Mr. Ho had resigned or was asked to leave, Ms. Seet clarified that Mr. Ho resigned. As to how the “severance pay” could then be paid to Mr. Ho if he had resigned, Ms. Seet commented that the pay-out was in lieu of notice, and not “severance pay” as such. She explained that as Mr. Ho resigned, the Company had to negotiate whether he should serve the full six months’ notice. Given that 9 January 2020 was the date of the EGM, and that the Company understood that the new Board would not want Mr. Ho as a CEO, it was decided that his last day of service was to be 8 January 2020. *

Mr. Madhavan understood that Mr. Ho’s resignation was effective 9 January 2020, after the EGM, and he committed to assist the new Board and Management on all matters of the Group. He questioned the basis on which Ms. Seet committed to take such an important decision on accepting Mr. Ho’s resignation on 8 January 2020, a day before the AGM in her capacity as Independent Director instead of allowing the incoming team to decide on such an important matter. This is presumptuous on her part to assume that a new team would not need Mr. Ho to clarify transactions and other matters. In particular, he holds Ms. Seet fully accountable to approve a “substantial pay-out” in the use of the Group’s financial resources. Mr. Madhavan further clarified with Sponsor on the last day of service of Mr. Ho, which confirmed that the announcement released by the Company states that Mr. Ho will relinquish his role as CEO with effect from 9 January 2020. Mr. Madhavan stressed that he will be following up on this matter.

QUERY 12

- 9.25 In response to queries in respect of Mr. Madhavan’s business dealings with Mr. Kuek, and how he will ensure Mr. Kuek’s independence, Mr. Madhavan clarified that he knew Mr. Kuek from many years before, when Mr. Kuek was a development banker in Indonesia, and had indeed proposed Mr. Kuek as a candidate to Mr. Ho when he learnt that Mr. Ho was looking for an Independent Director for the Company’s Board. He clarified that he has no business dealings with Mr. Kuek, and that he had approached Mr. Kuek as he needed someone with Mr. Kuek’s strong corporate governance experience to be independent and to keep an eye on himself on the Board. .

QUERY 13

- 9.26 In responding to clarifications on past corporate experiences of the Requisitioning Shareholders Proposed New Directors proposed Board members led by Mr. Madhavan:

As regards Mr. Kuek, the acquisition of subsidiary of GSS Energy Limited (“GSS”), CSE for S\$48 million, and which was disposed of 2 years later for S\$1.

- 9.27 Mr. Kuek clarified that he was appointed on 1 October 2014, and the transaction in particular was conducted in June 2014.* For the transaction in question, he explained that a couple of missteps led to certain transactional issues, including a change in government in Indonesia led to the Indonesian partner failing to deliver the revenue for the joint venture. He commented that on his part as independent director, he was careful to ensure that any resolution on this joint venture arrangement would be in the interest of GSS, and to ensure that GSS does not lose any more money in allowing the former company to exercise their right to the shares that were agreed under the earlier contract

- 9.28 Mr. Madhavan clarified that the loss was not S\$48 million, but was in shares, which was returned by Java Petroleum Energy Ptd Ltd. He commented that in 2014 the oil price collapsed, and Indonesian government decided to take some of the oil fields back to boost their own production. What the Indonesian government did in return was that it converted one of the big fields into a 20-year contract, such that GSS in return for losing the 3 oilfields had a 20-year contract.

As regards Mr. O'Conner, the insolvency of Media Metrica Ltd in the United Kingdom

- 9.29 Mr. O'Connor clarified that Media Metrica Ltd was a media company which developed bomb-proof bins. The business model of the company was such that there was a large capital expenditure, but which could be recouped with advertising over the term of the contract in 15 years. He commented that as the revenues were low and the cost of high, the company never got to its break even point and therefore went into insolvency in September 2013.

