



MERCURIUS CAPITAL INVESTMENT LIMITED

(Company Registration No.: 198200473E)
(Incorporated in the Republic of Singapore)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024

Mercurius Capital Investment Limited (the “**Company**”) wishes to inform the shareholders of the Company that pursuant to Rules 705(2)(d) and 705(2C) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist, the Company is required to announce its quarterly financial statements in view of the disclaimer of opinion issued by the Company’s independent auditor for the financial year ended 31 December 2022.

*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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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2024**

	Note	3 Months Ended		Change %
		31/3/2024	31/3/2023	
		S\$'000 Unaudited	S\$'000 Restated ¹	
Continuing operations				
Revenue		-	-	-
Cost of sales		-	-	-
Gross profit		-	-	-
Other losses, net		-	(18)	NM
Other income		*	-	NM
Expenses				
- Administrative		(166)	(253)	(37)
- Finance		(142)	(124)	15
Share of loss from joint venture		- ²	-	-
Loss before income tax	7	(308)	(395)	(22)
Income tax expense	8	-	-	-
Net loss from continuing operations		(308)	(395)	(22)
Discontinued operations				
Loss from discontinued operations		-	(1,245)	NM
Total loss		(308)	(1,640)	(81)
Other comprehensive income/(loss), net of tax:				
Items that may be reclassified subsequently to profit or loss:				
- Share of other comprehensive loss of joint venture		- ²	- ²	-
- Currency translation gains arising from consolidation		15	14	7
Other comprehensive income, net of tax		15	14	7
Total comprehensive loss		(293)	(1,626)	(82)
Net loss attributable to:				
Equity holders of the Company		(308)	(1,640)	(81)
Non-controlling interests		*	*	NM
		(308)	(1,640)	(81)
Loss attributable to equity holders of the Company relates to:				
Loss from continuing operations		(308)	(395)	(224)
Loss from discontinued operations		-	(1,245)	NM
		(308)	(1,640)	(81)
Total comprehensive loss attributable to:				
Equity holders of the Company		(293)	(1,626)	(82)
Non-controlling interests		*	*	NM
		(293)	(1,626)	(82)

NM = Not meaningful

* Amount less than S\$1,000.

¹ The unaudited financial statements for the three months period ended 31 March 2023 have been restated. This is due to Songmart Group's (as defined herein) financial results that have been reclassified to "Discontinued Operations" as of 30 June 2023 and the Group's prior financial year's financial results have been reinstated to reflect this change in presenting in the Consolidation Statement of Comprehensive Income.

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² The Group recorded nil for the Group's share of loss from joint venture for three months period ended 31 March 2024 attributed to the Company's inability to acquire the pertinent information from its joint venture, Grand Bay Hotel Co., Ltd. ("**Grand Bay**") since the financial year ended 31 December 2023, which is crucial for accurate reporting purposes. Despite the Company's diligent efforts, challenges in acquiring the necessary data have resulted in an inability to quantify this specific aspect of the financial disclosure.

Explanatory Notes to the Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

- a. As announced on 8 August 2023, 14 August 2023 and 21 August 2023, the High Court of Malaysia had ordered Songmart Malaysia Sdn. Bhd. ("**Songmart Malaysia**"), Tan Lee Heng Sdn. Bhd. ("**TLH**") and Songmart Holdings Sdn. Bhd. ("**Songmart**" and together with Songmart Malaysia and TLH, the "**Songmart Group**") to be wound up. The liquidator appointed to facilitate the winding up process of the Songmart Group has assumed control over the Songmart Group's assets and liabilities. As such, the Group has presented the results of the Songmart Group as a separate line item under "Discontinued operations" for the three month period ended 31 March 2023 and 31 March 2024.

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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2024
(CONT'D)**

Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	3 Months Ended	
	31/3/2024	31/3/2023
Losses per share attributable to equity holders of the Company (cents per share)		
Weighted average number of ordinary shares for basic earnings per share	1,392,973,333	1,392,973,333
Weighted average number of ordinary shares for diluted earnings per share	1,442,426,443	1,438,494,890 ⁽¹⁾
Net loss attributable to the equity holders of the Company for the financial year (S\$'000)	(308)	(395)
Add back: Interest on convertible loans (S\$'000)	118	117
Net loss from continuing operations used to determine basic and diluted losses per share (S\$'000)	(190)	(278)
Net loss from discontinued operations used to determine basis and diluted losses per share (S\$'000)	-	(1,245)
Basic losses per share (cents)		
From continuing operations	(0.022)	(0.028)
From discontinued operations	-	(0.089)
Diluted losses per share (cents) ⁽²⁾		
From continuing operations	(0.013)	(0.019)
From discontinued operations	-	(0.087)

Notes:

- (1) The total weighted average number of ordinary shares for the calculation of diluted earnings per share was incorrectly disclosed as 1,447,911,992 shares in the Company's unaudited condensed interim financial statements for the three months period ended 31 March 2023.
- (2) The diluted losses per share computations have taken into consideration the effects of the shares to be issued on the basis that the Group's existing convertible loans are all converted into ordinary shares in the share capital of the Company.

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**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

	Note	Group		Company	
		31/3/2024 S\$'000	31/12/2023 S\$'000	31/3/2024 S\$'000	31/12/2023 S\$'000
		Unaudited	Unaudited	Unaudited	Unaudited
ASSETS					
Current assets					
Cash and bank balances		12	16	10	14
Trade and other receivables		39	14	39	14
		<u>51</u>	<u>30</u>	<u>49</u>	<u>28</u>
Non-current assets					
Investments in subsidiary corporations	12	-	-	-	-
Investment in a joint venture	13	5,120	5,120	5,945	5,945
Property, plant and equipment	14	2	3	1	3
		<u>5,122</u>	<u>5,123</u>	<u>5,946</u>	<u>5,948</u>
TOTAL ASSETS		<u>5,173</u>	<u>5,153</u>	<u>5,995</u>	<u>5,976</u>
LIABILITIES					
Current liabilities					
Trade and other payables		2,052	1,856	2,005	1,811
Borrowings	16	4,945	4,828	4,945	4,828
		<u>6,997</u>	<u>6,684</u>	<u>6,950</u>	<u>6,639</u>
TOTAL LIABILITIES		<u>6,997</u>	<u>6,684</u>	<u>6,950</u>	<u>6,639</u>
NET (LIABILITIES)/ASSETS		<u>(1,824)</u>	<u>(1,531)</u>	<u>(955)</u>	<u>(663)</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	17	154,852	154,852	154,852	154,852
Other reserves		(2,437)	(2,453)	325	325
Accumulated losses		(154,247)	(153,938)	(156,132)	(155,840)
		<u>(1,832)</u>	<u>(1,539)</u>	<u>(955)</u>	<u>(663)</u>
Non-controlling interests		<u>8</u>	<u>8</u>	<u>-</u>	<u>-</u>
TOTAL EQUITY		<u>(1,824)</u>	<u>(1,531)</u>	<u>(955)</u>	<u>(663)</u>

