



MERCURIUS CAPITAL INVESTMENT LIMITED

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

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024

Mercurius Capital Investment Limited (the “**Company**”) wishes to inform the shareholders of the Company that pursuant to Rules 705(2)(d) and 705(2C) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst, the Company is required to announce its quarterly financial statements in view of the disclaimer of opinion issued by the Company’s independent auditor for the financial year ended 31 December 2022.

*This announcement has been prepared by the Company and reviewed by the Company’s sponsor, Novus Corporate Finance Pte. Ltd. (the “**Sponsor**”), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, 7 Temasek Boulevard, #04-02 Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.

**MERCURIUS CAPITAL INVESTMENT LIMITED
AND ITS SUBSIDIARY CORPORATIONS**

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**MERCURIUS CAPITAL INVESTMENT LIMITED
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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

	Note	3 Months Ended			9 Months Ended		
		30/9/2024	30/9/2023	Change	30/9/2024	30/9/2023	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
		Unaudited	Unaudited		Unaudited	Unaudited	
Continuing operations							
Revenue		-	-	-	-	-	-
Cost of sales		-	-	-	-	-	-
Gross profit		-	-	-	-	-	-
Other gains/(losses), net		160	-	NM	160	(67)	(339)
Other income		2	-	NM	2	-	NM
Expenses							
- Administrative		(745)	(211)	253	(1,249)	(707)	77
- Finance		(161)	(50)	221	(447)	(299)	49
Share of loss from joint venture		- ¹	-	-	- ¹	-	-
Loss before income tax	7	(744)	(261)	185	(1,534)	(1,073)	43
Income tax expense	8	-	-	-	-	-	-
Net loss from continuing operations		(744)	(261)	185	(1,534)	(1,073)	43
Discontinued operations							
Loss from discontinued operations		-	(6,889) ²	NM	-	(10,538)	NM
Total loss		(744)	(7,150) ²	(90)	(1,534)	(11,611)	(87)
Other comprehensive income/(loss), net of tax:							
Items that may be reclassified subsequently to profit or loss:							
- Share of other comprehensive loss of joint venture		- ¹	- ¹	-	- ¹	- ¹	-
- Currency translation (loss)/income arising from consolidation		(122)	(103)	18	(127)	28	(554)
Other comprehensive (loss)/income, net of tax		(122)	(103)	18	(127)	28	(554)
Total comprehensive loss		(866)	(7,253) ²	(88)	(1,661)	(11,583)	(86)
Net loss attributable to:							
Equity holders of the Company		(744)	(7,150) ²	(90)	(1,534)	(11,611) ²	(87)
Non-controlling interests		*	*	NM	*	*	NM
		(744)	(7,150) ²	(90)	(1,534)	(11,611) ²	(87)
Loss attributable to equity holders of the Company relates to:							
Loss from continuing operations		(744)	(261)	185	(1,534)	(1,073)	43
Loss from discontinued operations		-	(6,889) ²	NM	-	(10,538)	NM
		(744)	(7,150) ²	185	(1,534)	(11,611)	(87)
Total comprehensive loss attributable to:							
Equity holders of the Company		(866)	(7,253) ²	(88)	(1,661)	(11,583)	(86)
Non-controlling interests		*	*	NM	*	*	NM
		(866)	(7,253) ²	(88)	(1,661)	(11,583)	(86)

NM = Not meaningful

* Amount less than S\$1,000.

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¹ The Group recorded nil for the Group's share of loss from joint venture for three-month period and nine-month period ended 30 September 2024 attributed to the Company's inability to acquire the pertinent information from its joint venture, Grand Bay Hotel Co., Ltd. ("**Grand Bay**") since the financial year ended 31 December 2023, which is crucial for accurate reporting purposes. Despite the Company's diligent efforts, challenges in acquiring the necessary data have resulted in an inability to quantify this specific aspect of the financial disclosure.

² Due to an inadvertent error, the figures were incorrectly represented in the preceding nine months ended 30 September 2023 financial statements. Kindly refer to the correct figures updated in this financial statement.

Explanatory Notes to the Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

- a. As announced on 8 August 2023, 14 August 2023 and 21 August 2023, the High Court of Malaysia had ordered Songmart Malaysia Sdn. Bhd. ("**Songmart Malaysia**"), Tan Lee Heng Sdn. Bhd. ("**TLH**") and Songmart Holdings Sdn. Bhd. ("**Songmart**" and together with Songmart Malaysia and TLH, the "**Songmart Group**") to be wound up. The liquidator appointed to facilitate the winding up process of the Songmart Group has assumed control over the Songmart Group's assets and liabilities. As such, the Group has presented the results of the Songmart Group as a separate line item under "Discontinued operations" for the three-month and the nine-month period ended 30 September 2023.

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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2024
(CONT'D)**

Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	3 Months Ended		9 Months Ended	
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
Losses per share attributable to equity holders of the Company (cents per share)				
Weighted average number of ordinary shares for basic earnings per share	1,392,973,333	1,392,973,333	1,392,973,333	1,392,973,333
Weighted average number of ordinary shares for diluted earnings per share	1,444,940,233	1,439,092,483 ⁽¹⁾	1,444,940,233	1,439,092,483 ⁽¹⁾
Net loss attributable to the equity holders of the Company for the financial year (S\$'000)	(744)	(7,150)	(1,534)	(11,611)
Add back: Interest on convertible loans (S\$'000)	133	10	369	244
Net loss used to determine basic and diluted losses per share (S\$'000)	(611)	(7,140)	(1,165)	(11,367)
Net loss from continuing operations used to determine basic and diluted losses per share (S\$'000)	(611)	(251)	(1,165)	(829)
Net loss from discontinued operations used to determine basis and diluted losses per share (S\$'000)	-	(6,889)	-	(10,538)
Basic losses per share (cents)				
From continuing operations	(0.044)	(0.018)	(0.084)	(0.060)
From discontinued operations	-	(0.495)	-	(0.757)
Diluted losses per share (cents) ⁽²⁾				
From continuing operations	(0.042)	(0.017)	(0.081)	(0.058)
From discontinued operations	-	(0.479)	-	(0.732)

Notes:

- (1) The total weighted average number of ordinary shares for the calculation of diluted earnings per share was incorrectly disclosed as 1,449,717,004 shares and 1,448,546,854 shares respectively in the Company's unaudited condensed interim financial statements for the three months period and nine months period ended 30 September 2023.
- (2) The diluted losses per share computations have taken into consideration the effects of the shares to be issued on the basis that the Group's existing convertible loans are all converted into ordinary shares in the share capital of the Company.

