

MERCURIUS CAPITAL INVESTMENT LIMITED

(Incorporated in Singapore)

(Company Registration No. 198200473E)

RESPONSE TO QUERIES FROM THE SGX-ST IN RELATION TO THE JOINT VENTURE

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Mercurius Capital Investment Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements on (i) 29 November 2019 in relation to, *inter alia* the application to Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for a further extension of time to complete the joint venture and demonstrate a viable business in order to maintain its listing status (“**Application**”); and (ii) 17 June 2019 in relation to the Company’s joint venture with Apex Development Public Company Limited (“**APEX**”) and Grand Bay Hotel Co., Ltd (the “**Joint Venture**”), as well as the circular to shareholders dated 5 August 2019 in respect of the Joint Venture (“**Circular**”).

Unless as otherwise defined, all capitalised terms used herein shall have the same meaning ascribed to them in the above-mentioned announcements and Circular.

2. RESPONSE TO QUERIES FROM THE SGX-ST

The Board would like to provide the Company’s response to queries raised by the SGX-ST in relation to the Application as follows:

Query 1

Please announce the rationale and details of the request for extension of time.

Company’s response

The SGX-ST had granted the Company up till 30 November 2019 to complete the Joint Venture and demonstrate a viable business in order to maintain its listing status. The Company is requesting for a further extension from the SGX-ST while Grand Bay obtains (i) at least THB 310.0 million in bank loan(s) from reputable financial institution(s), and (ii) loan(s) from reputable financial institution(s) to fund as least 65% of the construction costs of the Sheraton Resort, as part of the terms of the JVA between APEX and the Company, of which APEX is responsible for the procurement of such loans. As of the date of this announcement, APEX and the Company are currently working together to secure such loans and had approached potential lenders for the construction loan. Due diligence work has been carried out by potential lenders and the loan applications are currently being reviewed.

On the basis that the loans have yet to be secured, the Directors are of the view that it would not be in the Company’s and shareholders’ interests to make payment of the final instalment and complete the acquisition of the final 30% shareholding interest in Grand Bay until the loans are secured by Grand Bay and APEX. This would also ensure that Grand Bay will have sufficient funding to commence development and in turn, be a viable business.

Query 2

Please elaborate on the funding available to the Company for the purpose of acquiring the remaining 30% in Grand Bay.

Company's response

In settling the final instalment to acquire the remaining 30% in Grand Bay, the funds will be made available via advancements from Directors of the Company, in compliance with applicable rules.

Query 3

Please set out the timeline and milestones and the parties responsible, between now and 31 January 2020 to complete the JVA.

Company's response

The indicative targeted timeline is as follows:

Date	Descriptions	Responsible party
By end of December 2019	(i) Grand Bay to secure the loans from the potential lenders	APEX, Grand Bay, and the Company
	(ii) Payment of final installment	The Company
By end of January 2020	(i) Completion of documentation for transfer of the Sale Shares pursuant to the final installment, including updating the share register of Grand Bay and submission of registration documents with the Department of Business Development, Ministry of Commerce of Thailand	APEX and the Company
	(ii) Procure the amendment of the BOI Promotion Certificate by the relevant Thai authorities	Grand Bay
	(iii) To further collaborate with APEX on the project stated in the Addendum to the JVA, namely Club Med Krabi Resort and Residences, and Sheraton Krabi Yao Beach Resort and Residences.	APEX and the Company

The indicative targeted timeline is subject to changes depending on the timing of the procurement of the loans. As of the date of this announcement, the potential lenders are reviewing the loan applications submitted to them. The Company will keep shareholders updated accordingly.

Query 4

The Company is required to make monthly updates as to the progress of the JVA

Company's response

The Company will make monthly updates on the progress of the JVA.

BY ORDER OF THE BOARD

Chang Wei Lu
Executive Chairman and Chief Executive Officer
4 December 2019

*This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**"), in accordance 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.

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.