

## MERCURIUS CAPITAL INVESTMENT LIMITED

(Incorporated in Singapore)

(Company Registration No. 198200473E)

### PROPOSED PLACEMENT OF 150,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY

#### 1. INTRODUCTION

- 1.1 The board of directors ("**Board**" or "**Directors**") of Mercurius Capital Investment Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company had, on 12 June 2019, entered into twelve (12) separate conditional placement agreements (collectively, the "**Placement Agreements**", and each a "**Place Agreement**") with twelve (12) placees (collectively, the "**Placees**" and each a "**Placee**"), pursuant to which the Company shall allot and issue an aggregate of 150,000,000 new ordinary shares in the capital of the Company (the "**Placement Shares**") at an issue price of S\$0.04 per Placement Share ("**Issue Price**") to the Placees, for an aggregate subscription amount of S\$6,000,000 ("**Placement Consideration**") (the "**Placement**"). The names of each of the Placees, the number of Placement Shares placed to each Placee and the placement consideration to be received from each Placee are described in paragraph 2 of this announcement.
- 1.2 The Placement Shares will be issued under Section 275(1A) of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**") and in compliance with all the conditions of these exemptions in the SFA therein. As such, no prospectus, offer document or other information statement will be issued by the Company and lodged with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") acting as agent on behalf of the Monetary Authority of Singapore in connection with the Placement.

#### 2. INFORMATION RELATING TO THE PLACEES

*Shareholders of the Company ("**Shareholders**") should note that information relating to the Placees in this paragraph and elsewhere in this announcement was provided by each of the Placees. The Company and the Directors have not independently verified the accuracy and correctness of such information herein.*

- 2.1. The Placement Shares will be allotted and issued to, and subscribed and paid for by, each of the Placees in the following proportion:

Name of Placee	Number of Placement Shares	Placement Consideration (S\$)	Placement Shares as a percentage of the Enlarged Share Capital <sup>(1)</sup> (%)	Number of existing shares of the Company (" <b>Shares</b> ") held (representing % of Existing Share Capital) <sup>(2)</sup>	Total number of Shares held after completion of Placement (representing % of Enlarged Share Capital) <sup>(3)</sup>
Kuo Fong-Yu <sup>(4)</sup> ("Mr. Kuo")	12,500,000	500,000	0.99	9,170,000 (0.82%)	21,670,000 (1.71%)
Hung Ping-Kun <sup>(5)</sup> ("Mr. Hung")	25,000,000	1,000,000	1.98	9,166,000 (0.82%)	34,166,000 (2.70%)
Yang Cheng-Chuan <sup>(6)</sup> ("Mr. Yang")	12,500,000	500,000	0.99	9,166,000 (0.82%)	21,666,000 (1.71%)
Yeh Yun-Fan <sup>(7)</sup> ("Mr. Yeh")	12,500,000	500,000	0.99	9,166,000 (0.82%)	21,666,000 (1.71%)
Calina Ho Yim Peng <sup>(8)</sup> ("Ms. Calina")	12,500,000	500,000	0.99	-	12,500,000 (0.99%)

Name of Placee	Number of Placement Shares	Placement Consideration (S\$)	Placement Shares as a percentage of the Enlarged Share Capital <sup>(1)</sup> (%)	Number of existing shares of the Company ("Shares") held (representing % of Existing Share Capital) <sup>(2)</sup>	Total number of Shares held after completion of Placement (representing % of Enlarged Share Capital) <sup>(3)</sup>
Chang Hung-Chih <sup>(9)</sup> ("Mr. Chang")	12,500,000	500,000	0.99	-	12,500,000 (0.99%)
Dennis Ng Kok Kee <sup>(10)</sup> ("Mr. Dennis")	12,500,000	500,000	0.99	-	12,500,000 (0.99%)
Tan Wan Teen Wendy <sup>(11)</sup> ("Ms. Wendy")	6,250,000	250,000	0.49	-	6,250,000 (0.49%)
Gwee Sung <sup>(12)</sup> ("Ms Gwee")	25,000,000	1,000,000	1.98	-	25,000,000 (1.98%)
Koh Boon Chin <sup>(13)</sup> ("Mr. Koh")	6,250,000 <sup>(6)</sup>	250,000	0.49	2,050,000 (0.18%)	8,300,000 (0.66%)
Heng Boon Mei <sup>(14)</sup> ("Ms. Heng")	5,000,000	200,000	0.40	-	5,000,000 (0.40%)
Cheah Bee Lin <sup>(15)</sup> ("Ms. Cheah")	7,500,000	300,000	0.59	55,099,207 (4.95%)	62,599,207 (4.95%)
<b>Total</b>	<b>150,000,000</b>	<b>6,000,000</b>	<b>11.87</b>		