**MERCURIUS CAPITAL INVESTMENT LIMITED
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**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024**

	Note	Group		Company	
		30/9/2024 S\$'000	31/12/2023 S\$'000	30/9/2024 S\$'000	31/12/2023 S\$'000
		Unaudited	Unaudited	Unaudited	Unaudited
ASSETS					
Current assets					
Cash and bank balances		11	16	9	14
Trade and other receivables		17	14	19	14
		<u>28</u>	<u>30</u>	<u>28</u>	<u>28</u>
Non-current assets					
Investments in subsidiary corporations	12	-	-	-	-
Investment in a joint venture	13	5,120	5,120	5,945	5,945
Property, plant and equipment	14	*	3	*	3
		<u>5,120</u>	<u>5,123</u>	<u>5,945</u>	<u>5,948</u>
TOTAL ASSETS		<u><u>5,148</u></u>	<u><u>5,153</u></u>	<u><u>5,973</u></u>	<u><u>5,976</u></u>
LIABILITIES					
Current liabilities					
Trade and other payables		2,554	1,856	2,503	1,811
Borrowings	16	5,786	4,828	5,786	4,828
		<u>8,340</u>	<u>6,684</u>	<u>8,289</u>	<u>6,639</u>
TOTAL LIABILITIES		<u>8,340</u>	<u>6,684</u>	<u>8,289</u>	<u>6,639</u>
NET (LIABILITIES)/ASSETS		<u><u>(3,192)</u></u>	<u><u>(1,531)</u></u>	<u><u>(2,315)</u></u>	<u><u>(663)</u></u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	17	154,852	154,852	154,852	154,852
Other reserves		(2,579)	(2,453)	325	325
Accumulated losses		(155,473)	(153,938)	(157,492)	(155,840)
		<u>(3,200)</u>	<u>(1,539)</u>	<u>(2,315)</u>	<u>(663)</u>
Non-controlling interests		<u>8</u>	<u>8</u>	<u>-</u>	<u>-</u>
TOTAL EQUITY		<u><u>(3,192)</u></u>	<u><u>(1,531)</u></u>	<u><u>(2,315)</u></u>	<u><u>(663)</u></u>

* Amount less than S\$1,000.

Explanatory Notes to the Consolidated Interim Statements of Financial Position

- Cash and bank balances decreased mainly due to the payment of operating expenses incurred during the period.
- Trade and other payables increased primarily due to a rise in amounts owed to trade payables for operating expenses.
- Borrowings increased mainly due to the accrual of interest expenses during the period and loan from related party.

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	9 Months Ended	
	30/9/2024	30/9/2023
	S\$'000	S\$'000
	Unaudited	Unaudited
Cash flows from operating activities		
Net loss	(1,534)	(11,611)
Adjustment for:		
Depreciation of property, plant and equipment	3	4
Depreciation of right-of-use assets	-	-
Interest expense	447	299
Gain on disposal of property, plant and equipment	-	(28)
Loss on control of subsidiary	-	6,889
Unrealised currency translation loss	(128)	965
	<u>(1,212)</u>	<u>(3,481)</u>
Changes in working capital:		
Trade and other receivables	(3)	1,427
Inventories	-	4,395
Trade and other payables	621	(2,272)
	<u>(594)</u>	<u>69</u>
Cash (used in)/from operations	<u>(594)</u>	<u>69</u>
Income tax paid	-	-
Net cash (used in)/from operating activities	<u>(594)</u>	<u>69</u>
Cash flows used in investing activities		
Sales proceed from disposal of property, plant and equipment	-	83
Addition of property, plant and equipment	-	(57)
Loss of control of a subsidiary, net of cash disposed of	-	1,194
	<u>-</u>	<u>1,220</u>
Net cash from investing activities	<u>-</u>	<u>1,220</u>
Cash flows from financing activities		
Repayment of lease liabilities	-	(460)
Proceeds from borrowings	589	-
	<u>589</u>	<u>(460)</u>
Net cash from/(used in) financing activities	<u>589</u>	<u>(460)</u>
Net movement in cash and cash equivalents	<u>(5)</u>	<u>829</u>
Cash and cash equivalents		
Beginning of financial period	<u>16</u>	<u>(760)</u>
End of financial period	<u>11</u>	<u>69</u>
Cash and cash equivalents for statement of cash flow:		
Cash and bank balances	<u>11</u>	<u>69</u>
	<u>11</u>	<u>69</u>

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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	← Attributable to equity owners of the Company →						
	Share capital	Other reserves	Equity component of convertible loans	Accumulated losses	Total	Non- controlling interests	
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024							
Balance as at 1 January 2024	154,852	(2,777)	325	(153,939)	(1,539)	8	(1,531)
Loss for the financial period	-	-	-	(1,534)	(1,534)	*	(1,534)
Other comprehensive loss for the financial period	-	(127)	-	-	(127)	*	(127)
Total comprehensive loss for the financial period	-	(127)	-	(1,534)	(1,661)	*	(1,661)
Balance as at 30 September 2024	154,852	(2,904)	325	(155,473)	(3,200)	8	(3,192)
2023							
Balance as at 1 January 2023	154,852	(3,804) ¹	325 ¹	(141,147)	10,226	8	10,234
Loss for the financial period	-	-	-	(11,611)	(11,611)	*	(11,611)
Other comprehensive income for the financial period	-	28	-	-	28	*	28
Total comprehensive loss for the financial period	-	28	-	(11,611)	(11,583)	*	(11,583)
Transfer upon loss on control of subsidiary	-	976	-	(976)	-	-	-
Balance as at 30 September 2023	154,852	(2,800) ¹	325 ¹	(153,734)	(1,357)	8	(1,349)

¹Due to an inadvertent error, the figures were incorrectly represented in the preceding nine months ended 30 September 2023 financial statements. Kindly refer to the correct figures updated in this financial statement.

* Amount less than S\$1,000.