10. CASTING OF VOTES

- 10.1 There being no further questions from the shareholders present, the Chairman put the motion to a poll.
- 10.2 The Chairman requested that the shareholders submit their Poll Voting Slips to the Polling Agent upon completion.
- 10.3 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 20 to 30 minutes for the courting of the votes]

11. RESULTS OF POLL

The Chairman re-convened the meeting at 1 p.m. after the Scrutineers had completed counting and verified the votes. The Company Secretary announced the results of the poll as follows:

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 (%)
Resolution 1 That Mr. Charles Madhavan be appointed as a director of the Company with effect from the date of the EGM	7,966,589,032	5,051,642,272	63.41	2,914,946,760	36.59
The Company Secretary declared that Resolution 1 was carried.					
Resolution 2 That Mr. Ong Chin Yew be appointed as a director of the Company with effect from the date of the EGM.	7,966,589,032	5,033,729,272	63.19	2,932,859,760	36.81
The Company Secretary declared that Resolution 2 was carried.					
Resolution 3 That Mr. Kuek Eng Chye Anthony be appointed as a director of the Company with effect from the date of the EGM.	7,966,589,032	5,034,630,072	63.20	2,931,958,960	36.80
The Company Secretary declared that Resolution 3 was carried.					

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 (%)
Resolution 4 That Mr. Christopher B. O'Connor be appointed as a director of the Company with effect from the date of the EGM.	7,966,589,032	5,052,543,072	63.42	2,914,045,960	36.58
The Company Secretary declared that Resolution 4 was carried.					
Resolution 5 That Ms. Seet Chor Hoon be removed as Independent Director of the Company with effect from the date of the EGM, and all necessary steps be taken to remove her from any and all appointments (whether as director, corporate representative or otherwise) with the Company, its related and/or associated companies including all its subsidiaries.	7,966,588,632	5,022,622,582	63.05	2,943,966,050	36.95
The Company Secretary declared that Resolution 5 was carried.					

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 (%)
Resolution 6 That any Director(s) of the Company, who may have been appointed between the date of the Requisition Notice, namely 7 November 2019 and the date of the EGM, be removed.	7,966,584,832	5,017,531,782	62.98	2,949,053,050	37.02
The Company Secretary declared that Resolution 6 was carried.					
Resolution 7 That the payment of Director fees of S\$90,000 be approved for the financial year ending 30 June 2020.	7,966,570,212	4,938,464,982	61.99	3,028,105,230	38.01
The Company Secretary declared that Resolution 7 was carried.					
Resolution 8 That Baker Tilly TFW LLP be appointed as the Auditors of the Company and to authorise the Directors to fix their remuneration.	7,966,587,432	7,180,927,112	90.14	785,660,320	9.86
The Company Secretary declared that Resolution 8 was carried.					

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 (%)
Resolution 9 To re-elect and/or appoint Mr. Lee Chong Ping, a Director who is retiring in accordance with Regulation 83 of the Company's Constitution and who, being eligible, offers himself for re-election.	7,989,612,792	2,963,541,470	37.09	5,026,071,322	62.91
The Company Secretary declared that Resolution 9 was not carried.					
Resolution 10 To appoint Mr. See Soon Hong as director of the Company.	7,989,612,792	2,964,559,750	37.11	5,025,053,042	62.89
The Company Secretary declared that Resolution 10 was not carried.					
Resolution 11 To appoint Mr. Steven Lam Kuet Keng, BBM, as director of the Company.	7,989,612,792	2,966,563,750	37.13	5,023,049,042	62.87
The Company Secretary declared that Resolution 11 was not carried.					
Resolution 12 To appoint Mr. Wong Ann Chai as director.	7,989,612,792	2,964,559,750	37.11	5,025,053,042	62.89
The Company Secretary declared that Resolution 12 was not carried.					

12. Conclusion

There being no further business to transact, the Chairman declared the meeting closed at 1:10pm.