**Notes:**

- (1) Based on the enlarged issued and paid-up share capital of the Company of 1,264,008,940 Shares ("Enlarged Share Capital"), after the allotment and issuance of the 150,000,000 Placement Shares.
- (2) Number of Shares held as at the date of the Placement Agreement, and as a percentage of the existing issued and paid up share capital of the Company of 1,114,008,940 Shares ("Existing Share Capital").
- (3) Based on existing number of Shares held as at the date of the Placement Agreement and the number of Placement Shares after completion of the Placement, and as a percentage of the Enlarged Share Capital.
- (4) Mr. Kuo, an existing Shareholder, is a medical practitioner.
- (5) Mr. Hung, an existing Shareholder, is a medical practitioner.
- (6) Mr. Yang, an existing Shareholder, is a medical practitioner.
- (7) Mr. Yeh, an existing Shareholder, is a medical practitioner.
- (8) Ms. Calina is a businesswoman engaging in property investment in Singapore. As at the date of the Placement Agreement, Ms. Calina does not hold any Shares.
- (9) Mr. Chang is a medical practitioner in Taiwan. As at the date of the Placement Agreement, Mr. Chang does not hold any Shares.
- (10) Mr. Dennis is a self-employed businessman in Singapore. Mr. Dennis had ventured into the food and beverage industries, banking industries, and venture capitalist. As at the date of this announcement, Mr. Dennis does not hold any Shares.
- (11) Ms. Wendy is a self-employed businesswoman engaging in property investment in Singapore. As at the date of the Placement Agreement, Ms. Wendy does not hold any Shares.

- (12) Ms. Gwee is a self-employed businesswoman engaging in property investment in Singapore. As at the date of the Placement Agreement, Ms. Gwee does not hold any Shares.
- (13) Mr. Koh, an existing Shareholder, is a retired businessman.
- (14) Ms. Heng is a businesswoman engaging in property investment in Singapore. As at the date of the Placement Agreement, Ms. Heng does not hold any Shares.
- (15) Ms. Cheah, an existing Shareholder, is a businesswoman engaging in the property investment business. As at the date of this announcement, Ms Cheah holds 55,099,207 Shares, representing approximately 4.95% of the existing issued Shares of the Company. She had previously extended two separate redeemable convertible loan of principal sum of S\$500,000 and S\$250,000 (“**Principal Sums**”) to the Company in 2017 and 2019, respectively, with simple interest at the rate of 8% per annum, accruing non-compounded, on the Principal Sums (“**Convertible Loans**”). Pursuant to the terms of the Convertible Loans, on maturity, if converted at the sole and absolute discretion of the Company, Ms Cheah will be allotted and issued up to 11,250,000 new Shares upon conversion of the Principal Sums and 1,450,000 new Shares in lieu of interest. The maturity date for the Convertible Loans extended in 2017 and 2019 is 17 March 2020 and 30 September 2019, respectively. In such event, Ms. Cheah will hold an aggregate of 75,299,207 Shares (comprising 55,099,207 existing Shares, 7,500,000 Placement Shares, as well as 12,700,000 new Shares on conversion of the Convertible Loans and its interest in lieu).

- 2.2. Mr. Kuo, Mr. Hung, Mr. Yang, Mr. Yeh, Mr Koh, and Ms. Cheah are existing Shareholders, whereas Mr. Chang, Mr. Dennis, Ms. Wendy, Ms. Gwee, Ms Calina and Ms. Heng were introduced to the Company by Mr Chang Wei Lu, the Company’s Chairman and Chief Executive Officer, and have expressed interest to invest in the Company. Each of the Placees has confirmed that he/she is subscribing for the Placement Shares purely for the purposes of investment and solely for his/her own beneficial account, and is not subscribing for any of the Placement Shares as an agent for or otherwise on behalf of any other person.
- 2.3. No placement agent has been appointed in respect of the Placement, and no introducer fee or commission is paid or payable by the Company in connection with the Placement.
- 2.4. Each of the Placees has represented and warranted to the Company that there is no agreement, arrangement or understanding between any of the Placees or any Shareholder to acquire Shares to obtain or consolidate effective control of the Company, and each of the Placees is not a party acting in concert with any Shareholder, as defined in The Singapore Code on Take-overs and Mergers. No share borrowing arrangement has been entered into to facilitate the Placement.
- 2.5. To the best knowledge of the Directors, save as disclosed above and in relation to the Placement, none of the Placees have any other connections (including financial and business relationships) with the Company, the Directors and substantial shareholders. Each of the Placees has represented and warranted to the Company that he/she does not fall within the class of restricted persons to whom placements must not be made by the Company pursuant to Rule 812(1)(a) to (d) of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”).