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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	← Attributable to equity owners of the Company →			
	Share capital	Equity component of convertible loans	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000
Company				
2024				
Balance as at 1 January 2024	154,852	325	(155,840)	(663)
Loss for the financial period	-	-	(1,652)	(536)
Balance as at 30 September 2024	154,852	325	(157,492)	(2,315)

	← Attributable to equity owners of the Company →			
	Share capital	Equity component of convertible loans	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000
Company				
2023				
Balance as at 1 January 2023	154,852	325	(142,741)	12,436
Loss for the financial period	-	-	(12,894)	(12,894)
Balance as at 30 September 2023	154,852	325	(155,635)	(458)

MERCURIUS CAPITAL INVESTMENT LIMITED AND ITS SUBSIDIARY CORPORATIONS

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Mercurius Capital Investment Limited (the “**Company**”) is listed on the Catalist board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and incorporated and domiciled in Singapore. The address of its registered office is 138 Robinson Road #26-03 Oxley Tower Singapore 068906.

These condensed interim consolidated financial statements as at and for the nine months ended 30 September 2024 comprise the Company and its subsidiaries (together referred to as the “**Group**”).

The principal activity of the Company is investment holding. The principal activities of the subsidiary corporations are supermarket operation (ceased since 30 June 2023) and the Company’s joint venture is principally involved in real estate development.

2. BASIS OF PREPARATION

The condensed interim financial statements for the financial period ended 30 September 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial period and the most recently audited annual financial statements which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in note 2.1.

The condensed interim financial statements are presented in Singapore dollar (“**S\$**”) which is the Company’s functional currency and all values are rounded to the nearest thousand (’000) except otherwise indicated.

2.1 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances and conditions available.

*Expected Credit Loss (“**ECL**”) of trade and other receivables*

ECL on trade and other receivables are probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The Group had used a simplified approach (lifetime expected credit loss) for its trade receivables and general approach (12 months expected credit losses or lifetime expected credit loss) for its other receivables.

In determining the ECL, the Group uses the relevant historical information to determine the probability of default of the instruments and incorporated forward-looking information. Notwithstanding the above, the Group evaluates the ECL on trade and other receivables in financial difficulties separately.

3. GOING CONCERN

During the financial period ended 30 September 2024, the Group has incurred a net loss of S\$1,534,000 (30 September 2023: S\$11,611,000). In addition, the Group and the Company have total liabilities of S\$8,340,000 and S\$8,289,000 respectively as at 30 September 2024 (31 December 2023: S\$6,684,000 and S\$6,639,000) and net liabilities of S\$3,192,000 and S\$2,315,000 respectively as at 30 September 2024 (31 December 2023: S\$1,531,000 and S\$663,000). These events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as going concerns and discharge their liabilities in the ordinary course of business.

As announced on 8 August 2023, 14 August 2023 and 21 August 2023, the High Court of Malaysia ordered the Songmart Group to be wound up. A liquidator was appointed to facilitate the winding up process of the Songmart Group and assumed control over the Songmart Group's assets and liabilities as of the announcement date. Consequently, the Group deconsolidated Songmart Group's assets and liabilities from its accounts as of 30 June 2023.

Furthermore, in a subsequent announcement on 19 February 2024, it was announced that Alliance Bank Malaysia Berhad (the "**Bank**") had successfully obtained summary judgment applications on 18 February 2024 for an aggregate sum of RM22,862,805.02, plus any interest and disbursements. As announced on 17 July 2024, the Company received a letter of demand on 15 May 2024 from the Bank's solicitors, demanding an outstanding sum of RM4,062,116.18 ("**Total Debt**") under the summary judgment and on 3 July 2024, the Company made a payment of US\$460,000 (equivalent to approximately RM2,171,000), which constitutes approximately 50% of the Total Debt, as a full and final settlement ("**Final Settlement**") with the Bank. In response, the Bank's solicitors sent a letter dated 8 July 2024 confirming that the Bank will cease all legal proceedings against the Company and will not initiate any further legal actions.

As announced on 14 May 2024 and 20 May 2024, the Company received a letter of demand on 8 May 2024 and a winding-up statutory demand on 20 May 2024, respectively, from the legal representatives of Mr. Chew Hai Chiene Hester Arthur ("**Mr. Chew**"), the former Group Chief Executive Officer and Executive Director of the Company. These demands pertain to an overdue payment of S\$200,000, part of a total aggregate sum of S\$576,387.20, as agreed upon between Mr. Chew and the Company in a settlement agreement.

As announced on 12 June 2024, the Company had on 11 June 2024, notified the SGX-ST (via the Company's continuing sponsor) of its cash company status pursuant to Rule 1017 of the SGX-ST Listing Manual Section B: Rules of Catalist.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(CONT'D)**

3. GOING CONCERN (CONT'D)

Given these circumstances, the Board is of the view that there is a material uncertainty surrounding the Group's ability to continue its operations as a going concern and meet its financial obligations in the ordinary course of business. Meanwhile, the Board is actively formulating strategies to address the going concern and will disclose further details in the forthcoming monthly update announcement or any other relevant announcements.

4. SEASONAL OPERATIONS

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

5. SEGMENT AND REVENUE INFORMATION

5.1 REVENUE

The revenue for three-month period and nine-month period ended 30 September 2024 and 30 September 2023 stand at nil as the groceries business had ceased its operations as at 30 June 2023 and the financial results of Songmart Group have been classified as "Discontinued Operations" accordingly.

For the three-month period and nine-month period ended 30 September 2024, the Group principally operated in a single business segment which is property development and property investment, which had not commenced as at 30 September 2024.

5.2 SEGMENT INFORMATION

The Group's chief operating decision-maker ("CODM") as of 30 September 2024 comprised the Group Chief Executive Officer, who assesses the performance of the operating segments based on the revenue and/or profit earned by each segment. All income and expenses are allocated to the respective operating segments based on the entities within each operating segment.

During 2023, the Group had 3 main reportable segments, as described below, which were the Group's strategic business units. The strategic business units offered different services, and were managed separately because they required different marketing strategies. For each of the strategic business units, the CODM reviewed the internal management report on periodic basis.

The following describes the operations in each of the Group's reportable segments during 2023:

(a) Supermarket operations

The Group operated a chain of supermarket retail stores selling consumer products.

