



MERCURIUS CAPITAL INVESTMENT LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.198200473E)

Unaudited Financial Statements Announcement for the First Quarter and Three-Month Period Ended 31 March 2021

Mercurius Capital Investment Limited (the “**Company**”) wishes to inform the shareholders of the Company that pursuant to Rule 705(2)(d) and 705(2C) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist, 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 2020.

*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 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 Months Ended		Change
	31/3/2021	31/3/2020	
	S\$'000	S\$'000	%
	Unaudited	Unaudited	
Revenue	-	-	-
Cost of sales	-	-	-
Gross profit	-	-	-
Other (losses)/income, net	7	4	71
Administrative expenses	(112)	(119)	(6)
Finance costs	(146)	(157)	(7)
Loss before income tax	(251)	(272)	(8)
Income tax expenses	-	-	-
Net loss for the financial period	(251)	(272)	(8)
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation - gains/(losses)	22	-	NM
Total comprehensive loss	(229)	(272)	(16)
Total loss attributable to:			
Equity holders of the Company	(251)	(272)	(8)
Non-controlling Interest	*	*	NM
	(251)	(272)	(8)
Total comprehensive loss attributable to:			
Equity holders of the Company	(229)	(272)	(16)
Non-controlling Interest	*	*	NM
	(229)	(272)	(16)

NM = Not meaningful

* Amount less than S\$1,000.

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

Loss before income tax for the financial period was arrived at after (charging)/crediting the following:

	3 Months ended		Change
	31/3/2021	31/3/2020	
	S\$'000	S\$'000	%
	Unaudited	Unaudited	
Depreciation - Property, plant and equipment	(3)	(3)	(14)
Depreciation - Right-of-use assets	(37)	(37)	(0)
Salaries, bonuses and allowances	(15)	(23)	(35)
Currency translation (losses)/gain, net	22	(4)	(639)
Finance expenses - Lease liability	(3)	(4)	(14)
Finance expenses - Convertible loan	(143)	(153)	(6)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at		As at	
	31/3/2021	31/12/2020	31/3/2021	31/12/2020
	S\$'000	S\$'000	S\$'000	S\$'000
	Unaudited	Audited	Unaudited	Audited
ASSETS				
Current assets				
Cash and cash equivalents	136	247	128	240
Trade and other receivables	50	57	113	107
Income tax recoverable	1	1	-	-
	<u>187</u>	<u>305</u>	<u>241</u>	<u>347</u>
Non-current assets				
Investments in subsidiary corporations	-	-	*	*
Investment in a joint venture	8,219	8,219	9,260	9,260
Property, plant and equipment	32	35	32	35
Right-of-use assets	198	234	197	234
	<u>8,449</u>	<u>8,488</u>	<u>9,489</u>	<u>9,529</u>
TOTAL ASSETS	<u>8,636</u>	<u>8,793</u>	<u>9,730</u>	<u>9,876</u>
LIABILITIES				
Current liabilities				
Trade and other payables	504	525	467	481
Lease liabilities	113	163	113	163
Convertible loans	3,956	3,813	3,956	3,813
	<u>4,573</u>	<u>4,501</u>	<u>4,536</u>	<u>4,457</u>
Non-current liabilities				
Lease liabilities	91	91	91	91
TOTAL LIABILITIES	<u>4,664</u>	<u>4,592</u>	<u>4,627</u>	<u>4,548</u>
NET ASSETS	<u>3,972</u>	<u>4,201</u>	<u>5,103</u>	<u>5,328</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	141,277	141,277	141,277	141,277
Other reserves	(1,500)	(1,522)	805	805
Accumulated losses	(135,810)	(135,559)	(136,979)	(136,754)
	<u>3,967</u>	<u>4,196</u>	<u>5,103</u>	<u>5,328</u>
Non-controlling interests	5	5	-	-
TOTAL EQUITY	<u>3,972</u>	<u>4,201</u>	<u>5,103</u>	<u>5,328</u>

* Amount less than S\$1,000.

1(b)(ii) Aggregate amount of group’s borrowings and debt securities.

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

	As at 31/03/2021		As at 31/12/2020	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Convertible loans	-	3,956	-	3,813

- Amount repayable after one year

	As at 31/12/2020		As at 31/12/2019	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Convertible loans	-	-	-	-

Note: 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.

Details of any collateral

Not applicable, as there is no collateral on the convertible loans.