### 3. PRINCIPLE TERMS OF THE PLACEMENT AGREEMENT

- 3.1 For avoidance of doubt, the key terms of and conditions of each Placement Agreement are substantially similar, save for *inter alia*, the number of Placement Shares and the subscription amount. The principal terms and conditions of the Placement Agreement are summarised as follows:

Issue Price	:	<p>S\$0.04 per Placement Share.</p> <p>The Issue Price of S\$0.04 represents a discount of 2.4% to the volume weighted average price of S\$0.041, based on trades done on the SGX-ST on 11 June 2019 (being the last full market day prior to the signing of the Placement Agreements). The Issue Price was agreed upon based on arm’s length negotiations between the Placees and the Company.</p>
Completion Date	:	<p>A date falling not later than three (3) business days after all the Conditions Precedent (as defined below) have been fulfilled or waived, or on such other date as the parties may agree in writing.</p>

Listing and Quotation Notice	<p>: The completion of the Placement is subject to the Company obtaining the listing and quotation from the SGX-ST for the listing of and quotation for the Placement Shares on the Catalist of the SGX-ST, and not having been withdrawn, revoked or amended, and where such approval is subject to conditions, such conditions being reasonably acceptable to the Company and the Placees, and to the extent that any conditions for the listing and quotation of the Placement Shares on Catalist are required to be fulfilled, they are so fulfilled prior to Completion Date.</p> <p>The Company will make an application to the SGX-ST through its sponsor, ZICO Capital Pte. Ltd., for the dealing in, listing of and quotation for the Placement Shares on the Catalist of the SGX-ST. The Company will make the necessary announcement upon receipt of the Listing and Quotation Notice from the SGX-ST.</p>
Termination	<p>: Notwithstanding any other provisions in the Placement Agreement, (a) the Company may terminate the Placement Agreement(s) by 7 Business Days' written termination notice to the Placee(s) ("<b>Termination Notice</b>"), and (b) the Company and the Placee(s) may, by mutual agreement, terminate the Placement Agreement in writing signed by the Company and the Placee(s) ("<b>Termination Agreement</b>"), whereupon, the Placement Agreement(s) shall terminate and the Company and the Placee(s) shall be released and discharged from their respective obligations thereunder (except for their respective obligations, covenants or undertakings which, pursuant to the terms of the Placement Agreement, are expressed to survive such termination).</p>

### 3.2 Conditions Precedent

The completion of the Placement is subject to, *inter alia*, the following conditions ("**Conditions Precedent**"):

- (a) the respective representations and warranties of each party set out in the Placement Agreement being true and accurate in all material respects on and as of the Completion Date, with the same force and effect as though made on and as of the Completion Date, and each party having performed and complied with all their respective undertakings, covenants and agreements set out in the Placement Agreement on or prior to the Completion Date;
- (b) the following consents and approvals for the transactions under the Placement Agreement having been obtained without restrictions or limitations whatsoever that are unacceptable to the parties, and being in full force and effect, in particular, and without limitation:
  - (i) the approval of the Board for the entering into of the Placement Agreement and the transactions under the Placement Agreement and any related transactions in relation thereto;
  - (ii) a valid general share issue mandate pursuant to section 161 of the Companies Act and Rule 806 of the Catalist Rules from the Shareholders being available and sufficient for the allotment and issue of the Placement Shares to the Placees;
  - (iii) save as provided for in paragraph 3.1 - Listing and Quotation Notice, all licenses, consents, approvals, waivers, authorisations or other orders of and all notices, registrations, submissions or filings with all relevant Regulator<sup>1</sup>(s), entitled third parties, counterparties, financing or facility providers of the Company as may be required for or in connection with (a) the entering into of the Placement Agreement(s) by the Company, the transactions under the Placement Agreement(s) and any related transactions in relation thereto, and (b)

<sup>1</sup> "Regulator" means any central bank or provincial, state, federal, national, government, semi-government, administrative, supervisory, regulatory, statutory, fiscal or judicial agency, authority, body, commission, department, tribunal, entity or ministry (including but not limited to the Monetary Authority of Singapore, the Securities Industry Council and/or the SGX-ST).

