



# MERCURIUS CAPITAL INVESTMENT LIMITED

## MERCURIUS CAPITAL INVESTMENT LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.198200473E)

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### Unaudited Financial Statements Announcement for the Third Quarter and Nine-Month Financial Period Ended 30 September 2019

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*This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**"), in accordance 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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**PART I -INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	3 Months Ended			9 Months Ended		
	30/9/2019	30/9/2018	Change	30/09/2019	30/09/2018	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
	Unaudited	Re-stated*		Unaudited	Re-stated*	
Revenue	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-
Other Income/(losses), net	18	(25)	NM	34	16	NM
Administrative expenses	(202)	(71)	NM	(388)	(254)	53
<b>Loss before income tax</b>	<b>(184)</b>	<b>(96)</b>	<b>92</b>	<b>(354)</b>	<b>(238)</b>	<b>49</b>
Income tax expenses	-	-	-	(2)	-	NM
<b>Net loss for the financial period</b>	<b>(184)</b>	<b>(96)</b>	<b>92</b>	<b>(356)</b>	<b>(238)</b>	<b>50</b>
<b>Other comprehensive (loss)/income:</b>						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation						
- gains/(losses)	11	33	-67	(11)	(7)	57
<b>Total comprehensive loss</b>	<b>(173)</b>	<b>(63)</b>	<b>NM</b>	<b>(367)</b>	<b>(245)</b>	<b>50</b>
<b>Total loss attributable to:</b>						
Equity holders of the Company	(183)	(96)	91	(355)	(238)	49
Non-controlling interests	(1)	-	-	(1)	-	NM
	<b>(184)</b>	<b>(96)</b>	<b>92</b>	<b>(356)</b>	<b>(238)</b>	<b>50</b>
<b>Total comprehensive loss attributable to:</b>						
Equity holders of the Company	(172)	(63)	NM	(366)	(245)	49
Non-controlling interests	(1)	-	-	(1)	-	NM
	<b>(173)</b>	<b>(63)</b>	<b>NM</b>	<b>(367)</b>	<b>(245)</b>	<b>50</b>

NM = Not Meaningful

\* The re-stated financial figures for 2018 was due to recognition of the entire proceeds and interest charged on the convertible loans as an equity instrument as stated in our 2018 Annual Report.

**1(a)(ii) Notes to Consolidated Statement of Comprehensive Income**

Loss before income tax for the financial period was arrived at after (charging)/crediting the following:

	3 months ended		Change	9 months ended		Change
	30/09/2019	30/09/2018		30/09/2019	30/09/2018	
	S\$'000	S\$'000		S\$'000	S\$'000	
		Re-stated*			Re-stated*	
Adjustment to prior year over-accrued income tax recoverable	-	-	-	(2)	-	-
Bad debts written off	-	-	-	-	(4)	-100
Depreciation of property, plant and equipment	(1)	(1)	-	(3)	(3)	-
Salaries, bonuses and allowances	(23)	(23)	-	(68)	(68)	-
Rental expenses on operating lease	(30)	-	-	(32)	(2)	NM
Currency translation gain/(losses), net	18	(33)	NM	9	7	29

NM = Not Meaningful

\* The re-stated financial figures for 2018 was due to recognition of the entire proceeds and interest charged on the convertible loans as an equity instrument as stated in our 2018 Annual Report.