Explanatory Notes to the Consolidated Interim Statements of Financial Position

- Cash and bank balances decreased mainly due to the payment of operating expenses incurred during the period.
- Trade and other receivables increased mainly due to prepaid expenses paid.
- Trade and other payables increased mainly due to increase in loans from directors.
- Borrowings increased mainly due to the accrual of interest expenses during the period.

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	3 Months Ended	
	31/3/2024	31/3/2023
	S\$'000	S\$'000
	Unaudited	Unaudited
Cash flows from operating activities		
Net loss	(308)	(1,640)
Adjustment for:		
Depreciation of property, plant and equipment	1	115
Depreciation of right-of-use assets	-	226
Interest expense	142	233
Unrealised currency translation loss	14	266
	<u>(151)</u>	<u>(800)</u>
Changes in working capital:		
Trade and other receivables	(24)	640
Inventories	-	1,336
Trade and other payables	171	(701)
Cash (used in)/from operations	<u>(4)</u>	<u>475</u>
Income tax paid	-	(107)
Net cash (used in)/from operating activities	<u>(4)</u>	<u>368</u>
Cash flows used in investing activities		
Addition of property, plant and equipment	-	(57)
Net cash (used in)/from investing activities	<u>-</u>	<u>(57)</u>
Cash flows from financing activities		
Repayment of lease liabilities	-	(325)
Repayment of bank borrowings	-	(153)
Net cash (used in)/from financing activities	<u>-</u>	<u>(478)</u>
Net movement in cash and cash equivalents	<u>(4)</u>	<u>(167)</u>
Cash and cash equivalents		
Beginning of financial period	<u>16</u>	<u>(760)</u>
End of financial period	<u>12</u>	<u>(927)</u>
Cash and cash equivalents for statement of cash flow:		
Cash and bank balances	12	180
Bank overdraft	-	(1,107)
	<u>12</u>	<u>(927)</u>

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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	← Attributable to equity owners of the Company →				Total	Non- controlling interests	Total equity
	Share capital	Other reserves	Equity component of convertible loans	Accumulated losses			
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024							
Balance as at 1 January 2024	154,852	(2,777)	325	(153,939)	(1,539)	8	(1,531)
Loss for the financial period	-	-	-	(308)	(308)	*	(308)
Other comprehensive income for the financial period	-	15	-	-	15	*	15
Total comprehensive income for the financial period	-	15	-	(308)	(293)	*	(293)
Balance as at 31 March 2024	154,852	(2,762)	325	(154,247)	(1,832)	8	(1,824)

* Amount less than S\$1,000.

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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	← Attributable to equity owners of the Company →				Total	Non- controlling interests	Total equity
	Share capital	Other reserves	Equity component of convertible loans	Accumulated losses			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group							
2023							
Balance as at 1 January 2023	154,852	(3,804)	325	(141,147)	10,226	8	10,234
Loss for the financial period	-	-	-	(1,640)	(1,640)	*	(1,640)
Other comprehensive income for the financial period	-	14	-	-	14	*	14
Total comprehensive income for the financial period	-	14	-	(1,640)	(1,626)	*	(1,626)
Balance as at 31 March 2023	154,852	(3,790)	325	(142,787)	8,600	8	8,608

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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	← Attributable to equity owners of the Company →			
	Share capital	Equity component of convertible loans	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000
Company				
2024				
Balance as at 1 January 2024	154,852	325	(155,840)	(663)
Loss for the financial period	-	-	(292)	(292)
Balance as at 31 March 2024	154,852	325	(156,132)	(955)
Company				
2023				
Balance as at 1 January 2023	154,852	325	(142,741)	12,436
Loss for the financial period	-	-	(376)	(376)
Balance as at 31 March 2023	154,852	325	(143,117)	12,060

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Mercurius Capital Investment Limited (the “**Company**”) is listed on the Catalist board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and incorporated and domiciled in Singapore. The address of its registered office is 138 Robinson Road #26-03 Oxley Tower Singapore 068906.

These condensed interim consolidated financial statements as at and for the three months ended 31 March 2024 comprise the Company and its subsidiaries (together referred to as the “**Group**”).

The principal activity of the Company is investment holding. The principal activities of the subsidiary corporations are supermarket operation (ceased since 30 June 2023) and the Company’s joint venture is principally involved in real estate development.

2. BASIS OF PREPARATION

The condensed interim financial statements for the financial period ended 31 March 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the financial year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial period and the most recently audited annual financial statements which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in note 2.1.

The condensed interim financial statements are presented in Singapore dollar (“**S\$**”) which is the Company’s functional currency and all values are rounded to the nearest thousand (’000) except otherwise indicated.

2.1 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances and conditions available.

*Expected Credit Loss (“**ECL**”) of trade and other receivables*

ECL on trade and other receivables are probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The Group had used a simplified approach (lifetime expected credit loss) for its trade receivables and general approach (12 months expected credit losses or lifetime expected credit loss) for its other receivables.

In determining the ECL, the Group uses the relevant historical information to determine the probability of default of the instruments and incorporated forward-looking information. Notwithstanding the above, the Group evaluates the ECL on trade and other receivables in financial difficulties separately.

Impairment of property, plant and equipment (“PPE”)

PPE are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The Group assesses whether PPE has any indication of impairment in accordance with its accounting policy. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of the fair value less costs to sell and value-in-use.