Convertible Loans

On 13 December 2019, the Company entered into a convertible loan agreement with three investors whereby the investors provided a redeemable convertible loan of an aggregate principal value of S\$1.75 million (“**13 Dec 2019 Convertible Loan**”) to the Company, which is repayable in cash or in shares of the Company, convertible up to 19.25 million new ordinary shares (inclusive of any accrued interest) in the issued and paid-up share capital of the Company upon maturity on 12 December 2020.

On 23 December 2019, the Company entered into a convertible loan agreement with an investor whereby the investor provided a redeemable convertible loan of an aggregate principal value of S\$1.0 million (“**23 Dec 2019 Convertible Loan**”) to the Company, which is repayable in cash or in shares of the Company, convertible up to 11.0 million new ordinary shares (inclusive of any accrued interest) in the issued and paid-up share capital of the Company upon maturity on 22 December 2020.

On 3 January 2020, the Company entered into a convertible loan agreement with an investor whereby the investor provided a redeemable convertible loan of an aggregate principal value of S\$0.8 million (“**3 Jan 2020 Convertible Loan**”) to the Company, which is repayable in cash or in shares of the Company, convertible up to 8.8 million new ordinary shares (inclusive of any accrued interest) in the issued and paid-up share capital of the Company upon maturity on 2 January 2021.

On 12 December 2020, the Company had entered into supplemental agreements to extend the maturity of the three convertible loans for six months each as follows:

	<u>New date of maturity</u>	<u>Original date of maturity</u>
13 Dec 2019 Convertible Loan	12 June 2021	12 December 2020
23 Dec 2019 Convertible Loan	22 June 2021	22 December 2020
3 Jan 2020 Convertible Loan	2 July 2021	2 January 2021

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	3 Months Ended	
	31/3/2021	31/3/2020
	S\$'000	S\$'000
	Unaudited	Unaudited
Cash flows from operating activities		
Net loss	(251)	(272)
Adjustments for:		
- Depreciation of property, plant and equipment	3	3
- Depreciation of right-of-use assets	37	37
- Interest expense	146	157
- Unrealised currency translation losses/(gains)	22	(4)
Operating cash flows before working capital changes	<u>(43)</u>	<u>(79)</u>
Changes in working capital		
Trade and other receivables	6	(6)
Trade and other payables	(22)	(7)
Cash used in operations	<u>(59)</u>	<u>(92)</u>
Interest paid	(3)	(4)
Net cash used in operating activities	<u>(62)</u>	<u>(96)</u>
Cash flows from investing activities		
Payment for investment in a joint venture	-	(1,679)
Net cash used in investing activities	<u>-</u>	<u>(1,679)</u>
Cash flows from financing activities		
Proceeds from convertible loans		800
Repayment of lease liabilities	(49)	(35)
Net cash provided by financing activities	<u>(49)</u>	<u>765</u>
Net increase/(decrease) in cash and cash equivalents	(111)	(1,010)
Cash and cash equivalents		
Cash and cash equivalents at beginning of financial period	247	1,290
Cash and cash equivalents at end of financial period	<u>136</u>	<u>280</u>

1(d)(i) A statement (for the issuer and the group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Equity attributable to owners of the Company						
	Share capital S\$'000	Other reserve S\$'000	Equity component of convertible loan S\$'000	Accumulated losses S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total Equity S\$'000
GROUP							
Balance at 1 January 2021	141,277	(1,847)	325	(135,559)	4,196	5	4,201
Loss for the financial period	-	-	-	(251)	(251)	*	(251)
Other comprehensive loss for the financial period	-	22	-	-	22	*	22
Balance as at 31 March 2021	141,277	(1,825)	325	(135,810)	3,967	5	3,972
Balance at 1 January 2020	140,399	(1,387)	252	(133,571)	5,693	6	5,699
Loss for the financial period	-	-	-	(272)	(272)	-	(272)
Other comprehensive loss for the financial period	-	(4)	-	-	(4)	-	(4)
Convertible loan equity component	-	-	73	-	73	-	73
Balance as at 31 March 2020	140,399	(1,391)	325	(133,843)	5,490	6	5,496
COMPANY							
Balance at 1 January 2021	141,277	480	325	(136,754)	5,328	-	5,328
Loss for the financial period	-	-	-	(225)	(225)	-	(225)
Balance as at 31 March 2021	141,277	480	325	(136,979)	5,103	-	5,103
Balance at 1 January 2020	140,399	686	252	(135,566)	5,771	-	5,771
Loss for the financial period	-	-	-	(274)	(274)	-	(274)
Convertible loan equity component	-	-	73	-	73	-	73
Balance as at 31 March 2020	140,399	686	325	(135,840)	5,570	-	5,570

1(d)(ii) (aa) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

There was no change to the Company's share capital since the end of the previous period reported on.

