

CIRCULAR DATED 11 APRIL 2022

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular (as defined herein) is issued by Mercurius Capital Investment Limited. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Unless otherwise stated, capitalised terms on this cover are defined in this Circular under the section entitled “DEFINITIONS”.

This Circular, together with the Notice of EGM and the accompanying Proxy Form have been made available on SGXNet and the Company’s website at <https://www.mercuriuscapital.com/investor-relation.html>. **A printed copy of this Circular, together with the Notice of EGM and the accompanying Proxy Form will NOT be sent to Shareholders.**

If you have sold or transferred all your Shares, you should immediately inform the purchaser or transferee, or the bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular, together with the Notice of EGM and the accompanying Proxy Form, may be accessed via SGXNet and the Company’s website at <https://www.mercuriuscapital.com/investor-relation.html>.

This Circular has been prepared by the Company and reviewed by the Company’s sponsor, Novus Corporate Finance Pte. Ltd. (“**Sponsor**”), in compliance with Rule 226(2)(b) of the Catalist Rules. It has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #18-03B, Suntec Tower 1, Singapore 038987, telephone (65) 69502188.

MERCURIUS CAPITAL INVESTMENT LIMITED
(the “**Company**”)
(Incorporated in the Republic of Singapore)
(Company Registration No. 198200473E)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED DIVERSIFICATION OF THE GROUP’S BUSINESS

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	24 April 2022 at 4.30 p.m.
Date and time of Extraordinary General Meeting	:	26 April 2022 at 4.30 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM (as defined herein) to be held on the same day at 4.00 p.m.)
Place of Extraordinary General Meeting	:	The EGM will be held via electronic means

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DEFINITIONS

For the purposes of this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

“12 July Announcement”	:	Has the meaning ascribed to it in section 1.1 of this Circular
“Act” or “Companies Act”	:	The Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time
“AGM”	:	The annual general meeting of the Company
“Audit Committee”	:	The audit committee of the Company as constituted from time to time
“Board” or “Board of Directors”	:	The board of directors of the Company, as at the date of this Circular
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 11 April 2022 in respect of the Proposed Diversification
“Company”	:	Mercurius Capital Investment Limited
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of all voting shares in the Company (subject to the SGX-ST determining that such a person is not a Controlling Shareholder); or (b) in fact exercises control over the Company
“Director”	:	A director of the Company, as at the date of this Circular
“EGM”	:	The extraordinary general meeting of the Company, notice of which is set out on page N-1 of this Circular
“EPS”	:	Earnings per Share
“Existing Core Business”	:	Has the meaning ascribed to it in section 2.1 of this Circular
“FY”	:	Financial year ended or ending, as the case may be, 31 December
“Group”	:	The Company and its subsidiaries

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“Latest Practicable Date”	: 31 March 2022, being the latest practicable date prior to the issue of this Circular
“Notice of EGM”	: The notice of the EGM as set out in this Circular
“NTA”	: Net tangible assets
“Proposed Acquisition”	: Has the meaning ascribed to it in section 1.1 of this Circular
“Proposed Diversification”	: Has the meaning ascribed to it in section 1.2 of this Circular
“Proposed New Business”	: Has the meaning ascribed to it in section 2.2 of this Circular
“Proxy Form”	: The proxy form in respect of the EGM as set out in this Circular
“Securities Account”	: Securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shareholders”	: Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited
“Shares”	: Ordinary shares in the issued share capital of the Company
“SPV Shareholders”	: Has the meaning ascribed to it in section 1.1 of this Circular
“SSA”	: Has the meaning ascribed to it in section 1.1 of this Circular
“Substantial Shareholder”	: A person who has an interest or interests in the voting Shares in the Company representing not less than 5.0% of all the voting Shares
“Targets”	: Has the meaning ascribed to it in section 1.1 of this Circular

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“Targets’ Groceries Business” : Has the meaning ascribed to it in section 1.1 of this Circular

“%” : Percentage and per centum

The terms **“Depositor”**, **“Depository Register”** and **“Depository Agent”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore (**“SFA”**).

The term **“subsidiary”** shall have the same meaning ascribed to it in Section 5 of the Act.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, SFA, the Catalist Rules or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the Companies Act, SFA, the Catalist Rules or such statutory regulatory modification thereof, as the case may be, unless otherwise provided.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons, where applicable, shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of a day in this Circular is a reference to Singapore time unless otherwise stated.

Any discrepancies in the figures in this Circular between the listed amounts and the totals thereof and/or the respective percentages are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Cautionary Note on Forward-Looking Statements

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements. Further, the Company disclaims any responsibility to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

MERCURIUS CAPITAL INVESTMENT LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198200473E)

Directors:

Mr Chang Wei Lu *(Executive Chairman and Chief Executive Officer)*
Mr Chew Hai Chiene Hester Arthur *(Lead Independent Non-Executive Director)*
Mr Wong Leong Chui *(Independent Non-Executive Director)*
Mr Wong Yee Chue *(Independent Non-Executive Director)*
Mr Teo Soon Seng *(Non-Independent Non-Executive Director)*

Registered Office:

6 Shenton Way
#42-04 OUE Downtown 1
Singapore 068809

Date: 11 April 2022

To: The Shareholders of the Company

Dear Sir / Madam

THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS TO INCLUDE THE PROPOSED NEW BUSINESS

1. INTRODUCTION

1.1 Announcements of the Company dated 9 April 2021, 12 July 2021 and 8 November 2021

The Company had on 12 July 2021 announced that it has entered into a share sale agreement (“**SSA**”) with Tan Lee Heng (M) Sdn Bhd, Fourseas Capital Sdn Bhd and Fourseas Holdings Sdn Bhd (collectively, the “**SPV Shareholders**”) for the proposed acquisition (“**Proposed Acquisition**”) of Songmart Holdings Sdn. Bhd. (the “**SPV**”) (“**12 July Announcement**”). The businesses (including without limitation to the properties, assets and employees) of the companies as set out in Appendix 1 of the 12 July Announcement (the “**Targets**”) – which engage in the groceries business in Malaysia (“**Targets’ Groceries Business**”) – will be consolidated and owned by the SPV on or prior to completion of the Proposed Acquisition. The 12 July Announcement follows an earlier announcement dated 9 April 2021 regarding the execution of a legally binding term sheet in respect of the Proposed Acquisition. Following the 12 July Announcement, the Company had on 8 November 2021 announced a summary of the income statement derived from the unaudited pro forma condensed combined financial statements of the Targets for the nine-month period ended 30 September 2021 as provided by the SPV Shareholders (“**8 November Announcement**”).

As disclosed in the 12 July Announcement, completion of the Proposed Acquisition under the SSA is conditional upon, among others, the approval of the Shareholders of the Company for the Proposed Diversification.

Please refer to the 12 July Announcement and the 8 November Announcement for more details in relation to the SSA, the Proposed Acquisition and additional financial information relating to the SPV and the Target’s Groceries Business.

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1.2 EGM

The Directors are convening an EGM to be held on Tuesday, 26 April 2022 at 4.30 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM to be held on the same day at 4.00 p.m.) via electronic means to seek Shareholders' approval for the proposed diversification of the Group's business to include the Proposed New Business as elaborated in section 2.2 of this Circular (the "**Proposed Diversification**").

The Proposed Diversification is set out as an ordinary resolution in the Notice of EGM accompanying this Circular.

1.3 Circular to Shareholders

The purpose of this Circular is to provide Shareholders with information relating to and to seek Shareholders' approval for the abovementioned Proposed Diversification. Shareholders' approval will be sought at the EGM, notice of which is set out on page N-1 of this Circular.

This Circular has been prepared solely for the purposes set out herein and may not be relied upon by any persons (other than Shareholders) or for any other purposes.

2. THE PROPOSED DIVERSIFICATION

2.1 Existing Core Business of the Group

The Group is principally engaged in the existing core business of property development and property investment, which involves (i) activities such as real estate-related investments and property development activities (including acquisition and development activities, and/or sale of real estate) and holding investments in real estate and residential, hospitality (including hotels and/or serviced residence), commercial (retail and office), industrial and any other suitable types of properties (including mixed development properties) ("**Property Related Assets**"); and (ii) acquisition and holding of investments in Property Related Assets, as well as trading in and holding of such Property Related Assets for long-term investment purposes (the "**Existing Core Business**").

As at the Latest Practicable Date, the Existing Core Business has not commenced as the Company's joint venture with Apex Development Public Company Limited to jointly develop the Sheraton Phuket Grand Bay Resort in Phuket, Thailand ("**Sheraton Phuket Development**") has been put on hold due to the tightening of loan application requirements by the banking and financial institutions. The Group has been following up with other potential financial institutions and investors and exploring other viable options to secure financing for the said development. The Group remains committed to the Existing Core Business so long as its continuity is in the best interests of the Group and its Shareholders.

It is envisaged that the Proposed Diversification arising from the Proposed Acquisition will change the existing risk profile of the Company as it is different from the Existing Core Business. Accordingly, the Company is convening the EGM to seek Shareholders' approval for the Proposed Diversification.