Impairment of investment in subsidiary corporations and joint venture

Investment in subsidiary corporations and joint venture are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

On an annual basis, the management evaluates, among other factors, the market and economic environment in which the subsidiary corporations and joint venture operate and the financial performance of the subsidiary corporations and joint venture to determine whether there are indicators of impairment and if so, whether the estimated recoverable amount exceeds cost. Recoverable amount is the higher of fair value less costs to sell and value-in-use.

Net realisable value (“NRV”) of inventories

The Group measured its inventories at lower of cost or net realisable value. To estimate the net realisable value, the Group takes into account various factors, such as, latest selling price, costs to sell, inventory obsolescence, and slow-moving inventory. The management performs periodic review, and if the carrying amount of inventories exceeds their estimated net realisable value, the inventory will be written down to the net realisable value. The management’s judgement is used to estimate the net realisable value, taking into account factors such as nature of products, customers’ demands, analysis of market conditions, and price competition within the industry.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(CONT'D)**

3. GOING CONCERN

During the financial period ended 31 March 2024, the Group has incurred a net loss of S\$308,000 (31 March 2023: S\$1,640,000). In addition, the Group and the Company have net current liabilities of S\$6,946,000 and S\$6,901,000 respectively as at 31 March 2024 (31 December 2023: S\$6,654,000 and S\$6,611,000) and net liabilities of S\$1,824,00 and S\$955,000 respectively as at 31 March 2024 (31 December 2023: S\$1,531,000 and S\$663,000). These events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as going concerns and discharge their liabilities in the ordinary course of business.

As announced on 8 August 2023, 14 August 2023 and 21 August 2023, the High Court of Malaysia had ordered the Songmart Group to be wound up. A liquidator has been appointed to facilitate the winding up process of the Songmart Group and has assumed control over the Songmart Group's assets and liabilities as at the date of this announcement and the Group has deconsolidated the Songmart Group's assets and liabilities from its accounts as of 30 June 2023. Furthermore, in a subsequent announcement on 19 February 2024, following the receipt of summary judgment applications from Alliance Bank Malaysia Berhad, these applications were successfully granted on 18 February 2024 for an aggregate sum of RM22,862,805.02, plus any interest and disbursements.

As announced on 14 May 2024, the Company had received a letter of demand on 8 May 2024 from the legal representatives of Mr. Chew Hai Chiene Hester Arthur, the former Group Chief Executive Officer and Executive Director of the Company, demanding for an overdue payment of S\$200,000.

Given these circumstances, the Board is of the view that there is a material uncertainty surrounding the Group's ability to continue its operations as a going concern and meet its financial obligations in the ordinary course of business. Meanwhile, the Board is actively formulating strategies to address the going concern and will disclose further details in the forthcoming monthly update announcement or any other relevant announcements.

4. SEASONAL OPERATIONS

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(CONT'D)**

5. SEGMENT AND REVENUE INFORMATION

5.1 REVENUE

The revenue for three months period ended 31 March 2023 and 31 March 2024 stand at nil as the groceries business had ceased its operations as at 30 June 2023 and the financial results of Songmart Group have been reclassified to “Discontinued Operations” accordingly. As such the Group’s financials for the three months period ended 31 March 2023 have been restated.

For the three months period ended 31 March 2024, the Group principally operated in a single business segment which is property development and property investment, which had not commenced as at 31 March 2024.

5.2 SEGMENT INFORMATION

The Group’s chief operating decision-makers (“**CODM**”) as of 31 March 2024 comprised the Executive Chairman and Interim Group Chief Executive Officer and the Group Financial Controller within the operating segment assess the performance of the operating segments based on the revenue and/or profit earned by each segment. All income and expenses are allocated to the respective operating segments based on the entities within each operating segment.

The Group has 3 main reportable segments, as described below, which are Group’s strategic business units. The strategic business units offer different services, and are managed separately because they require different marketing strategies. For each of the strategic business units, the CODM reviews the internal management report on periodic basis.

The following describes the operations in each of the Group’s reportable segments:

(a) Supermarket operations

The Group operates a chain of supermarket retail stores selling consumer products

(b) Sales of goods – local and overseas sales of consumer products

The Group sells consumer goods to local and overseas customers under normal trading.

(c) Investment holdings

Except as indicated above, no other segments have been aggregated to form the above reportable operating segments.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(CONT'D)**

5. SEGMENT AND REVENUE INFORMATION (CONT'D)

5.2 SEGMENT INFORMATION (CONT'D)

1 January 2024 to 31 March 2024	Malaysia		Singapore		Total S\$'000
	Investment holdings S\$'000	Supermarket Operations S\$'000	Sales of goods S\$'000	Investment holdings S\$'000	
Revenue					
Total segment sales	-	-	-	-	-
Less: Inter-segment sales	-	-	-	-	-
Sales to external parties	-	-	-	-	-
Cost of sales	-	-	-	-	-
Gross (loss)/profit	-	-	-	-	-
Other income	-	-	-	*	*
Other gains/(losses)	-	-	-	-	-
Expenses:					
- Marketing	-	-	-	-	-
- Administrative	-	-	-	(166)	(166)
- Finance	-	-	-	(142)	(142)
Share of losses of joint venture	-	-	-	-	-
(Loss)/profit before income tax	-	-	-	(308)	(308)
Income tax expense	-	-	-	-	-
Net (loss)/profit from continuing operations	-	-	-	(308)	(308)
Interest expense	-	-	-	142	142
Depreciation and amortisation	-	-	-	1	1
Loss from discontinued operations	-	-	-	-	-
Adjusted (loss)/earnings before interest, tax, depreciation, amortisation and impairment losses	-	-	-	(165)	(165)

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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5. SEGMENT AND REVENUE INFORMATION (CONT'D)

