

MERCURIUS CAPITAL INVESTMENT LIMITED

(Incorporated in Singapore)

(Company Registration No. 198200473E)

PROPOSED PLACEMENT OF 27,272,727 NEW ORDINARY SHARES IN THE SHARE 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 2 June 2021, entered into a conditional subscription agreement (the "**Placement Agreement**") with Ms Cheah Bee Lin ("**Ms Cheah**" or the "**Placee**"), pursuant to which the Company shall allot and issue an aggregate of 27,272,727 new ordinary shares in the capital of the Company (the "**Placement Shares**") at an issue price of S\$0.055 per Placement Share ("**Issue Price**") to the Placee, for an aggregate subscription amount of S\$1,500,000 ("**Placement Consideration**") (the "**Placement**").
- 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 PLACEE

*Shareholders of the Company ("**Shareholders**") should note that information relating to the Placee in this paragraph and elsewhere in this announcement was provided by the Placee. 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, the Placee as follows:-

Name of Placee	Number of Placement Shares	Placement Consideration (S\$)	Placement Shares as a percentage of the Enlarged Share Capital ⁽¹⁾ (%)	Number of existing shares of the Company (" Shares ") held (representing % of Existing Share Capital) ⁽²⁾	Total number of Shares held after completion of Placement (representing % of Enlarged Share Capital) ⁽³⁾
Cheah Bee Lin	27,272,727	1,500,000	2.06	3,800,000 (0.29%)	31,072,727 (2.35%)

Notes:

- (1) Based on the enlarged issued and paid-up share capital of the Company of 1,324,636,667 Shares ("**Enlarged Share Capital**"), after the allotment and issuance of the 27,272,727 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 1,297,363,940 Shares ("**Existing Share Capital**").
- (3) Based on Ms Cheah's existing number of Shares held as at the date of the Placement Agreement and the number of Placement Shares after completion of the Placement, calculated as a percentage of the Enlarged Share Capital.
- 2.2 Ms Cheah is a self-employed Malaysian businesswoman who is engaged in the property investment business in Malaysia. As at the date of this announcement, Ms Cheah has shareholding interests in 3,800,000 Shares, representing approximately 0.29% of the Existing Share Capital.

- 2.3 Ms Cheah had previously extended two redeemable convertible loans of principal sums of S\$700,000 and S\$800,000 to the Company in December 2019 and January 2020 respectively, amounting to a total of S\$1,500,000 (the “**Principal Sums**”) with simple interest at the rate of 10% per annum, accruing non-compounded, on the Principal Sums with a conversion price of S\$0.10 per share (“**Convertible Loans**”). Pursuant to the terms of the Convertible Loans, if converted at the sole and absolute discretion of Ms Cheah on maturity, she will be allotted and issued an aggregate of 15,000,000 new Shares upon conversion of the Principal Sums and 2,325,000 new Shares in respect of the interest portion. The maturity dates for the Convertible Loans fall on 13 June 2021 for the tranche of S\$700,000 and 3 July 2021 for the tranche of S\$800,000. Should Ms Cheah choose to convert the Convertible Loans, Ms Cheah will hold an aggregate of 48,397,727 Shares (comprising 3,800,000 existing Shares, 27,272,727 Placement Shares, and 17,325,000 new Shares on conversion of the Convertible Loans), representing approximately 3.61% of the enlarged issued and paid-up share capital of the Company after the allotment and issuance of the 27,272,727 Placement Shares and the 17,325,000 new Shares on conversion of the Convertible Loans.
- 2.4 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. Ms Cheah is an existing investor and convertible loan holder of the Company. The Company had entered into the Placement with Ms Cheah as she understands the Group’s business and strategies and had expressed interest to further invest in the Company should the opportunity arise.
- 2.5 The Placee has represented and warranted to the Company that there is no agreement, arrangement or understanding between any Shareholder to acquire Shares to obtain or consolidate effective control of the Company, and the Placee is not 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.
- 2.6 To the best knowledge of the Directors, save as disclosed above and in relation to the Placement, the Placee does not have any other connections (including financial and business relationships) with the Group, the Directors or the substantial shareholders of the Company. The Placee has represented and warranted to the Company that 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 Catalyst (“**Catalist Rules**”). The Placee is investing in the Company, at arm’s length, as a strategic investor.