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>		<b>As at</b>	
	<b>30/09/2019</b>	<b>31/12/2018</b>	<b>30/09/2019</b>	<b>31/12/2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	142	225	131	195
Trade and other receivables	121	54	158	76
Income tax recoverable	1	3	-	-
	<u>264</u>	<u>282</u>	<u>289</u>	<u>271</u>
<b>Non-current assets</b>				
Investments in subsidiary corporations	-	-	*	*
Investment in joint venture	6,077	-	6,077	-
Property, plant and equipment	30	4	27	2
	<u>6,107</u>	<u>4</u>	<u>6,104</u>	<u>2</u>
<b>TOTAL ASSETS</b>	<u>6,371</u>	<u>286</u>	<u>6,393</u>	<u>273</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	644	192	597	127
<b>TOTAL LIABILITIES</b>	<u>644</u>	<u>192</u>	<u>597</u>	<u>127</u>
<b>NET ASSETS</b>	<u>5,727</u>	<u>94</u>	<u>5,796</u>	<u>146</u>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	139,879	133,182	139,879	133,182
Other reserves	515	(923)	520	1,143
Accumulated losses	(134,673)	(132,172)	(134,603)	(134,179)
	<u>5,721</u>	<u>87</u>	<u>5,796</u>	<u>146</u>
<b>Non-controlling interests</b>	<u>6</u>	<u>7</u>	<u>-</u>	<u>-</u>
<b>TOTAL EQUITY</b>	<u>5,727</u>	<u>94</u>	<u>5,796</u>	<u>146</u>

\* Amount less than S\$1,000.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

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

Nil

**Amount repayable after one year**

Nil

The Group did not have any borrowings as at 30 September 2019 and 31 December 2018. The 2017 Convertible Loans and 2019 Convertible Loans (as defined in this announcement) have been accounted for as equity of the Company at the respective inception dates.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>9 Months Ended</b>	
	<b>30/09/2019</b>	<b>30/09/2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
	<b>Unaudited</b>	<b>Re-stated*</b>
<b>Cash flows from operating activities</b>		
Net loss	(356)	(238)
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	3	3
Bad debt written off	-	4
Income tax expense	2	-
Unrealised currency translation losses/(gains)	(9)	(7)
<b>Operating cash flows before working capital changes</b>	<b>(360)</b>	<b>(238)</b>
<b>Changes in working capital</b>		
Trade and other receivables	(67)	(30)
Trade and other payables	452	94
<b>Cash provided by/(used in) operations, representing net cash provided by/(used in) operating activities</b>	<b>25</b>	<b>(174)</b>
<b>Cash flows from investing activities</b>		
Payment for investment in joint venture	(6,079)	-
Additions of property, plant and equipment	(29)	-
<b>Net cash used in investing activities</b>	<b>(6,108)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds from placement of ordinary shares	5,500	-
Proceeds from convertible loan	500	-
<b>Net cash provided by financing activities</b>	<b>6,000</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(83)</b>	<b>(174)</b>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents at beginning of financial period	225	499
Cash and cash equivalents at end of financial period	142	325

*\* The re-stated financial figures for 2018 was due to recognition of the entire proceeds and interest charged on the convertible loans as an equity instrument as stated in our 2018 Annual Report.*

**A statement (for the issuer and the group) showing either (i) all changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Equity attributable to owners of the Company						
	Share capital S\$'000	Currency translation reserve S\$'000	Equity component of convertible loan S\$'000	Accumulated losses S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total Equity S\$'000
<b>GROUP</b>							
Balance at 31 December 2018 as previously reported	133,182	(2,066)	1,143	(132,172)	87	7	94
Effect of adopting SFRS(1)	-	2,072	-	(2,072)	-	-	-
Balance at 1 January 2019	133,182	6	1,143	(134,244)	87	7	94
Loss for the financial period	-	-	-	(355)	(355)	(1)	(356)
Other comprehensive income for the financial period	-	(11)	-	-	(11)	-	(11)
Issue of new shares	6,697	-	(1,197)	-	5,500	-	5,500
Convertible loan equity component	-	-	500	-	500	-	500
Interest on convertible loan classified as equity	-	-	74	(74)	-	-	-
Balance at 30 September 2019	139,879	(5)	520	(134,673)	5,721	6	5,727
Balance at 31 December 2017 as previously reported	133,182	(2,144)	1,063	(131,702)	399	8	407
Effect of adopting SFRS(1)	-	72	-	(72)	-	-	-
Prior year adjustment	-	-	-	63	63	-	63
Interest on convertible loan classified as equity	-	-	-	(63)	(63)	-	(63)
Balance at 1 January 2018	133,182	(2,072)	1,063	(131,774)	399	8	407
Loss for the financial period	-	-	-	(238)	(238)	-	(238)
Other comprehensive income for the financial period	-	(7)	-	-	(7)	-	(7)
Interest on convertible loan classified as equity	-	-	60	(60)	-	-	-
Balance at 30 September 2018	133,182	(2,079)	1,123	(132,072)	154	8	162