5.2 SEGMENT INFORMATION (CONT'D)

1 January 2023 to 31 March 2023	Malaysia		Singapore		Total S\$'000 Restated
	Investment holdings S\$'000	Supermarket Operations S\$'000 Restated	Sales of goods S\$'000	Investment holdings S\$'000 Restated	
Revenue					
Total segment sales	-	-	-	-	-
Less: Inter-segment sales	-	-	-	-	-
Sales to external parties	-	-	-	-	-
Cost of sales	-	-	-	-	-
Gross (loss)/profit	-	-	-	-	-
Other income	-	-	-	-	-
Other gains/(losses)	-	-	-	(18)	(18)
Expenses:					
- Marketing	-	-	-	-	-
- Administrative	-	-	-	(253)	(253)
- Finance	-	-	-	(124)	(124)
Share of losses of joint venture	-	-	-	-	-
Loss before income tax	-	-	-	(395)	(395)
Income tax expense	-	-	-	-	-
Net loss from continuing operations	-	-	-	(395)	(395)
Interest expense	-	-	-	124	124
Depreciation and amortisation	-	-	-	1	1
Loss from discontinued operations	-	(1,245)	-	-	(1,245)
Adjusted loss before interest, tax, depreciation, amortisation and impairment losses	-	(1,245)	-	(270)	(1,515)

6. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of the carrying amount of financial assets and financial liabilities of the Group and the Company as at 31 March 2024 and 31 December 2023:

Group	At amortised cost	
	31/3/2024 S\$'000	31/12/2023 S\$'000
Financial assets		
Cash and bank balances	12	16
Trade and other receivables	39	14
	<u>51</u>	<u>30</u>

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(CONT'D)**

6. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

	At amortised cost	
	31/3/2024	31/12/2023
	S\$'000	S\$'000
Group		
Financial liabilities		
Trade and other payables	2,052	1,856
Borrowings	4,945	4,828
	<u>6,997</u>	<u>6,684</u>
	At amortised cost	
	31/3/2024	31/12/2023
	S\$'000	S\$'000
Company		
Financial assets		
Cash and bank balances	10	14
Trade and other receivables	39	14
	<u>49</u>	<u>28</u>
Financial liabilities		
Trade and other payables	2,005	1,811
Borrowings	4,945	4,828
	<u>6,950</u>	<u>6,639</u>

7. DISCONTINUED OPERATIONS

As announced on 8 August 2023, 14 August 2023 and 21 August 2023, the High Court of Malaysia had ordered the Songmart Group to be wound up. The liquidator appointed to facilitate the winding up process of the Songmart Group has assumed control over the Songmart Group's assets and liabilities. As such, the Group has presented the results of the Songmart Group as a separate line item under "Discontinued operations" for the Group's Consolidated Statement of Profit and Loss and other Comprehensive income for the three months period ended 31 March 2024 and 31 March 2023.

(a) The results of the discontinued operations are as follows:

	Group	
	31/3/2024	31/3/2023
	S\$'000	S\$'000
	Unaudited	Restated
Revenue	-	6,688
Expenses	-	(7,986)
Other income	-	-
Other gain	-	53
Loss before tax from discontinued operations	-	(1,245)
Tax	-	-
Loss after tax from discontinued operations	-	<u>(1,245)</u>

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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7. DISCONTINUED OPERATIONS (CONT'D)

(b) The impact of the discontinued operations on the cash flows of the Group was as follows:

	Group	
	31/3/2024	31/3/2023
	S\$'000	S\$'000
	Unaudited	Unaudited
Operating cash inflows	-	72
Investing cash outflows	-	1,246
Financing cash outflows	-	(460)
Total cash (outflows)/inflows	-	858

8. LOSS BEFORE INCOME TAX

8.1 SIGNIFICANT ITEMS

Loss before income tax has been arrived after charging/(crediting):

	3 Months Ended	
	31/3/2024	31/3/2023
	S\$'000	S\$'000
	Unaudited	Restated
Depreciation – Property, plant and equipment	1	115
Depreciation – Right-of-use assets	-	226
Salaries, bonuses and allowances		
- Director	19	105
- Others	23	-
Professional fees	59	90
Currency translation losses/(gain)	*	(18)
Finance expenses – Lease liability	-	2
Finance expenses – Convertible loan	118	117
Finance expenses – Other payables	2	-
Finance expenses – accrued interest on the director's loan	22	8

* Amount less than S\$1,000

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8. LOSS BEFORE INCOME TAX (CONT'D)

8.2 RELATED PARTY TRANSACTIONS

(a) Sales and purchases of goods and services

	3 Months Ended	
	31/3/2024	31/3/2023
	S\$'000	S\$'000
	Unaudited	Unaudited
(a) Advances		
Advances from directors	150	-
(b) Director compensation		
Salaries and short-term benefits	19	105
Employer's contribution to defined contribution plans, including Central Provident Fund	1	4
Director's fee	-	-

There are no material related party transactions apart from those disclosed in Note 8.2 or elsewhere in the financial statements.

9. TAXATION

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. There is no tax expense recorded as the Group has no taxable profits.

10. DIVIDENDS

No dividend has been declared or recommended for the three months ended 31 March 2024 ("1Q2024") as the Group had recorded a net loss for 1Q2024.

11. NET ASSET VALUE

	Group		Company	
	31/3/2024	31/12/2023	31/3/2024	31/12/2023
	S\$	S\$	S\$	S\$
	Unaudited	Unaudited	Unaudited	Unaudited
Net asset value per ordinary share (cents)	(0.13)	(0.11)	(0.07)	(0.05)

The calculation of net asset value per ordinary share was based on 1,392,973,333 shares as at both 31 March 2024 and 31 December 2023.

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12. INVESTMENT IN SUBSIDIARY CORPORATIONS

	Company	
	31/3/2024	31/12/2023
	\$'000	\$'000
<i>Equity investments at cost</i>		
Beginning and end of financial period / year	<u>19,560</u>	<u>19,560</u>
<i>Allowance for impairment</i>		
Beginning of financial period / year	19,560	7,560
Add: Impairment loss	-	12,000
End of financial period / year	<u>19,560</u>	<u>19,560</u>
Net carrying amount	<u>-</u>	<u>-</u>

13. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	31/3/2024	31/12/2023	31/3/2024	31/12/2023
	S\$'000	S\$'000	S\$'000	S\$'000
	Unaudited	Unaudited	Unaudited	Unaudited
Cost				
Beginning and end of financial period / year	<u>5,120</u>	<u>5,120</u>	<u>5,945</u>	<u>5,945</u>

Set out below is the joint venture of the Group as at 31 March 2024 and 31 December 2023:

<u>Name of company</u>	<u>Principal activity</u>	<u>Country of business /incorporation</u>	<u>Equity interest held by the Group</u>	
			<u>31/3/2024</u>	<u>31/12/2023</u>
			<u>%</u>	<u>%</u>
Grand Bay Hotel Co., Ltd	Real estate development	Thailand	50	50

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13. INVESTMENT IN A JOINT VENTURE (CONT'D)

The Group has diversified its business into property development and property investment since financial year ended 31 December 2017 and had on 12 June 2019, entered into joint venture agreement (“**JVA**”) with Apex Development Public Company Limited (“**Apex**”) and Grand Bay Hotel Co., Ltd (“**Grand Bay**”).