3. PRINCIPAL TERMS OF THE PLACEMENT AGREEMENT

- 3.1 The principal terms and conditions of the Placement Agreement are summarised as follows:

Issue Price	: S\$0.055 per Placement Share. The Issue Price of S\$0.055 is at a 9.8% discount to the volume weighted average price of S\$0.061, based on trades done on the SGX-ST on 2 June 2021 (being the last full market day prior to the signing of the Placement Agreement). The Issue Price was agreed upon based on arm’s length negotiations between the Placee and the Company.
Completion Date	: 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.
Listing and Quotation Notice	: The completion of the Placement is subject to the Company obtaining the listing and quotation notice from the SGX-ST (“ Listing and Quotation Notice ”) for the listing of and quotation for the Placement Shares on the Catalyst of the SGX-ST (“ Catalist ”), such approval 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 Placee, and to the extent that any conditions for the listing and quotation of the Placement Shares on Catalyst are required to be fulfilled, they are so fulfilled prior to Completion Date.

		The Company will make an application to the SGX-ST through its sponsor, Novus Corporate Finance 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.
Termination	:	Notwithstanding any other provisions in the Placement Agreement, (a) the Company may terminate the Placement Agreement by seven (7) business days' written termination notice to the Placee, and (b) the Company and the Placee may, by mutual agreement, terminate the Placement Agreement in writing, signed by the Company and the Placee, whereupon, the Placement Agreement shall terminate and the Company and the Placee 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).

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 Placee;
 - (iii) the receipt of the Listing and Quotation Notice;
 - (iv) all licenses, consents, approvals, waivers, authorisations or other orders of and all notices, registrations, submissions or filings with all relevant government bodies, statutory authorities or regulatory, administrative or supervisory bodies, entitled third contractors, 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 by the Company, the transactions under the Placement Agreement and any related transactions in relation thereto, and (b) the allotment and issuance of the Placement Shares, and their listing and quotation on Catalist, all 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
 - (v) no relevant Regulator¹ 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

¹ "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).

or might (a) make any transaction contemplated in the Placement Agreement or any other transactions in connection therewith and incidental hereto, void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same, and/or (b) render the Placee unable to be allotted and issued all or any of the Placement Shares in the manner set out in the Placement Agreement.

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 shall be deemed to be terminated and the parties shall be released and discharged from their respective obligations under the Placement Agreement, save in respect of any claims for costs, damages, compensation or otherwise arising from any accrued liabilities, antecedent and/or existing breaches (if any) and the respective obligations, covenants or undertakings which, pursuant to the terms of the Placement Agreement, are to survive such termination.

3.3 Representations and Warranties

Pursuant to the Placement Agreement, the Placee has represented, warranted and undertaken to the Company that, *inter alia*:

- (a) she is not a person or entity prescribed under Rule 812(1) of the Catalist Rules;
- (b) she acknowledges that her 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 Placee is 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 Placee further undertakes that she 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) the Placee is an accredited investor as defined in the SFA and has full power and capacity to enter into and perform the Placement Agreement, which when executed, will constitute valid and legally binding obligations enforceable against the Placee in accordance with the terms therein; and
- (d) the Placee will not be holding any Placement Shares (as the case may be) on trust or for the benefit of other parties nor will the Placee 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\$15,000 incurred in connection with the Placement, is approximately S\$1,485,000 ("**Net Proceeds**").

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

Intended uses	Net Proceeds	
	(S\$'000)	(%)
Business acquisition expenses	200	13.5
Payment of borrowings	800	53.9
General working capital(*)	485	32.6
Total Net Proceeds	1,485	100.0

* General working capital includes day-to-day operating expenses for the Group such as professional fees, listing fees, staff costs, and office expenses.

Business acquisition expenses refer to the expenses to be incurred in relation to the proposed acquisition of the grocery businesses in Malaysia as announced on 9 April 2021 ("**Proposed Business Acquisition**"), which relate mainly to professional fees for the conduct of due diligence and associated work.

The Company has certain borrowings including a director's loan and certain convertible loans obtained in 2019 and 2020 which would be maturing in 2021. The Company intends to allocate S\$800,000, or approximately 53.9% of the Net Proceeds, to make partial repayment of its borrowings if required.

- 4.3 The Board is of the view that the Placement is beneficial to and in the best interests of the Company as it will assist to fund the Company's operating expenses for the next 12 months while the Company is in a transition period to seek acquisition of new businesses, including the completion of the Proposed Business Acquisition.
- 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 announcements, and in 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. FUNDRAISING IN THE PAST TWO YEARS

The Company has raised cash from the issue of shares and convertible loans in the market in the past two years as follows:

a) Placement of shares for S\$5.5 million

	Issue price (S\$)	No. of Shares issued	Issue Date
Placement shares	0.040	137,500,000	19 July 2019

The net proceeds have been fully utilised and the use of the net proceeds is in accordance with the intended use as previously disclosed in the Company's announcement dated 19 July 2019.

