

MERCURIUS CAPITAL INVESTMENT LIMITED

(Incorporated in Singapore)

(Company Registration No. 198200473E)

- USE OF PROCEEDS FROM THE PLACEMENT - UPDATES ON THE JOINT VENTURE WITH APEX DEVELOPMENT PUBLIC COMPANY LIMITED

The board of directors (the “**Board**”) of Mercurius Capital Investment Limited (the “**Company**”) refers to the following:

- (i) announcement by the Company dated 30 March 2019 in relation to a convertible loan with an aggregate principal amount of \$500,000 granted by two (2) investors to the Company (“**2019 Convertible Loan**”);
- (ii) announcements by the Company dated 16 June 2019 and 19 July 2019 (the “**Announcement**”) in relation to the revised placement of 137,500,000 new shares in the capital of the Company (“**Revised Placement Shares**”) (the “**Placement**”);
- (iii) announcement by the Company dated 11 July 2019 in relation to the receipt of listing and quotation notice from the SGX-ST;
- (iv) announcement by the Company dated 19 July 2019 in relation to the listing and quotation of the Revised Placement Shares on the SGX-ST;
- (v) announcement by the Company dated 24 July 2019 in relation to the use of proceeds from the Placement;
- (vi) circular to shareholders of the Company dated 5 August 2019 (“**Circular**”) in relation to the proposed acquisition of 50% shareholding interest in Grand Bay Hotel Co., Ltd (“**Grand Bay**”) (“**Acquisition**”) pursuant to a joint venture agreement entered into by the Company with Apex Development Public Company Limited (“**Apex**”) and Grand Bay (the “**Joint Venture**”); and
- (vii) announcement by the Company dated 14 August 2019 in relation to, *inter alia*, the use of proceeds from the 2019 Convertible Loan and the Placement.

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

The Board wishes to provide an update on the utilisation of the respective net proceeds from the 2019 Convertible Loan and the Placement as follows:

(A) 2019 Convertible Loans

Intended uses	Amount allocated (S\$'000)	Amount utilised as at 13 August 2019 ⁽¹⁾ (S\$'000)	Amount utilised from 14 August to 28 August 2019 (S\$'000)	Balance as at the date of this announcement (S\$'000)
Business and investments opportunities	100	48	52	-
General working capital ⁽²⁾	384	202	5	177
Total	484	250	57	177

(B) Placement

Intended uses	Amount allocated (S\$'000)	Amount utilised as at 13 August 2019⁽¹⁾ (S\$'000)	Amount utilised from 14 August to 28 August 2019 (S\$'000)	Balance as at the date of this announcement (S\$'000)
Business investments and acquisition	5,400	1,486	3,914 ⁽⁴⁾	-
General working capital ⁽²⁾⁽³⁾	60	-	-	60
Total	5,460	1,486	3,914	60

Notes:-

- (1) As announced by the Company on 14 August 2019.
- (2) General working capital includes day-to-day operating expenses such as professional fees, listing fees, staff cost and office expenses.
- (3) Includes operating expenses that may arise pursuant to the Joint Venture.
- (4) Relates to the Second Instalment and Third Instalment, as further described below.

The use of the net proceeds from the 2019 Convertible Loans and Placement is in accordance with the intended use as disclosed in the announcements. The Company will make periodic announcements as and when the balance of the net proceeds is materially disbursed.

Further to the above, the Board also wishes to provide an update on the Joint Venture. As at the date of this announcement, the Company had paid an aggregate amount of approximately S\$6,076,000 (substantially funded by the net proceeds from the Placement) for the payment of the first instalment of THB33.5 million (equivalent to approximately S\$1.5 million¹), second instalment of THB33.5 million (equivalent to approximately S\$1.5 million²) ("**Second Instalment**") and third instalment of THB67 million (equivalent to approximately S\$3.1 million²) ("**Third Instalment**") of the purchase consideration of the Acquisition.

Pursuant to and in accordance with the terms and conditions of the Joint Venture agreement and as duly disclosed in the Circular, (i) the Second Instalment was paid to Apex after [the release of the existing mortgage on the JV Properties and upon payment, 10% of the Sale Shares was transferred to the Company; and (ii) the Third Instalment was paid to Apex after the letter of consent was obtained from Starwood permitting the transfer of Sales Shares to the Company and upon payment, 20% of the Sale Shares was transferred to the Company. Accordingly, as at the date of this announcement, a total 40% of the Sale Shares had been transferred to the Company.

The Company will provide updates to shareholders as and when there are material development on the Joint Venture.

BY ORDER OF THE BOARD

CHANG WEI LU

Executive Chairman and Chief Executive Officer
29 August 2019

¹ Based on exchange rate of S\$1.00 : THB 0.044

² Based on exchange rate of S\$1.00 : THB 0.046

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. ("**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**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 Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.