The Group has joint control over Grand Bay under the contractual agreement with Apex, and unanimous consent is required from both parties for all relevant activities. The contractual agreement provides the Group and Apex with rights to the net assets of Grand Bay. Therefore, the investment in Grand Bay is classified as a joint venture. There are no contingent liabilities relating to the Group’s interest in the joint venture.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

14. PROPERTY, PLANT AND EQUIPMENT

	Land & Buildings	Renovation	Machinery & Equipment	Computer & Software	Furniture and fittings	Office equipment	Motor Vehicle	Office and retail space	Total
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Cost									
At 1 January 2023	7,832	848	1,306	176	96	46	85	4,974	15,363
Addition	-	13	12	9	17	-	5	-	56
Disposal	-	-	-	-	-	-	(73)	-	(73)
Loss control of subsidiary	(7,406)	(781)	(1,316)	(207)	(119)	(24)	(28)	(4,270)	(14,151)
Currency translation difference	(426)	(14)	(2)	22	6	3	11	(260)	(660)
At 31 December 2023	-	66	-	-	-	25	-	444	535
Addition	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-
Loss control of subsidiary	-	-	-	-	-	-	-	-	-
Currency translation difference	-	-	-	-	-	-	-	-	-
At 31 March 2024	-	66	-	-	-	25	-	444	535
Accumulated depreciation									
At 1 January 2023	28	67	24	7	2	25	3	1,272	1,428
Addition	75	43	68	21	6	1	10	280	504
Disposal	-	-	-	-	-	-	(19)	-	(19)
Loss control of subsidiary	(125)	(79)	(166)	(60)	(19)	(5)	(11)	(1,072)	(1,537)
Currency translation difference	22	32	74	32	11	4	17	(36)	156
At 31 December 2023	-	63	-	-	-	25	-	444	532
Addition	-	1	-	-	-	-	-	-	1
Disposal	-	-	-	-	-	-	-	-	-
Loss control of subsidiary	-	-	-	-	-	-	-	-	-
Currency translation difference	-	-	-	-	-	-	-	-	-
At 31 March 2024	-	64	-	-	-	25	-	444	533
Net book value									
At 31 March 2024	-	2	-	-	-	-	-	-	2
At 31 December 2023	-	3	-	-	-	-	-	-	3

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14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company

	Office equipment	Building Improvements	Total
	S\$'000	S\$'000	S\$'000
At 31 March 2024			
Cost	66	25	91
Accumulated depreciation	64	25	89
Net book value	2	-	2
For 3 months ended 31 March 2024			
<i>Cost</i>			
At 1 January 2024 and 31 March 2024	66	25	91
<i>Accumulated depreciation</i>			
At 1 January 2024	63	25	88
Depreciation charge	1	-	1
At 31 March 2024	64	25	89
<i>Net book value</i>			
At 31 March 2024	2	-	2

15. INTANGIBLE ASSETS

Goodwill

	Group	
	31/3/2024	31/12/2023
	\$'000	\$'000
<i>Cost</i>		
Beginning of financial period/year	10,566	10,566
Loss of control of subsidiary	(10,566)	(10,566)
Currency translation difference	-	-
End of financial period/year	-	-
Net book value	-	-

Loss control over Songmart Group

As announced on 8 August 2023, 14 August 2023 and 21 August 2023, the High Court of Malaysia had ordered the Songmart Group to be wound up. A liquidator has been appointed to facilitate the winding up process of the Songmart Group and has assumed control over the Songmart Group's assets and liabilities as at the date of this announcement.

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16. BORROWINGS

- Amount repayable in one year or less, or on demand

	As at 31/3/2024		As at 31/12/2023 ⁽¹⁾	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Lease liabilities	-	-	-	-
Convertible loans ⁽²⁾	-	4,945	-	4,828
Bank borrowings ⁽³⁾	-	-	-	-
Bank overdraft ⁽³⁾	-	-	-	-
	-	4,945	-	4,828

- Amount repayable after one year

	As at 31/3/2024		As at 31/12/2023 ⁽¹⁾	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Lease liabilities	-	-	-	-
	-	-	-	-

Notes:

- (1) As at 31 March 2024, the lease liabilities, bank borrowings and bank overdraft have been de-consolidated due to loss of control of Songmart Group.
- (2) Convertible loans include accrued interests and recorded at fair value of the liability component. The fair value of the liability component is calculated using a market interest rate for an equivalent non-convertible loan at the date of issue. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity in other reserves, net of deferred income taxes.
- (3) The Group through its wholly-owned subsidiary corporations, Songmart Group, has bank borrowings and bank overdraft with Alliance Bank Malaysia Berhad, which have since been de-consolidated.

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16. BORROWINGS (CONT'D)

Convertible loans

On 13 and 23 December 2019, the Company entered into two convertible loan agreements (the “**Agreements**”) with four investors for loan amounts of \$1,750,000 (“**13 Dec 2019 Convertible Loans**”) and \$1,000,000 (“**23 Dec 2019 Convertible Loan**”) respectively, which are subject to annual interest rate of 10%. All the convertible loans holders are non-related parties, except for 23 Dec 2019 Convertible Loan, which was extended by one of the Directors of the Company.

On 3 January 2020, the Company entered into a convertible loan agreement with an investor for a loan amount of \$800,000 (“**3 Jan 2020 Convertible Loan**”) which is subject to annual interest rate of 10%.