2.2 Information regarding the Proposed Diversification

Upon obtaining the approval of Shareholders for the Proposed Diversification at the EGM, the Group intends to expand its Existing Core Business to include the following activities, which will include the

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Targets' Groceries Business upon completion of the Proposed Acquisition and as and when appropriate opportunities arise:

- (a) the manufacture, wholesale, distribution, warehousing and logistics, retail and trading of foodstuff, groceries, sundry goods and daily necessities (including without limitation to live, chilled, processed, packaged and/or preserved food products (including ready-to-eat food products and snacks), seafood, fruits and vegetables, meat, bread and pastry products, beverages (alcoholic and non-alcoholic), dairy products, cereals, oils, condiments, snacks, toiletries and personal care products (including over-the-counter medications), housewares, linen and other household products and necessities); and
- (b) in connection with (a) above, the operation of (i) department stores, mini markets, supermarkets and convenience stores, as well as and online stores and other e-commerce platforms, and (ii) manufacturing, warehousing and logistics facilities, wholesale centres, supply chain and distribution networks (including but not limited to vending machines and smart vending retail kiosks),

(collectively, the "**Proposed New Business**").

The Group does not intend to restrict the Proposed New Business to any specific geographical market as each opportunity will be evaluated and assessed by the Board on its merits. Pursuant to the Proposed Acquisition, the Group will focus its efforts for the Proposed New Business initially in Malaysia and may subsequently venture into other countries, including without limitation, to Singapore, when suitable opportunities arise.

The Group may undertake the Proposed New Business through collaborations, strategic alliances and joint ventures, and/or foster partnerships with third parties in the industry, or invest in or dispose of shares or interests in any entity that is in the Proposed New Business, as and when the opportunity arises. The Group will assess and consider factors such as the nature and scale of the project, the amount of investment and other expertise required and risks associated with such an investment, availability and costs of financing, the period of time required to complete the project, the then existing market conditions and timing of any such investment, the revenue which may be generated, and the standing and contribution of its business or joint venture partner, if any, before proceeding with any such investment. In selecting prospective partners, the Group will consider the specific expertise and competencies necessary for the project(s) in question and the experience, track record and financial standing of the party and/or parties concerned.

Subject to Shareholders' approval for the Proposed Diversification at the EGM, should the Company pursue any of such business opportunities under the Proposed New Business, such business activities shall constitute part of the ordinary course of business of the Company (where it does not change the risk profile of the Company), and the Company will make the requisite announcements to update Shareholders in accordance with the requirements of the Catalist Rules.

As at the Latest Practicable Date, save for the Proposed Acquisition, the Company is exploring but has not committed to any other specific business opportunity or investment under the Proposed New Business.

2.3 Rationale for the Proposed Diversification

The Board proposes to diversify the Group's business to include the Proposed New Business for the following reasons:

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(a) Reduce reliance on its Existing Core Business and provide new sources of revenue

The Group is currently only involved in the Existing Core Business, the undertaking and execution of which is becoming increasingly challenging as described in section 2.1 above. Further, the Coronavirus pandemic (“COVID-19”) has impacted the global economy significantly and continues to have an adverse impact on the economic activities in the tourism and hospitality sector, which has in turn affected the Group’s implementation efforts in respect of the Sheraton Phuket Development. Although the Group continues to rationalise the activities of its Existing Core Business, the Proposed Diversification will reduce the Group’s reliance on its Existing Core Business and allow the Company to diversify and expand into other business opportunities, including but not limited to the Proposed New Business, thereby allowing the Group to generate new sources of revenue to the Group, acquire profitable businesses and assets and strengthen its competitive advantage.

(b) Improve Shareholders’ value

The Proposed Diversification is part of the corporate strategy of the Company to realign the Group’s business strategies and improve profits, as well as provide Shareholders with diversified returns and long-term growth. The Board believes that the Proposed Diversification will offer new business opportunities, provide the Group with new revenue streams, as well as earnings and growth opportunities, so as to enhance long term value for Shareholders.

(c) Completion of the Proposed Acquisition

As disclosed in the 12 July Announcement, completion of the Proposed Acquisition under the SSA is conditional upon, among others, the approval of the Shareholders of the Company for the Proposed Diversification. The Proposed Acquisition is in line with the Company’s intention to explore new business opportunities and investments to generate new revenue streams and operating cash flow for the Group. The Targets’ Groceries Business are profitable and the Proposed Acquisition would therefore provide the Group with the opportunity to acquire profitable entities with opportunities for growth.

(d) The Proposed Diversification will give the Group flexibility to enter into transactions relating to the Proposed New Business in the ordinary course of business

Upon Shareholders’ approval of the Proposed Diversification, any acquisition or disposal which is in, or in connection with, the Proposed New Business, may be deemed to be in the Group’s ordinary course of business and therefore not fall under the definition of a “transaction” under Chapter 10 of the Catalist Rules. Accordingly, the Group may, in its ordinary course of business, enter into transactions relating to the Proposed New Business which will not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek Shareholders’ approval as and when potential opportunities relating to the Proposed New Business arise. This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

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Notwithstanding the foregoing, the Group will seek Shareholders' approval in the scenarios described in sections 2.8(a) to 2.8(c) of this Circular.

Based on the above, the Board is of the view that the Proposed Diversification is in the best interests of the Company and Shareholders.

2.4 Management of the Proposed New Business

As mentioned in the Company's 12 July Announcement in respect of the Proposed Acquisition, two representatives of the SPV Shareholders will be appointed to the Board as the chief executive officer ("CEO") and alternate CEO of a new business division to be established to manage the Targets' Groceries Business to be acquired by the Group. As at the date of this Circular, it is proposed that Tan Boon Kok be appointed as a director of the Company and Tan Ah Mai be appointed as an alternate director to Tan Boon Kok. For more details on Tan Boon Kok and Tan Ah Mai, please refer to sections 2.4(a) and 2.4(b) below. The said appointments shall be subject to the completion of the Proposed Acquisition and the compliance with all applicable laws, rules and regulations, including but not limited to the Code of Corporate Governance 2018, the Companies Act, the Catalist Rules and the approval of the Company's sponsor, Novus Corporate Finance Pte. Ltd. The Proposed New Business, together with the Targets' Groceries Business, and related management will therefore be spearheaded by the abovementioned CEO and alternate CEO of the new business division. They will be responsible for overseeing the entire operations of the Proposed New Business and will be supported by a senior management team. As the Proposed New Business grows, the Group intends to strengthen the management team of the Proposed New Business with additional candidates with credentials and experience relevant to the Proposed New Business.

Details of the proposed management team of the new groceries business division of the Group are as follows:

- (a) **Tan Boon Kok** will be a proposed director of the Company and the proposed CEO of the new groceries business division. He will be responsible for identifying, analysing and accelerating key strategic initiatives, including strategic planning and evaluating new business opportunities. With the support of senior management team, he will also oversee the execution and implementation of such strategic initiatives and growth plans.

Tan Boon Kok has more than 12 years of experience as a tax adviser specialising in tax audit and tax investigation. He also has more than 26 years of experience in the audit, accounting and finance profession.

Tan Boon Kok is a founding director of Songmart Holdings Sdn Bhd, Songmart Malaysia Sdn Bhd, Tan Lee Heng Import & Export Sdn Bhd and Granville Grocery Sdn Bhd and was also a consultant at Songmart Cash & Carry Sdn Bhd. He is principally involved in strategic planning as well as the financial, internal audit, accounting and tax functions of the aforesaid entities. Please refer to the 12 July Announcement for more information on the aforesaid entities. Tan Boon Kok currently serves on the board of directors and is the Honorary Treasurer of the Johor Cerebral Palsy Association. He is also the National Vice President of the Federation Chen (Tan) Malaysia.

Tan Boon Kok has been a Fellow Member of the Association of International Accountants, an Associate of the Chartered Tax Institute of Malaysia, and a Professional Member of the Institute of Internal Auditors of Malaysia since 2006, 2012 and 2015 respectively. He is also

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a Chartered Tax Practitioner with the Chartered Tax Institute of Malaysia, and an income tax agent licensed by the Ministry of Finance of Malaysia.

Tan Boon Kok is the nephew of Tan Ah Mai and as at the Latest Practicable Date owns 70% of the total issued paid-up share capital of Raffles Holdings Sdn Bhd, an investment holding company which in turn owns 100% of the total issued paid-up share capital of each of Fourseas Capital Sdn Bhd and Fourseas Holdings Sdn Bhd, two of the SPV Shareholders. Upon completion of the Proposed Acquisition, Fourseas Capital Sdn Bhd and Fourseas Holdings Sdn Bhd will be allotted and issued part of the Consideration Shares (as defined in the 12 July Announcement). Tan Boon Kok will have a deemed interest in the issued and paid-up share capital of the Company immediately after the completion of the Proposed Acquisition by reason of his aforesaid indirect stake in Fourseas Capital Sdn Bhd and Fourseas Holdings Sdn Bhd. Further information on his deemed interest will be announced after the completion of the Proposed Acquisition when such deemed interest is ascertained.

- (b) **Tan Ah Mai** will be a proposed alternate director to Mr Tan Boon Kok and the proposed alternate CEO of the new groceries business division. She will assist the proposed CEO in and will be responsible for the overall management and operations of the Proposed New Business and in particular the Targets' Groceries Business. She will also support the proposed CEO in strategic planning and business development.