Confirmed as a true record of minutes



Mr. Lee Chong Ping
Chairman

Magnus Energy Group Ltd

Extraordinary General Meeting

9 January 2020

A Presentation by Requisitioning Shareholders

TIME FOR CHANGE

YOUR COMPANY, OUR COMPANY

Time for Change

Dear Fellow Shareholders,

Today's EGM will decide the Group's future. The sole remaining ID of the Magnus Group and her recently appointed ID has proposed a New Team to replace the Magnus BOD whom you removed at the last AGM in October. On the other side, we, the Requisitioning Shareholders, are proposing a highly qualified experienced Team for our BOD.

The Group is at a "cross road". The former Board and Management team has lost the confidence of shareholders. The independence of their proposed Team may be questioned on whether they will be able to carry out full review and accountability for all potential transgressions by their association with past Board and Management.

The new team has not shown any commercial and corporate experience in the business segments of the Group that could readily overcome the challenges and restore commercial and financial viability problems facing the Group.

We, the Requisitioning Shareholders, have taken bold steps to hold the former Board of Directors and Management accountable, as demonstrated in the outcome of the last AGM. Myself and another proposed director have "equity interests" in the Group. We have "put our money where our mouth is" and "walk the talk" to put in place our team of committed, passionate and qualified Board of Directors to take immediate steps to deal with urgent challenges in reviving the Group's core business in the energy sector, with a credible business plan, improve operational processes and incorporating corporate governance practices and

Time for Change cont'd

taking steps to hold past and present Board and management accountable for irregular processes and decisions that adversely impacted on the Group's finances, including legal recourse for their full recovery for the Group, and in full cooperation with SGX to facilitate the "lifting" of suspension and trading.

In this regard, we are grateful to Singapore authorities and SGX for their decisive actions to hold those accountable including taking recent decisive measures on;

- ✓ Suspension of trading in share following the Provenance Report,
- ✓ Ongoing examination by SGX on potential breaches of listing and regulatory guidelines, and
- ✓ Latest advisory notice to Magnus Board to cease from all transactions prior to EGM (following the disposal of its Singapore subsidiary, Mid-Continent Environmental Projects Pte Ltd.

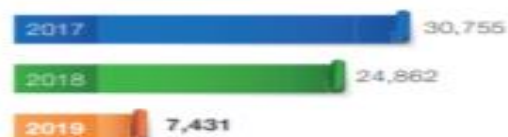
We, the Requisitioning Shareholders, thank you for this opportunity and your support throughout this process. Shortly, we will "walk through" all that happened to the Group and ask you to review carefully before you vote for the resolutions. Let me begin.

FINANCIAL HIGHLIGHTS

TURNOVER (S\$'000)



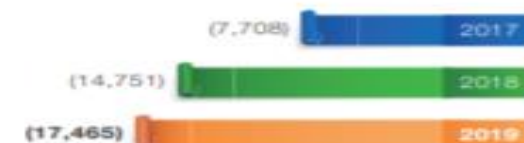
NET ASSET VALUE (S\$'000)



LOSS FOR THE YEAR FROM CONTINUING OPERATION (S\$'000)



TOTAL LOSS AFTER INCOME TAX ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (S\$'000)



	2019	2018	2017
Basic losses per share (Cents)	(0.14)	(0.13)	(0.10)
TURNOVER BY BUSINESS ACTIVITIES			
Oilfield equipment supply and services (S\$'000)	17,573	18,941	14,123

KEY PERFORMANCE OUTCOMES (2017-2019)

NET ASSET VALUE (S\$'000)

Fell by four times (minus 413%), from **\$30.7 million** to **\$7.4 million**.

NET TOTAL LOSS to EQUITY HOLDERS

Loss accelerated in past three years (S\$'000)

2017	7.708
2018	14.751
2019	17.465
Cumulative losses	<u>39.924</u>

BASIC LOSSES PER SHARE (Cents)

0.37 cents of share value wiped out in three years.

In 2019, the only remaining business in Magnus Energy Group is in oilfield equipment supply and services.

