MSM INTERNATIONAL LIMITED
(Incorporated in Singapore)
(Company Registration No.: 200918800R)

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(1) TERMINATION OF PROPOSED DEVELOPMENT AND SALE OF PROPERTY; AND
(2) PROPOSED DISPOSAL OF PROPERTY

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1. TERMINATION OF PROPOSED DEVELOPMENT AND SALE OF PROPERTY

1.1. The Board of Directors (the “**Board**”) of MSM International Limited (the “**Company**”, and together with its subsidiaries, the "**Group**") refers to the Company’s announcement dated 17 March 2025 and circular dated 6 June 2025 (collectively, “**Previous Announcements**”), in relation to, *inter alia*, the proposed development of two (2) units of factories located at Lot 1861, H.S.(M) 13710, Mukim Cheras, 43200 Cheras, Selangor (the “**Property**”) and subsequently dispose each of the factories together with the land on which they are built (“**Proposed Development and Sale of Property**”).

1.2. The Board wishes to announce that MSM Metal Industries Sdn. Bhd. ("**MSM Metal**"), a wholly-owned subsidiary of the Company, has on 15 July 2026 entered into the relevant deed(s) of revocation with

a) Plustech Engineering and Construction Sdn. Bhd. (“**Plustech**”) to terminate the construction agreement dated 17 March 2025 with Plustech in respect of Plustech’s designing, building and completion of the construction of two (2) units of factory located at the Property for a consideration amounting to approximately RM15,000,000 (“**Construction Agreement**”); and

b) Pusat Pakaian Hari-Hari Sdn. Bhd. (“**Hari-Hari**” or the "**Purchaser**") to terminate the sale and purchase agreement dated 17 March 2025 with Hari-Hari in respect of the sale of one (1) unit of factory to be erected on the Property together with the land on which it is built at a consideration of RM18,000,000 (“**Disposal SPA**”).

1.3. The Company has decided to terminate the Proposed Development and Sale of Property due to the receipt of an offer from Hari-Hari to purchase the Property, which is currently the undeveloped land. After taking into consideration the global economic uncertainty due to geopolitical tension which is leading to unexpected increase in material and construction costs, additional work require for construction after assessing the site condition, as well as human resources and time required to manage the development and construction of the factories, the Board considers that it is in the best interest of the Company to dispose the Property to Hari-Hari instead. The proposed disposal of the Property to Hari-Hari would allow the Group to realise the value of the Property without undertaking the construction obligations and development risks under the Construction Agreement. Further details on the proposed disposal of Property to Hari-Hari is detailed in Section 2 below.

1.4. Termination of Construction Agreement

As at the date of this announcement, MSM Metal has incurred approximately RM2.3 mil for the execution of the Construction Agreement and commencement of earthwork. Following the termination of the Construction Agreement, such construction cost will be capitalised as it forms part of the enhancement work on the Property.

There are no other material terms, penalties or charges arising from the deed of revocation between MSM Metal and Plustech, and both parties have mutually agreed to release and discharge each other from all claims, demands, obligations and liabilities arising from or in connection with the Construction Agreement.

1.5. Termination of Disposal SPA

Pursuant to the Disposal SPA, MSM Metal has received RM1,800,000 from Hari-Hari for the execution of the Disposal SPA as at the date of this announcement.

The amount received from Hari-Hari pursuant to the Disposal SPA will be treated as part payment towards the deposit specified under the new sale and purchase agreement for the proposed disposal of the Property amounting to RM1,900,000 as detailed in the Section 2.4 below.

Save as disclosed above, there are no other material terms, penalties or charges arising from the deed of revocation between MSM Metal and Hari-Hari, and both parties have mutually agreed to release and discharge each other from all claims, demands, obligations and liabilities arising from or in connection with the Disposal SPA.

2. PROPOSED DISPOSAL OF THE PROPERTY

2.1. The Board wishes to announce that MSM Metal has on 15 July 2026 entered into a sale and purchase agreement ("**SPA**") with Hari-Hari for the proposed disposal of the Property for an aggregate cash consideration of RM19,000,000 (the "**Consideration**"), subject to the terms and conditions to be set out in the SPA ("**Proposed Disposal**").

2.2. Information on the Purchaser

Hari-Hari is a company incorporated in Malaysia on 4 July 1996 with its registered office at Unit 521, 5th Floor, Lobby 6, Block A, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor. The nature of Hari-Hari's business is the carrying out of wholesale and retail of apparel, garments, footwear, accessories and related services.

Hari-Hari is an independent and unrelated third party. Hari-Hari is not related to the Directors or controlling shareholders of the Company and their respective associates. For the avoidance of doubt, Hari-Hari and its directors and shareholders are not interested persons under Chapter 9 of the Catalist Rules.