	<b>Equity attributable to owners of the Company</b>				
	Share capital S\$'000	Equity component of convertible loan S\$'000	Accumulated losses S\$'000	Equity attributable to owners of the Company S\$'000	Total Equity S\$'000
<b>COMPANY</b>					
Balance at 1 January 2019	133,182	1,143	(134,179)	146	146
Loss for the financial period	-	-	(350)	(350)	(350)
Issuance of new shares	6,697	(1,197)	-	5,500	5,500
Convertible loan equity component	-	500	-	500	500
Interest on convertible loan holders classified as equity	-	74	(74)	-	-
Balance as at 30 September 2019	139,879	520	(134,603)	5,796	5,796
Balance at 1 January 2018	133,182	1,063	(133,822)	423	423
Prior year adjustment	-	-	63	63	63
Loss for the financial period	-	-	(222)	(222)	(222)
Interest on convertible loan holders classified as equity	-	60	(123)	(63)	(63)
Balance as at 30 September 2018	133,182	1,123	(134,104)	201	201



**1(d)(ii) (aa) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.**

	<b>Issued and fully paid-up ordinary shares</b>	<b>Share capital S\$'000</b>
Balance as at 30 June 2019	1,114,008,940	133,182
Add : Allotment and issue of new shares	149,466,000	6,697
Balance as at 30 September 2019	<u>1,263,474,940</u>	<u>139,879</u>

On 18 July 2019, the Company had issued and allotted 137.5 million shares to 11 subscribers for an aggregate consideration of S\$5.5 million pursuant to a separate conditional placement agreement entered into on 16 June 2019 (the "**Placement**"). Please refer to the Company's announcements dated 16 June 2019 and 19 July 2019 for further information on the Placement.

On 9 September 2019, the Company had issue and allotted 11,966,000 shares to two investors as settlement of a convertible loan agreement entered into on 17 March 2017 ("**2017 Convertible Loans**"). The 2017 Convertible Loans, with an aggregate principal value of S\$1.0 million and interest of approximately S\$0.2 million, was converted to 11,966,000 shares (inclusive of the interest payable) at a conversion price of S\$0.10.

Pursuant to the above allotments, the Company had issued a total of 149,466,000 shares during the third quarter ended 30 September ("**3Q**") 2019.

Save for the above, there were no other changes in the Company's share capital as of 30 September 2019.

**(bb) State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

On 29 March 2019, the Company entered into a convertible loan agreement with two investors whereby the investors provided redeemable convertible loans of an aggregate principal value of S\$0.50 million ("**2019 Convertible Loans**") to the Company, which are, together with interest, convertible into up to 13,000,000 new Shares upon maturity on 29 September 2019. On 4 October 2019, the Company had issued and allotted 13,000,000 shares as settlement of the 2019 Convertible Loans.

As disclosed in the Company's annual report for the financial year ended 31 December 2018 ("**2018 AR**"), the management of the Company has performed an internal assessment for the recognition of both the 2017 Convertible Loans and the 2019 Convertible Loans, and concluded that the entire proceeds of these convertible

loans of S\$1.5 million shall be accounted for as equity of the Company at the inception date. Please refer to the 2018 AR for further details on the above.

The Company's total issued and paid-up share capital as at 31 December 2018 comprised 1,114,008,940 ordinary shares.

Save for the abovementioned, the Company does not have any other convertible securities.

**(cc) State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no treasury shares or subsidiary holdings as at 30 September 2019 and 30 September 2018.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares (excluding treasury shares) as at 30 September 2019 was 1,263,474,940 (31 December 2018: 1,114,008,940). There were no treasury shares as at 30 September 2019 and 31 December 2018.

**1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

**1(d)(v) A statement showing all sales, transfers, cancellation, and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

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

The figures have not been audited or reviewed by the Company's independent auditor.

