

## MERCURIUS CAPITAL INVESTMENT LIMITED

(Incorporated in Singapore)

(Company Registration No. 198200473E)

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### APPLICATION FOR EXTENSION OF TIME TO COMPLY WITH RULES 707(1) AND 711A OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE “SGX-ST”) LISTING MANUAL SECTION B: RULES OF CATALIST (“CATALIST RULES”)

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#### *Introduction*

The board of directors (the “**Board**” or the “**Directors**”) of Mercurius Capital Investment Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has, through its continuing sponsor Novus Corporate Finance Pte. Ltd. (the “**Sponsor**”), submitted an application on 14 March 2024 to the SGX-ST for an extension of time to comply with the requirements of Rules 707(1) and 711A of the Catalist Rules (the “**Application**”) as follows:

- (a) an extension of time of 90 days for the Company to hold its annual general meeting for the financial year ended 31 December 2023 (“**FY2023**”), being no later than 29 July 2024 (the “**FY2023 AGM**”); and
- (b) an extension of time of 75 days for the Company to issue its sustainability report for FY2023 (the “**FY2023 SR**”), being no later than 14 July 2024.

#### *Rationale for the Application*

The rationale for seeking the Application is as follows:

1. The Group had undergone significant events in FY2023, which include:
  - (a) as announced by the Company on 7 March 2023 and 30 March 2023, the receipt of two notices of demand in respect of certain outstanding sums owed to Alliance Bank Malaysia Berhad (the “**Bank**”) by certain entities of the Group’s groceries business in Malaysia (“**Songmart Entities**”), and following from that, the receipt of two notices of demand for the recall and termination of facilities extended by the Bank, as announced on 15 May 2023 and 29 May 2023 and the subsequent legal proceedings in relation to the aforementioned facilities;
  - (b) as announced on 10 July 2023, the suspension of trading in the Company’s shares;
  - (c) the cessation of the Group’s groceries business in Malaysia that was announced on 27 July 2023;
  - (d) winding up petitions served on the Songmart Entities by its creditors, as announced by the Company on 11 July 2023, 27 July 2023, 8 August 2023 and 14 August 2023 respectively, and with the subsequent appointment of a liquidator to the Songmart Entities, as announced on 21 August 2023; and
  - (e) the Bank having applied to the High Court in Johor Bahru for summary judgment against the Songmart Entities, the Company and other guarantors, as announced on 2 October 2023, pursuant to which summary judgment was granted in favour of the Bank in relation to the amounts owed to it, as announced on 19 February 2024.

The abovementioned events had required substantial resources of the Company which unfortunately, had a detrimental impact on the availability of manpower and financial resources of the Group.

2. CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation) ("**CLA**") has been the independent auditors of the Company and its wholly-owned Singapore subsidiary since the financial year ended 31 December 2012 and was re-appointed as the Company's auditors at the last annual general meeting of the Company held on 29 April 2023. DIA International Audit Co., Ltd ("**DIA**") has been appointed to audit the Company's joint venture with Apex Development Public Company Limited ("**Apex**"), Grand Bay Hotel Co., Ltd ("**Grand Bay**"), for FY2023. The basis for the Application is due to the delays in the commencement of the audit for the Group for FY2023 mainly arising from the outstanding fees owed by the Company to CLA as well as CLA's inability to obtain sufficient information requested from the auditors of Grand Bay to commence its review of the audit working paper.
3. The Company had been informed by the Chief Executive Officer of Apex that the former external auditor of Grand Bay, Bunchikij Co., Ltd, Thailand ("**Former EA**"), had been replaced, following which DIA was appointed as the external auditor of Grand Bay for FY2023. Outstanding fees owed to both Grand Bay's Former EA and DIA have resulted in the delay in the commencement of the audit of Grand Bay and the provision of the requested information from DIA to CLA, further impeding the timeline of the Group's audit.
4. As disclosed in the auditor's report for the financial year ended 31 December 2022, CLA has encountered challenges and difficulties in completing the audit of the Songmart Entities' accounts as of the acquisition date of the Songmart Entities, being 28 October 2022. Following the significant events surrounding the Songmart Entities as disclosed in paragraph 1 above, the aforementioned audit concern highlighted by CLA remains unresolved to date and the Group had performed a full impairment assessment on the Songmart Entities due to the loss of control over the Songmart Entities.
5. The Company is working towards addressing the issue of the outstanding fees owed to CLA by March 2024 and is also working with CLA to provide the necessary information. However, the completion of the audit will require additional time due to these unresolved matters.
6. As the finalisation of the annual report for FY2023 ("**FY2023 AR**") is contingent upon the completion of the audit of the Group's FY2023 financial statements, and consequently, the convening of the FY2023 AGM, the Company is therefore seeking the SGX-ST's approval for an extension of time of 90 days to convene the FY2023 AGM.
7. Consequent to the events described in paragraphs 1 to 6 above, as the FY2023 SR involves the disclosure of the Group's sustainability practices of its material environment, social and governance factors as well as the relevant climate-related disclosures, the Company is of the view that the FY2023 SR will not be meaningfully completed without discussions and references to the governance of the Group which will be set out in greater detail in the Corporate Governance section of the FY2023 AR, and other information to be contained in the FY2023 AR which include, among others, the significant events of the Group during the past financial year and the economic performance sections. As the Company requires additional time to finalise its audit and the FY2023 AR, the Company is also seeking the SGX-ST's approval for an extension of 75 days for the Company to issue the FY2023 SR by 14 July 2024, together with the FY2023 AR.

The Company is also submitting a concurrent application to the Accounting and Corporate Regulatory Authority ("**ACRA**") for approval of a further extension of time to comply with Sections 175(1)(a) and 197(1)(a) of the Companies Act 1967, to convene its FY2023 AGM and file its annual returns (the "**ACRA EOT Application**").

**Further Updates**

The Company will keep shareholders updated on the outcome of the Application and the ACRA EOT Application in due course.

**BY ORDER OF THE BOARD**

Chang Wei Lu

Executive Chairman and Interim Group Chief Executive Officer

14 March 2024

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*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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