Tan Ah Mai is a founder and managing director of the Songmart group of companies ("**Songmart Group**") and Granville Grocery Sdn Bhd, the businesses of which will be acquired by the Group following the completion of the Proposed Acquisition. The Songmart Group currently comprises seven of eight of the Targets as set out in Appendix 1 to the 12 July Announcement and below:

1. Pasaraya Songmart (Kluang) Sdn. Bhd.;
2. Pasaraya Songmart (Kota Tinggi) Sdn. Bhd.;
3. Pasaraya Songmart (Pulai Perdana 2) Sdn. Bhd.;
4. Pasaraya Songmart (Sri Stulang) Sdn. Bhd.;
5. Pasaraya Songmart (Bandar Tenggara) Sdn. Bhd.;
6. Pasaraya Songmart (Chellam) Sdn. Bhd.; and
7. Songmart Cash & Carry Sdn. Bhd..

Tan Ah Mai has been in charge of the management and operations of numerous supermarket outlets of the Songmart Group and Granville Grocery Sdn Bhd since 2002 and 2018 respectively. Prior to joining the Songmart Group, Tan Ah Mai was employed as an account manager at a property management firm in Malaysia, for a period of more than 10 years and was subsequently a director of Tan Lee Heng (M) Sdn Bhd and had been overseeing the import and export business of Tan Lee Heng (M) Sdn Bhd from 2000 to 2021. The business of Tan Lee Heng (M) Sdn Bhd will also be owned by the SPV on or prior completion of the Proposed Acquisition.

As at the Latest Practicable Date, and aside from her directorships in the Songmart Group, she is also a director on the board of directors of six other companies in Malaysia, most of which engage in property investment and management businesses.

Tan Ah Mai is the aunt of Tan Boon Kok and as at the Latest Practicable Date owns 30% of the total issued paid-up share capital of Raffles Holdings Sdn Bhd, an investment holding company which in turn owns 100% of the total issued paid up share capital of each of

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Fourseas Capital Sdn Bhd and Fourseas Holdings Sdn Bhd, two of the SPV Shareholders. She also owns 20% of the total and issued paid-up share capital of Tan Lee Heng (M) Sdn Bhd, the other remaining SPV Shareholder, as at the Latest Practicable Date. Upon completion of the Proposed Acquisition, the Consideration Shares (as defined in the 12 July Announcement) will be allotted and issued to Fourseas Capital Sdn Bhd, Fourseas Holdings Sdn Bhd and Tan Lee Heng (M) Sdn Bhd. Tan Ah Mai will have a deemed interest in the issued and paid-up share capital of the Company immediately after the completion of the Proposed Acquisition by reason of her indirect aforesaid stake in Fourseas Capital Sdn Bhd, Fourseas Holdings Sdn Bhd and Tan Lee Heng (M) Sdn Bhd. Further information on her deemed interest will be announced after the completion of the Proposed Acquisition when such deemed interest is ascertained.

- (c) **Teng Kok Guan** will be the proposed managing director of the new groceries business division, and will be part of the management team assisting the proposed CEO and alternate CEO with strategic planning, including the execution and implementation of strategic initiatives and growth plans, and overseeing the operations of supermarket outlets and the distribution and trading of groceries and sundry goods.

Teng Kok Guan is currently a director of Tan Lee Heng (M) Sdn Bhd and Songmart Cash & Carry Sdn Bhd and he has been responsible for overseeing the overall management as well as the business developments of Tan Lee Heng (M) Sdn Bhd since he joined in 2012. He has also been responsible for the operations of the supermarket outlets and the management of inventory of Songmart Cash & Carry Sdn Bhd since 2018.

Teng Kok Guan is the cousin of Tan Boon Kok and nephew of Tan Ah Mai. As at the Latest Practicable Date, Teng Kok Guan owns 20% of the total and issued paid-up share capital of Tan Lee Heng (M) Sdn Bhd, one of the SPV Shareholders. Upon completion of the Proposed Acquisition, the Consideration Shares (as defined in the 12 July Announcement) will be allotted and issued to Tan Lee Heng (M) Sdn Bhd. He will have a deemed interest in the issued and paid-up share capital of the Company immediately after the completion of the Proposed Acquisition by reason of his aforesaid stake in Tan Lee Heng (M) Sdn Bhd. Further information on his deemed interest will be announced after the completion of the Proposed Acquisition when such deemed interest is ascertained.

- (d) **Gan Hiong Huat** will be the proposed general manager of the new groceries business division, and will be part of the management team assisting the proposed CEO and proposed alternate CEO with the execution and implementation of strategic initiatives and growth plans and overseeing the operations of supermarket outlets.

Gan Hiong Huat is currently the general manager of the Songmart Group. Prior to joining the Songmart Group in 2021, he had been the general manager of Maslee Distribution Centre Sdn Bhd and was in charge of overseeing the operations of more than 15 supermarket outlets since 2014. He has more than 20 years of experience in the groceries business.

Gan Hiong Huat is not related to any of the proposed CEO and alternate CEO and Teng Kok Guan, and will not have any direct or deemed interest in the issued and paid-up share capital of the Company immediately after the completion of the Proposed Acquisition.

The Group will closely monitor developments and progress in the Proposed New Business and will continually evaluate the manpower and expertise required for the Proposed New Business. As and

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when required, the Group will hire or seek the advice of suitably qualified personnel, external consultants, external industry experts and professionals for the Proposed New Business, to manage and undertake the Proposed New Business. The Company may also expand the Board to support the Group's expansion into the Proposed New Business. Where necessary, work may be outsourced to these third parties who have expertise in the relevant area.

The Group recognises that the Proposed New Business is ultimately different from its Existing Core Business. However, with the aforesaid proposed management team of the new groceries business division in place and with the support of each member of the aforesaid proposed management team, the Group is confident of developing and building up the expertise required and track record for the Proposed New Business over time. The Board, which reviews the risk exposure of the Group for all its businesses at regular intervals, will additionally review the risk exposure of the Proposed New Business periodically to ensure that there are sufficient guidelines in place to monitor its operations.

2.5 Risk Management Procedures

The Board does not have a separate risk committee as the Board is currently assisted by the Audit Committee in carrying out its responsibility for overseeing the Group's risk management framework and policies. To address the risks associated with the Proposed Diversification, the members of the Audit Committee will be tasked with the responsibility of overseeing the risk management activities and internal controls of the Group in relation to the Proposed New Business.

The Audit Committee will, with the input and/or recommendations of the management team:

- (a) be involved in identifying and managing the various business risks relating to the Proposed New Business;
- (b) be required to review and accept appropriate risk management and internal control procedures and measurement methodologies formulated by the management team before tabling to the Board for its approval; and
- (c) adopt internal policies and procedures which will be implemented by the management in evaluating new projects before tabling to the Board for its approval.

The Board and the Audit Committee will:

- (i) endeavour to ensure that the risk management systems and internal control systems implemented are commensurate with the risk and business profile, nature, size and complexity of operations and business activities of the Proposed New Business, and protects the integrity of the Group's financial and accounting information, promote accountability and prevent fraud, where necessary; and
- (ii) review the adequacy and effectiveness of such risk management and internal control systems at least annually.

All investments required for new projects and/or expansion plans relating to the Proposed New Business will be subject to the approval of the Board. The decision on whether an investment and/or project should be undertaken by the Group will be made by the Board after taking into consideration various factors, such as the nature and scale of the project, amount of investment required and the risks associated with such an investment, availability of costs and financing, nature of the expertise required, the period of time that is required to complete the project and market conditions, taking

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into account the opportunities available. For the avoidance of doubt, any Director who has a direct or indirect interest in the tabled transaction may join in the deliberation of the Board in relation to the transaction but shall abstain from voting in respect thereof.

The Board and the Audit Committee will be updated by the Company's management on the progress and performance of its projects and/or investments on at least a quarterly basis.

The Board recognises that all risk management and internal control systems, no matter how sophisticated in design, still contain inherent limitations and no system of risk management and internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error losses, fraud or other irregularities. Accordingly, there is no assurance that the risk management and internal control systems will be adequate or effective notwithstanding the Group's efforts, and any failure to address any internal control matters and other deficiencies may result in investigations and/or disciplinary actions, or even prosecution being taken against the Company and/or its employees, disruption to the risk management system, and an adverse effect on the Group's financial condition and results of operations.

2.6 Funding for the Proposed New Business

As disclosed in the 12 July Announcement, the Proposed Acquisition will be funded by the issue of the Consideration Shares (as defined in the 12 July Announcement). Please refer to the Company's 12 July Announcement for more information.

Future proposed diversifications into the Proposed New Business will be funded primarily through internal funds and/or borrowings from financial institutions. As and when necessary and deemed appropriate, the Company may explore secondary fund-raising exercises by tapping the capital markets including but not limited to rights issues, share placements and/or issuance of debt instruments.

The Company will remain prudent and take into account the financial condition of the Company in deciding the types of projects and related investments it undertakes, and the amounts thereof.

2.7 Financial Effects

As at the Latest Practicable Date and save for the pro forma financial effects of the Proposed Acquisition disclosed in the 12 July Announcement, the Company has no affirmative and binding plans in relation to the Proposed New Business and is therefore unable to determine the financial impact from the Proposed Diversification on the net profit, EPS or NTA of the Group for FY2022.

