

MERCURIUS CAPITAL INVESTMENT LIMITED

(Incorporated in Singapore)

(Company Registration No. 198200473E)

COMPLETION OF THE JOINT VENTURE WITH APEX DEVELOPMENT PUBLIC COMPANY LIMITED AND USE OF PROCEEDS FROM THE CONVERTIBLE LOANS

The board of directors (the “**Board**”) of Mercurius Capital Investment Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the following:

- (i) announcement on 17 June 2019 in relation to the Company’s joint venture with Apex Development Public Company Limited (“**APEX**”) and Grand Bay Hotel Co., Ltd (“**Grand Bay**”) (the “**Joint Venture**”);
- (ii) the circular to shareholders dated 5 August 2019 in respect of the Joint Venture (“**Circular**”); and
- (iii) announcements on 29 August 2019 and 31 December 2019 in relation to updates on the Joint Venture with APEX.

Unless as otherwise defined, all capitalised terms used herein shall have the same meaning ascribed to them in the above-mentioned announcements and the Circular.

Update on the Joint Venture

The Board is pleased to announce that the Joint Venture has been completed on 7 January 2020 pursuant to an addendum to the JVA entered into between APEX, the Company and Grand Bay on 7 January 2020 (the “**Addendum**”) to revise the Purchase Price of the Sales Shares and the terms of payment.

Principal terms of the Addendum

Under the terms of the JVA, the Purchase Price of the Sale Shares was the sum of (a) Baht 335 million (“**Fixed Purchase Price**”), and (b) 50% of (A minus the value of Baht 50 million) (“**Variable Purchase Price**”), where “A” represents the total costs for construction and development of the Joint Venture Project up to and including the date on which the final tranche of the Sale Shares is transferred to the Company by APEX.

Pursuant to the Addendum, the parties to the Addendum (the “**Parties**”) understand and acknowledge that a new loan of Baht 200 million was jointly obtained by APEX and Grand Bay (“**Loan**”). As the Loan has been taken up by APEX, and Grand Bay is responsible for making timely repayment of the Loan in full, the Parties have agreed to offset Baht 100 million as partial satisfaction of the Fixed Purchase Price. The Company and APEX had also agreed to reduce the Fixed Purchase Price, on a willing buyer willing seller basis, by Baht 31 million. Hence, the revised fixed purchase price is Baht 304 million (“**Revised Fixed Purchase Price**”).

Under the Addendum, in the event APEX, and not Grand Bay, should make any payment in respect of the Loan after completion of the JVA, Grand Bay shall reimburse such amount to APEX. the Parties have further agreed that the Loan shall be refinanced and the Company is working closely with APEX to arrange for such refinancing for Grand Bay’s operations. The Company will provide any material updates and make the necessary announcements in accordance with the Catalist Rules.

The balance of the Revised Fixed Purchase Price, after taking into account the instalments paid to date and the offset of Baht 100 million, is Baht 37 million.

Notwithstanding the amendments to the JVA made under the Addendum, the Board is of the view that the terms of the Addendum are no less favourable and would not prejudice the minority shareholders of the Company for the following reasons:-

- I. the Company was able to secure a reduced Purchase Price for the JVA; and
- II. the Company was able to reserve cash pursuant to the Revised Fixed Purchased Price and the offset of Baht 100 million from the Loan.

Deferred Payment

The Company will, after reviewing and approving the evidence submitted in for the Variable Purchase Price, make the payment in respect of the Variable Purchase Price within 14 days upon receipt of notice from APEX on the calculation of the Variable Purchase Price.

Completion

In accordance with the Addendum, the balance of the Revised Fixed Purchase Price of Baht 37 million (equivalent to approximately S\$1.7 million) was made to APEX on 7 January 2020. The remaining 60% of the Sale Shares has also on 7 January 2020, been transferred to the Company, pursuant to which the Company now owns 100% of the Sale Shares, equivalent to 50% of the total issued share capital of Grand Bay.

Use of Proceeds from Convertible Loans

The source of funds utilised in connection with the payment of the balance of the Revised Fixed Purchase Price on 7 January 2020 are from the proceeds raised from the Company's recent convertible loans dated 15 December 2019, 23 December 2019 and 3 January 2020. In this regard, the Board wishes to provide an update pursuant to Rule 704(30) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst, on the utilisation of the respective net proceeds from the convertible loans as follows:

(A) Convertible loan dated 15 December 2019

Intended uses	Amount allocated (S\$'000)	Amount utilised as at 6 January 2020 (S\$'000)	Amount utilised on 7 January 2020 (S\$'000)	Balance (S\$'000)
Business and investments opportunities ⁽¹⁾	1,600	1,502	98	-
General working capital ⁽²⁾	138	-	-	138
Total	1,738	1,502	98	138

(B) Convertible loan dated 23 December 2019

Intended uses	Amount allocated (S\$'000)	Amount utilised as at 6 January 2020 (S\$'000)	Amount utilised on 7 January 2020 (S\$'000)	Balance (S\$'000)
Business and investments opportunities ⁽¹⁾	988	-	988	-
Total	988	-	988	-

(C) Convertible loan dated 3 January 2020

Intended uses	Amount allocated (S\$'000)	Amount utilised as at 6 January 2020	Amount utilised on 7 January 2020 (S\$'000)	Balance (S\$'000)

		(S\$'000)		
Business and investments opportunities ⁽¹⁾	788	-	596	192
Total	788	-	596	192

Notes:-

- (1) *Business and investment opportunities include the final instalment of the Purchase Price and expected expenses to be incurred in connection with the Joint Venture with APEX and opportunities in other property development projects as and when they arise.*
- (2) *General working capital includes day-to-day operating expenses for the Group such as professional fees, listing fees, staff cost and office expenses.*

The use of the net proceeds from the abovementioned convertible loans are in accordance with the intended use as previously disclosed in the Company's announcements dated 15 December 2019, 23 December 2019 and 3 January 2020 in relation to the respective convertible loans. The Company will make periodic announcements as and when the balance of the net proceeds are materially disbursed.

BY ORDER OF THE BOARD

CHANG WEI LU

Executive Chairman and Chief Executive Officer
9 January 2020

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 Catalyst.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.