

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

RESPONSES TO THE SGX QUERIES DATED 24 DECEMBER 2019

MSM International Limited (“**MSM**” or the “**Company**”, and together with its subsidiaries, the “**MSM Group**”) wishes to announce its responses to the following queries from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) with reference to the announcement dated 23 December 2019 pertaining to the submission of a listing application by its associated company, Cosmos Technology International Berhad (“**CTIB**”) for its proposed listing on the LEAP Market of Bursa Malaysia Securities Berhad.

Below are the SGX Queries and the Company’s Responses:

SGX Queries	Company’s Responses
(1) Pls provide more information on submission as highlighted in the announcement	<p>CTIB intends to issue 19,240,000 placement shares, representing approximately 10% of its enlarged issued share capital, at RM0.28 per placement share (“Placement Price”) to sophisticated investors.</p> <p>A sophisticated investor, as defined under Schedules 6 & 7 of the Capital Markets and Services Act 2007 (“CMSA”) (“Sophisticated Investors”) are categorised as:</p> <ul style="list-style-type: none"> • Accredited investors; • High net-worth entities; and • High net-worth individuals. <p>Examples include:</p> <ul style="list-style-type: none"> • an individual whose total net personal assets exceeds RM3,000,000 or equivalent in foreign currencies; or • an individual who has a gross annual income exceeding RM300,000 or equivalent in foreign currencies in the preceding twelve months; or • an individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or equivalent in foreign currencies in the preceding twelve months; or • a corporation with total net assets exceeding RM10,000,000 or equivalent in foreign currencies based on last audited accounts; or • a partnership with total net assets exceeding RM10,000,000 or its equivalent in foreign currencies; or • a company that is registered as a trust company under the Trust Companies Act 1949 which has assets exceeding RM10,000,000 under management; or • a corporation that is a public company under the Malaysia Companies Act 2016 which is approved by the Securities Commission Malaysia to be a trustee under the Capital Markets and

	<p>Services Act 2007 and has assets exceeding RM10,000,000 under management.</p> <p>Thereafter CTIB will seek an admission to the official list of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) for the listing of its entire enlarged share capital on the LEAP Market of Bursa Malaysia (“Proposed Listing”). The market capitalisation of CTIB based on the Placement Price upon the Proposed Listing is approximately RM53.87 million. The net proceeds to be raised from the Proposed Listing is approximately RM4.39 million.</p> <p>MSM currently has an effective interest of 40% in CTIB. Upon completion of the Proposed Listing, MSM will hold 36% of the enlarged share capital of CTIB. The remaining 54% and 10% will be held by Dato’ Chong Toh Wee (“Dato’ Chong”) and Sophisticated Investors, respectively.</p> <p>The CTIB group comprise of CTIB and its two wholly-owned subsidiaries, namely Cosmos Instruments Sdn Bhd (“Cosmos”) and Marc Conleth Industries Sdn Bhd (“MCI”) (“CTIB Group”).</p> <p>The CTIB Group is principally involved in the distribution and servicing of fluid control products and manufacturing of fabricated metal parts for industrial applications used in the water, wastewater and oil and gas industries.</p>								
<p>(2) What does a listing on the LEAP Market of Bursa entail? What is the expected timeline / milestones?</p>	<p>The LEAP Market is a new market offered by Bursa Malaysia which will provide companies, mainly small and medium enterprises (“SMEs”), with greater fund raising access and visibility via the capital market; and will be accessible only to Sophisticated Investors.</p> <p>Generally, the processing period to list on the LEAP Market is relatively shorter and quicker than listings on the Main Market and ACE Market as a company only needs to produce an Information Memorandum, whereas those seeking to list on the Main Market and ACE Market have to publish a prospectus.</p> <p>There is also no requirement for profit track records or operating history for LEAP Market listings.</p> <p>The expected timeline/milestones of the Proposed Listing are as follows:</p> <table border="1" data-bbox="528 1659 1374 1917"> <thead> <tr> <th data-bbox="528 1659 978 1697">Milestones</th> <th data-bbox="978 1659 1374 1697">Timeline</th> </tr> </thead> <tbody> <tr> <td data-bbox="528 1697 978 1771">Date of Information Memorandum</td> <td data-bbox="978 1697 1374 1771">23 December 2019</td> </tr> <tr> <td data-bbox="528 1771 978 1845">Allotment of the Placement Shares</td> <td data-bbox="978 1771 1374 1845">January 2020*</td> </tr> <tr> <td data-bbox="528 1845 978 1917">Listing on the LEAP Market</td> <td data-bbox="978 1845 1374 1917">January 2020*</td> </tr> </tbody> </table> <p><i>Note:</i></p>	Milestones	Timeline	Date of Information Memorandum	23 December 2019	Allotment of the Placement Shares	January 2020*	Listing on the LEAP Market	January 2020*
Milestones	Timeline								
Date of Information Memorandum	23 December 2019								
Allotment of the Placement Shares	January 2020*								
Listing on the LEAP Market	January 2020*								

	* <i>Subject to receipt of approval from Bursa Securities for the Proposed Listing</i>
(3) Does this constitute chain listing? Please refer to Regulatory Column pieces published by SGX on 3 Feb 2010 and 24 Feb 2011 for guidance on spin-offs, and provide considerations on factors listed if applicable.	<p>We are of the view that the Proposed Listing does not constitute chain listing or a spin-off based on the following considerations:</p> <p>(i) MSM currently holds an effective interest of 40% in CTIB. Prior to the incorporation of CTIB and the restructuring of the CTIB Group for the purposes of the Proposed Listing, Dato' Chong and MSM held 60% and 40% interest in MCI, respectively. As such, CTIB and MCI are associated companies of MSM and Catalist Rule 406(7) in relation to chain listing would not apply as MCI is neither a subsidiary nor a parent company of MSM.</p> <p>(ii) Further, MSM did not have any control over CTIB. CTIB also has a separate board and management from MSM. As such, the decision for CTIB to undertake the Proposed Listing was independent of the Board of Directors of MSM and was driven by Dato' Chong, the 60% shareholder of CTIB.</p>
(4) What is the rationale for the proposed listing on LEAP?	<p>The LEAP Market helps SMEs increase their visibility and profile. CTIB believes that it will be able to secure more government projects in the water and wastewater industries once it achieved its listing status.</p> <p>The Proposed Listing on LEAP Market is also faster and cost efficient as compared to a listing on the ACE Market or the Main Market of Bursa Malaysia.</p>
(5) Has the Company appointed any advisers?	MSM did not appoint any advisers. CTIB has appointed MainStreet Advisers Sdn Bhd as the Approved Adviser, Placement Agent and Continuing Adviser for its initial public offering and Azman Davidson & Co as their legal adviser.

BY ORDER OF THE BOARD
MSM INTERNATIONAL LIMITED

CHAN KEE SIENG
Executive Chairman
6 January 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. 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 Ms Jennifer Tan, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).