A PICTURE PAINTS A THOUSAND WORDS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Financial Years ended 30 June 2016 to 2019)

Continuing Operations (S\$)	2019	2018	2017	2016
Revenue	17,573,277	18,941,346	14,685,268	21,555,686
Gross Profit	2,030,454	2,971,471	2,908,341	791,477
Comprehensive Loss for year	(17,129,255)	(10,602,992)	(10,222,255)	(27,652,997)
Net Loss attributable to Equity Holders	(17,465,311)	(9,906,000)	(7,707,628)	(16,528,677)
Non-controlling interest	301,509	(696,992)	(4,062,105)	(9,910,923)
	(17,460,552)	(15,328,787)	(11,769,733)	(26,439,600)

Key Highlights 2016-2019 (in S\$ million)

Cumulated Gross Profits	8.702
Comprehensive Cumulated Losses	56,607
Net Loss to Equity Holders	51,607
Loss per share to equity holders	1.83

STATEMENT OF GROUP FINANCIAL POSITION

	2019	2018	2017	2016	KEY HIGHLIGHTS 2016-2019
ASSETS (S\$)					
Non-Current Assets	1,332,963	19,432,027	18,092,043	23,648,845	Non-Current assets (long terms assets)
Current Assets	15,223,166	17,951,600	26,403,302	32,343,359	
Total Assets	16,556,129 ¹	37,383,627	44,495,345	55,992,205	Severely depleted from \$23.6 million in 2016 to \$19.4 million in 2018 and drastically reduced to \$1.3 million in 2019.
LIABILITIES AND EQUITY					Comprising property, plant and equipment (\$848,625) and other financial assets (\$476,707), mainly freehold buildings and motor vehicles and some office equipment and furnishings
Current Liabilities	6,288,170	5,575,413	5,298,378	7,988,154	
Non-Current Liabilities	-	-	355,754	15,486	
Total Liabilities	6,288,170	5,575,413	5,654,132	8,003,640	
Equity					
Share capital	148,781,865	148,781,865	144,769,088	140,957,335	
Total Equity	10,267,959	31,808,214	38,841,213	47,988,565	
Total Liabilities and Equity	16,556,129	37,383,627	44,495,345	55,992,205	

The Group has been disposing long term productive assets or “asset stripping” to finance losing operations.

As of today, the remaining business operation is Mid-Continental Engineering generating operating income

The Group’s plan to “realise” current assets amounting to \$15.2 million through recovery of funds from RCL, Indonesian loans and Yangtze Joint Investment, Thames/Thames Capital (GCM) shares is “questionable” due to complex legal and enforcement uncertainties.

Shareholders must hold Management and the Board FULLY ACCOUNTABLE for the substantial erosion of shareholder equity from \$48 million in 2016 to \$10.2 million in 2019 and the consequent adverse impact on share price.

¹ Includes assets classified and held for sale comprising of two Australian properties (Perth, WA and Gatton, QLD) and MEG property in Loyang Crescent, Singapore, with total value at \$4,724,088.

ACCOUNTABILITY

Board of Directors

Mr. Kusharri Bin Zaidel, Chairman

Ms. Seet Chor Hoon, Independent Director

Mr. Nick Ong, Non-Independent Non-Executive Director and Company Secretary

Mr. John Ong, Independent Director and AC Chairman (resigned on 30 June 2019)

Mr. Lim Guan Yew

Mr. Koh Teng Kiat

Management

Mr. Luke Ho, CEO

Provenance Capital Pte Ltd
Report on Review of Eight (8) Selected Transactions Undertaken By
Magnus Energy Group Ltd (22 April to 12 July 2019)
Report Published Date: 21 August 2019