In the financial year ended 31 December 2021, the Company repaid \$250,000 in respect of the 13 Dec 2019 Convertible Loans. Accordingly, the outstanding principal loan amount from the 13 Dec 2019 Convertible Loans was reduced to \$1,500,000.

Throughout the preceding financial years, the Group has successfully extended the date of maturity through various supplementary agreements with the investors on 12 December 2020 and 9 June 2021. The last extended date of maturity was made on 15 June 2022 (“**previous terms**”) (disclosed below as “**Previous extended date of maturity**”). On 30 March 2023, the Company had entered into supplemental agreements to further extend the maturity of the convertible loans for another year each (“**revised terms**”) as follows:

	Previous extended date of maturity	Revised date of maturity
13 Dec 2019 Convertible Loans	13 June 2023	13 June 2024
23 Dec 2019 Convertible Loan	23 June 2023	23 June 2024
3 Jan 2020 Convertible Loan	3 July 2023	3 July 2024

As at 31 March 2024, the outstanding 13 Dec 2019 Convertible Loans, 23 Dec 2019 Convertible Loan and 3 Jan 2020 Convertible Loan (including interest) are convertible up to 22,521,642 shares, 15,015,022 shares and 11,916,446 shares (31 December 2023: 21,986,962 shares, 14,659,134 shares and 11,631,954 shares) respectively, in total amounting to 49,453,110 (31 December 2023: 48,278,050) new ordinary shares in the capital of the Company at the option of the investors, subject to the terms and conditions of the Agreements.

The fair value of the liability component is calculated using a market interest rate for an equivalent non-convertible loan at the date of issue. The residual amount, representing the value of the equity conversion component, is included in shareholders’ equity in other reserves, net of deferred income taxes.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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16. BORROWINGS (CONT'D)

The carrying amount of the liability component of the convertible loans at the reporting date are derived as follows:

	Group and Company	
	31/3/2024	31/12/2023
	\$'000	\$'000
Face value of convertible loans at issuance	3,550	3,550
Equity conversion component on initial recognition	(325)	(325)
Liability component on initial recognition	3,225	3,225
Repayment of convertible loan (included interest) up-to-date	(289)	(289)
Accumulated gains arising from modification of convertible loans	(803)	(803)
Accumulated amortisation of interest expenses	2,812	2,695
Liability component at end of financial period	<u>4,945</u>	<u>4,828</u>

17. SHARE CAPITAL

	Group and Company	
	Number of ordinary shares	Amount
	'000	\$'000
31/3/2024		
Beginning of financial period	1,392,973	154,852
Issuance of new ordinary shares	-	-
End of the financial period	<u>1,392,973</u>	<u>154,852</u>
31/12/2023		
Beginning of financial year	1,392,973	154,852
Issuance of new ordinary shares	-	-
End of the financial year	<u>1,392,973</u>	<u>154,852</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

As disclosed in Note 16 of this announcement, the Company had entered into the 13 Dec 2019 Convertible Loans, 23 Dec 2019 Convertible Loan, and 3 Jan 2020 Convertible Loan. Subsequently, the Company had, on 30 March 2023, entered into new supplemental agreements to further extend the maturity date of each of the outstanding convertible loans to 13 June 2024, 23 June 2024 and 3 July 2024 respectively. As at 31 March 2024, all three convertible loans, inclusive of interest, are convertible up to 49,453,106 new ordinary shares of the Company (31 December 2023: 48,278,050) upon maturity. Save for this, the Company does not have any other convertible securities.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(CONT'D)**

17. SHARE CAPITAL (CONT'D)

	As at 31/3/2024	As at 31/3/2023
Shares to be issued on conversion of all outstanding convertibles	49,453,110	45,521,557
Total number of issued shares excluding treasury shares and subsidiary holdings of the issuer	1,392,973,333	1,392,973,333
Shares to be issued upon conversion as a percentage of total number of issued shares excluding treasury shares and subsidiary holdings of the issuer	3.55%	3.27%

There were no treasury shares or subsidiary holdings as at 31 March 2024 and 31 March 2023.

There was no sale, transfer, cancellation and/or use of treasury shares or subsidiary holdings during, and at the end of, the three month period ended 31 March 2024.

18. SUBSEQUENT EVENTS

As announced on 19 March 2024, the Company's legal advisers as to Malaysia laws have submitted an appeal against the summary judgement on 18 March 2024. As of now, there have been no updates received. The Company is actively engaging with its legal advisers in Malaysia to determine the most advantageous course of action. Any significant developments related to these matters will be communicated through subsequent announcements as deemed appropriate.

Apart from the above, as announced on 14 May 2024, the Company had received a letter of demand on 8 May 2024 from the legal representatives of Mr. Chew Hai Chiene Hester Arthur, the former Group Chief Executive Officer and Executive Director of the Company, demanding for an overdue payment of S\$200,000. The Board is currently seeking legal advice and will take all necessary steps to address this matter, and any further developments will be disclosed in the subsequent announcements as necessary.

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**OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST
RULES**

1. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The condensed interim financial statements of financial position of Mercurius Capital Investment Limited and its subsidiary corporations as at 31 March 2024 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the period then ended and certain explanatory notes have not been audited or reviewed.

2. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (other than a material uncertainty related to going concern):-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

The latest audited financial statement for the financial year ended 31 December 2022 was subject to disclaimer of opinion on the basis of the following:

- (i) Since the prior financial year ended 31 December 2021, the auditor of the Company was unable to obtain sufficient appropriate audit evidence to ascertain that the unaudited management accounts of the Company's investment in a joint venture, Grand Bay present a true and fair view with no material misstatement and as such was unable to ascertain the share of losses of Grand Bay recognised in the consolidated statement of comprehensive income for the financial year ended 31 December 2021 and the carrying amount of the investment in the joint venture recognised in the consolidated statement of financial position as at 31 December 2021 due to the absence of satisfactory audit evidence and explanation from the Company. As such, the auditor of the Company was unable to carry out any alternative audit procedures to obtain sufficient and appropriate audit evidence to determine whether any adjustments, if any, are required to be made to the opening balances, and whether there will be possible effects on the comparability of the figures as at 31 December 2022 with corresponding figures.