	Issued and fully paid-up ordinary shares	Share capital S\$'000
Balance as at 31 December 2020 and 31 March 2021	1,297,363,940	141,277

(bb) State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

As disclosed in Section 1(b)(ii), the Company had entered into the 13 Dec 2019, 23 Dec 2019, and 3 Jan 2020 Convertible Loans. Further, the Company had, on 12 December 2020, entered into supplemental agreements to extend the maturity date of each of the convertible loans for a further period of six months. As at 31 March 2021, all three convertible loans, inclusive of interest, are convertible up to 39.05 million new ordinary shares of the Company (31 December 2020: 39.05 million) upon maturity. Save for this, the Company does not have any other convertible securities.

	As at 31/3/2021	As at 31/3/2020
Total number of issued shares excluding treasury shares and subsidiary holdings of the issuer	1,297,363,940	1,276,474,940
Total conversion	3.01%	3.06%

(cc) State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no treasury shares or subsidiary holdings as at 31 March 2021 and 31 March 2020.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares (excluding treasury shares) as at 31 March 2021 was 1,297,363,940 (31 December 2020: 1,297,363,940). There were no treasury shares as at 31 March 2021 and 31 December 2020.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation, and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

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

The figures have not been audited or reviewed by the Company's independent auditor.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter).

Not applicable.

3A. 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 2020 was subject to a disclaimer of opinion on the basis of the following:

(i) Material uncertainties which may cast significant doubt on the Group's and Company's ability to continue as a going concern, highlighted in the independent auditor's report dated 30 March 2021.

The Company had, on 8 April 2021, entered into a legally binding term sheet (the "**Term Sheet**") to acquire a business of trading of foodstuff, groceries, sundry goods and daily necessities, and the operation of supermarkets and convenience stores in Malaysia (the "**Proposed Acquisition**"). The Term Sheet sets out broadly the key terms and conditions in respect of the Proposed

Acquisition which will form the basis for discussion between the Company and the vendors for a definitive agreement (the “**S&P Agreement**”) to be signed between them in relation to the Proposed Acquisition within 90 working days from the date of the Term Sheet (or such later date as may be agreed in writing by the Parties). An announcement on the Proposed Acquisition and the Term Sheet was made on 9 April 2021. The Company will provide further details of the Proposed Acquisition upon the signing of the S&P Agreement.

It is the intention of the Company to raise additional funding in conjunction with the Proposed Acquisition to fund the expansion of the business to be acquired and for working capital purposes of the Company. The Group’s ability to continue as a going concern would depend on additional sources of funding raised from investors during the financial year.

(ii) 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 Hotel Co., Ltd (“**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 and the carrying amount of the investment in the joint venture due to the absence of satisfactory audit evidence and explanation from the Company.

The Company has a 50% shareholding interest in Grand Bay. For the purpose of consolidation, the Company used the unaudited management accounts of Grand Bay for the financial period ended 31 December 2020 to equity account for Grand Bay in the consolidated financial statements of the Group. The Company is currently working with the management of Grand Bay to establish an accounting reporting system to provide more detailed relevant information and will meet the board of directors and the management of the joint venture partner, Apex Development Public Company Limited (“**APEX**”), to discuss and address this issue. Please also refer to the Company’s announcement dated 23 April 2021 in respect of its responses to the queries raised by the Securities Investors Association (Singapore).

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

The Board confirms that the impact of the audit issues on the financial statements has been adequately disclosed.

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial reporting period as those applied in the preparation of the audited financial statements of the Group for the financial year ended 31 December 2020.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group had adopted all the applicable new and revised Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) which became effective for the financial year beginning on or after on 1 January 2020. The adoption of these new and revised SFRS(I) did not give rise to any material impact on the Group’s financial statements for the current financial period reported on. There have been no changes in the accounting policies and methods of computation.

6. 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:

(a) based on the weighted average number of ordinary shares on issue; and

(b) on a fully diluted basis (detailing any adjustments made to the earnings).