No	Selected Transactions	Brief Descriptions	Amount Recovered
(i)	Disposal of GCM Shares	Company had invested in 9.4 million GCM shares in Aug 2013 for a coalmine project in Bangladesh. Company arranged with Thames Capital to dispose 9 million shares in Feb 2017. The shares were recognized as sold in March and June 2017. <i>Substantial amount of proceeds remains unrecovered from Thames Capital.</i>	GBP 605,000 out of GBD 1,800,000 The balance GBP 1,195,000, about S\$2.1 million remains outstanding (Company assessment of significant default risk) with full impairment of S\$2,048,230 as of 30 June 2019.
(ii)	A sum of S\$300,000 recorded as fixed deposit	In Jan 2015, S\$300,000 restricted fixed deposit was placed under Independent Director Ms. Seet Chor Hoon, who acted as surety for release of passport of Like Ho, who was assisting in CAD investigations. The fixed deposit was released on 29 Nov 2018.	Note: <i>Ms. Seet was appointed ID on 15 August 2014. Luke was interim CEO in Oct 2014 and CEO on 2 June 2015.</i>
(iii)	Loans to Indonesian contractors, PT Hanjungin	Participation in housing in Kupang, NTT (S\$5.0 million, May 2015), road projects in Central Java (S\$1.9 million, Nov 2015 & Feb 2016) and dam project in Banten, West Java,(S\$4.0 million, March 2016) totaling S\$10.9 million.	S\$4.0 million out of \$10.9 million was recovered (excluding interest). The Company has instituted legal proceedings but due to uncertainties over legal ownership of Kupang land, the Group has not written back the impairment loss of S\$7.23 million recorded in financial year ended 30 June 2018.
(iv)	Joint Agreement with Yangtze Investment Partners	Investment of US\$1.0 million in August 2015 in pre-IPO company for energy sector in LSE. The agreement was terminated on 30 June 2017. The Company failed to exercise proper due diligence on transaction including the readiness of the target IPO company, guaranteed repayment of principal and profit returns.	The loss allowance as of 30 June 2019 on amount recoverable from this Joint Investment was S\$1,407,500.

(v)	Purchase of motor vehicle for CEO	The vehicle, Jaguar XJ2.0 model was purchased in September 2015 costing about \$300,000 registered in name of CEO under a Trust Arrangement.	<i>Note: An untimely car purchase at a time when Company was dealing with significant challenges in straightening out investments in GCM, Indonesia and Yangtze transactions in 2015</i>
(vi)	Convertible loan with Revenue Anchor (RA)	Assignment of convertible loan of GBP510,000 from RA to the Company in April 2016 that was in turn convertible to 4.6 million new GCM shares (in addition to the Company's 9.4 million GSM shares, see (i) above), increasing the Company's equity interest in GCM from 15% to 20.8% of enlarged issued share capital of GCM. The Group failed to seek representation on GCM Board. The Company was instructed and remitted the funds to Tantalus Rare Earth holding an account in Germany (GBP390,000) on 28 April 2016 and on 3 May 2016 to Mr. Farhash Wafa Salvador (GBP 120,000) to an account with Standard Chartered Bank Singapore	Company made a profit of GBP 23,263 but incurred an overall loss of S\$71, 203 due to foreign exchange losses. <i>Note: Tantalus, Germany filed an application of insolvency on 16 Oct 2015. On 12 Feb 2016, the insolvency application was withdrawn following a transaction with a project in Madagascar (Mark See may wish to shed light on this since he was honorary commercial and Vice Consul for Madagascar in Singapore during the period). Mr. Farhash Wafa Salvador was a politician in Malaysia.</i>
(vii)	Microalgae Project	In June 2016, Company invested in the Project as EPC, O&M and License Agreement with Mr. Kim to build a plant in KL to cultivate and process microalgae into biofuel. Total investment cost amounted to S\$12.95 million (USD9.95 million), representing 75% of contract cost of US12.75 million. The Company had disbursed USD9.95 million from June 2016 to October 2018. The plant has ceased production. An impairment was made	?????

