

MERCURIUS CAPITAL INVESTMENT LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.198200473E)

DISCLAIMER OF OPINION BY THE INDEPENDENT AUDITOR ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board of Directors (the “**Board**”) of Mercurius Capital Investment Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company's Independent Auditor, Nexia TS Public Accounting Corporation, have included a disclaimer of opinion based on (a) the use of going concern assumption on the consolidated financial statements of the Group and the Company and (b) the accounting for the Group's investment in a joint venture, Grand Bay Hotel Co., Ltd (the “**Disclaimer Opinion**”) in their Independent Auditor's Report dated 11 April 2022 (the “**Independent Auditor's Report**”) in relation to the audited consolidated financial statements of the Group and the Company for the financial year ended 31 December 2021 (“**FY2021**”) (the “**Financial Statements**”).

A copy of the Independent Auditor's Report is attached to this announcement for information. The Independent Auditor's Report and a complete set of the Financial Statements will also be found in the Company's annual report for FY2021 (“**FY2021 Annual Report**”), which will be released on SGXNET in due course. Shareholders of the Company (“**Shareholders**”) are advised to read this announcement in conjunction with the Financial Statements and the FY2021 Annual Report.

Going Concern

Notwithstanding the Disclaimer Opinion, the Board is of the opinion that the going concern basis of preparation of the financial statements is appropriate, having considered the unrestricted cash balances of the Group and the Company of \$842,000 and \$840,000 as at 31 December 2021 respectively would be sufficient to meet the Group's obligations for the next twelve months after taking into consideration the following:

1. An undertaking letter obtained from a director to ascertain the sufficiency of cash balance in the Group and Company prior to demanding for payment of outstanding payables of \$300,000 for the financial year ending 31 December 2022;
2. The supplementary agreement signed with all the convertible loan holders to extend the maturity dates of the convertible loans amounting to \$3,300,000 to June 2022 and July 2022. Management is currently negotiating to further extend the convertible loans; and
3. The ability of the Group and the Company to obtain additional funds through future placement of shares and/or convertible loans to settle/discharge their current liabilities in the next twelve months from the end of financial year ended 31 December 2021.

Investment in a joint venture

The Group had entered into a joint venture agreement with Apex Development Public Company Limited (“**APEX**”) and Grand Bay Hotel Co., Ltd (“**Grand Bay**”), in which the Group has a 50% shareholding interest in Grand Bay.

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The Group has used the unaudited management accounts of Grand Bay for the financial year ended 31 December 2021 to equity account for its investment in Grand Bay in the consolidated financial statements of the Group.

The Group is currently working with the management of the joint venture partner, APEX, to address this issue, and there are plans for a board meeting of Grand Bay to take place to discuss and work to resolve the issue. The COVID-19 pandemic has continued to affect the joint venture and their efforts to conclude the procurement of construction loans and other viable financing options. With the roll out of the vaccination program worldwide and in Thailand, business interests in the development of Phuket as a whole has increased which has provided a favourable condition for the discussions with potential and interested parties. The Board shall update Shareholders as soon as there is a meaningful breakthrough in the development on Grand Bay.

The Board is of the opinion that sufficient information has been disclosed for trading of the Company's securities to continue in an orderly manner and confirmed that all material disclosure has been provided for trading of the Company's shares to continue.

Shareholders are advised to read the Financial Statements in its FY2021 Annual Report in its entirety, which will be despatched to Shareholders in due course.

The Board wishes to advise Shareholders and potential investors to exercise caution when dealing in the shares of the Company. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubts about the actions they should take.

BY ORDER OF THE BOARD

CHANG WEI LU

Executive Chairman and Chief Executive Officer

11 April 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 Catalist.

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, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.