

MERCURIUS CAPITAL INVESTMENT LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.198200473E)

MATERIAL VARIANCES BETWEEN UNAUDITED AND AUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The board of directors (the “**Board**”) of Mercurius Capital Investment Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its unaudited full year financial results announcement for the financial year ended 31 December 2019 (“**FY2019**”) released via the SGXNET on 28 February 2020 (the “**Unaudited Financial Statements**”). Further reference is made to the audited financial statements of the Company for FY2019 (the “**Audited Financial Statements**”) and the report thereon by the Company’s independent auditor which will be set out in the Company’s annual report for FY2019 (“**AR**”) which will be issued to shareholders of the Company and released on the SGXNET in due course.

Pursuant to Rule 704(5) of Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board wishes to announce that subsequent to the release of the Unaudited Financial Statements, the independent auditor has proposed certain adjustments and reclassifications which the management of the Company has adopted accordingly in respect of the consolidated statement of comprehensive income, statement of financial position, consolidated statement of changes in equity, and consolidated statement of cash flow in the Audited Financial Statements. Details and explanation of the material variances between the Unaudited Financial Statements and the Audited Financial Statements are set out in the Appendix to this announcement.

Shareholders are advised to read the Audited Financial Statements in the AR which will be issued and released in due course.

BY ORDER OF THE BOARD

CHANG WEI LU

Executive Chairman and Chief Executive Officer

6 April 2020

*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.

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.

Appendix

Consolidated statement of comprehensive income for FY2019

	12 Months Ended 31/12/2019				Note
	As per Audited Financial Statements	As per Unaudited Financial Statements	Variance		
	S\$'000	S\$'000	S\$'000	%	
<u>Continuing Operations</u>					
Revenue	-	-	-		
Cost of sales	-	-	-		
Gross profit	-	-	-		
Other income, net	46	46	-	0%	
Administrative expenses	(1,324)	(1,324)	-	0%	
Finance costs	(46)	(18)	(28)	156%	1
Loss before income tax	(1,324)	(1,296)	(28)	2%	
Income tax expenses	(2)	(2)	-		
Net loss for the financial period	(1,326)	(1,298)	(28)	2%	
Other comprehensive loss					
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences arising from consolidation					
-Gains/(losses)	(7)	(7)	-	0%	
Total comprehensive loss	(1,333)	(1,305)	(28)	2%	
Net profit/(loss) attributable to:					
Equity holders of the Company	(1,325)	(1,297)	(28)	2%	
Non-controlling interests	(1)	(1)	-	0%	
	(1,326)	(1,298)	(28)	2%	
Total comprehensive profit/(loss) attributable to:					
Equity holders of the Company	(1,332)	(1,304)	(28)	2%	
Non-controlling interests	(1)	(1)	-	0%	
	(1,333)	(1,305)	(28)	2%	