(b) Sales of goods – local and overseas sales of consumer products

The Group sold consumer goods to local and overseas customers under normal trading.

(c) Investment holdings

Except as indicated above, no other segments have been aggregated to form the above reportable operating segments.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(CONT'D)**

5. SEGMENT AND REVENUE INFORMATION (CONT'D)

5.2 SEGMENT INFORMATION (CONT'D)

	Malaysia		Singapore		Total S\$'000
	Investment holdings S\$'000	Supermarket Operations S\$'000	Sales of goods S\$'000	Investment holdings S\$'000	
1 January 2024 to 30 September 2024					
Revenue					
Total segment sales	-	-	-	-	-
Less: Inter-segment sales	-	-	-	-	-
Sales to external parties	-	-	-	-	-
Cost of sales	-	-	-	-	-
Gross profit	-	-	-	-	-
Other income	-	-	-	2	2
Other gains, net	-	-	-	160	160
Expenses:					
- Marketing	-	-	-	-	-
- Administrative	-	-	-	(1,249)	(1,249)
- Finance	-	-	-	(447)	(447)
Share of losses of joint venture	-	-	-	-	-
Loss before income tax	-	-	-	(1,534)	(1,534)
Income tax expense	-	-	-	-	-
Net loss from continuing operations	-	-	-	(1,534)	(1,534)
Interest expense	-	-	-	447	447
Depreciation and amortisation	-	-	-	3	3
Loss from discontinued operations	-	-	-	-	-
Adjusted loss before interest, tax, depreciation, amortisation and impairment losses	-	-	-	(1,084)	(1,084)

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(CONT'D)**

5. SEGMENT AND REVENUE INFORMATION (CONT'D)

5.2 SEGMENT INFORMATION (CONT'D)

	Malaysia		Singapore		Total S\$'000
	Investment holdings S\$'000	Supermarket Operations S\$'000	Sales of goods S\$'000	Investment holdings S\$'000	
1 January 2023 to 30 September 2023					
Revenue					
Total segment sales	-	-	-	-	-
Less: Inter-segment sales	-	-	-	-	-
Sales to external parties	-	-	-	-	-
Cost of sales	-	-	-	-	-
Gross profit	-	-	-	-	-
Other income	-	-	-	-	-
Other losses, net	-	-	-	(67)	(67)
Expenses:					
- Marketing	-	-	-	-	-
- Administrative	-	-	-	(707)	(707)
- Finance	-	-	-	(299)	(299)
Share of losses of joint venture	-	-	-	-	-
Loss before income tax	-	-	-	(1,073)	(1,073)
Income tax expense	-	-	-	-	-
Net loss from continuing operations	-	-	-	(1,073)	(1,073)
Interest expense	-	-	-	299	299
Depreciation and amortisation	-	-	-	4	4
Loss from discontinued operations	-	(10,538)	-	-	(10,538)
Adjusted loss before interest, tax, depreciation, amortisation and impairment losses	-	(10,538)	-	(770)	(11,308)

6. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of the carrying amount of financial assets and financial liabilities of the Group and the Company as at 30 September 2024 and 31 December 2023:

	At amortised cost	
	30/9/2024 S\$'000	31/12/2023 S\$'000
Group		
Financial assets		
Cash and bank balances	11	16
Trade and other receivables	17	14
	<u>28</u>	<u>30</u>

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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7. DISCONTINUED OPERATIONS (CONT'D)

(b) The impact of the discontinued operations on the cash flows of the Group was as follows:

	30/9/2023 S\$'000 Unaudited
Operating cash inflows	72
Investing cash inflows	1,246
Financing cash outflows	(460)
Total cash inflows	<u>858</u>

8. LOSS BEFORE INCOME TAX

8.1 SIGNIFICANT ITEMS

Loss before income tax has been arrived after charging/(crediting):

	3 Months Ended		9 Months Ended	
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
	S\$'000	S\$'000	S\$'000	S\$'000
	Unaudited	Unaudited	Unaudited	Unaudited
Depreciation of property, plant and equipment (Note 14)	-	1	3	4
Salaries, bonuses and allowances				
- Directors	-	105	274	315
- Others	8	2	44	8
Professional fees	69	62	195	241
Settlement claim	624	-	624	-
Currency translation (gain)/losses	(160)	(1)	(160)	67
Finance expenses – Convertible loan	133	10	369	244
Finance expenses – Director's loan	28	41	78	56

* Amount less than S\$1,000.

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8. LOSS BEFORE INCOME TAX (CONT'D)

8.2 RELATED PARTY TRANSACTIONS

	3 Months Ended		9 Months Ended	
	30/9/2024 S\$'000 Unaudited	30/9/2023 S\$'000 Unaudited	30/9/2024 S\$'000 Unaudited	30/9/2023 S\$'000 Unaudited
(a) Advances				
Advances from directors	30	-	200	-
Loan from related party	624	-	624	-
	<u>654</u>	<u>-</u>	<u>824</u>	<u>-</u>
(b) Director compensation				
Salaries and short-term benefits	-	45	273	135
Employer's contribution to defined contribution plans, including Central Provident Fund	-	2	1	8
Director's fee	-	-	-	-
	<u>-</u>	<u>47</u>	<u>274</u>	<u>143</u>

There are no material related party transactions apart from those disclosed in Note 8.2 or elsewhere in the financial statements.

9. TAXATION

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. There is no tax expense recorded as the Group has no taxable profits.

10. DIVIDENDS

No dividend has been declared or recommended for the third quarter ended 30 September 2024 ("3Q2024") as the Group had recorded a net loss for 3Q2024.

11. NET ASSET VALUE

	Group		Company	
	30/9/2024 S\$ Unaudited	31/12/2023 S\$ Unaudited	30/9/2024 S\$ Unaudited	31/12/2023 S\$ Unaudited
Net asset/(liability) value per ordinary share (cents)	<u>(0.23)</u>	<u>(0.11)</u>	<u>(0.17)</u>	<u>(0.05)</u>

The calculation of net asset/(liability) value per ordinary share was based on 1,392,973,333 shares as at both 30 September 2024 and 31 December 2023.