the allotment and issuance of the Placement Shares, having been obtained, and not having been withdrawn, revoked or amended and if subject to any conditions, such conditions being reasonably acceptable to the parties and are fulfilled on or before Completion Date; and

- (iv) no relevant Regulator<sup>1</sup> taking, instituting, implementing or threatening to take, institute or implement any action, enforcement, proceeding, suit, investigation, inquiry or decision, and no statute, regulation, decision, ruling, award, direction or order having been made, proposed, enacted or implemented, and no steps having been taken, and there not continuing to be in effect or outstanding any statute, regulation, decision, ruling, direction or order which would or might (a) make any transaction contemplated in the Placement Agreement(s) or any other transactions in connection herewith and incidental hereto, void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same, and (b) render the Placee(s) unable to be allotted and issued all or any of the Placement Shares in the manner set out in the Placement Agreement(s).

In the event any of the Conditions Precedent is not satisfied and/or waived (as the case may be) by the respective entitled party on or before the Completion Date, the Placement Agreement(s) shall be deemed to be terminated and the parties shall be released and discharged from their respective obligations under the Placement Agreement(s), save in respect of existing breaches (if any) and except for the respective obligations, covenants or undertakings which, pursuant to the terms of the Placement Agreement(s), are to survive such termination.

### 3.3 Representations and Warranties

Pursuant to the Placement Agreement(s), the Placees have represented, warranted and undertaken to the Company that, *inter alia*:

- (a) they are not persons or entities prescribed under Rule 812(1) of the Catalist Rules;
- (b) they acknowledge that their subscription of the Placement Shares is made pursuant to the Company's reliance on the exemption provided under Section 275(1A) of the SFA and in compliance with all the conditions of these exemptions in the SFA therein, and the Placees are not subscribing for the Placement Shares with a view of those Placement Shares being subsequently offered for sale to another person in Singapore, where such offer is contrary to the provisions of the SFA. The Placees further undertakes that they shall not dispose of, do anything to part with or grant any options over the Placement Shares, in whole or in part, for a period of six (6) months from the Completion Date;
- (c) each of the Placees is an accredited investor as defined in the SFA and each has full power and capacity to enter into and perform the Placement Agreement(s), which when executed, will constitute valid and legally binding obligations enforceable against each of the Placees in accordance with the terms therein; and
- (d) the Placees will not be holding any Placement Shares (as the case may be) on trust or for the benefit of other parties nor will the Placees subsequently offer any Placement Shares for sale to other parties where such action may contravene the provisions of the SFA.

## 4. RATIONALE AND USE OF PROCEEDS

4.1. The estimated net proceeds to be raised from the Placement, after deducting estimated expenses of approximately S\$40,000 incurred in connection with the Placement, is approximately S\$5,960,000 ("**Net Proceeds**").

4.2. The Company intends to use the Net Proceeds in the following manner:

Intended uses	Net Proceeds	
	(S\$'000)	(%)
Business investments and acquisition	5,800	97.3
General working capital*	160	2.7
<b>Total Net Proceeds</b>	<b>5,960</b>	<b>100.0</b>

*\*General working capital includes day-to-day operating expenses for the Group such as professional fees, listing fees, staff cost, and office expenses, as well as operating expenses that may arise pursuant to the proposed acquisition mentioned in paragraph 4.3 of this announcement.*

- 4.3. The Company had, on 12 June 2019, entered into a joint venture agreement ("**JVA**") with APEX Development Public Company Limited and Grand Bay Hotel Co., Ltd, to jointly develop a hotel property in Phuket, Thailand. The Company will allocate S\$5.8 million of the Placement Consideration as partial payment for the purchase consideration of the 50% acquisition of Grand Bay Hotel Co., Ltd. The Company will release an announcement pertaining to the JVA in due course.
- 4.4. The Company will make periodic announcements on the utilisation of the Net Proceeds as and when they are materially disbursed or utilised, and whether such use is in accordance with the stated use. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full year financial results announcement, and the annual report of the Company. Where the Net Proceeds are to be used for working capital, the Company will disclose a breakdown with specific details on the use of the Net Proceeds for working capital in its announcements and annual reports.
- 4.5. Pending the deployment of the Net Proceeds, the Net Proceeds may be deposited with banks and/or financial institutions and/or invested in short-term money market instruments and/or marketable securities, and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