Statement of Financial Position as at 31 December 2019

	Group				Company				Note
	As per Audited Financial Statements	As per Unaudited Financial Statements	Variance		As per Audited Financial Statements	As per Unaudited Financial Statements	Variance		
	S\$'000	S\$'000	S\$'000	%	S\$'000	S\$'000	S\$'000	%	
ASSETS									
Current assets									
Cash and cash equivalents	1,290	1,290	-	0%	1,282	1,282	-	0%	
Trade and other receivables	7,662	7,661	1	0%	7,700	7,700	-	0%	2
Income tax recoverable	1	1	-		-	-	-		
	8,953	8,952	1	0%	8,982	8,982	-	0%	
Non-current assets									
Investment in subsidiary corporations	-	-	-		*	*			
Property, plant and equipment	48	48			48	48			
Property, plant and equipment	382	382	-	0%	382	382	-	0%	
	430	430	-	0%	430	430	-	0%	
TOTAL ASSETS	9,383	9,382	1	0%	9,412	9,412	-	0%	
LIABILITIES									
Current liabilities									
Trade and other payables	762	773	(11)	-1%	719	730	(11)	-2%	3
Lease liabilities	144	144	-	0%	144	144	-	0%	
Convertible loan	2,537	2,750	(213)	-8%	2,537	2,750	(213)	-8%	4
	3,443	3,667	(224)	-6%	3,400	3,624	(224)	-6%	
Non-Current liabilities									
Lease liabilities	241	241	-	0%	241	241	-	0%	
TOTAL LIABILITIES	3,684	3,908	(224)	-6%	3,641	3,865	(224)	-6%	
NET ASSETS	5,699	5,474	225	4%	5,771	5,547	224	4%	
EQUITY									
Capital and reserves attributable to equity holders of the Company									
Share capital	140,399	140,399	-	0%	140,399	140,399	-	0%	
Other reserves	(1,135)	(1,387)	252	-18%	938	686	252	37%	4
Accumulated losses	(133,571)	(133,544)	(27)	0%	(135,566)	(135,538)	(28)	0%	
	5,693	5,468	225	4%	5,771	5,547	224	4%	
Non-controlling interests	6	6	-	0%	-	-	-	-	
TOTAL EQUITY	5,699	5,474	225	4%	5,771	5,547	224	4%	

Consolidated statement of cash flow for FY2019

	As per Audited Financial Statement	As per Unaudited Financial Statement	Variances		Note
	SS'000	SS'000	SS'000	%	
Cash flows from operating activities					
Net loss	(1,326)	(1,298)	(28)	2%	
Adjustments for:					
Depreciation	70	70	-	0%	
Bad debt written off	-	-	-	-	
Interest expense	46	18	28	156%	1
Income tax expense	2	2	-	0%	
Share-based payment expenses	686	686	-	0%	
Unrealised currency translation (gains)/losses	(5)	(5)	-	0%	
Operating cash flows before working capital changes	(527)	(527)	-	0%	
Changes in working capital					
Trade and other receivables	(27)	(7,608)	7,581	-100%	5
Trade and other payables	570	569	1	0%	2
Cash generated from/(used in) operations	16	(7,566)	7,582	-100%	
Interest paid	(7)	(7)	-	0%	
Net cash generated from/(used in) operating activities	9	(7,573)	7,582	-100%	
Cash flows used in investing activities					
Partial payment for investment in a joint venture	(7,581)	-	(7,581)	NM	5
Additions of property, plant and equipment	(54)	(53)	(1)	2%	2
Net cash used in investing activities	(7,635)	(53)			
Cash flows from financing activities					
Proceeds from placement of ordinary shares	5,500	5,500	-	0%	
Proceeds from convertible loans	3,250	3,250	-	0%	
Repayment of lease liabilities	(59)	(59)	-	0%	
Net cash provided by financing activities	8,691	8,691			
Net increase/(decrease) in cash and cash equivalents	1,065	1,065	-	0%	
Cash and cash equivalents					
Cash and cash equivalents at beginning of financial year	225	225	-	0%	
Cash and cash equivalents at end of financial year	1,290	1,290			

Notes:-

1. Recognition of additional interest on convertible loans amounting to S\$28,000 following the fair value assessment of the convertible loans as at 31 December 2019, based on the requirements of SFRS(I) 1-32 Financial Instruments: Presentation and SFRS(I) 1-39 Financial Instruments: Recognition and Measurement.
2. Immaterial difference due to rounding of figures.
3. Reclassification of interest payable under the convertible loans under "Trade and other payables" to "Convertible loans".
4. Pursuant to the fair value assessment of the convertible loans as mentioned in note 1, S\$252,000 had been adjusted as an equity conversion component and reclassified to "Other reserves". Interest on convertible loan amounting to S\$39,000 had been recognised upon the fair value assessment.
5. Reclassification of partial payment to Apex Development Public Company Limited amounting to \$7,581,000, pursuant to acquisition of 50% shareholdings in Grand Bay Hotel Co., Ltd., disclosed as cash flow from investing activities in the consolidated cash flow statements.