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12. INVESTMENT IN SUBSIDIARY CORPORATIONS

	Company	
	30/9/2024	31/12/2023
	\$'000	\$'000
<i>Equity investments at cost</i>		
Beginning and end of financial period / year	19,560	19,560
<i>Allowance for impairment</i>		
Beginning of financial period / year	19,560	7,560
Add: Impairment loss	-	12,000
End of financial period / year	19,560	19,560
Net carrying amount	-	-

13. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	30/9/2024	31/12/2023	30/9/2024	31/12/2023
	S\$'000	S\$'000	S\$'000	S\$'000
	Unaudited	Unaudited	Unaudited	Unaudited
Cost				
Beginning and end of financial period / year	5,120	5,120	5,945	5,945

Set out below is the joint venture of the Group as at 30 September 2024 and 31 December 2023:

<u>Name of company</u>	<u>Principal activity</u>	<u>Country of business /incorporation</u>	<u>Equity interest held by the Group</u>	
			30/9/2024	31/12/2023
			<u>%</u>	<u>%</u>
Grand Bay Hotel Co., Ltd	Real estate development	Thailand	50	50

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13. INVESTMENT IN A JOINT VENTURE (CONT'D)

The Group has diversified its business into property development and property investment since financial year ended 31 December 2017 and had on 12 June 2019, entered into joint venture agreement (“**JVA**”) with Apex Development Public Company Limited (“**Apex**”) and Grand Bay Hotel Co., Ltd (“**Grand Bay**”).

The Group has joint control over Grand Bay under the contractual agreement with Apex, and unanimous consent is required from both parties for all relevant activities. The contractual agreement provides the Group and Apex with rights to the net assets of Grand Bay. Therefore, the investment in Grand Bay is classified as a joint venture. There are no contingent liabilities relating to the Group’s interest in the joint venture.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

14. PROPERTY, PLANT AND EQUIPMENT

	Land & Buildings	Renovation	Machinery & Equipment	Computer & Software	Furniture and fittings	Office equipment	Motor Vehicle	Office and retail space	Total
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Cost									
At 1 January 2023	7,832	848	1,306	176	96	46	85	4,974	15,363
Addition	-	13	12	9	17	-	5	-	56
Disposal	-	-	-	-	-	-	(73)	-	(73)
Loss control of subsidiary	(7,406)	(781)	(1,316)	(207)	(119)	(24)	(28)	(4,270)	(14,151)
Currency translation difference	(426)	(14)	(2)	22	6	3	11	(260)	(660)
At 31 December 2023	-	66	-	-	-	25	-	444	535
Addition	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-
Loss control of subsidiary	-	-	-	-	-	-	-	-	-
Currency translation difference	-	-	-	-	-	-	-	-	-
At 30 September 2024	-	66	-	-	-	25	-	444	535
Accumulated depreciation									
At 1 January 2023	28	67	24	7	2	25	3	1,272	1,428
Addition	75	43	68	21	6	1	10	280	504
Disposal	-	-	-	-	-	-	(19)	-	(19)
Loss control of subsidiary	(125)	(79)	(166)	(60)	(19)	(5)	(11)	(1,072)	(1,537)
Currency translation difference	22	32	74	32	11	4	17	(36)	156
At 31 December 2023	-	63	-	-	-	25	-	444	532
Addition	-	3	-	-	-	-	-	-	3
Disposal	-	-	-	-	-	-	-	-	-
Loss control of subsidiary	-	-	-	-	-	-	-	-	-
Currency translation difference	-	-	-	-	-	-	-	-	-
At 30 September 2024	-	66	-	-	-	25	-	444	535
Net book value									
At 30 September 2024	-	-	-	-	-	-	-	-	-
At 31 December 2023	-	3	-	-	-	-	-	-	3

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(CONT'D)**

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company

	Office equipment	Building Improvements	Total
	S\$'000	S\$'000	S\$'000
At 30 September 2024			
Cost	66	25	91
Accumulated depreciation	64	25	89
Net book value	2	-	2
For 3 months ended 30 September 2024			
Cost			
At 1 January 2024 and 30 September 2024	66	25	91
Accumulated depreciation			
At 1 January 2024	63	25	88
Depreciation charge	3	-	3
At 30 September 2024	66	25	91
Net book value			
At 30 September 2024	-	-	-

15. INTANGIBLE ASSETS

Goodwill

	Group	
	30/9/2024	31/12/2023
	\$'000	\$'000
Cost		
Beginning of financial period/year	-	10,566
Loss of control of subsidiary	-	(10,566)
Currency translation difference	-	-
End of financial period/year	-	-
Net book value	-	-

Loss control over Songmart Group

As announced on 8 August 2023, 14 August 2023 and 21 August 2023, the High Court of Malaysia had ordered the Songmart Group to be wound up. A liquidator has been appointed to facilitate the winding up process of the Songmart Group and has assumed control over the Songmart Group's assets and liabilities as of the announcement date.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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16. BORROWINGS

- Amount repayable in one year or less, or on demand

	As at 30/9/2024		As at 31/12/2023 ⁽¹⁾	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Lease liabilities	-	-	-	-
Convertible loans ⁽²⁾	-	5,197	-	4,828
Bank borrowings ⁽³⁾	-	-	-	-
Bank overdraft ⁽³⁾	-	-	-	-
Loan from third party ⁽⁴⁾	-	589	-	-
	-	5,786	-	4,828

Notes:

- (1) As at 30 September 2024, the lease liabilities, bank borrowings and bank overdraft have been de-consolidated due to loss of control of Songmart Group.
- (2) Convertible loans include accrued interests and recorded at fair value of the liability component. The fair value of the liability component is calculated using a market interest rate for an equivalent non-convertible loan at the date of issue. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity in other reserves, net of deferred income taxes.
- (3) The Group through its wholly-owned subsidiary corporations, Songmart Group, has bank borrowings and bank overdraft with Alliance Bank Malaysia Berhad, which have since been de-consolidated.
- (4) Loan from a third party, Asia Assets Development Co. Ltd. ("AAD"), amounting to US\$460,000 is unsecured, interest-free, and to be repaid in full on 3 July 2025. This loan was utilised to pay the Final Settlement. Our Group Chief Executive Officer is a minority shareholder of AAD.

The Group has no other borrowings that are repayable beyond one year.