Should there be any material impact on the Group's NTA per Share and EPS for FY2022 as a result of the Proposed Diversification, the Company will make the necessary announcements at the appropriate time.

2.8 Chapter 10 of the Catalist Rules

As the Proposed New Business is substantially different from the Group's Existing Core Business, it is envisaged that the Proposed Diversification may change the risk profile of the Group. Accordingly, the Company is seeking Shareholders' approval for the Proposed Diversification at the EGM to be convened.

Upon the Shareholders' approval of the Proposed Diversification, any investment or acquisition

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which is in, or in connection with, the Proposed New Business, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules. Accordingly, the Group may, in its ordinary course of business, enter into transactions relating to the Proposed New Business and which will not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential opportunities arise. This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

Notwithstanding that Shareholders' approval of the Proposed Diversification has been obtained:

- (a) when the Group enters into its first major transaction as defined under Rule 1014 of the Catalist Rules (the "**First Major Transaction**") involving the Proposed New Business, or where any of the Catalist Rule 1006 figures in respect of several transactions in respect of the Proposed New Business aggregated (the "**Aggregated Transactions**") over the course of a financial year exceeds 75%, such First Major Transaction or the last of the Aggregated Transactions will be made conditional upon the approval of the Shareholders at general meeting. As disclosed in the 12 July Announcement, the Proposed Acquisition constitutes a "disclosable transaction" under Chapter 10 of the Catalist Rules and Shareholders' approval for the Proposed Acquisition is not required but will be aggregated with any subsequent transaction(s) involving the Proposed New Business for the aforesaid purposes;
- (b) Rule 1015 of the Catalist Rules will apply to acquisitions of assets (including options to acquire assets) whether or not in the Company's ordinary course of business and which result in any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeding 100% or results in a change in control of the Company. Such acquisitions must therefore be, amongst others, made conditional upon the approval of Shareholders at a general meeting; and
- (c) Practice Note 10A of the Catalist Rules will apply to acquisitions or disposals of assets (including options to acquire or dispose assets) which will change the risk profile of the Company. Such acquisitions or disposals must therefore be, amongst others, made conditional upon the approval of Shareholders at a general meeting.

Pursuant to Rule 1005 of the Catalist Rules, separate transactions completed within the last 12 months may also be aggregated and treated as if they were one transaction in determining whether a transaction falls under sub-paragraphs (a), (b), (c) or (d) of Rule 1004 of the Catalist Rules.

The Company will be required to comply with any applicable and prevailing Catalist Rules as amended or modified from time to time.

2.9 Conflicts of Interests

Pursuant to the Catalist Rules, conflicts of interests arise when any of the Directors, CEO, Controlling Shareholders and/or their associates are involved in any of the following situations:

- (i) carry on any business transactions with the Company or provide services to or receive services from the Group;
- (ii) lend to or borrow from the Group;

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- (iii) lease property to or from the Group; or
- (iv) have an interest in businesses that are competitors, suppliers or customers of the Group.

As stated in section 2.2 of this Circular above, the Group may undertake its Proposed New Business through, *inter alia*, acquisitions or joint ventures. If any such acquisition or joint venture (or such other “transaction” as defined under Chapter 9 of the Catalist Rules) is entered into with a Director, CEO or Controlling Shareholder of the Company, and/or their associates, it will be regarded as an interested person transaction under Chapter 9 of the Catalist Rules, and the Company will comply with the provisions of Chapter 9 of the Catalist Rules. In particular, pursuant to Rule 905 of the Catalist Rules, where any interested person transaction is of a value equal to or more than 3% of the Group’s latest audited NTA, or when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to or more than 3% of the Group’s latest audited NTA, the Group must make an immediate announcement of the interested person transaction. Pursuant to Rule 906 of the Catalist Rules, where any interested person transaction is of a value equal to or more than 5% of the Group’s latest audited NTA, or when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to or more than 5% of the Group’s latest audited NTA, the Group must obtain Shareholders’ approval of the interested person transaction.

In addition, should any of the Proposed New Business involve recurring transactions of a revenue or trading nature or is necessary for the day-to-day operations of such business, and such recurring transactions are entered into with a Director, CEO or Controlling Shareholder of the Company and/or their associates, these recurring transactions are also interested person transactions which will be subject to a general mandate to be obtained from Shareholders under Chapter 9 of the Catalist Rules.

As at the Latest Practicable Date, none of the Directors and/or their associates has any material interest, direct or indirect, in any entity carrying on the same business as the Group after the Proposed Diversification into the Proposed New Business.

3. RISK FACTORS

To the best of the Directors’ knowledge and belief, the risk factors which are material in making an informed decision in relation to the Proposed Diversification have been set out below.

If any of the factors and/or uncertainties described below develops into actual events affecting the Proposed New Business, this may have a material and adverse impact on the Proposed New Business and consequently, the overall results of operations, financial condition and prospects of the Group could be similarly affected.

The risks declared below are not intended to be exhaustive and are not presented in any particular order of importance. New risk factors may emerge from time to time and it is not possible for the Board to predict all risk factors, nor can the Group assess the impact of all factors on the Proposed New Business or the extent to which any factor or combination of factors may affect the Proposed New Business.

There may be also other risks associated with the entry into the Proposed New Business which are not presently known to the Group, or that the Group may currently deem immaterial and as such, have not been included in the discussion below.

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Shareholders should carefully consider and evaluate the following risk factors and all other information contained in this Circular before deciding on whether to vote in favour of the Proposed Diversification. Shareholders should seek professional advice from your accountant, stockbrokers, bank managers, solicitors or other professional advisers if you have any doubt about the actions you should take.

3.1 General Risk Factors associated with the Proposed Diversification

3.1.1 The Group may face difficulties in implementing and integrating the Proposed New Business and may not have adequate resources to finance its expansion into the Proposed New Business

There can be no assurance that the Group will be successful in implementing and integrating the Proposed New Business. Delays in implementation and/or integration of the Proposed New Business into the Company may divert the attention and resources of the Group's management, delay the commencement of or prevent revenue growth in any of the businesses, which may materially and adversely affect the results of operations or financial position of the Group.

The Group will recruit appropriate management resources to manage and undertake the Proposed New Business. There can be no assurance of a smooth integration of the management resources recruited by the Group, and the Group may experience initial operational difficulties and/or management disputes which may adversely affect the results of operations or financial position of the Group.

The Group also cannot guarantee that it will have sufficient funds for its expansion plans or be able to secure adequate financing, if at all, or obtain or renew credit facilities granted by banks and financial institutions for such expansion plans. The Group's ability to obtain sufficient financing for its expansion plans is dependent on many factors, some of which may be beyond its control, such as general economic conditions, the terms of credit offered by financial institutions and the availability of other sources of equity or debt financing.

3.1.2 The Group is subject to general risks associated with operating businesses outside Singapore

The Group intends to initially focus its Proposed New Business in Malaysia and may venture beyond that if favourable opportunities are present subsequently. There are risks inherent in operating businesses overseas, which include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding the Group's liability and enforcement, changes in local laws and controls on the repatriation of capital or profits. Any of these risks could adversely affect the Group's overseas operations and consequently, its business, financial performance, financial condition and operating cash flow.

3.1.3 The operations and profitability of the Proposed New Business may be disrupted by outbreaks of communicable diseases, terrorist attacks, wars and other acts of violence

The operations and profitability of the Proposed New Business may be affected by an outbreak of infectious diseases (such as the severe acute respiratory syndrome (SARS) or

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the H1N1 virus or the COVID-19 disease), terrorist attacks, acts of violence, civil unrest or wars in the countries in which the Group operates. Any of these may have a material adverse effect on the Group's business operations, financial performance and financial condition. If any of the foregoing occurs in any of the countries in which the Group has operations in the future, customer sentiment and spending could be adversely affected and this may have a negative impact on the Group's business operations, financial performance and financial condition. The staff and employees in these countries may also be adversely affected and this may in turn affect the Group's day-to-day operations.

3.1.4 The Group may face legal proceedings arising from the operations of the Proposed New Business

The Group may be involved from time to time in disputes with various parties arising from the operations of the Proposed New Business. Further, the Group may have disagreements with regulatory bodies in the course of its operations, which may result in administrative proceedings and unfavourable decrees that result in financial losses. Any claims or disputes arising from the above will adversely affect the Group's business and financial performance.

3.1.5 The Group's performance in the Proposed New Business will be subject to exposure to macro-economic risks

The business activities of the Group may be affected by many factors which are beyond the Group's control. Any of the following factors may cause fluctuations and/or declines in the markets in which the Group operates or invests:

- (i) legal and regulatory changes;
- (ii) economic and political conditions;
- (iii) the level and volatility of liquidity and risk aversion;
- (iv) the level and volatility of equity, debt, property, commodity and other financial markets;
- (v) the level and volatility of interest rates and foreign currency exchange rates;
- (vi) concerns over inflation; and
- (vii) changes in investor confidence levels.

Any of the above-mentioned factors could adversely impact the economic and business conditions in the countries where the Proposed New Business will operate and the livelihood of their people may disrupt the operations of the Proposed New Business. The costs of funding, revenue, financial performance and business prospects of the Group may thereby be materially and adversely affected.