Action Plan to Address Transaction Irregularities and Shortfalls

Background

- Provenance Capital Pte Ltd Report highlighted deficiencies and irregularities in Board and management supervision of eight selected transactions that contributed to substantial losses over the period.
- The Report was drawn from examination of internal documents and interviews with Board members and staff within the Group from April to Jul 2019 and concluded with conclusions and recommendations.

Action Plan on Accountability

Priorities for new Board

- (i) **Immediate attention on current transactions** (if any such as disposal of investment in KL) committed by management post-Provenance Report,
- (ii) **Review Group wide transactions** (not covered by Provenance Report including sale of property, plant and equipment) to examine their transaction processes and governance
- (iii) **Comprehensive examination of Provenance Report (and other transactions)** and identify/seek additional information on these transactions and highlight accountability, potential malfeasances and report to Board on proposed action plan for recovery under section 216A for past and present Directors and Management
- (iv) **Strengthen Internal Control and Risk Management incorporating corporate governance practices**

BUSINESS PLAN STATEMENT

IMMEDIATE PRIORITIES

The Team's priority is centered on rebuilding the Group's balance sheet. Ongoing discussions with overseas principals in energy sector have been taking place with good prospects of collaboration with global business partners.

- To capitalize on the Group's existing competitiveness in energy sector and explore collaborate synergistic partnership with established prospective business operators in energy sector for mutually beneficial arrangements to contribute to sustainable income towards a return of financial stability in the short term.
- Attention to meeting SGX's regulatory requirements to facilitate early resumption of trading for the Group's share
- Review of past/ongoing transactions, identify breaches of governance and propose measures for their recovery from past Board of Directors and Management under 216A.