Convertible loans

On 13 and 23 December 2019, the Company entered into two convertible loan agreements (the "Agreements") with four investors for loan amounts of \$1,750,000 ("13 Dec 2019 Convertible Loans") and \$1,000,000 ("23 Dec 2019 Convertible Loan") respectively, which are subject to annual interest rate of 10%. All the convertible loans holders are non-related parties, except for 23 Dec 2019 Convertible Loan, which was extended by one of the Directors of the Company.

On 3 January 2020, the Company entered into a convertible loan agreement with an investor for a loan amount of \$800,000 ("3 Jan 2020 Convertible Loan") which is subject to annual interest rate of 10%.

In the financial year ended 31 December 2021, the Company repaid \$250,000 in respect of the 13 Dec 2019 Convertible Loans. Accordingly, the outstanding principal loan amount from the 13 Dec 2019 Convertible Loans was reduced to \$1,500,000.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(CONT'D)**

16. BORROWINGS (CONT'D)

Convertible loans

Throughout the preceding financial years, the Group has successfully extended the date of maturity through various supplementary agreements with the investors on multiple occasions (disclosed below as “**Previous extended date of maturity**”). Most recently on 25 July 2024, the Company had entered into supplemental agreements to further extend the maturity of the convertible loans (“**Revised date of maturity**”) as follows:

	Previous extended date of maturity	Revised date of maturity
13 Dec 2019 Convertible Loans	13 June 2024	13 December 2024
23 Dec 2019 Convertible Loan	23 June 2024	23 December 2024
3 Jan 2020 Convertible Loan	3 July 2024	3 December 2024

As at 30 September 2024, the outstanding 13 Dec 2019 Convertible Loans, 23 Dec 2019 Convertible Loan and 3 Jan 2020 Convertible Loan (including interest) are convertible up to 23,615,947 shares, 15,760,971 shares and 12,589,978 shares (31 December 2023: 21,986,962 shares, 14,659,134 shares and 11,631,954 shares) respectively, in total amounting to 51,966,896 (31 December 2023: 48,278,050) new ordinary shares in the capital of the Company at the option of the investors, subject to the terms and conditions of the Agreements.

The fair value of the liability component is calculated using a market interest rate for an equivalent non-convertible loan at the date of issue. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity in other reserves, net of deferred income taxes.

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16. BORROWINGS (CONT'D)

The carrying amount of the liability component of the convertible loans at the reporting date are derived as follows:

	Group and Company	
	30/9/2024	31/12/2023
	\$'000	\$'000
Face value of convertible loans at issuance	3,550	3,550
Equity conversion component on initial recognition	(325)	(325)
Liability component on initial recognition	3,225	3,225
Repayment of convertible loan (included interest) up-to-date	(289)	(289)
Accumulated gains arising from modification of convertible loans	(803)	(803)
Accumulated amortisation of interest expenses	3,064	2,695
Liability component at end of financial period	<u>5,197</u>	<u>4,828</u>

17. SHARE CAPITAL

	Group and Company	
	Number of ordinary Shares	Amount
	'000	\$'000
30/9/2024		
Beginning of financial period	1,392,973	154,852
Issuance of new ordinary shares	-	-
End of the financial period	<u>1,392,973</u>	<u>154,852</u>
31/12/2023		
Beginning of financial year	1,392,973	154,852
Issuance of new ordinary shares	-	-
End of the financial year	<u>1,392,973</u>	<u>154,852</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

As disclosed in Note 16 of this announcement, the Company had entered into the 13 Dec 2019 Convertible Loans, 23 Dec 2019 Convertible Loan, and 3 Jan 2020 Convertible Loan. Subsequently, the Company had, on 25 July 2024, entered into new supplemental agreements to further extend the maturity date of each of the outstanding convertible loans to 13 December 2024, 23 December 2024 and 3 December 2024, respectively. As at 30 September 2024, all three convertible loans, inclusive of interest, are convertible up to 51,966,896 new ordinary shares of the Company (30 September 2023: 46,119,150) upon maturity. Save for this, the Company does not have any other convertible securities.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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17. SHARE CAPITAL (CONT'D)

	As at 30/9/2024	As at 30/9/2023 ⁽¹⁾
Shares to be issued on conversion of all outstanding convertibles	51,966,896	46,119,150
Total number of issued shares excluding treasury shares and subsidiary holdings of the issuer	1,392,973,333	1,392,973,333
Shares to be issued upon conversion as a percentage of total number of issued shares excluding treasury shares and subsidiary holdings of the issuer	3.73%	3.31%

⁽¹⁾ Due to an inadvertent error, the shares to be issued on conversion of all outstanding convertibles was incorrectly disclosed as 46,791,281 shares in Company's financial results announcement for the nine months period ended 30 September 2023.

There were no treasury shares or subsidiary holdings as at 30 September 2024 and 30 September 2023.

There was no sale, transfer, cancellation and/or use of treasury shares or subsidiary holdings during, and at the end of, the financial period ended 30 September 2024.

18. SUBSEQUENT EVENTS

As announced on 13 November 2024, the Company had received a letter for claims on 12 November 2024 from the legal representatives of Mr. Chew Hai Chiene Hester Arthur, the former Group Chief Executive Officer and Executive Director of the Company, demanding for an overdue payment of S\$576,387.20. The Board is currently seeking legal advice and will take all necessary steps to address this matter, and any further developments will be disclosed in the subsequent announcements as necessary.

**MERCURIUS CAPITAL INVESTMENT LIMITED
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**OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST
RULES**

1. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The condensed interim financial statements of financial position of Mercurius Capital Investment Limited and its subsidiary corporations as at 30 September 2024 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the period then ended and certain explanatory notes have not been audited or reviewed.

2. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (other than a material uncertainty related to going concern):-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

The latest audited financial statement for the financial year ended 31 December 2022 was subject to disclaimer of opinion on the basis of the following:

- (i) Since the prior financial year ended 31 December 2021, the auditor of the Company was unable to obtain sufficient appropriate audit evidence to ascertain that the unaudited management accounts of the Company's investment in a joint venture, Grand Bay present a true and fair view with no material misstatement and as such was unable to ascertain the share of losses of Grand Bay recognised in the consolidated statement of comprehensive income for the financial year ended 31 December 2021 and the carrying amount of the investment in the joint venture recognised in the consolidated statement of financial position as at 31 December 2021 due to the absence of satisfactory audit evidence and explanation from the Company. As such, the auditor of the Company was unable to carry out any alternative audit procedures to obtain sufficient and appropriate audit evidence to determine whether any adjustments, if any, are required to be made to the opening balances, and whether there will be possible effects on the comparability of the figures as at 31 December 2022 with corresponding figures.

