



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

MEDIA RELEASE

Mercurius diversifies into the grocery business in Malaysia; acquires Songmart Holdings for S\$36 million

- *The all-shares acquisition is to be satisfied with the issuance of 200 million new ordinary shares in the capital of the Company at S\$0.18 per share*
- *The target assets relate to an import/export distribution business, as well as 12 Songmart mini-marts and convenience stores and a premium Granville supermarket in Johor, Malaysia (“**Target Group**”)*

SINGAPORE, 12 July 2021 – Catalyst-listed **Mercurius Capital Investment Limited** (“**Mercurius**” or the “**Company**”, and together with its subsidiaries, the “**Group**”), has announced today that it has entered into a share sale agreement to acquire the entire issued share capital of Songmart Holdings Sdn Bhd (“**Songmart**” or the “**SPV**”) for an aggregate consideration of S\$36 million (the “**Acquisition**”).

Songmart is a special purpose vehicle that will concurrently acquire the Target Group, which is principally engaged in the business of trading of foodstuff, groceries, sundry goods and daily necessities, as well as the operation of 12 mini-marts and convenience stores under the brand “Songmart”, and a premium supermarket under the brand “Granville” in Johor, Malaysia.

The 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 FY2022.
- 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 FY2023 audited consolidated accounts 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.

Based on the pro forma consolidated management accounts of the SPV for the financial year ended 31 December 2020, the SPV posted profit after tax of approximately RM\$9.5 million (approximately S\$3.1 million).

Said Mr Chang Wei Lu, Mercurius' Executive Chairman and Chief Executive Officer, "This strategic acquisition provides a platform for the Group to diversify from our planned hospitality business in Thailand which has been progressing slowly amidst the uncertainties brought about by the Covid-19 pandemic. By diversifying into the more defensive groceries business in Malaysia, we hope to propel and transform the Group towards long-term sustainability."

"Looking ahead, we are laser-focused on growing our key market of Malaysia, and plan to aggressively expand our store network in the next few years. Beyond Malaysia, we plan to open Songmart and Granville stores in Singapore, Indonesia, Thailand and Vietnam, and are actively developing an online platform to complement our physical store strategy. Given the huge size of these markets, we have the ambition of becoming a 500-store group and ecosystem. We will work with Songmart's management to achieve this in the next 3 years."

Mercurius will be seeking approval from of its shareholders for the proposed business diversification at an extraordinary general meeting to be convened in due course.

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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 Catalist.*

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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