

MERCURIUS CAPITAL INVESTMENT LIMITED

(Incorporated in 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, 13 May 2022, 20 July 2022, 12 August 2022, 13 October 2022, 11 November 2022, 1 March 2023, 14 April 2023, 15 May 2023, 14 August 2023 and 14 November 2023 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 “**Catalist Rules**”), the Board wishes to announce the reallocation of, and the use of net proceeds from the Placement.

The unutilised net proceeds from the Placement, which were originally allocated for business acquisition expenses were reallocated and utilised for general working capital (the “**Final Reallocation**”) since 7 November 2022, in light of the Group’s cash flow needs for its existing operations and the availability of its cash balances. The Company had since utilised the remaining proceeds as required, for the aforesaid purpose. The Company did not make a timely announcement in respect of the Final Reallocation due to changes in the Company’s accounting department, leading to a temporary lapse in tracking the designated use of proceeds. Furthermore, the challenges facing the Group have compounded the aforementioned situation, diverting attention and resources away from the Company’s ability to make the necessary timely announcement.

Further to the Final Reallocation, the Board wishes to provide an update on the use of net proceeds from the Placement as follows:

Placement dated 7 July 2021

Intended use of net proceeds	Amount allocated after the 2022 Reallocation (as defined herein) (S\$’000) ⁽¹⁾	Amount unutilised as announced on 14 November 2023 (S\$’000)	Unutilised amount allocated after the Final Reallocation (S\$’000)	Total amount utilised as of the date of this announcement (S\$’000)	Balance as at the date of this announcement (S\$’000)
Business acquisition expenses ⁽²⁾	200	88	-	112	-
Payment of borrowings ⁽³⁾	289	-	-	289	-
General working capital	996	11	99	1,084 ⁽⁴⁾	-
Total	1,485	99	99	1,485	-

Notes:

- (1) Please refer to the Company's announcement dated 20 July 2022 in respect of the re-allocation of the use of proceeds (the "**2022 Reallocation**").
- (2) Business acquisition expenses refer to the expenses 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.
- (3) 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. As at 20 July 2022, the Company had utilised S\$289,000 for its payment of borrowings and subsequently reallocated the unutilised portion of its proceeds pursuant to the 2022 Reallocation. In view of the foregoing, there are nil balance proceeds allocated for the payment of borrowings.
- (4) Pursuant to the Final Reallocation, the Company had utilised the remaining unutilised proceeds of S\$99,000 for (A) employee benefit expenses of S\$47,000, (B) professional fees of S\$29,000, (C) audit fees of S\$23,000.

Save for the 2022 Reallocation and the Final Reallocation, the use of proceeds from the Placement is in accordance with the intended use as previously disclosed.

As at the date of this announcement, the proceeds raised from the Placement have been fully utilised.

BY ORDER OF THE BOARD

Chang Wei Lu
Executive Chairman and Interim Chief Executive Officer
29 February 2024

*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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