**3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Save as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial reporting period as those applied in the preparation of the audited financial statements of the Group for the financial year ended 31 December 2018.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group had adopted all the applicable new and revised Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) which became effective for the financial year beginning on or after 1 January 2019. The adoption of these new and revised SFRS(I) did not give rise to any material impact on the Group's financial statements for the current financial period reported on.

The Group has adopted SFRS(I) 16 - Leases, which became effective on 1 January 2019. SFRS(I) 16 - Leases introduces a single, on-balance sheet lease accounting model. It requires a lessee to recognise a right-of-use asset representing its use of the underlying assets and a lease liability representing its obligation to make lease payments. The adoption of SFRS(I) 16 - Leases will be further evaluated in the full year financial result.

**6. 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.**

	<b>3 Months Ended</b>		<b>9 Months Ended</b>	
	<b>30-09-2019</b>	<b>30-09-2018</b>	<b>30-09-2019</b>	<b>30-09-2018</b>
Weighted average number of ordinary shares for basic earnings per share	1,227,338,136	1,114,008,940	1,152,340,874	1,114,008,940
Weighted average number of ordinary shares for diluted earnings per share	1,240,103,621	1,117,639,964	1,160,796,454	1,123,209,696
Net loss for the financial period (S\$'000)	(184)	(96)	(356)	(238)
Basic loss per share (cents)	(0.01)	(0.01)	(0.03)	(0.02)
Diluted loss per share (cents)	(0.01)	(0.01)	(0.03)	(0.02)

For the nine-month financial period ended 30 September (“**9M**”) 2019, the weighted average number of shares for diluted loss per share took into account the 13.0 million new Shares that may be issued and allotted pursuant to the conversion of the 2019 Convertible Loans.

7. **Net asset value (for the issuer and the group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

	<b>Group</b>	
	30/09/2019	31/12/2018
<b>Net Assets Value Per Ordinary Share</b>		
- Based on issued share capital at the respective dates	0.45 cents	0.01 cents
- Number of existing issued shares at the respective dates	1,263,474,940	1,114,008,940
	<b>Company</b>	
	30/09/2019	31/12/2018
<b>Net Assets Value Per Ordinary Share</b>		
- Based on issued share capital at the respective dates	0.46 cents	0.01 cents
- Number of existing issued shares at the respective dates	1,263,474,940	1,114,008,940

8. **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.**

**(A) Review of consolidated statement of comprehensive income**

Revenue and Gross Profit

The Group's new business in property development and property investment which was approved by shareholders of the Company on 30 March 2017, is still in its early stages and has not generated any revenue for the Group. As such, the Group did not record any revenue, cost of sales and gross profit for 3Q2019 and 9M2019.

Other Gain/Loss, net

Other gain (net) increased from a net loss of S\$25,000 in 3Q2018 to a net income of S\$18,000 in 3Q2019. This was due mainly to currency translation losses of S\$33,000 recorded in 3Q2018, as compared to currency translation gains of S\$18,000 recorded in 3Q2019.

Other gain (net) increased from S\$16,000 in 9M2018 to S\$34,000 in 9M2019. This was mainly due to the licencing fee income of S\$25,000 recorded in 9M2019, as compared to S\$8,000 in 9M2018. The licensing period with Clover Lifestyle Sdn Bhd had expired on 31 July 2019, and the licensing agreement is deemed terminated.

### Administrative Expenses

Administrative expenses increased from S\$71,000 in 3Q2018 to S\$202,000 in 3Q2019, and from S\$254,000 in 9M2018 to S\$388,000 in 9M2019, mainly due to increases in professional fees, rental and travelling expenses.

### Net loss

As a result of the above, the Group recorded a net loss after tax of S\$184,000 and S\$356,000 in 3Q2019 and 9M2019, respectively, as compared to a net loss after tax of S\$96,000 and S\$238,000 in 3Q2018 and 9M2018, respectively.

