

## MERCURIUS CAPITAL INVESTMENT LIMITED

(Incorporated in Singapore)

(Company Registration No. 198200473E)

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### CESSATION OF BUSINESS OPERATIONS IN SUBSIDIARIES OF THE GROUP

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The Board of Directors (the “**Board**”) of Mercurius Capital Investment Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiaries, Songmart Malaysia Sdn. Bhd. (“**Songmart Malaysia**”), Granville Grocery Sdn. Bhd. (“**Granville**”) and Tan Lee Heng Import & Export Sdn. Bhd. (“**Tan Lee Heng**”) (collectively, and together with Songmart Holdings Sdn. Bhd., the “**Songmart Group**”) had on 30 June 2023, ceased all of its business operations and as such, the Group has ceased its groceries business.

The Company wishes to inform its shareholders that the delay in announcement was due to an oversight as the Group was focused on numerous other pressing issues that demanded significant immediate attention in relation to the Group’s legal proceedings and negotiations on the Group’s next steps.

The cessation of the business operations of Songmart Group is primarily attributed to its poor financial performance arising from, among others, rising operational costs, competitive pricing, increased market players, and fluctuating market conditions. Despite the initial potential and market demand, the groceries business consistently incurred losses over an extended period, leading to an unsustainable financial strain, with the Songmart Group’s inability to repay its lenders and suppliers in a timely manner. Furthermore, the lack of proper financial controls and oversight within the Songmart Group contributed to the deteriorating financial situation. Despite the Company’s efforts in implementing remedial measures, such as cost-cutting initiatives and restructuring efforts, the financial damage had taken its toll and was too deeply ingrained within the business operations to reverse the downward trajectory.

As such, the Board is of the view that it is in the best interests of the Group to cease the business operations of Songmart Group. The Company had announced its intention to sell Songmart Holdings Sdn. Bhd.’s assets to repay amounts owed to a bank. The Board will be further evaluating any viable options on the future direction of the Songmart Group and the Company’s business plan in Malaysia.

In the meantime, the Group will continue to focus its efforts on, among others, the joint venture with Apex Development Public Company Limited, and the plans for the joint development of the Sheraton Phuket Grand Bay Resort hotel property in Phuket, Thailand. The Group is seeking funding with favourable terms to resume the development and have finalized the revised plans for the development of the resort in March 2023, which are to be proposed to the Marriott group for discussions on the development, with a view to commence development in the second half of 2023.

The Company will update shareholders as and when there is any material update in relation thereto.

**BY ORDER OF THE BOARD**

Chew Hai Chiene Hester Arthur

Group Chief Executive Officer and Executive Director

27 July 2023

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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 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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