The Company has a 50% shareholding interest in Grand Bay. The Company has been actively working with the management of Grand Bay on the audit matters for financial year ended 31 December 2022 and has resolved the audit issues for the financial year ended 31 December 2022 although the recoverable amount and resultant impairment, if any, on the carrying amount of the investment in joint venture as at 31 December 2021 remains unresolved. In relation to audit matters for the financial year ended 31 December 2023, the Company, despite making diligent efforts, has faced difficulties in obtaining the required information. As of 30 September 2024, this issue remains unresolved, leading to the absence of any measurable value in a particular aspect of the Group's financial disclosure, essential for accurate reporting. The Company has held several discussions with its JV partner, Apex, emphasizing the importance of this matter concerning group audit objectives. The Company is diligently and persistently coordinating with Apex to ensure this issue is resolved.

- (ii) Limitation of scope on significant subsidiary corporations, Songmart Holdings Sdn. Bhd. and its subsidiary corporations including incomplete accounting records, insufficient information and explanations provided by the management of Songmart Group throughout the audit process. The component auditors have encountered various challenges and difficulties in completing the audit of the consolidated statement of financial position of Songmart Group as at the acquisition date i.e., 28 October 2022 as well as the consolidated financial statements of Songmart Group as at 31 December 2022 and for the financial period from 28 October 2022 to 31 December 2022. Despite raising this issue to the group management level and their efforts to assist, they were unable to provide viable solution to address the concerns of the component auditors.

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The Group had on 28 October 2022, completed the acquisition of Songmart Holdings Sdn. Bhd. and its subsidiary corporations (“**Songmart Group**”). Songmart Group consists of (a) a Malaysia based grocery business that operates supermarket operations in Johor Bahru (b) wholesale trading of foodstuff and groceries business mainly in Malaysia.

As announced on 8 August 2023, 14 August 2023 and 21 August 2023, the High Court of Malaysia had ordered the Songmart Group to be wound up. The liquidator appointed to facilitate the winding up process of the Songmart Group has assumed control over the Songmart Group’s assets and liabilities. Consequently, the Group has deconsolidated the Songmart Group on 30 June 2023 pursuant to the Company’s loss of control over the assets and liabilities of the Songmart Group.

The audit concern highlighted by the Company’s external auditors remains unresolved, as the Songmart Group ceased business operations on 30 June 2023 and has faced challenges in managing personnel to address the audit issue. Efforts are underway to develop a comprehensive strategy through close collaboration with external auditors to systematically address and resolve these concerns.

- (iii) Impairment assessment of investment in subsidiary corporations, Songmart Group due to absence of available information as auditors were unable to obtain sufficient appropriate audit evidence with respect to the recoverable amount and resultant impairment, if any, on the carrying amount of the investment in subsidiary corporations, Songmart Group as at 31 December 2022 and were also unable to perform appropriate alternative audit procedures to determine the effect of adjustments, if any, on the statement of financial position of the Group as at 31 December 2022.

The Group has performed a full impairment assessment on Songmart Group taking into consideration the receipt of summary judgment as announced by the Company on 19 February 2024.

- (iv) The Group acts as one of the guarantors to a bank in respect of bank borrowings granted to its subsidiary corporations, Songmart Group, and as at 31 December 2022, these bank borrowings were collectively in breach of loan covenants, which could result in expected credit losses.

As announced on 17 July 2024, the Company paid US\$460,000 on 3 July 2024, which represents about 50% of the Total Debt, as a full and final settlement with the Bank. In response, the Bank’s solicitors sent a letter dated 8 July 2024 confirming that the Bank will cease all legal proceedings against the Company and will not initiate any further legal actions.

- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

The board of directors (the “**Board**”) confirms that the impact of the audit issues on the financial statements has been adequately disclosed.

3. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group’s business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

(A) Review of condensed interim consolidated statement of profit or loss and other comprehensive income

MERCURIUS CAPITAL INVESTMENT LIMITED AND ITS SUBSIDIARY CORPORATIONS

Revenue and Gross Profit

The Group's principal operating subsidiaries have ceased their business operations as at 30 June 2023 resulting in no revenue and no gross profit or loss being attributed to the Group in the nine-month period ended 30 September 2024 ("9M2024").

Cost of sales

In view of the abovementioned, the Group recorded nil cost of sales for 3Q2024 and the 3rd quarter ended 30 September 2023 ("3Q2023") respectively.

Other gains/(losses), net

Other gains (net) have increased from nil for 3Q2023 to S\$160,000 for 3Q2024 due to currency translation gains during the relevant period.

Administrative expenses

Administrative expenses have increased from S\$211,000 for 3Q2023 to S\$745,000 for 3Q2024 primarily due to the payment of the Final Settlement during the relevant period.

Finance Costs

Finance costs are substantially the accrued interest from the 13 Dec 2019 Convertible Loans, the 23 Dec 2019 Convertible Loan and the 3 Jan 2020 Convertible Loan. Finance costs increased from S\$50,000 in 3Q2023 to S\$161,000 in 3Q2024 mainly due to accrued interests on the aforementioned convertible loans as well as directors' loans.

Share of loss from joint venture

Share of loss from joint venture recorded at nil in both 3Q2024 and 3Q2023. This is attributed to the Company's inability to obtain the pertinent financial information from the joint venture during the specified periods resulting in an inability to reliably estimate the joint venture's share of losses.

Net Loss

As a result of the above, the Group recorded a net loss after tax of S\$744,000 during 3Q2024 as compared to a net loss after tax of S\$7,150,000 (including discontinued operations) during 3Q2023. Further to the adjustments to exclude the discontinued operations, the Group had recorded a net loss after tax of S\$261,000 during 3Q2023.