## **(B) Review of statement of financial position**

### **Current Assets**

Current assets decreased from S\$0.28 million as at 31 December 2018 to S\$0.26 million as at 30 September 2019, mainly due to a decrease in cash and cash equivalents.

Cash and cash equivalents decreased to S\$0.14 million as at 30 September 2019, from S\$0.23 million as at 31 December 2018. Please refer to the section on “Consolidated Statement of Cash Flows” below for the reasons for the changes in cash and cash equivalents in 9M2019.

Trade and other receivables increased from S\$0.05 million as at 31 December 2018 to S\$0.12 million as at 30 September 2019, mainly due to an increase in deposits paid for office rental and utilities.

### **Non-current Assets**

Non-current assets increased significantly to S\$6.08 million as at 30 September 2019, as compared to S\$4,000 as at 31 December 2018. This was mainly due to the Company’s investment in a joint venture amounting to S\$6.08 million, which relates to the Company’s payment to APEX Development Public Company Limited (“**APEX**”) of the first, second, and third instalments of the purchase consideration of the Joint Venture (as defined herein). On 12 June 2019, the Company entered into a joint venture agreement (“**JVA**”) with APEX and Grand Bay Hotel Co., Ltd (“**Grand Bay**”) for the acquisition of 50% shareholdings interest of Grand Bay from APEX. Pursuant to the JVA, the parties shall jointly develop a hotel property under the name of “Sheraton Phuket Grand Bay Resort” in Phuket, Thailand, with Grand Bay as the joint venture vehicle (the “**Joint Venture**”). On 20 August 2019, the Company had obtained shareholders' approval to proceed with the Joint Venture.

Increase in property, plant and equipment was due to purchase of new office equipment in 3Q2019 amounting to S\$29,000, offset by depreciation charges.

### **Current Liabilities**

Current liabilities relate to trade and other payables, which increased from S\$0.19 million as at 31 December 2018, to S\$0.64 million as at 30 September 2019. This was mainly due to an interest-free advancement of S\$0.50 million received from a Director of the Company, partially offset by the payment of accrued operating expenses in 9M2019.

### **Working Capital**

The Group recorded a negative working capital of S\$0.38 million as at 30 September 2019, as compared to a positive working capital of S\$0.09 million as at 31 December 2018. The negative working capital as at 30 September 2019 was mainly due to the cash outflow for payment of S\$6.08 million (being the Company's first, second, and third instalment of the purchase consideration of the Joint Venture), pursuant to which the Company recorded a non-current asset under "investment in joint venture".

### **Equity**

The Group's equity increased from S\$0.09 million as at 31 December 2018 to S\$5.73 million as at 30 September 2019, mainly due to an increase in share capital of the Company through the allotment 137,500,000 shares pursuant to the Placement for an aggregate consideration of S\$5.5 million, and the allotment of 11,966,000 shares in settlement of the 2017 Convertible Loans at an aggregate consideration of S\$1.20 million.

## **(C) Consolidated statement of cash flows**

Net cash provided by operating activities amounted to S\$0.03 million for 9M2019, mainly due to increase in trade and other payable of S\$0.45 million, partially offset by cash outflow before changes in working capital of S\$0.36 million.

Net cash used in investing activities of S\$6.11 million was due to the instalment payments made to APEX pursuant to the Joint Venture, and purchase of new office equipment.

Net cash provided by financing activities of S\$6.0 million was due to cash received from the 2019 Convertible Loan and the Placement amounting to S\$0.50 million and S\$5.50 million respectively.

As a whole, the Group had a net cash outflow of S\$0.08 million in 9M2019. The cash and cash equivalents as at 30 September 2019 amounted to S\$0.14 million.

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

Not applicable.

**10. 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.**

The Company had diversified its core business to include property development and property investment (“**New Business**”), as duly approved by the Company’s shareholders (“**Shareholders**”) at the Company’s extraordinary general meeting on 30 March 2017. Through the joint venture agreement signed with HM Realty Holdings Sdn Bhd to develop a land located at Kempas, Johor Bahru, Malaysia, the Company is currently in the process of converting the Kempas land title from residential use to commercial use with Majlis Bandaraya Johor Bahru (“**MBJB**”). As at the date of this announcement, the Company has yet to receive the approval from MBJB. The Company will continue to seek approval from MBJB on the conversion of the Kempas Land and proceed with the Company's initial proposed plan for a mixed-use development property.