	3 Months Ended	
	31/3/2021	31/3/2020
Weighted average number of ordinary shares for basic earnings per share	1,288,385,335	1,276,474,940
Weighted average number of ordinary shares for diluted earnings per share	1,338,308,286	1,331,380,241
Net loss attributable to the equity holders of the Company for the financial period (\$'000)	(251)	(272)
Less: Interest on convertible loans	(143)	(153)
Adjusted net loss for the financial period (\$'000)	(108)	(119)
Basic earnings/(loss) per share (cents)	(0.008)	(0.01)
Diluted earnings/(loss) per share (cents)	(0.008)	(0.01)

For the 3-month period ended 31 March 2021, the weighted average number of shares for diluted loss per share took into account the following:

- i. 39.05 million new shares that may be issued and allotted pursuant to the conversion of the 13 Dec 2019 Convertible Loan, 23 Dec 2019 Convertible Loan, and 3 Jan 2020 Convertible Loan; and
- ii. The outstanding share-based payments amounting to 10 million shares.

7. Net asset value (for the issuer and the group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	Group	
	31/3/2021	31/12/2020
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the respective dates	0.31 cents	0.40 cents
- Number of existing issued shares at the respective dates	1,297,363,940	1,297,363,940
	Company	
	31/3/2021	31/12/2020
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the respective dates	0.39 cents	0.41 cents
- Number of existing issued shares at the respective dates	1,297,363,940	1,297,363,940

8. 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 consolidated statement of comprehensive income

Revenue and Gross Profit

The Group's new business in property development and property investment which was approved by shareholders of the Company on 30 March 2017 did not generate any revenue for the Group. As such, the Group did not record any revenue, cost of sales and gross profit for the first quarter ended 31 March ("1Q") 2020 and 2021. Please also refer to paragraph 10 of this announcement.

Increase in other income from approximately S\$4,000 in 1Q 2021 to S\$7,000 in 1Q 2021 is largely attributable to the incentive grants received.

Administrative Expenses

There is not significant change in administrative expenses as a result of cost control measures adopted and the Group has not engaged in new business activities.

Finance Costs

Finance costs in 1Q 2021 are substantially the accrued interest from the 13 Dec 2019 Convertible Loan, the 23 Dec 2019 Convertible Loan and the 3 Jan 2020 Convertible Loan.

Net Loss

As a result of the above, the Group recorded a net loss after tax of S\$251,000 in 1Q2021 as compared to a net loss after tax of S\$272,000 million in 1Q2020.

(B) Review of statement of financial position

Current Assets

The Group's current assets decreased from S\$305,000 as at 31 December 2020 to S\$187,000 million as at 31 March 2021, mainly due to a reduction in cash and cash equivalents.

Cash and cash equivalents decreased to S\$136,000 as at 31 March 2021, from S\$247,000 as at 31 December 2020. Please refer to the section on "Consolidated Statement of Cash Flows" below for the reasons for the changes in cash and cash equivalents.

The decrease in trade and other receivables is mainly attributable to refund of goods and services tax paid.

Non-current Assets

Non-current assets have decreased marginally from S\$8.49 million as at 31 December 2020 to S\$8.45 million as at 31 March 2021.

Decrease in property, plant and equipment to S\$32,000 from S\$35,000, and in right-of-use assets to S\$198,000 from S\$234,000 as at 31 March 2020 as compared to 31 December 2020, was due to depreciation charges during the respective periods.

Liabilities

The increase in current liabilities was mainly attributable to the increase in convertible loan by S\$143,000 from S\$3.81 million as at 31 December 2020 to S\$3.96 million as at 31 March 2021 due to the accrued interest for the respective convertible loans during the period. The marginal decrease in trade and other payables and lease liabilities was due to the payment of accrued expenses and the payment of office lease rental.

Working Capital

The Group recorded a negative working capital of S\$4.39 million as at 31 March 2021, as compared to the negative working capital of S\$4.20 million as at 31 December 2020.

The Board is aware of the negative working capital and had taken the following precautionary measures as disclosed in the Company's annual report for the financial year ended 31 December 2020 ("**FY2020 Annual Report**"), in note 4 of the Notes to the Financial Statements:

- Obtained an undertaking letter from a director to ascertain sufficient cash balances in the Group and the Company prior to demanding for payment of outstanding payables of S\$300,000 in the financial year ending 31 December 2021; and
- Entered into supplementary letters with certain convertible loan holders (the "**Investors**") in respect of convertible loan agreements amounting to S\$3.55 million (the "**Agreements**"), pursuant to which the Investors had agreed to take into consideration the available cash flow of the Company on or before the maturity date of the Agreements in determining the payment and should the Company not be in a financial position to repay, the Investors would agree to extend the maturity date of the Agreements. The Company had on 12 December 2020 entered into additional supplemental agreements to extend the maturity of the convertible loans for a further period of six months (as disclosed in paragraph 1(b)(ii)).

