

UPDATE ON LITIGATION – ENTRY INTO SETTLEMENT AGREEMENT

1. *Introduction*

The board of directors (the “**Board**”) of Mercurius Capital Investment Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement of the Company dated 14 September 2021 (the “**Announcement**”) regarding the commencement of legal proceedings against the Company by Dennis Ng Kok Kee (the “**Plaintiff**”).

Unless otherwise defined, all capitalised terms herein shall have the meanings as ascribed to them in the Announcement.

2. *Background*

- (a) The Company announced on 29 July 2019 that the Company had entered into an agreement dated 25 July 2019 (the “**Agreement**”) with the Plaintiff, among others, to allot and issue 10,000,000 new ordinary shares in the share capital of the Company (“**New Shares**”) at an issue price of S\$0.04 per New Share, in lieu of cash payment of commission of S\$400,000 by the Company to the Plaintiff for his referral of the Company’s joint venture (the “**Joint Venture**”) with Apex Development Public Company Limited (“**APEX**”) and Grand Bay Hotel Co., Ltd..
- (b) The Plaintiff’s main allegation was that following the completion of the Joint Venture, the Company had not issued the New Shares to the Plaintiff and had thereby breached the Agreement. The Plaintiff claimed primarily for specific performance of the Agreement including allotting and issuing the New Shares to the Plaintiff and/or damages (the “**Claim**”).
- (c) The Company subsequently counterclaimed against the Plaintiff for, among others, a breach by the Plaintiff of the Agreement (the “**Counterclaim**”).

3. *Settlement*

- (a) The Board would like to update shareholders that the Plaintiff and the Company (the “**Parties**”) have agreed to a full and final settlement of any and all claims (including the Claim and the Counterclaim) – arising out of and in connection with the Agreement and any matters arising therefrom – which they have or may have against each other, on the terms and subject to the conditions of the settlement agreement entered into by the Parties on 15 November 2022 (the “**Settlement Agreement**”). The Settlement Agreement was entered into without any admission of liability or any concession whatsoever, and in the interest of a swift and expeditious resolution of the disputes between the Parties.

- (b) Under the terms of the Settlement Agreement, the Company shall, without any admission of liability or any concession whatsoever, pay the Plaintiff the settlement sum of SGD\$300,000 (the “**Settlement Sum**”) in cash in six (6) equal instalment payments, the first instalment to be paid within 5 days of the date of the Settlement Agreement and the remaining on a monthly basis beginning from December 2022.
- (c) In consideration of the execution of the Settlement Agreement, the Parties will also withdraw and discontinue the Claim and Counterclaim.

4. *General*

The Company’s entry into the Settlement Agreement is not expected to have any material impact on the financial performance of the Company or the Group for the current financial year ending 31 December 2022.

The Company will provide further updates to shareholders of the Company if there are material developments in respect of the above.

BY ORDER OF THE BOARD

Chew Hai Chiene Hester Arthur

Group Chief Executive Officer and Executive Director

15 November 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.

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