

MERCURIUS CAPITAL INVESTMENT LIMITED

(Incorporated in Singapore)

(Company Registration No. 198200473E)

PROPOSED ISSUANCE OF 1,670,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY

1. INTRODUCTION

- 1.1. The board of directors ("**Board**" or "**Directors**") of Mercurius Capital Investment Limited (the "**Company**") wishes to propose the issuance of 1,670,000 ordinary shares ("**Shares**") of the Company ("**Director's Shares**") at S\$0.045 to Chew Hai Chiene Hester Arthur ("**Hester**"), who is a Director of the Company. Subject to Shareholders' (as defined herein) approval and receipt of the listing and quotation notice ("**LQN**") from the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Director's Shares will be allotted and issued to Hester as payment for his director's fees for the period of 25 July 2020 to 31 March 2021.
- 1.2. Pursuant to Rule 812(2) of the SGX-ST's Listing Manual Section B: Rules of the Catalist ("**Catalist Rules**"), the Company will be seeking the specific approval from its shareholders ("**Shareholders**") for the issuance of shares to Hester at the upcoming annual general meeting ("**AGM**") to be convened.

2. INFORMATION RELATING TO THE DIRECTOR'S SHARES

2.1 Background and Rationale

As set out in the Company's announcement dated 5 November 2019, in connection with the appointment of Hester as an Independent Director of the Company, the Company had entered into a service agreement with Hester dated 25 July 2019, as supplemented on 4 November 2019 ("**Service Agreement**"). Under the terms of the Service Agreement, the Company had agreed to, subject to Shareholders' approval, allot 2.5 million Shares as payment of Hester's director fees, payable on a quarterly basis. The issue price of the Shares was fixed at S\$0.045 under the terms of the supplemental letter dated 4 November 2019 ("**Supplemental Letter**"). Accordingly, the annual director's fees to be paid to Hester, subject to Shareholders' approval, is S\$112,500. No placement agent has been appointed for the proposed issuance of the Director's Shares. In respect of Hester's director's fees for the period of 25 July 2020 to 31 March 2021, the Remuneration Committee has recommended that the Director's Shares be issued as payment of his fees of S\$75,150, and the Board (with Hester abstaining) is of the view that the proposed issuance of the Director's Shares is beneficial to and in the best interests of the Company as it allows the Company to conserve its cash resources.

2.2 Principal Terms

The principal terms for the proposed issuance of Director's Shares are summarised as follows:

Issuance of Director's Shares	:	The Company agrees to allot and issue to Hester, and Hester agrees to receive, the Director's Shares at the issue price of S\$0.045, as payment of his director fees and no cash proceeds will be received by the Company from Hester.
Issue Price	:	The issue price of S\$0.045 represents: (a) a discount of 8.16% to the volume weighted average price of S\$0.049, based on the trades done on the SGX-ST on 4 November 2019 (being the last full market day prior to the signing of the Supplemental Letter (pursuant to which the issue price was fixed));

(b) a premium of 14.50% to the volume weighted average price of S\$0.0393, based on the trades done on SGX-ST on 31 March 2021 (being the last day of the period in respect of Mr. Hester Chew's fees in which the proposed issue of the Director's Shares relate to); and

(c) a discount of 26.23% to the volume weighted average price of S\$0.061, based on trades done on the SGX-ST on 5 April 2021 (being the last full market day prior to the date of this announcement).

The issue price was agreed upon pursuant to arm's length negotiations between Hester and the Company.

Director's Shares : 1,670,000 new shares constituting approximately 0.13% of the Company's total issued share capital as at 31 March 2021.

2.3 The proposed issue of the Director's Shares is subject to, *inter alia*, the following conditions:

- i. as Hester falls within the categories of persons under Rule 812(1) of the Catalist Rules, specific approval of the Shareholders (with Hester abstaining) is to be obtained first at a general meeting to be convened by the Company for the allotment and issuance of the Director's Shares. The Company will be seeking Shareholders' approval at the upcoming annual general meeting; and
- ii. the approval of the SGX-ST for, *inter alia*, the listing and quotation of the Director's Shares on Catalist having been obtained by the Company. The Company will make an application to the SGX-ST through its sponsor, Novus Corporate Finance Pte. Ltd., for the listing of and quotation for the Director's Shares on the Catalist of the SGX-ST. The Company will make the necessary announcement upon receipt of the LQN from the SGX-ST.

The Director's Shares, shall be free from all claims, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with the existing ordinary shares of the Company, save that they will not rank for any dividend, right, allotments or other distributions, the record date for which falls before the date of issue of the Director's Shares.

3. CONFIRMATION BY THE BOARD

The Board is of the opinion that as of the date of this announcement, after taking into consideration the Group's present bank facilities, the working capital available to the Group may be insufficient to meet its present requirements. As such, the Company is proposing the issue of the Director's Shares to conserve its cash resources.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

In relation to the issuance of the Director's Shares, Hester is a Director of the Company and has a 0.19% shareholding interest in the Company as at the date of this announcement. As such, Hester has abstained from participating in the discussions of and making of recommendations in respect of the issuance of the Director's Shares, and will abstain from voting on such matter.

Save as disclosed above and save for their respective interests in the issued shares in the capital of the Company (as the case may be), none of the Directors, controlling Shareholders or substantial Shareholders of the Company has any interest, direct, or indirect in the proposed issuance of the Director's Shares.

BY ORDER OF THE BOARD

Chang Wei Lu
Executive Chairman and Chief Executive Officer
7 April 2021

*This announcement 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 Singapore Exchange Securities Trading Limited ("**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.

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