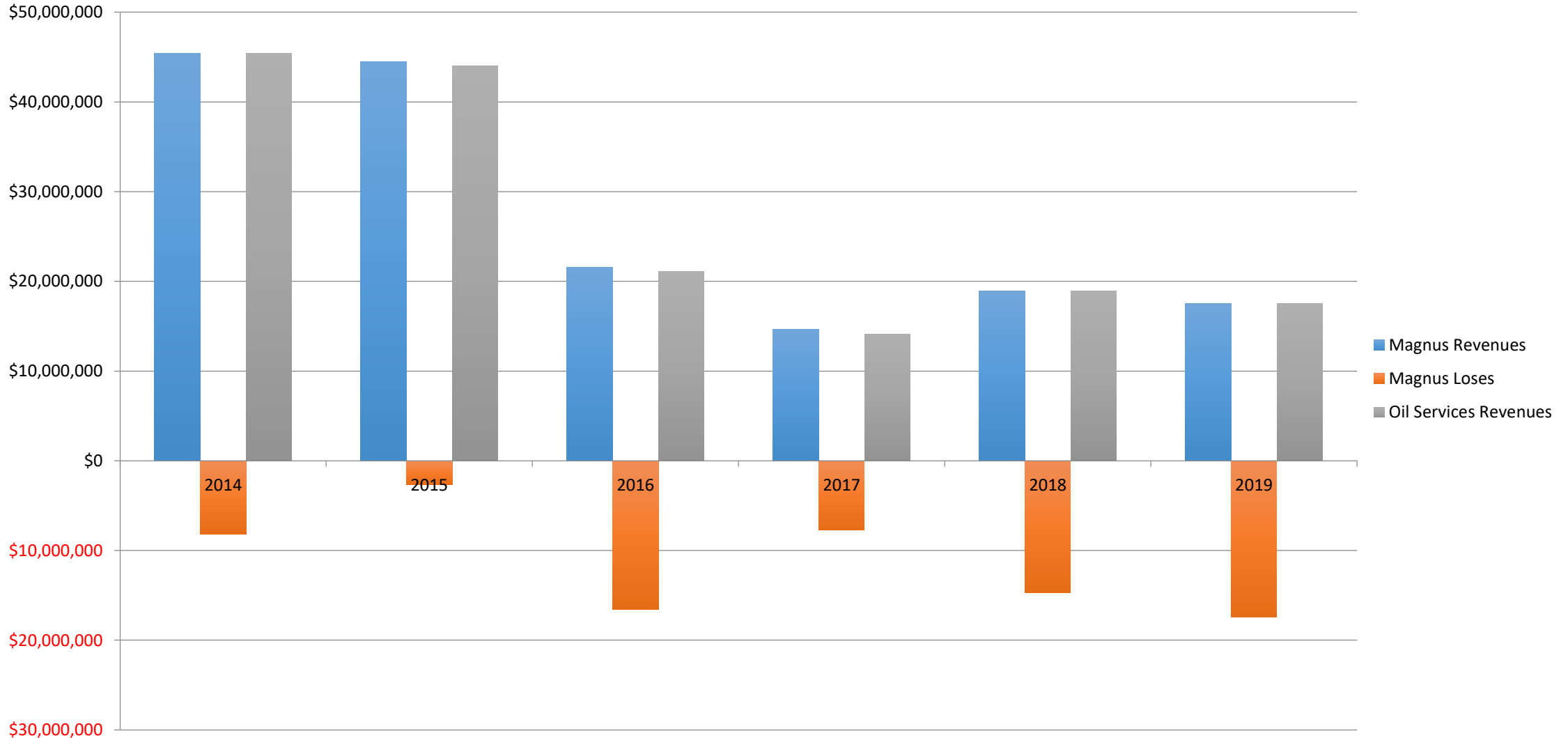
CONCLUDING REMARKS

WHERE IS MAGNUS ENERGY GROUP TODAY ???

- ❖ Financially precarious position from poor management and weak Board oversight
- ❖ Further “asset sale” of Mid-Continental Equipment business, and hopeful “recovery” from failed transactions;
 - ✓ benefitting the Group’s largest individual shareholder holder, Luke Ho whose 695 million shares, of which 965 million shares were awarded under the Group’s Performance Award Scheme (PSP). Together with similar award granted to Board members, their total shares of nearly one billion, comprising almost 8% of the Group shareholding would be the largest single major beneficiary group from funds raised for cash dividends. Luke Ho alone, stands to “walk away” with nearly S\$700,000 from his PSP shares of 695 million shares awarded for “past performances”.
 - ✓ Prospects of “recovery” is doubtful based on lengthy and uncertain legal uncertainties outside Singapore
 - ✓ Further asset sale of Mid-Continental Equipment asset and ongoing business would “kill away the Company’s golden goose”
 - ✓ Magnus proposed New Team are mainly in financial transactions such as M&A and fund raising with no experience in operating energy business

MAGNUS ENERGY FINANCIAL PERFORMANCE 2014-2019

A RECAP



* Data inputs collected from Magnus Energy Annual Reports located www.magnusenergy.com.sg/annual-report/

IMPLICATIONS IF PROPERTIES ARE SOLD FOR \$5 MILLION AND PROCEEDS RETURNED TO SHAREHOLDERS

CEO & DIRECTORS (OCT 2019)	SHARES AWARDED	% OF TOTAL SHARES	W	DIVIDEND
Luke Ho Khee Yong	970,000,000	7.68%		\$383,813
Kushairi Bin Zaidel	114,372,020	0.91%		\$45,255
Seet Chor Hoon	49,063,000	0.39%		\$19,413
Ong Chin Chuan	48,950,800	0.39%		\$19,369
Ong Sing Huat	32,950,800	0.26%		\$13,038

SHAREHOLDERS AT EGM	PURCHASED SHARES	% OF TOTAL SHARES		DIVIDEND
Shareholder A	25,000,000	0.20%		\$9,892
Shareholder B	10,000,000	0.08%		\$3,956
Shareholder C	5,000,000	0.04%		\$1,978
Shareholder D	1,000,000	0.01%		\$396

Thank you all for making the time to attend this EGM!