3.1.6 The Group is subject to liquidity or late payment or non-payment risks

The Group may face uncertainties over the timeliness of customers' payments and their solvency or creditworthiness in respect of goods and/or services provided by the Group in connection with the Proposed New Business. There is no assurance that the Group will be able to collect any payments on a timely basis, or at all. In the event that there are significant delays in collecting payments from customers and/or defaulting customers, the liquidity and cash flow of the Group may be strained. Furthermore, some of the Group's customers may default on their payments to the Group, owing to events or circumstances that are difficult to anticipate or detect that would have an impact on the Group's customers' ability to make timely payments. As a result of the Group's customers defaulting on their payments to it, the Group

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would have to make provisions for doubtful debts, or incur write-offs, which may have an adverse effect on its operating results and profitability.

3.1.7 The Group is subject to various government regulations in the Proposed New Business and the Proposed New Business may be adversely affected by the Group's ability to obtain, maintain or renew regulatory requisite approvals, permits or licences

The industry of the Proposed New Business in countries in which the Group may operate are subject to various laws and regulations, including the policies and procedures established by local authorities designed for the implementation of such laws and regulations, which may require, among others, the Group to obtain the requisite regulatory approvals, permits, certificates, and/or licences to engage in the Proposed New Business.

In the event that the Group is unable to obtain, maintain or renew such approvals and/or licences, or where there is a delay in obtaining or renewing them, the Group's ability to engage in the Proposed New Business may be adversely affected. In addition, failure to comply with the applicable laws and regulations may subject the Group, its employees and/or its Directors to statutory penalties or have its licences or approvals revoked or may require the Group to modify, suspend or discontinue its operations, all of which could adversely affect the Group's operations and financial performance.

Furthermore, changes to relevant laws and regulations could result in higher compliance costs resulting in the Group making losses. If the Group is unable to comply with unexpected changes to any applicable laws, regulations, requirements or restrictions, such non-compliance will also have an adverse effect on the operations and future plans of the Group under the Proposed New Business.

3.1.8 The Group does not have a proven track record and business history in the operation of the Proposed New Business

The Group as a whole does not have a proven track record in carrying out the Proposed New Business. There is no assurance that the Proposed New Business will be commercially successful and that the investments carried out pursuant to the Proposed New Business will be able to derive sufficient revenue to offset the capital, start-up and financing costs as well as operating costs arising from the new business initiatives.

The Proposed New Business also involves business risks including the financial costs of setting up new operations, high capital commitments and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the Proposed New Business effectively, the overall financial position and profitability of the Group may be adversely affected.

Notwithstanding that the Group has in place risk management procedures for the Proposed New Business, there are still inherent limitations caused by misjudgement or fault. Accordingly, there is no assurance that the risk management procedures will be or are adequate or effective.

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3.1.9 The Group is exposed to risks associated with acquisitions, joint ventures or strategic alliances

Depending on available opportunities, feasibility and market conditions, the Group's expansion into the Proposed New Business may involve acquisitions, joint ventures or strategic alliances with third parties.

Participation in joint ventures, strategic alliances, acquisitions, or other investment opportunities involves numerous risks, including the possible diversion of the attention of management from existing business operations and loss of capital or other investments deployed in such joint ventures, strategic alliances, acquisitions or opportunities. In such events, the Group's financial performance may be adversely affected.

3.1.10 The Group may be subject to foreign exchange risks and currency fluctuations

The Group may be subject to risks arising from foreign exchange fluctuations in relation to the transactions relating to the Proposed New Business. The Group's revenue is denominated in Singapore Dollars while its revenue and operating costs for the transactions relating to the Proposed New Business may be denominated in the currency of the jurisdictions in which such transactions are performed. Any unfavourable fluctuations in currency exchange rates will result in exchange losses arising from any transactions carried out in foreign currencies and translations of foreign currency monetary assets and liabilities as at the end of the relevant reporting periods. If the exchange losses are substantial, it could have a negative impact on the Group's business, operations and financial condition.

3.2 Risk Factors associated with the Proposed New Business

3.2.1 The Proposed New Business will be dependent on the recruitment and retention of qualified employees and/or consultants for its operations and profitability, and the Group may not have the ability or sufficient expertise to execute and grow the Proposed New Business

Having a team of experienced and skilled personnel is essential in maintaining the quality of services and to grow the Proposed New Business. There is no assurance that the Group will be able to attract and retain key members of the management team who have the necessary qualifications and experience to manage the Proposed New Business. There may be competition for qualified personnel in the Proposed New Business and the loss of any key member of the management team without any suitable and/or timely replacement may have a material adverse effect on the prospects of the Proposed New Business, and the financial performance and results of operations of the Group.

The Group may also engage third-party professionals, third party contractors and/or foster partnerships with various third parties to assist in undertaking the Proposed New Business more effectively and efficiently. However, there is no assurance that these third-party professionals and/or contractors will be able to deliver and/or that these partnerships will be successful. As such the Group may not be able to successfully implement the Proposed New Business and this may adversely affect the Group's financial performance and profitability.

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3.2.2 The Proposed New Business may be affected by outbreaks of certain communicable diseases in livestock

The Group may be engaged in the sale of certain food products in connection with the Proposed New Business. Any outbreak of diseases in livestock such as the avian influenza H5N1 virus, H1N1 influenza, salmonella, porcine respiratory and encephalitis syndrome or the Nipah virus, may lead to reduced consumption by the Group's customers of affected food products. In addition, a loss in consumer confidence in a particular food product due to an outbreak of disease may force the Group to reduce or eliminate the sale of such food product.

Further, supply sources for affected food products may also be reduced or the relevant authorities may impose import bans on affected products from particular countries as a result of an outbreak of disease. Such reductions in supply may lead to an increase in the prices of affected food products which the Group may not be able to pass on to its customers. Any increase in prices of food products may adversely affect the Group's business and financial performance.

3.2.3 The Group may be exposed to rising costs of food products or general merchandise, and increase in energy and fuel costs

The Proposed New Business may involve the sale of certain food products and other merchandise which the Group purchases from its suppliers. The cost and availability of these products are subject to many economic and political factors and events occurring throughout the world which the Group can neither control nor accurately predict. Severe weather conditions and natural disasters may also affect the growing conditions, quantity and quality of crops yielded by food producers and adversely affect the availability or cost of certain food products.

The Group is also exposed to fluctuations in energy and fuel prices which can affect the operating costs of its stores, including the import and distribution costs of goods to be sold at such stores. As energy and fuel costs is one of the costs drivers for store operations in connection with the Proposed New Business, any adverse fluctuation in energy prices may lead to a decrease in operating margin.

Where the costs of food products and general merchandise increase, or where there is a rise in energy costs, and the Group is unable to pass on such increases in the costs to its customers, the Group's financial performance may be adversely affected.

3.2.4 The Group may be affected by contaminated food products

In the event that customers lose confidence in the safety or quality of certain food products to be sold by the Group in connection with the Proposed New Business due to, for example, adverse publicity in newspaper or customer reports, customers may be discouraged from buying such products from the Group, which may lead to lower sales and adversely affect the Group's business and financial performance.

The packaging, marketing, distribution and sale of such food products may entail an inherent risk that such food products may contain contaminants that may be inadvertently redistributed by the Group's stores operated in connection with the Proposed New Business. Real or perceived sales of contaminated food products by the Group could result in product liability claims, product recalls and a loss of customer confidence and sales, which may in turn have

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a material adverse effect on the Group's reputation, business operations and financial performance. Further, depending on the severity of such events, the Group may be ordered to suspend or cease all or part of its business operations by the relevant authorities and as a result the Group's financial performance may be materially affected.

3.2.5 The Group is exposed to risks associated with power supply breakdowns

The Group may be required to operate stores in connection with the Proposed New Business. Breakdowns in power supply may disrupt the operation and business of such stores as the Group's customers may leave, or be deterred from visiting, the Group's stores. Further, in connection with the Proposed New Business, the Group may carry perishable food products as part of its inventory, such as chilled / frozen food products and dairy products, which are stored at various storage locations, as well as stored and displayed in our stores. Such perishable food products may require particular and consistent conditions for storage, which are in turn dependent on continuous and unbroken power supply. In the event of a prolonged power breakdown, such perishable food products may be subject to spoilage and the Group may suffer significant losses as a result. There can be no assurance that the Group's operations will not be subject to power supply breakdowns, which may cause disruptions to its business and adversely impact its financial performance.

3.2.6 The Group may be affected by its ability to lease new premises at strategic locations and to procure renewals of such leases

The SPV currently owns all the premises used in connection with the operation of its stores and therefore, the Group will not be leasing any premises for such stores immediately following the completion of the Proposed Acquisition. However, the Group may in the future be required to lease new premises for its stores from time to time in connection with the operation or expansion of the Proposed New Business. There can be no assurance that the Group will be able to obtain new leases at strategic locations and/or on terms and conditions favourable to the Group, and the inability to secure new leases at strategic locations for the operation or expansion of the Targets' Groceries Business may have an adverse effect on the Group's business operations and financial performance.

Where the Group has leased new premises for its stores, the termination or non-renewal of the Group's leases or renewal upon less favourable terms may have an adverse effect on the Group's business operations and financial performance, as the Group may be required to seek alternative premises for its stores, and there can be no assurance that alternative premises will be available at comparable locations or leased on comparable terms.

