

MERCURIUS CAPITAL INVESTMENT LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.198200473E)

**DISCLAIMER OF OPINION BY THE INDEPENDENT AUDITOR ON THE
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2020**

Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board of Directors (the “**Board**”) of Mercurius Capital Investment Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company's Independent Auditor, Nexia TS Public Accounting Corporation, have included a disclaimer of opinion based on (a) the use of going concern assumption on the consolidated financial statements of the Group and the Company and (b) the accounting for the Group's investment in a joint venture, Grand Bay Hotel Co., Ltd (the “**Disclaimer Opinion**”) in their Independent Auditor's Report dated 30 March 2021 (the “**Independent Auditor's Report**”) in relation to the audited consolidated financial statements of the Group and the Company for the financial year ended 31 December 2020 (“**FY2020**”) (the “**Financial Statements**”).

A copy of the Independent Auditor's Report is attached to this announcement for information. The Independent Auditor's Report and a complete set of the Financial Statements will also be found in the Company's annual report for FY2020 (“**FY2020 Annual Report**”), which will be released on SGXNET in due course. Shareholders of the Company are advised to read this announcement in conjunction with the Financial Statements and the FY2020 Annual Report.

Going Concern

Notwithstanding the Disclaimer Opinion, the Board is of the opinion that the going concern basis of preparation of the financial statements is appropriate, having considered the unrestricted cash balances of the Group and the Company of \$247,000 and \$240,000 as at 31 December 2020 respectively would be sufficient to meet the Group's obligations for the next twelve months after taking into consideration the following:

1. An undertaking letter from a director that the director has agreed to ascertain sufficient cash balances in the Group and the Company prior to demanding for payment of outstanding payables of \$300,000 in the financial year ending 31 December 2021;
2. That supplementary letters dated 12 December 2020 have been obtained from certain convertible loan holders (the “investors”) in respect of convertible loans outstanding as at 31 December 2020, amounting to \$3,813,000, pursuant to which the investors had agreed to extend the maturity dates of the convertible loan agreements to 12 June 2021, 22 June 2021 and 2 July 2021 respectively; and
3. The ability of the Group and the Company to obtain additional sources of funds to settle/discharge their remaining current liabilities in the next twelve months from the end of the financial year.

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Investment in a joint venture

The Group had entered into a joint venture agreement with Apex Development Public Company Limited (“**APEX**”) and Grand Bay Hotel Co., Ltd (“**Grand Bay**”), in which the Group has a 50% shareholding interest in Grand Bay.

The Group has used the unaudited management accounts of Grand Bay for the financial year ended 31 December 2020 to equity account for its investment in Grand Bay in the consolidated financial statements of the Group.

The Group is currently working with the management of Grand Bay to establish an accounting reporting system to provide more detailed relevant information. The Board is monitoring closely the progress of this work and will meet the board of directors and the management of the joint venture partner, APEX, to discuss and address this issue

The Board is of the opinion that sufficient information has been disclosed for trading of the Company’s securities to continue in an orderly manner and confirmed that all material disclosure has been provided for trading of the Company’s shares to continue.

Shareholders of the Company (“**Shareholders**”) are advised to read the Financial Statements in its FY2020 Annual Report in its entirety, which will be despatched to Shareholders in due course.

The Board wishes to advise Shareholders and potential investors to exercise caution when dealing in the shares of the Company. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubts about the actions they should take.

BY ORDER OF THE BOARD

CHANG WEI LU

Executive Chairman and Chief Executive Officer

8 April 2021

*This announcement has been prepared by the Company and reviewed by the Company’s sponsor, Novus Corporate Finance Pte. Ltd. (the “**Sponsor**”), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of 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.

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.