To resolve the negative working capital issue, the Company is continuously seeking sources of additional funding and long-term solutions.

Equity

The Group's total equity decreased from S\$4.20 million as at 31 December 2020 to S\$3.97 million as at 31 March 2021 due to losses incurred in 1Q2021.

(C) Consolidated statement of cash flows

Net cash used in operating activities amounted to S\$62,000 for 1Q2021, mainly due to operating cash outflows before working capital changes of S\$43,000 as a result of payment for outstanding debts and overdue invoices.

Net cash used in financing activities of S\$49,000 was due to repayments of lease liabilities.

The Group had a net cash outflow of S\$111,000 in 1Q2021. The cash and cash equivalents as at 31 March 2021 amounted to S\$136,000.

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

Not applicable.

- 10. 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.**

As mentioned in the FY2020 Annual Report the COVID-19 pandemic has continued to result in the tightening of loan application requirements by the banking and financial institutions and hence, negotiations with potential financial institutions to secure a construction loan for development of the joint venture project, Sheraton Phuket Grand Bay Resort, are still on hold. The Company and APEX have been following up with other potential financial institutions and investors, and are also exploring other viable options and will keep shareholders updated accordingly.

With the COVID-19 pandemic continuing to impact the economic activities in the tourism and hospitality sector, the Board has been cautious in strategising the development of the Company's business and exploring joint ventures and strategic alliances in other opportunities and related areas to improve shareholders' value. This has resulted in the Company entering into the Term Sheet on the Proposed Acquisition as described in paragraph 3A(a)(i). The Company is working progressively on the S&P Agreement.

- 11. If a decision regarding dividend has been made:**

- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No.

- (b) Amount of dividend per share of the current reporting financial period and of the previous corresponding period.**

Nil (31 March 2020: Nil).

- (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).**

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.

12. **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 1Q 2021, as the Group recorded a net loss for the period.

13. **If the Group has obtained a general mandate from shareholders for interested person transactions (“IPT”) 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.

14. **Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.**

The board of directors of the Company confirms that, to the best of their knowledge, nothing has come to their attention that may render the unaudited financial statements for 1Q 2021 to be false or misleading in any material aspect.

15. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

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

16. Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use in the offer document or the announcement of the issuer.

(A) Convertible loan dated 3 January 2020

Intended uses	Amount allocated (S\$'000)	Amount allocated after re-allocation⁽¹⁾ (S\$'000)	Amount utilised (S\$'000)	Balance (S\$'000)
Business and investments opportunities ⁽²⁾	788	613	613	0
General working capital ⁽³⁾	0	175	175	0
Total	788	788	788	0

(B) Placement dated 30 June 2020

Intended uses	Amount allocated (S\$'000)	Amount allocated after re-allocation (S\$'000)⁽¹⁾	Amount utilised (S\$'000)	Balance (S\$'000)
Business and investments opportunities	184	0	0	0
General working capital ⁽³⁾	300	284	107	177
Re-payment of an interest-free advance from director made to the Company on 16 August 2019	0	200	200	0
Total	484	484	307	177

Notes:-

- (1) Please refer to the Company's announcement dated 1 March 2021 in respect of the re-allocation of the use of proceeds.
- (2) Business and investment opportunities include the final instalment of the purchase price for the Joint Venture and expected expenses to be incurred in connection with the Joint Venture with APEX and opportunities in other property development projects as and when they arise.
- (3) General working capital includes day-to-day operating expenses for the Group such as professional fees, listing fees, staff cost and office expenses.

The use of the net proceeds from the 3 Jan 2020 Convertible Loan and the Placement is in accordance with the intended use as previously disclosed in the

Company's announcements dated 3 January 2020, 30 June 2020 and as amended in the Company's announcement of 1 March 2021.

The Company will make periodic announcements as and when the balance of the net proceeds of the Placement are materially disbursed.

BY ORDER OF THE BOARD

Chang Wei Lu
Executive Chairman and Chief Executive Officer
14 May 2021