3.2.7 The Group may not be able to maintain appropriate inventory levels or anticipate or respond to changing consumer preferences on a timely basis

In connection with the Proposed New Business, the Group may sell a wide selection of food products, groceries, sundry goods and daily necessities (including without limitation to live, chilled, processed, packaged and/or preserved food products (including ready-to-eat food products and snacks), seafood, fruits and vegetables, meat, bread and pastry products, beverages (alcoholic and non-alcoholic), dairy products, cereals, oils, condiments, snacks, toiletries and personal care products (including over-the-counter medications). The Group intends to periodically review its inventory levels in order to (i) minimise spoilage and overstock; (ii) ensure sufficient product inventory is available to meet customer demands; and

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(iii) ensure that the product inventory mix reflects, among others, customers' demographics, lifestyles and purchasing patterns to optimise sales. In the event that the Group is unable to maintain appropriate product inventory levels or anticipate or respond to changes in customers' purchasing requirements in an appropriate and timely manner or at all, its reputation, business operations and financial performance may be adversely affected.

Further, in the event that product inventory stored at the Group's storage locations is subject to damage, such as by floods or fires, the Group's inventory levels may be reduced which would in turn adversely affect the Group's business operations and financial performance.

3.2.8 The Group may be subject to disruptions to its supply or distribution networks and store operations

The Group may have supply or distribution networks, and may operate stores, for the distribution and sale of food products and general merchandise in connection with the Proposed New Business. Such food products and general merchandise may be sourced from domestic and international suppliers, which may thereafter be (i) stored in warehousing or storage locations, and subsequently distributed to the Group's various stores; or (ii) delivered directly to the Group's stores by its suppliers. Various external factors, including political or economic instability and severe weather conditions or natural disasters such as floods, earthquakes or typhoons, in the areas in which the Group has such supply or distribution networks or stores, may result in closure of such areas, disruption of the such supply or distribution networks and store operations, delivery delays, decreases in the availability or selection of products to be sold in the Group's stores, reductions in store personnel, and costs increases. Such disruptions to the supply or distribution network or stores which the Group may have or operate may adversely affect the Group's business operations and financial performance.

3.2.9 The Proposed New Business may be affected by the development of e-commerce

The Group may procure certain products from suppliers for sale to consumers at brick-and-mortar stores which the Group may operate in connection with the Proposed New Business. In light of the rapid development of e-commerce, there can be no assurance that following the Group's operation of the Proposed New Business (including the Targets' Groceries Business) the distribution model and purchasing methods of the Group's suppliers and customers in respect of the physical stores operated by the Group will not change. For example, (i) suppliers of the Group for the Proposed New Business may change their business model, including by choosing to undertake direct distribution of their products to end consumers; and (ii) consumers that patronise such stores which the Group may operate may also choose to shop online for groceries and general merchandise instead of shopping in person at the Group's stores. Accordingly, such changes in the distribution model or purchasing methods of the Group's suppliers and customers may adversely affect the Group's business operations and financial performance.

3.2.10 The Proposed New Business may be adversely affected if the Group is unable to innovate or adapt to new changes in the e-commerce industry

Aside from physical stores, the Group may also operate online stores and other e-commerce platforms. As the internet industry is characterised by rapidly changing technology, evolving industry standards, new service and product introductions and changing customer demands, any changes and developments in the e-commerce industry may require the Group to

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constantly re-evaluate its business model and adopt significant changes to its long-term strategies and business plan.

The Group's competitors are also constantly developing innovations in internet search, online marketing, communications, social networking and other data analytics capabilities to remain competitive. There can be no assurance that the Group's investment in its infrastructure, research and development and other areas in order to enhance its data analytics capabilities and its existing range of products as well as to introduce new product categories will attract more customers. Any failure to innovate and/or successfully adapt to these changes and developments would have a material adverse effect on the Group's business, financial condition and results of operations.

3.2.11 The Group may be subject to pilferage or misappropriation of cash or assets or vandalism

Notwithstanding that the Group intends to adopt and implement various cash management systems and security measures in connection with the operation of the Proposed New Business, there can be no assurance that the Group will not be susceptible to pilferage or misappropriation of cash or assets or vandalism by third parties or its own employees. In the event that such pilferage or misappropriation or vandalism occurs, the Group may be subjected to financial losses and the reputation and branding of the Group may be adversely affected.

3.2.12 The Group may in the course of conducting the Proposed New Business be exposed to risk of loss and potential liabilities that may not be covered by insurance

While the Group intends to, where appropriate, obtain insurance policies to cover losses with respect to its properties and business operations, there is no assurance that any claims made or decided against the Group will be covered under insurance or if covered, will be sufficient to cover all potential losses. Examples of such potential losses include losses arising out of extraordinary events such as natural disasters like earthquakes or floods. Losses arising out of damage to the Group's assets which are not covered by insurance policies or in excess of the amount it is insured would affect the Group's profitability. The Group may also have to commit additional resources, other than to meet the uninsured losses, to complete a project, which would also adversely affect the financial performance of the Group.

3.2.13 The Group may face intense competition from existing competitors and new market entrants in the Proposed New Business

The Proposed New Business is highly competitive, with strong competition from established industry participants who may have larger financial resources and/or stronger track records, and the Group may not be able to provide comparable services at lower prices or respond more quickly to market trends than potential or existing competitors who may have larger financial resources and/or stronger track records.

There is no assurance that the Group will be able to compete effectively with its existing and future competitors and adapt quickly to changing market conditions and trends. In the event that the Group is not able to compete successfully against its competitors or adapt to market conditions, its business operations, financial performance and financial condition may be adversely affected.

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3.2.14 The Group may not be able to attract or retain customers

The Group's ability to attract customers depends on a combination of location, quality, price, service, selection and condition of food products and other general merchandise. The Group may be unable to retain or attract customers in the event its competitors (i) match or exceed what the Group offers to its customers; or (ii) open new competitor stores or increase the number of competitor stores in the Group's operating regions.

Further, as pricing is a significant driver in consumer decisions, the Group's competitors may also engage in price competition to attract new customers as well as the existing customers of the Group. The Group may respond by increasing advertising and promotions, which may increase its costs. Certain competitors are more established than the Group and may have greater supply or distribution networks, brand recognition, or financial resources available and may be able to devote greater resources to pricing and promotional programs, for example, by selling inventory below cost to drive sales increases. There can be no assurance that the Group will have sufficient resources to match or respond to competitors' investments in store base as well as pricing and promotional programs.

As the Group's performance for the Proposed New Business will be largely dependent on its ability to attract new customers and retain existing customers, in the event that the Group is unable to attract sufficient customers and/or retain its existing customers, its financial performance may be adversely affected.

3.2.15 The Proposed New Business may be subject to fluctuation

The performance of the Proposed New Business of grocery retailing, like most retail businesses, would be affected by household disposable income and consumer spending levels, which are linked to general economic conditions. As a result, the financial performance of the Group may be affected due to changes in economic conditions.

In addition, the Group's sales for the Proposed New Business are subject to seasonality, as sales of food products and general merchandise typically increase during festive seasons such as Chinese New Year, Hari Raya Puasa and Deepavali. These sales patterns may not be indicative of future sales performances and may fluctuate substantially in the future, in which case financial performance of the Group may be adversely affected.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of Directors and Substantial Shareholders in the Shares of the Company, as at the Latest Practicable Date, are as follows:

	Direct Interest			Deemed Interest			Total Interest		
	Number of Shares	%		Number of Shares	%		Number of Shares	%	
Directors									
Chang Wei Lu	320,538,834	24.17		-	-		320,538,834	24.17	
Chew Hai Chiene	4,170,000	0.31		-	-		4,170,000	0.31	
Hester Arthur									
Wong Leong Chui	-	-		-	-		-	-	

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	Direct Interest			Deemed Interest			Total Interest		
	Number	of	%	Number	of	%	Number	of	%
	Shares			Shares			Shares		
Wong Yee Chue	-		-	-		-	-		-
Teo Soon Seng ⁽¹⁾	15,500,000		1.17	13,000,000		0.98	28,500,000		2.15
Substantial Shareholders (other than Directors)									
NIL	-		-	-		-	-		-

Note:

- (1) Mr Teo Soon Seng is deemed to have an interest in the 13,000,000 Shares held by his spouse by virtue of Section 4 of the SFA.

Mr Teo Soon Seng also holds convertible loan issued by the Company of a principal amount of S\$1,000,000 convertible into 10,000,000 Shares (excluding any interests payable on the said convertible loan).

Save as disclosed in this Circular, none of the Directors and Substantial Shareholders has any interest, direct or indirect, in the Proposed Diversification, other than through their respective shareholdings in the Company.

5. DIRECTORS' RECOMMENDATIONS

The Directors, having considered, *inter alia*, the rationale for the Proposed Diversification, as set out in this Circular, are of the opinion that the Proposed Diversification is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of the ordinary resolution relating thereto to be proposed at the EGM.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page N-1 of this Circular, will be held on Tuesday, 26 April 2022 at 4.30 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM to be held on the same day at 4.00 p.m.) via electronic means for the purpose of considering and, if thought fit, passing, with or without any modification, the resolution set out in the Notice of EGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

7.1 Alternative arrangements

Shareholders (excluding CPF/SRS investors) may cast their votes remotely in real time via electronic means for the resolution to be tabled at the EGM. As an alternative to the aforesaid real-time remote electronic voting, Shareholders (excluding CPF/SRS investors) may also vote on the resolution at the EGM by appointing the Chairman of the EGM as their proxy by completing the Proxy Form as attached to the Notice of EGM.

