

MERCURIUS CAPITAL INVESTMENT LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 198200473E)

REALLOCATION AND UPDATE ON THE USE OF PROCEEDS FROM A PLACEMENT

The board of directors (the “**Board**”) of Mercurius Capital Investment Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated:

- (i) 7 June 2021 in relation to the proposed placement of 27,272,727 new ordinary shares in the share capital of the Company (“**Placement**”); and
- (ii) 8 November 2021, 17 January 2022, 28 February 2022, 11 April 2022 and 13 May 2022 in relation to the updates on the use of proceeds from the Placement

(collectively, the “**Announcements**”).

Unless otherwise defined in this announcement, all capitalised terms used in this announcement shall have the same meanings ascribed to them in the Announcements.

Pursuant to Rule 704(30) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist, the Board wishes to announce the reallocation of the use of net proceeds

After reviewing the Group’s cash flow needs for its existing operations, the Board has decided to reallocate the unutilised net proceeds from the Placement, which was originally allocated for the payment of borrowings, to be utilised for general working capital (the “**Reallocation**”). In respect of the Reallocation, the Company has also considered that it has, at present, further extended the maturity dates of the Group’s convertible loans to June 2023 and July 2023.

Further to the Reallocation, the Board wishes to provide an update on the use of net proceeds from the Placement since its announcement dated 13 May 2022 as follows:

Placement dated 7 July 2021

Intended use of net proceeds	Amount allocated (\$’000)	Amount unutilised as announced on 13 May 2022 (\$’000)	Amount allocated after Reallocation (\$’000)	Total amount utilised as of the date of this announcement (\$’000)	Balance as at the date of this announcement (\$’000)
Business acquisition expenses ⁽¹⁾	200	88	200	112	88
Payment of borrowings ⁽²⁾	800	511	289	289	-
General working capital	485	-	996	673 ⁽³⁾	323
Total	1,485	599	1,485	1,074	411

Notes:-

- (1) Business acquisition expenses refer to the expenses to be incurred in relation to the proposed acquisition of the entire issued share capital of Songmart Holdings Sdn Bhd, which relate mainly to professional fees for the conduct of due diligence and associated work.

- (2) The Group has certain borrowings including a director's loan and certain convertible loans obtained in 2019 and 2020. The Group had initially allocated S\$800,000 to make partial repayment of its borrowings if required. Further to the Company's announcement dated 13 May 2022 in respect of the Group's financial results for the three months ended 31 March 2022, the Company has successfully negotiated with the convertible loan holders to further extend the maturity dates of the convertible loans to June 2023 and July 2023. As such, the Company is reallocating the unutilised portion as it does not envisage the need to repay any borrowings with the proceeds.
- (3) The amounts were utilised for (A) employee benefit expenses of S\$83,000, (B) professional fees of S\$292,000, (C) audit fees of S\$66,000, (D) office rental and related expenses of S\$226,000 and (E) other expenses of S\$6,000.

Save for the Reallocation and as disclosed above, the use of proceeds of the Placement completed on 7 July 2021 is in accordance with the intended use as previously disclosed in the Company's Announcements.

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

20 July 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.

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