The Company has a 50% shareholding interest in Grand Bay. The Company has been actively working with the management of Grand Bay on the audit matters for financial year ended 31 December 2022 and has resolved the audit issues for the financial year ended 31 December 2022 although the recoverable amount and resultant impairment, if any, on the carrying amount of the investment in joint venture as at 31 December 2021 remains unresolved. In relation to audit matters for the financial year ended 31 December 2023, the Company, despite making diligent efforts, has faced difficulties in obtaining the required information. This issue has persisted as of 31 March 2024, resulting in the absence of any quantifiable value in a specific aspect of the Group's financial disclosure, which is crucial for accurate reporting purposes. The Company has engaged in multiple discussions with its JV partner, Apex, addressing the significance of this matter in the context of group audit objectives. The Company is actively and consistently following up with Apex to ensure the resolution of this matter.

- (ii) Limitation of scope on significant subsidiary corporations, Songmart Holdings Sdn. Bhd. and its subsidiary corporations including incomplete accounting records, insufficient information and explanations provided by the management of Songmart Group throughout the audit process. The component auditors have encountered various challenges and difficulties in completing the audit of the consolidated statement of financial position of Songmart Group as at the acquisition date i.e., 28 October 2022 as well as the consolidated financial statements of Songmart Group as at 31 December 2022 and for the financial period from 28 October 2022 to 31 December 2022. Despite raising this issue to the group management level and their efforts to assist, they were unable to provide viable solution to address the concerns of the component auditors.

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The Group has on 28 October 2022, completed the acquisition of Songmart Holdings Sdn. Bhd. and its subsidiary corporations (“**Songmart Group**”). Songmart Group consists of (a) a Malaysia based grocery business that operates supermarket operations in Johor Bahru (b) wholesale trading of foodstuff and groceries business mainly in Malaysia.

As announced on 8 August 2023, 14 August 2023 and 21 August 2023, the High Court of Malaysia had ordered the Songmart Group to be wound up. The liquidator appointed to facilitate the winding up process of the Songmart Group has assumed control over the Songmart Group’s assets and liabilities. Consequently, the Group has deconsolidated the Songmart Group on 30 June 2023 pursuant to the Company’s loss of control over the assets and liabilities of the Songmart Group.

The audit concern highlighted by the external auditors of the Company remains unresolved, with the Songmart Group having halted its business operations as at 30 June 2023 and encountering challenges in managing personnel to address and facilitate the audit matter. Initiatives are in progress to formulate a comprehensive strategy, by fostering close collaboration with auditors to systematically address and resolve the audit concerns.

- (iii) Loss on control over investment in subsidiary corporations, Songmart Group due to absence of available information as auditors were unable to obtain sufficient appropriate audit evidence with respect to the recoverable amount and resultant impairment, if any, on the carrying amount of the investment in subsidiary corporations, Songmart Group as at 31 December 2022 and were also unable to perform appropriate alternative audit procedures to determine the effect of adjustments, if any, on the statement of financial position of the Group as at 31 December 2022.

The Group has performed a full impairment assessment on Songmart Group taking into consideration the receipt of summary judgment as announced by the Company on 19 February 2024.

- (iv) The Group acts as one of the guarantors to a bank in respect of bank borrowings granted to its subsidiary corporations, Songmart Group, and as at 31 December 2022, these bank borrowings were collectively in breach of loan covenants, which could result in expected credit losses.

The Group is in the midst of working together with the liquidator that was appointed to the Songmart Group for the winding up process which will include, among others, liquidating all of Songmart Group’s properties in order to generate cash flows, which will be used for repayment of its outstanding bank loans and with this, it will withdraw the Company as guarantor to the bank.

- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

The board of directors (the “**Board**”) confirms that the impact of the audit issues on the financial statements has been adequately disclosed.

3. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group’s business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

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(A) Review of condensed interim consolidated statement of profit or loss and other comprehensive income

Revenue and Gross Profit

The Group's principal operating subsidiaries have ceased their business operations as at 30 June 2023 resulting in no revenue and no gross profit or loss attributed to the Group for 1Q2024. Pursuant to the reclassification of the Songmart Group's financial results to "Discontinued operations" as of 30 June 2023, the Group's financial results for the three months ended 31 March 2023 ("1Q2023") and full year ended 31 December 2023 ("FY2023") have been reinstated to reflect the relevant changes.

Cost of sales

In view of the abovementioned, the Group recorded nil cost of sales for 1Q2024 and 1Q2023 respectively.

Other gains/(losses), net

Other losses (net) have reduced from S\$18,000 for 1Q2023 to nil for 1Q2024 due to currency translation losses during the relevant period.

Administrative expenses

Administrative expenses have reduced from S\$253,000 for 1Q2023 to S\$166,000 for 1Q2024 due to the decrease in directors' salaries during the relevant period.

Finance Costs

Finance costs are substantially the accrued interest from the 13 Dec 2019 Convertible Loans, the 23 Dec 2019 Convertible Loan and the 3 Jan 2020 Convertible Loan. Finance costs increased from S\$124,000 in 1Q2023 to S\$142,000 in 1Q2024 mainly due to accrued interests on directors' loan.

Share of loss of joint venture

Share of loss of joint venture recorded at nil in both 1Q2024 and 1Q2023. This is attributed to the Company's inability to obtain the pertinent financial information from the joint venture during the specified periods resulting in an inability to reliably estimate the joint venture's share of losses.

Net Loss

As a result of the above, the Group recorded a net loss after tax of S\$308,000 during 1Q2024 as compared to a net loss after tax of S\$1,640,000 (including discontinued operations) during 1Q2023. Further to the adjustments to exclude the discontinued operations, the Group had recorded a net loss after tax of S\$395,000 during 1Q2023.

(B) Review of condensed interim financial statements of financial position

Current Assets

Current assets increased from approximately S\$30,000 as at 31 December 2023 to approximately S\$51,000 as at 31 March 2024, mainly due to an increase in trade and other receivables of approximately S\$25,000, which was slightly offset by a decrease in cash and bank balances of approximately S\$4,000.

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For more details on the decrease in cash and bank balances from S\$16,000 as at 31 December 2023 to S\$12,000 as at 31 March 2024, please refer to the section on “Review of condensed interim consolidated statement of cash flows” below.