CPF/SRS investors should contact their respective CPF Agent Banks/SRS Operators as soon as possible to specify voting instructions.

LETTER TO SHAREHOLDERS

Please refer to the alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM as set out in the Notice of EGM, which has been uploaded together with this Circular on SGXNet and the Company's corporate website at <https://www.mercuriuscapital.com/investor-relation.html>.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the EGM.

7.2 Key dates and times

The table below sets out the key dates/deadlines for Shareholders to note:

Key Dates and Times	Action to be taken
11 April 2022	Shareholders and CPF and SRS investors (and where applicable, their appointed proxy(ies)) may begin to register to observe the proceedings of the EGM via a "live" webcast (" LIVE WEBCAST ") or listen to these proceedings through a "live" audio feed (" AUDIO ONLY MEANS ") via telephone.
14 April 2022, 4.30 p.m.	Deadline for CPF and SRS investors who wish to appoint the Chairman of the EGM as proxy to approach their respective CPF Agent Banks or SRS Operators to submit their votes.
18 April 2022	Deadline for Shareholders and CPF and SRS investors (and where applicable, their appointed proxy(ies)) to submit comments, queries and/or questions in advance of the EGM. All substantial and relevant questions related to the resolution to be tabled for approval at the EGM will be addressed and published on SGXNet and the Company's website at https://www.mercuriuscapital.com/investor-relation.html , by 4.30 p.m. on 22 April 2022 . Any subsequent substantial and relevant clarifications sought or follow-up questions from Shareholders will be addressed at the EGM.
23 April 2022, 4.30 p.m. (" Registration Deadline ")	Deadline for Shareholders and CPF and SRS investors to register for attend the EGM via the LIVE WEBCAST or AUDIO ONLY MEANS. Details on registration are set out in the Notice of EGM, which has been uploaded together with this Circular on SGXNet and the Company's corporate website at https://www.mercuriuscapital.com/investor-relation.html .
24 April 2022, 4.30 p.m.	Deadline for Shareholders to submit Proxy Forms via (a) post to the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or (b) email to main@zicoholdings.com .

LETTER TO SHAREHOLDERS

25 April 2022, 12.00 p.m.	<p>Shareholders and CPF and SRS investors (and where applicable, their appointed proxy(ies)) who have registered for participation in the EGM and who have been verified by the Company will receive an email with instructions on how to access the LIVE WEBCAST or AUDIO ONLY MEANS (the “Confirmation Email”).</p> <p>Shareholders and CPF and SRS investors (and where applicable, their appointed proxy(ies)) who have registered by the Registration Deadline but have not received the Confirmation Email by 12.00 p.m. on 25 April 2022, should immediately contact the Company at +65 9060 7950 or email r.chandran@allianceav.com.sg for assistance.</p>
26 April 2022, 4.30 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM (as defined herein) to be held on the same day at 4.00 p.m.)	Shareholders may participate at the EGM via the LIVE WEBCAST or AUDIO ONLY MEANS.

8. LEGAL ADVISER

The Company has appointed Chancery Law Corporation as the legal adviser to the Company as to Singapore law in relation to the Proposed Diversification.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Diversification, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of each of the following documents are available for inspection at 138 Robinson Road, #26-03, Oxley Tower, Singapore 068906 during normal business hours from the date of this Circular up to and including the time and date of the EGM:

- (a) the annual report of the Company for FY2021;
- (b) the Company's announcement dated 9 April 2021 regarding the execution of a legally binding term sheet for the Proposed Acquisition and the 12 July Announcement; and
- (c) the constitution of the Company.

LETTER TO SHAREHOLDERS

Shareholders who wish to inspect these documents at the abovementioned address are required to send an email request to info@chanceryllc.com to make an appointment in advance. The Company will arrange a date when each Shareholder can come to the abovementioned address to inspect the documents accordingly. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the abovementioned address at any one point in time and such inspection and arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

Yours faithfully

For and on behalf of the Board of Directors of
MERCURIUS CAPITAL INVESTMENT LIMITED

Chang Wei Lu
Executive Chairman and Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

MERCURIUS CAPITAL INVESTMENT LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198200473E)

All capitalised terms used in this notice which are not defined herein shall have the meanings given to them in the circular dated 11 April 2022 to Shareholders (the “**Circular**”).

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting (the “**EGM**”) of **MERCURIUS CAPITAL INVESTMENT LIMITED** (the “**Company**”, and together with its subsidiaries, the “**Group**”) will be held by way of electronic means on Tuesday, 26 April 2022 at 4.30 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM to be held on the same day at 4.00 p.m.) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution:

ORDINARY RESOLUTION

THE PROPOSED DIVERSIFICATION OF THE GROUP’S BUSINESS TO INCLUDE THE PROPOSED NEW BUSINESS

That:

- (a) approval be and is hereby given for the diversification of the Group’s Existing Core Business to include the Proposed New Business as described in section 2.2 of the Company’s Circular, and any other activities related to the Proposed New Business;
- (b) subject to compliance with the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist requiring approval from shareholders in certain circumstances, the Company (directly and/or through its subsidiaries) be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of from time to time, any such assets, businesses, investments and shares/interests in any entity that is related to the Proposed New Business, on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all acts and things as they deem desirable, necessary or expedient to give effect to any such investment, purchase, acquisition or disposal; and
- (c) the Directors or any of them be and are hereby authorised to complete and do any and all such acts and things (including executing all such documents as may be required) as they may, in their absolute discretion deem fit, expedient or necessary to give effect to this ordinary resolution.

BY ORDER OF THE BOARD

MERCURIUS CAPITAL INVESTMENT LIMITED

Chang Wei Lu
Executive Chairman and Chief Executive Officer
11 April 2022

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Alternative arrangements relating to, among others, attendance, submission of questions (via real-time electronic communication or in advance) and/or voting (via real-time electronic voting or by proxy) at the EGM of the Company to be held on Tuesday, 26 April 2022 at 4.30 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM to be held on the same day at 4.00 p.m.) (the “**Meeting**” or “**EGM**”) are set out in this Notice of EGM uploaded on SGXNet and the Company’s website. The Notice of EGM may be accessed at the URLs <https://www.sgx.com/securities/company-announcements> and <https://www.mercuriuscapital.com/investor-relation.html>.

In particular, as part of the Company’s efforts to minimise the risk of community spread of COVID-19, the Meeting will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 released on 7 April 2020. Members **will not** be able to attend the Meeting in person.

Alternative arrangements have been put in place to allow members to participate at the EGM by:

- (a) observing the proceedings of the EGM via a “live” webcast (“**LIVE WEBCAST**”) or listening to these proceedings through a “live” audio feed (“**AUDIO ONLY MEANS**”) via telephone;
 - (b) submitting questions relating to the resolution to be tabled at the EGM in advance of the EGM;
 - (c) submitting text-based questions during the LIVE WEBCAST of the EGM;
 - (d) appointing proxy(ies) to attend and vote on their behalf at the EGM; and
 - (e) participating in the live voting during the LIVE WEBCAST of the EGM.
2. Registration for the EGM

In order to do so, a member of the Company who wishes to watch the LIVE WEBCAST or listen via the AUDIO ONLY MEANS must register by **4.30 p.m. on 23 April 2022** (being not less than seventy-two (72) hours before the time appointed for holding the Meeting) (“**Registration Deadline**”), at the URL <https://www.bigmarker.com/AAP/Mercurius-Capital-Investment-Limited-AGM-EGM-2022-Shareholder-Registration>, for the Company to authenticate his/her/its status as member.

Please note that members of the Company may access the URL for registration from 11 April 2022 onwards.

Following successful authentication of his/her/its status as members of the Company, authenticated members of the Company will receive email instructions (“**Confirmation Email**”) on how to access the LIVE WEBCAST and AUDIO ONLY MEANS to observe the proceedings of the Meeting, by **12.00 p.m. on 25 April 2022**. Members who have registered by the Registration Deadline but do not receive the Confirmation Email by **12.00 p.m. on 25 April 2022** may contact the Company for assistance at +65 9060 7950 or email r.chandran@allianceav.com.sg.

3. Submission of Questions

Members who registered and have been authenticated as members of the Company will be able to ask questions relating to the resolution to be tabled for approval at the Meeting during the Meeting by submitting text-based questions via the “Q&A” window/tab and then clicking “Ask a Question” to input queries in the questions text box. The Company will endeavour to respond to such queries during the Meeting as far as reasonably practicable.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Members are also encouraged to submit questions relating to the resolution to be tabled for approval at the Meeting in advance of the Meeting. To do so, all questions must be submitted by 18 April 2022 by email to equiry@mercuriuscapital.com. After the cut-off date for the submission of questions, any subsequent substantial and relevant clarifications sought or follow-up questions will be addressed at the Meeting.