2.3. Information on the Property

The Property is a parcel of vacant industrial land bearing the postal address of Lot 1861, H.S.(M) 13710, Mukim Cheras, 43200 Cheras, Selangor held under Individual Title Pajakan Mukim 4124, Lot 1861 (previously held under H.S.(M) 13710, PT 1861), Pekan Cheras, Daerah Hulu Langat, Negeri Selangor measuring approximately 0.825 hectares in area. The Property is presently charged to Public Bank Berhad ("**Existing Chargee**") as security for a loan granted by PBB to the Company. The Property is a leasehold property with a leasehold tenure of 99 years expiring on 21 June 2071.

An independent valuation of the Property was commissioned by the Company and conducted by JS Valuers Property Consultants Sdn Bhd ("**Valuers**") to establish the value of the Property for the Proposed Disposal. Based on the updated valuation certificate issued by the Valuers on 27 April 2026 ("**Valuation Certificate**"), the value of the Property is RM12,000,000 as at 17 April 2026.

Based on the latest audited consolidated financial statements of the Group for the financial year ended 31 March 2026, the net book value of the Property is approximately RM6.0 million as at 31 March 2026. After taking into consideration the capitalisation of the construction costs incurred to-date of approximately RM2.3 million, the net book value of the Property is approximately RM8.3 million.

Based on the Consideration of RM19,000,000 and the adjusted net book value of the Property (after taking into consideration the construction costs incurred to-date) of RM8.3 million, the Group is expected to recognise an estimated gain on disposal of approximately RM10.7 million. The proceeds from the Proposed Disposal will be used to repay bank borrowings and general working capital purpose.

2.4. Consideration of the Proposed Disposal

The Consideration for the Property is RM19,000,000 which shall be satisfied by the Purchaser in the following manner:

	Progress	**%**	**RM'000**
(i)	Upon signing of SPA ("**Deposit**")	10	1,900
(ii)	Upon request by Existing Chargee's Solicitors	33	6,240*
(iii)	Upon transfer of land title	57	10,860
	Total	**100**	**19,000**

*The amount represents the outstanding loan owing to the Existing Chargee as at 31 March 2026. Pursuant to the SPA, the outstanding loan owing to the Existing Chargee shall be settled from the Consideration for the purpose of procuring the discharge of the existing charge. As the actual redemption amount payable to the Existing Chargee can only be ascertained at the relevant time, any difference between the actual redemption amount paid to the Existing Chargee and the amount stated above shall be remitted to the Company upon the transfer of the land title.

As at the date of this announcement, the Deposit has been satisfied in accordance to the SPA from the amount received from the Purchaser pursuant to the Disposal SPA of RM1,800,000 and cash receipt of RM100,000.

The Consideration was arrived at after arm's length negotiations between MSM Metal and the Purchaser on a willing-buyer willing-seller basis, after taking into account, *inter alia*, the Valuation Certificate, the net book value of the Property and the reasons for the termination of the Proposed Development and Sale of Property as disclosed in Section 1.3 above.

2.5. Conditions Precedent

The Proposed Disposal is conditional upon MSM Metal obtaining the written approval and consent of the State Authority to the transfer of the Property in favour of the Purchaser simultaneously together with the consent of the State Authority to charge in favour of the financier of the Purchaser ("**State Consents**") within 4 months from the date of the SPA.

2.6. Completion of the Proposed Disposal

The Proposed Disposal shall be completed within 4 months from the date of receipt of State Consents.

2.7. Rationale for the Proposed Disposal

The Board believes that the Proposed Disposal is in the best interests of the Group and its Shareholders as it will enable the Group to realise the value of the Property and strengthen the Group's financial position while mitigating certain business risks associated with the property development and global economic landscape.

Following the termination of the Proposed Development and Sale of Property, the Proposed Disposal provides the Group with an opportunity to monetise the Property in a relatively shorter period of time without incurring further construction costs or assuming development, funding and execution risks. The net proceeds from the Proposed Disposal are expected to provide the Group with additional working capital and financial flexibility to support its existing business operations and future business plans.

The Proposed Disposal is a transaction carried out in the Company's ordinary course of business of property business and the Board is of the view that the Proposed Disposal will not materially change the risk profile of the Group.

3. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the termination of Proposed Development and Sale of Property and the Proposed Disposal, other than through their respective shareholdings in the Company, if any.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the deeds of revocation with Plustech and Hari-Hari, the Valuation Certificate and the SPA are available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 36 Robinson Road, #20-01 City House, Singapore 068877 for a period of three (3) months from the date of this announcement.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the termination of the Proposed Development and Sale of Property, the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD

CHAN KEE SIENG
Executive Chairman
15 July 2026

This announcement has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("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 Lance Tan, Senior Vice President at 83 Clemenceau Avenue, #10-01 UE Square, Singapore 239920, telephone (65) 6590 6881.