



MERCURIUS CAPITAL INVESTMENT LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.198200473E)

MEDIA RELEASE

Mercurius to recognise Songmart's net profits from 1 July 2022 while it aims to complete the proposed acquisition by end August 2022

- *The economic benefits of Songmart's net profits, with effect from 1 July 2022 to the Proposed Acquisition's completion, is non-refundable*
- *The Group is ready to embark on establishing more than 500 stores in the region*

SINGAPORE, 4 July 2022 – Catalist-listed **Mercurius Capital Investment Limited** ("**Mercurius**" or the "**Company**", and together with its subsidiaries, the "**Group**"), today signed a second supplemental share sale agreement in relation to the acquisition of the entire issued share capital of Songmart Holdings Sdn. Bhd. ("**Songmart**" or the "**SPV**") for an aggregate consideration of S\$36 million ("**Purchase Consideration**") which was first announced on 12 July 2021 (the "**Proposed Acquisition**").

Songmart is principally engaged in the business of trading of foodstuff, groceries, sundry goods and daily necessities, as well as the operation of mini-marts and convenience stores under the brand "Songmart", and a premium supermarket under the brand "Granville" in Johor, Malaysia (the "**Proposed New Business**").

Amongst others, the parties to the second supplemental share sale agreement have agreed to extend the completion of the Proposed Acquisition till 31 August 2022, to allow more time for the parties to fulfil the conditions precedent. The vendors also expressly and irrevocably assign all their economic benefits of Songmart's net profits with effect from 1 July 2022 until

the completion of the Proposed Acquisition. In the event that the Proposed Acquisition is terminated, the economic benefits will not be refunded by Mercurius.

The Proposed Acquisition will be satisfied entirely through the allotment and issuance of 200 million new ordinary shares in the capital of the Company ("**Consideration Shares**") at an agreed issue price of S\$0.18 per Consideration Share in 3 tranches:

- First tranche comprises 66,666,666 Consideration Shares (equivalent to approximately S\$12 million of the Purchase Consideration) expected to be issued within 6 weeks from completion;
- Second tranche comprises 66,666,666 Consideration Shares (equivalent to approximately S\$12 million of the Purchase Consideration) to be issued within 6 weeks from the date on which the SPV's audited consolidated accounts is delivered to the Company, subject to adjustments if the SPV does not achieve a profit after tax of RM\$15 million for the financial year ending 31 December 2022; and
- The final tranche comprises 66,666,668 Consideration Shares (equivalent to approximately S\$12 million of the Purchase Consideration) which is to be issued within 6 weeks from the date on which the SPV's audited consolidated accounts for the year ending 31 December 2023 ("**FY2023**") are delivered to the Company, subject to adjustments if the SPV does not achieve a profit after tax of RM\$16.5 million for FY2023.

Further to the second supplemental share sale agreement, the final tranche will also be subject to the full settlement of banking facilities, amounting to RM14.1 million granted by Alliance Bank Malaysia Berhad to Songmart. The number of Consideration Shares in the final tranche will be adjusted to the extent of the amount of unpaid banking facilities, if any, at Mercurius' sole discretion.

Said Mr Chang Wei Lu, Mercurius' Executive Chairman and Chief Executive Officer, "We look forward to the completion of the Proposed Acquisition when Songmart's assets and business, as well as its significant earnings, can be consolidated into the Group. Meanwhile, we are pleased that Songmart's earnings will be recognized retrospectively from 1 July 2022."

“The Proposed Acquisition is strategically important to the Group and we are excited about our plans to expand the supermarket business in Malaysia and beyond. The Group is well on track to achieve more than 500 stores in time to come,” Mr Chang added.

The strategic Proposed Acquisition provides a platform for the Group to diversify from its planned hospitality business in Thailand which came to a standstill amidst the uncertainties brought about by the Covid-19 pandemic, to include the Proposed New Business. Mercurius’ shareholders had voted for and duly passed the proposed resolution in relation to Mercurius’ proposed business diversification at an extraordinary general meeting held on 26 April 2022.

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This media release 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 Catalyst.

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

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