The Board will endeavour to address all substantial and relevant questions submitted in advance of the Meeting by publishing the responses to such questions on SGXNet and the Company's website at <https://www.mercuriuscapital.com/investor-relation.html>, by 4.30 p.m. on 22 April 2022 (being not less than forty-eight (48) hours prior to the closing date and time for the lodgment of the proxy forms).

Minutes of the Meeting will be published on SGXNet and the Company's website at <https://www.mercuriuscapital.com/investor-relation.html>, and the minutes would include the responses to the substantial and relevant questions addressed at the Meeting.

4. Voting

Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the Meeting in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the Meeting, he/she/it may cast his/her/its votes remotely in real time via electronic means.

As an alternative to the aforesaid real-time electronic voting, members may appoint a proxy or proxies to vote on his/her/its behalf at the Meeting.

A member entitled to attend and vote at the EGM (who is not a relevant intermediary as defined in Section 181 of the Companies Act 1967) is entitled to appoint one or two proxies to attend and vote in his/her/its stead. Where a member appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy.

A member who is a relevant intermediary entitled to attend and vote at the EGM is entitled to appoint more than one proxy to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than one proxy, it should annex to the Proxy Form the list of proxies, setting out, in respect of each proxy, the name, address, email address, NRIC/Passport Number and proportion of shareholding (number of Shares and percentage) in relation to which each proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank/SRS Operator who intends to appoint CPF/SRS investors as its proxies shall comply with this note to the Notice of EGM. The appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed in the Proxy Form.

Members may also vote at the EGM by appointing the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Meeting. In appointing the Chairman of the Meeting as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.

In addition, CPF/SRS investors who have used their CPF/SRS monies to buy Shares in the Company:

NOTICE OF EXTRAORDINARY GENERAL MEETING

- a) may vote live via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have questions regarding their appointment as proxies; or
- b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks/SRS Operators no later than **4.30 p.m. on 14 April 2022** (being seven (7) working days before the Meeting).

The proxy form for the Meeting is made available with this Notice of EGM on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> on the same day and can be accessed at the Company's website at the URL <https://www.mercuriuscapital.com/investor-relation.html>.

5. A proxy need not be a member of the Company. The Chairman of the Meeting, as proxy, need not be a member of the Company.
6. The instrument appointing the Chairman of the Meeting as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:
 - a) if sent by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, attention to Mercurius EGM; or
 - b) if submitted by email, be received by the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com,

in either case, by **4.30 p.m. on 24 April 2022** (being not less than forty-eight (48) hours before the time appointed for holding the Meeting) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members of the Company to submit completed proxy forms by post, members of the Company are strongly encouraged to submit completed proxy forms electronically via email.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer, failing which the instrument of proxy may be treated as invalid.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (such as in the case where the appointor submits more than one instrument appointing a proxy or proxies).

Personal Data Privacy:

By (a) submitting an instrument appointing a proxy or proxies to vote at the Meeting and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the Meeting via LIVE WEBCAST or AUDIO ONLY MEANS, or (c) submitting any questions prior to the Meeting or raising any questions during the Meeting in accordance with this Notice of EGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (i) processing and administration by the Company (or its agents) of proxy forms appointing a proxy or proxies for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to the LIVE WEBCAST or AUDIO ONLY MEANS to observe the proceedings of the Meeting and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members received before or during the Meeting and if necessary, following up with the relevant members in relation to such questions;
- (iv) preparation and compilation of the attendance list, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof); and
- (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes to be prepared for the Meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

PROXY FORM

MERCURIUS CAPITAL INVESTMENT LIMITED
(Incorporated in the Republic of Singapore)
(Registration No.: 198200473E)

PROXY FORM – EXTRAORDINARY GENERAL MEETING
(Please see notes overleaf before completing this form)

This proxy form has been made available on SGXNet and the Company's website and may be accessed at the URLs:
<https://www.sgx.com/securities/company-announcements> and
<http://www.mercuriuscapital.com/investor-relation.html>.
A printed copy of this proxy form will NOT be despatched to members of the Company.

IMPORTANT

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM (as defined herein) are set out in the Notice of EGM dated 11 April 2022 uploaded on SGXNet and the Company's website. The Notice of EGM and this proxy form may also be accessed at the URLs <https://www.sgx.com/securities/company-announcements> and <https://www.mercuriuscapital.com/investor-relation.html>.
2. As the EGM is held by way of electronic means, a member of the Company will not be able to attend the EGM in person.
3. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold ordinary shares through their CPF/SRS funds. CPF/SRS investors should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies and to submit their voting instructions no later than 4.30 p.m. on 14 April 2022.
4. Please read the notes to this proxy form.

PERSONAL DATA PRIVACY

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 11 April 2022.

*I/We _____ (Name) _____
(NRIC/Passport No./Company Registration No.) _____ (Address)
of _____ (Address)
being a *member/members of MERCURIUS CAPITAL INVESTMENT LIMITED (the "Company", and together with its subsidiaries, the "Group"), hereby appoints

NAME	ADDRESS	NRIC or Passport No.	Email Address**	Proportion of Shareholdings	
				No. of Shares	%

*and/or

NAME	ADDRESS	NRIC or Passport No.	Email Address**	Proportion of Shareholdings	
				No. of Shares	%

and/or the *Chairman of the extraordinary general meeting of the Company (the "EGM"), as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the EGM to be held by way of electronic means (via LIVE WEBCAST and/or AUDIO ONLY MEANS) on Tuesday, 26 April 2022 at 4.30 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM to be held on the same day at 4.00 p.m.) and at any adjournment thereof. *I/We direct my/our proxy/proxies to vote for or against, or abstain from voting on the Resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their discretion. Where the Chairman of the EGM is appointed as proxy and in the absence of specific directions as to voting is given, the appointment of the Chairman of the EGM as your proxy will be treated as invalid.

All resolutions put to the vote at the EGM shall be decided by way of poll.

If you wish to exercise all your votes "For" or "Against", or "Abstain" the Resolution, please mark an "X" in the appropriate box provided. Alternatively, please indicate the number of votes "For" or "Against" or "Abstain" each Resolution in the boxes provided as appropriate. If you mark an "X" in the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution.

Ordinary Resolution	By way of poll		
	For	Against	Abstain
To approve the proposed diversification of the Group's business			

Dated this _____ day of _____ 2022

Total number of Shares held _____

Signature(s) of member(s) and/or
Common Seal of corporate member

*Delete as appropriate

**Required for registration purposes. The Confirmation Email will be sent to the email addresses disclosed herein.

IMPORTANT: PLEASE READ NOTES OVERLEAF CAREFULLY BEFORE COMPLETING THIS PROXY FORM

PROXY FORM

NOTES TO PROXY FORM:

1. Please insert the total number of shares in the capital of the Company (“**Shares**”) held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy/proxies shall be deemed to relate to all the Shares held by you.
2. Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the EGM in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it may appoint a proxy/proxies to vote on his/her/its behalf at the EGM. A member may appoint the Chairman of the EGM as to vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. A member entitled to attend and vote at the EGM, who is not a relevant intermediary (as defined in Section 181 of the Companies Act 1967), is entitled to appoint one or two proxies to attend and vote in his/her stead. Where a member appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A member who is a relevant intermediary entitled to attend and vote at the EGM is entitled to appoint more than one proxy to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than one proxy, it should annex to the instrument appointing a proxy or proxies (the “**Proxy Form**”) the list of proxies, setting out, in respect of each proxy, the name, address, email address, NRIC/Passport Number and proportion of shareholding (number of Shares and percentage) in relation to which each proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank/SRS Operator who intends to appoint CPF/SRS investors as its proxies shall comply with this Note. The appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed in the Proxy Form.
5. A proxy need not be a member of the Company. The Chairman of the EGM, as a proxy, need not be a member of the Company.
6. This instrument appointing the Chairman of the EGM as proxy must:
 - (a) if sent by post, be lodged at the office of the Company’s Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, attention to Mercurius EGM; or
 - (b) if submitted by email, be received by the Company’s Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com,in either case, by 4.30 p.m. on 24 April 2022 (being not less than forty-eight (48) hours before the time appointed for holding the EGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members of the Company to submit completed proxy forms by post, members of the Company are strongly encouraged to submit completed proxy forms electronically via email.
7. This proxy form must be under the hand of the appointor or of his/her/its attorney duly authorised in writing.
 - (i) Where this proxy form is executed by a corporation, it must be executed either under its common seal (or otherwise in accordance with its constitution) or under the hand of an officer or attorney duly authorised.
 - (ii) Where this proxy form is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified true copy thereof must be lodged with this proxy form, failing which the instrument of proxy may be treated as invalid.
8. CPF Investors and/or SRS investors: (a) may vote live via electronic means at the EGM, or pre-cast their votes via the URL in the Confirmation Email if they are appointed as proxies by their respective CPF Agent Banks and/or SRS Operators, and should contact their respective CPF Agent Banks and/or SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks and/or SRS Operators to submit their voting instructions by 4.30 p.m. on 14 April 2022, being seven working days before the EGM.
9. Completion and return of the Proxy Form shall not preclude a member from attending, speaking and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the live EGM, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the live EGM.

General:

The Company shall be entitled to reject this proxy form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this proxy form. In addition,

PROXY FORM

in the case of Shares entered in the Depository Register, the Company may reject any proxy form lodged if the member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms as set out in the Notice of EGM dated 11 April 2022.