(B) Review of condensed interim financial statements of financial position

Current Assets

Current assets decreased from approximately S\$30,000 as at 31 December 2023 to approximately S\$28,000 as at 30 September 2024, mainly due to a decrease in cash and bank balances of approximately S\$5,000, which was slightly offset by an increase in trade and other receivables of approximately S\$3,000.

For more details on the decrease in cash and bank balances from S\$16,000 as at 31 December 2023 to S\$11,000 as at 30 September 2024, please refer to the section on "Review of condensed interim consolidated statement of cash flows" below.

MERCURIUS CAPITAL INVESTMENT LIMITED AND ITS SUBSIDIARY CORPORATIONS

Trade and other receivables increased from approximately S\$14,000 as at 31 December 2023 to approximately S\$17,000 as at 30 September 2024 mainly due to payment of prepaid expenses.

Non-current Assets

The decrease in non-current assets of S\$3,000 arose mainly from the decrease in property, plant and equipment to nil as at 30 September 2024, from S\$3,000 as at 31 December 2023, due to the depreciation charges.

Liabilities

Trade and other payables increased from S\$1.86 million as at 31 December 2023 to S\$2.55 million as at 30 September 2024, due to advances from the directors and payables to suppliers.

Borrowings increased from S\$4.83 million as at 31 December 2023 to S\$5.79 million as at 30 September 2024 due to an increase in interest payables on convertible loans and loan from AAD which was utilised to pay the Final Settlement.

Working Capital

The Group recorded a negative working capital of S\$8.31 million as at 30 September 2024, as compared to a negative working capital of S\$6.65 million as at 31 December 2023, primarily arising from the increase in trade and other payables and borrowings.

As detailed in Note 3 of this announcement, the Board is aware of the negative working capital and acknowledges the significant uncertainty regarding the Group's ability to continue as a going concern and to meet its financial obligations in the ordinary course of business. Following the Final Settlement, the Company has successfully resolved the bank borrowings owed to the Bank as of 3 July 2024. This resolution is expected to alleviate some of the financial pressures in the near term and provide the Company with a clearer path forward. In addition, as announced on 1 July 2024, the Company had entered into a binding memorandum of understanding ("MOU") with BioSpring Medical Co., Ltd. ("**BioSpring**") in relation to an acquisition of BioSpring by the Company (the "**Proposed Transaction**"). The Proposed Transaction, if undertaken and completed, is expected to result in a reverse takeover of the Company as defined under Chapter 10 of the Catalyst Rules. BioSpring is a company based in Taiwan, specialising in the research, development, and application of stem cell therapies and technologies. The Proposed Transaction aims to leverage BioSpring's expertise in the stem cell industry to enhance the Company's business portfolio and future prospects.

Equity

The Group's equity decreased from negative S\$1.53 million as at 31 December 2023 to negative S\$3.19 million as at 30 September 2024 due mainly to losses incurred amounting to S\$1.53 million in 9M2024.

(C) Review of condensed interim consolidated statement of cash flows

Net cash used in operating activities amounted to S\$594,000 in 9M2024, mainly due to operating cash outflows before working capital changes of S\$1,212,000 and net cash generated from working capital of S\$618,000. Net cash generated from working capital was mainly a result of an increase in trade and other payables of S\$621,000 and was partially offset by a decrease in trade and other receivables of S\$3,000 during the period ended 30 September 2024.

Net cash used in / generated from investing activities was nil in 9M2024 as compared to a net cash generated from investing activities of S\$1,220,000 in the nine-month period ended 30 September 2023 ("**9M2023**"), which was mainly due to the loss of control of the Songmart Group.

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Net cash generated from financing activities amounted to S\$589,000 in 9M2024 as compared to net cash used in financing activities of S\$460,000 in 9M2023, which was due to the proceeds from borrowings during the period ended 30 September 2024.

As a result, the Group had a net cash outflow of S\$5,000 during 9M2024. The cash and cash equivalents of the Group amounted to S\$11,000 as at 30 September 2024.

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

Not applicable as no forecast was previously disclosed.

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Since 2023, the Group has undergone significant changes in its operational environment, requiring a detailed assessment of the prevailing economic conditions and competitive landscape. Notably, the third quarter of 2023 marked a pivotal moment as the Group decided to exit the groceries business, effective 30 June 2023.

As a result of this shift, the Group's outlook and financial performance for the forthcoming reporting period and the next 12 months will be closely tied to the outcome of the Proposed Transaction. The Proposed Transaction will allow the Group to leverage BioSpring's expertise in stem cell therapies to enhance the Group's business portfolio and prospects. The Group has appointed key personnel to provide the necessary support to the Group with an aim to complete the Proposed Transaction.

Singapore

The Group continues to strategically leverage the strength of the Singapore Dollar, maintaining a strong investment presence in Singapore. By utilizing the currency advantage, the Group reinforces its position in the Southeast Asian market. This strategy enables the Group to solidify its regional financial standing and align with its goal of optimizing opportunities and addressing challenges within the evolving Southeast Asian market.

6. Dividend

(a) Current Financial Period reported on

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

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

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Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5:00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend has been declared or recommended for 3Q2024, as the Company had recorded a net loss for 3Q2024.

8. If the Group has obtained a general mandate from shareholders for Interested Parties Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No general mandate for IPTs has been obtained from shareholders of the Company.

9. Confirmation pursuant to Rule 720(1) of the Catalist Rules.

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the Catalist Rules.

10. Update on the status of the Grand Bay Project

Following the Company's financial results announcement on 14 August 2024, which detailed the status of the Grand Bay Project, the Group is diligently negotiating key commercial terms for a potential transaction. In its pursuit of significant progress in advancing the Grand Bay development, the Group is engaging closely with potential investors and major shareholders of Apex. Notably, Apex has undergone a board re-composition in July 2024, and the Group is actively working to establish connections with the new executives on Apex's board. This strategic effort aims to foster stronger collaboration and facilitate the successful progression of the Grand Bay Project. Shareholders will be promptly informed of any significant developments as they arise.

11. Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules

On behalf of the Board, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board which may render the condensed interim financial statements for the nine-month period ended 30 September 2024 to be false or misleading in any material aspect.

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BY ORDER OF THE BOARD

Chu Yun Yuan
Group Chief Executive Officer

Wong Leong Chui
Lead Independent Non-Executive Director

14 November 2024