Trade and other receivables increased from approximately S\$14,000 as at 31 December 2023 to approximately S\$39,000 as at 31 March 2024 mainly due to payment of prepaid expenses.

Non-current Assets

The decrease in non-current assets arose from the decrease in property, plant and equipment to S\$2,000 as at 31 March 2024, from S\$3,000 as at 31 December 2023, due to the depreciation charges.

Liabilities

Trade and other payables increased from S\$1.86 million as at 31 December 2023 to S\$2.05 million as at 31 March 2024, due to the advances from director and payables to other suppliers.

Borrowings increased from S\$4.83 million as at 31 December 2023 to S\$4.95 million as at 31 March 2024 due to an increase in interest payables on convertible loans.

Working Capital

The Group recorded a negative working capital of S\$6.95 million as at 31 March 2024, as compared to a negative working capital of S\$6.65 million as at 31 December 2023, primarily arising from the increase in trade and other payables.

As set out in Note 3 of this announcement, the Board is aware of the negative working capital and is of the view that there is a material uncertainty surrounding the Group’s ability to continue its operations as a going concern and to meet its financial obligations in the ordinary course of business. Following the latest developments surrounding the Songmart Group, the Company is in active consultation with its legal advisers in Malaysia to discern the most advantageous course of action. Any substantial developments in these matters will be communicated through subsequent announcements, as deemed appropriate.

Equity

The Group’s equity increased from negative S\$1.53 million as at 31 December 2023 to negative S\$1.82 million as at 31 March 2024 due mainly to losses incurred amounting to S\$0.30 million in 1Q2024.

(C) Review of condensed interim consolidated statement of cash flows

Net cash used in operating activities amounted to S\$4,000 for 1Q2024, mainly due to operating cash outflows before working capital changes of S\$151,000 and net cash generated used in working capital of S\$147,000. Net cash generated used in working capital was mainly a result of increase in trade and other payables and partially offset by trade and other receivables during the period ended 31 March 2024.

Net cash used in / generated from investing activities was nil in 1Q2024 as compared to a net cash used in investing activities of S\$57,000 in 1Q2023, which was mainly due to the acquisition of property, plant and equipment in 1Q2023.

Net cash used in / generated from financing activities was nil in 1Q2024 as compared to net cash used in financing activities of S\$478,000 in 1Q2023, which was due to the repayment of the lease liabilities and bank borrowings.

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The Group had a net cash outflow of S\$4,000 during 1Q2024. The cash and cash equivalents as at 31 March 2024 amounted to S\$12,000.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Since 2023, the Group encountered significant transformations in its operational landscape, necessitating a comprehensive analysis of the prevailing economic conditions and competitive dynamics within the industry. Notably, the third quarter of 2023 marked a pivotal period for the Group as it underwent a strategic shift, discontinuing its groceries business as of 30 June 2023. This strategic decision redirected the Group's exclusive focus towards its property development and investment endeavours in Thailand.

In light of this development, the Group recognizes that its outlook and financial performance for the forthcoming reporting period and the subsequent 12 months are closely intertwined with the evolving dynamics of the property market in Thailand. The capability to skilfully navigate and adapt to these shifting circumstances, combined with diligent monitoring of property market trends, emerges as a pivotal factor in maintaining the Group's competitive edge and securing financial stability.

Hotel development

Thailand's commercial real estate industry is gearing up for a robust performance in 2024, buoyed by positive developments and strategic initiatives.¹ Phuket emerges as the world's largest leisure branded residences real estate market, with a supply exceeding USD 2.3 billion and expected growth.² Its allure lies in blurring hospitality and real estate, attracting global investors to its lifestyle-focused properties. Phuket's shift from hotel-centric to branded real estate is evident, with developments like Banyan Group's USD 2 million lifestyle-led project. This trend signifies a broader shift from hospitality to mixed-use projects, spurred by affluent buyers seeking safe havens. Phuket's strategic advantages, including rising international schools and government incentives, reinforce its position as a premier real estate destination alongside global giants like Miami and Dubai.

The Group is actively engaged in negotiations to finalize pertinent commercial terms and conditions for a proposed transaction related to the Grand Bay Project. Collaborating with potential investors and major shareholders of Apex, the Group is diligently working towards a meaningful breakthrough in the development of Grand Bay. Shareholders will be promptly updated as soon as when significant progress has been achieved.

Singapore

The Group remains steadfast in leveraging the robust strength of the Singapore Dollar, maintaining a strategic investment holding position in Singapore. The Group capitalizes on the currency advantage to fortify its position in the Southeast Asian market. This approach ensures a strong foothold in the regional financial landscape, aligning with the Group's strategy to maximize opportunities and navigate challenges in the dynamic Southeast Asian market.

¹ Source: <https://www.asiapropertyawards.com/en/rising-from-the-rubble-thai-real-estate-bounces-back-in-2024/>

²Source: <https://www.asiapropertyawards.com/en/phukets-branded-residences-supply-tops-usd2-3-billion-making-destination-largest-leisure-property-market-in-the-world/>

6. Dividend

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(a) Current Financial Period reported on

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5:00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

7. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for 1Q2024, as the Company had recorded a net loss for 1Q2024.

8. If the Group has obtained a general mandate from shareholders for Interested Parties Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No general mandate for IPTs has been obtained from shareholders of the Company.

9. Confirmation pursuant to Rule 720(1) of the Catalist Rules.

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

10. Update on the status of the Grand Bay Project

Following the Company's financial results announcement on 29 February 2024 concerning, among others, the current status of the Grand Bay Project, the Group is actively negotiating critical commercial terms for a potential transaction. Through collaboration with potential investors and major shareholders

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of Apex, the Group is dedicatedly striving for a significant advancement in the development of Grand Bay. Shareholders will receive timely updates as soon as notable progress is made.

11. Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules

On behalf of the board of directors of the Company (the “**Board**”), we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board which may render the condensed interim financial statements for the three-month period ended 31 March 2024 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Chang Wei Lu
Executive Chairman and Interim
Group Chief Executive Officer

Wong Leong Chui
Lead Independent Non-Executive Director

15 May 2024