b) Convertible Loan

- i. On 13 December 2019, the Company entered into convertible loan agreements with three investors, including Ms Cheah, for an aggregate principal value of S\$1,750,000 with a conversion price of S\$0.10 per share. The net proceeds have been fully utilised and the use of the net proceeds is in accordance with the intended use as previously disclosed in the Company's announcement dated 15 December 2019.
- ii. On 23 December 2019, the Company entered into convertible loan agreements with an investor for a principal value of S\$1,000,000 with a conversion price of S\$0.10 per share. The net proceeds have been fully utilised and the use of the net proceeds is in accordance with the intended use as previously disclosed in the Company's announcement dated 23 December 2019.
- iii. On 3 January 2020, the Company entered into convertible loan agreements with Ms Cheah for a principal value of S\$800,000 with a conversion price of S\$0.10 per share. The use of the net proceeds was re-allocated as disclosed in the Company's announcement of 1 March 2021 and the proceeds have been fully utilised in accordance with the reallocation.

c) Placement of shares for S\$500,000

	Issue price (S\$)	No. of Shares issued	Issue Date
Placement shares	0.040	12,500,000	14 July 2020

The use of the net proceeds was re-allocated as disclosed in the Company's announcement of 1 March 2021 and have been utilised as follows:

Intended uses	Amount allocated (S\$'000)	Amount allocated after re- allocation (S\$'000)	Amount utilised (S\$'000)	Balance (S\$'000)
Business and investments opportunities	184	0	0	0
General working capital ^(*)	300	284	258	26
Re-payment of an interest-free advance from director made to the Company on 16 August 2019	0	200	200	0
Total	484	484	458	26

* General working capital includes day-to-day operating expenses for the Group such as professional fees, listing fees, staff costs, and office expenses.

6. MANDATE FOR THE ISSUE OF THE PLACEMENT SHARES

- 6.1 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 2021 ("**2021 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 2021 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 2021 AGM.
- 6.2 As at the date of the 2021 AGM, the issued and paid-up share capital of the Company was 1,297,363,940 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 648,681,970. Accordingly, the number of Placement Shares of 27,272,727 is within the limit of the General Mandate.
- 6.3 The Placement Shares, when allotted and issued, represents approximately (i) 2.10% of the Existing Share Capital (being 1,297,363,940 Shares); and (ii) 2.06% of the Enlarged Share Capital (comprising 1,324,636,667 Shares, being the aggregate of the Existing Share Capital and the Placement Shares). The Placee will not 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.
- 6.4 The Placement Shares, when issued and fully-paid, shall, among others, 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.

7. FINANCIAL EFFECTS

7.1 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.

7.2 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 2020 (“FY2020”). 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 2020;
- (ii) the financial effect on the loss per share (“LPS”) is computed based on the assumption that the Placement was completed on 31 December 2020; and
- (iii) expenses to be incurred in respect of the Placement amounted to approximately S\$15,000.

7.3 Share Capital

	Before the Placement	After the Placement
Issued and paid-up share capital (S\$'000)	141,277	142,762
Total number of Shares	1,297,363,940	1,324,636,667

7.4 NTA per Share

	Before the Placement	After the Placement
NTA (S\$'000)	4,201	5,686
Number of Shares	1,297,363,940	1,324,636,667
NTA per Share (Singapore cents)	0.324	0.429

7.5 LPS

	Before the Placement	After the Placement
Net loss attributable to Shareholders (S\$'000)	1,988	2,003
Weighted average number of Shares ('000)	1,286,204	1,313,477
LPS (Singapore cents)	0.15	0.15

8. CONFIRMATION BY THE DIRECTORS

The Group has insufficient resources to meet its current capital commitments. The latest audited financial statement for the financial year ended 31 December 2020 was subject to a disclaimer of opinion on material uncertainties which may cast significant doubt on the Group's and Company's ability to continue as a going concern, as highlighted in the independent auditor's report dated 30 March 2021.

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

- (a) the Group's present borrowings and outstanding debts, the Group does not have sufficient working capital for its present requirements; and
- (b) the Group's present borrowings and outstanding debts and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

The Group does not presently have any bank facilities. Nonetheless, the Board is of the view that the Placement will enable the Company to partially fund the Proposed Business Acquisition, partially repay the Group's debts and provide for general working requirements as stated in paragraph 4.2.

9. 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.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Placement Agreement will be made available for inspection during normal business hours at the Company's registered office at 6 Shenton Way, #42-04 OUE Downtown 1, Singapore 068809 for a period of three (3) months from the date of this announcement.

11. 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.

12. 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
7 June 2021

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 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 Mr. Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.