## **5. MANDATE FOR THE ISSUE OF THE PLACEMENT SHARES**

- 5.1. The Placement Shares will be allotted and issued by the Company pursuant to the general share issue mandate ("**General Mandate**") granted by the Shareholders at the annual general meeting of the Company held on 26 April 2019 ("**2019 AGM**"), pursuant to which authority was granted to the Directors to, *inter alia*, allot and issue new Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) as at the date of the 2019 AGM, of which the aggregate number of shares to be issued other than on a *pro rata* basis to existing Shareholders shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) as at the date of the 2019 AGM.
- 5.2. As at the date of the 2019 AGM, the issued and paid-up share capital of the Company was 1,114,008,940 Shares, being the Existing Share Capital. As no Shares were previously issued under the General Mandate, the maximum number of Shares to be issued other than on a pro-rata basis is 557,004,470. Accordingly, the maximum number of Placement Shares of 150,000,000 is within the limit of the General Mandate.
- 5.3. The Placement Shares, when allotted and issued, represents approximately (i) 13.46% of the Existing Share Capital (being 1,114,008,940 Shares as at the date of this announcement); and (ii) 11.87% of the Enlarged Share Capital (comprising 1,264,008,940 Shares including the Placement Shares). None of the Placees will hold more than 5.0% interest in the Company, on completion of the Placement. The Placement will not result in any transfer of controlling interest in the Company within the meaning of Rule 803 of the Catalist Rules.
- 5.4. The Placement Shares, when issued and fully-paid, shall be free from all claims, liens, and other encumbrances whatsoever and shall rank *pari passu* in all respects with the Shares as at the date of the issue of the Placement Shares save that they will not rank for any dividend, right, allotments or other distributions, the record of which falls on or before the date of completion of the allotment and issuance of the Placement Shares.

## **6. FINANCIAL EFFECTS**

- 6.1. The pro forma financial effects of the Placement are presented solely for illustrative purposes and are not intended to be indicative or reflective of the actual future financial situation of the Company and the Group after the Completion.
- 6.2. The pro forma financial effects of the Placement have been computed based on the audited

consolidated financial statements of the Group for the financial year ended 31 December 2018 (“FY2018”). The financial effects of the Placement are based on the following assumptions:

- (i) the financial effect on the net tangible assets (“NTA”) per Share is computed based on the assumption that the Placement was completed on 31 December 2018;
- (ii) the financial effect on the loss per share (“LPS”) is computed based on the assumption that the Placement was completed on 1 January 2019; and
- (iii) expenses to be incurred in respect of the Placement amounted to approximately S\$40,000.

### 6.3. Share Capital

	<b>Before the Placement</b>	<b>After the Placement</b>
Issued and paid-up share capital (S\$)	133,182,529	139,182,529
Total number of Shares	1,114,008,940	1,264,008,940

### 6.4. NTA per Share

<b>As at 31 December 2018</b>	<b>Before the Placement</b>	<b>After the Placement</b>
NTA (S\$'000)	94	6,054
Number of Shares	1,114,008,940	1,264,008,940
NTA per Share (Singapore cents)	0.008	0.479

### 6.5. LPS

<b>FY2018</b>	<b>Before the Placement</b>	<b>After the Placement</b>
Net loss attributable to Shareholders (S\$'000)	319	359
Weighted average number of Shares	1,114,008,940	1,264,008,940
LPS ( Singapore cents)	0.028	0.028

## 7. **CONFIRMATION BY THE DIRECTORS**

The Directors are of the opinion that, barring unforeseen circumstances, after taking into consideration:

- (i) the Group’s present banking facilities, the Group has adequate working capital for its present requirements; and
- (ii) the Group’s present banking facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the sufficiency of the Group’s present working capital, the Board is of the view that the Placement will enable the Company to partially fund the proposed acquisition mentioned in paragraph 4.3 of this announcement, as well as to provide for general corporate requirements.

## 8. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors and their respective associates, and to the best knowledge of the Directors, none of the substantial shareholders of the Company (other than in their capacity as Directors or Shareholders), as well as their respective associates, has any interest, whether direct or indirect, in the Placement.

## 9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of each of the Placement Agreements will be made available for inspection during normal business hours at the Company's registered office at 138 Robinson Road, #26-03 Oxley Tower, Singapore 068906 for a period of three (3) months from the date of this announcement.

## 10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Placement and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information contained in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## 11. CAUTION IN TRADING

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Chang Wei Lu  
Executive Chairman and Chief Executive Officer  
16 June 2019

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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.