As mentioned in note 8(b) above, the Company had, on 12 June 2019, entered into a JVA with APEX to jointly develop Sheraton Phuket Grand Bay Resort in Phuket, Thailand, with Grand Bay as the joint venture vehicle. Shareholders' approval to proceed with the JVA had been obtained on 20 August 2019. The Company had since paid the first, second, and third installment to APEX, and will keep shareholders updated once the fourth and final installment is completed.

The Company and APEX had, on 12 June 2019, entered into an addendum to the JVA with APEX, where the parties had agreed in principle on (i) the joint development of Club Med Krabi Resort and Residences mixed-used development project consisting both hotel and residences components located at Yao Beach, Krabi, Thailand; (ii) joint development of Sheraton Krabi Yao Beach Resort and Residences mixed-use development project consisting of both hotel and residences components located at Yao Beach, Krabi Thailand; and (iii) the negotiation of the option of bulk purchase of the remaining units of The Residences at Sheraton Phuket Grand Bay at Phuket, Thailand. As announced on 26 July 2019, the Company will be setting up a private equity fund in connection with the investment opportunities pursuant to the aforementioned addendum to the JVA (the “**Fund**”). The Fund will be focusing on resort and leisure property investments in the Indo-China region. The Company will provide an update on the Fund in due course.

The Board remains cautious in strategising on the development of the Company's business and will continue to explore joint ventures and/or strategic alliances to improve shareholders' value.

**11. If a decision regarding dividend has been made:**

**(a) Whether an interim (final) dividend has been declared (recommended); and**

No.

- (b) **Amount of dividend per share of the current reporting financial period and of the previous corresponding period.**

Nil (30 September 2018: Nil).

- (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.

12. **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 3Q2019, as the Group recorded a net loss for the period.

13. **If the Group has obtained a general mandate from shareholders for interested person transactions (“IPT”) 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.

14. **Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited**

The board of directors of the Company (“**Directors**”) confirms that, to the best of their knowledge, nothing has come to their attention that may render the unaudited financial statements for 3Q2019 to be false or misleading in any material aspect.

15. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

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



**16. Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use in the offer document or the announcement of the issuer.**

i. Use of net proceeds from the 2019 Convertible Loans is as follows:

<b>Use of Net Proceeds</b>	<b>Amount allocated (S\$'000)</b>	<b>Amount utilised as announced on 5 November 2019 (S\$'000)</b>	<b>Amount utilised from 6 November 2019 to 14 November 2019 (S\$'000)</b>	<b>Balance (S\$'000)</b>
Working capital*	384	346	-	38
Business and investment opportunities	100	100	-	-
<b>Total</b>	<b>484</b>	<b>446</b>	<b>-</b>	<b>38</b>

ii. Use of net proceeds from the Placement is as follows:

<b>Use of Net Proceeds</b>	<b>Amount allocated (S\$'000)</b>	<b>Amount utilised as at 5 November 2019 (S\$'000)</b>	<b>Amount utilised from 6 November 2019 to 14 November 2019 (S\$'000)</b>	<b>Balance (S\$'000)</b>
Business investment and acquisitions	5,400	5,400	-	-
General working capital*	60	-	-	60
<b>Total</b>	<b>5,460</b>	<b>5,400</b>	<b>-</b>	<b>60</b>

*\*General working capital includes day-to-day operating expenses such as professional fees, listing fees, staff cost and office expenses, as well as operating expenses that may arise pursuant to the JVA.*

The use of the aforementioned net proceeds is in accordance with the intended use as disclosed Company's announcements. The Company will make periodic announcements as and when the balance of the net proceeds is materially disbursed.

**BY ORDER OF THE BOARD**

**Chang Wei Lu**  
**Executive Chairman and Chief Executive Officer**  
**14 November 2019**