



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

A. INCORPORATION OF AN ASSOCIATED COMPANY

B. PROPOSED RESTRUCTURING

INTRODUCTION

The board of directors (“Board” or “Directors”) of MSM International Limited. (the “Company” and together with its subsidiaries, the “Group”) wishes to update shareholders on the following:

A. INCORPORATION OF AN ASSOCIATED COMPANY

The Company has incorporated an associated company, Cosmos Technology International Sdn Bhd (“CTI”) (“Incorporation”), in Malaysia. The principal activities of the associated company are investment holdings. The Company holds an effective interest of 40% while Dato’ Chong Toh Wee (“Dato’ Chong”) holds an effective interest of 60%. As at the date of this announcement, the associated company has an issued and paid-up share capital of RM2.00 comprising 20 ordinary shares.

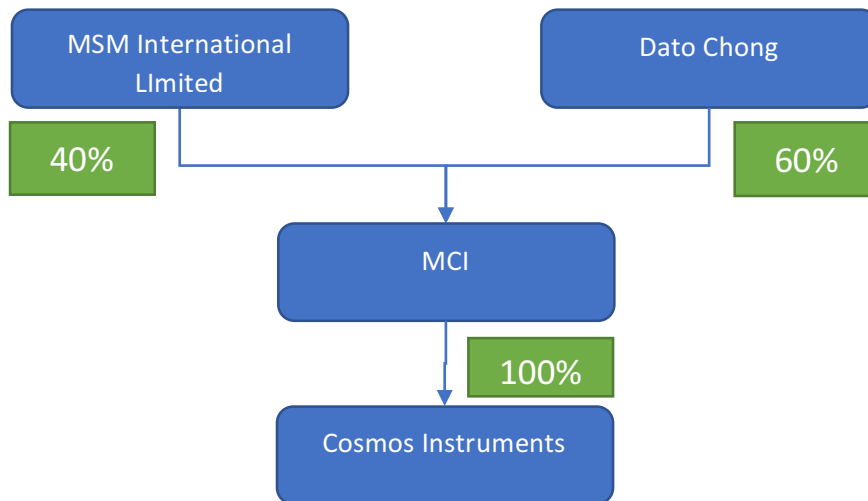
The Incorporation was funded through internal resources and is not expected to have any material effect on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 March 2020.

None of the Directors, substantial shareholders and controlling shareholders of the Company (other than in his capacity as a Director or shareholder of the Company) has any interest, direct or indirect, in the Incorporation.

B. PROPOSED RESTRUCTURING

The Company refers to its announcement on 9 January 2019 wherein the Company had completed the disposal of sixty per cent (60%) of its shareholding interest in Marc Conleth Industries Sdn. Bhd. (“MCI”) (the “60% MCI Interest”) to Dato’ Chong.

In consideration of the Company transferring the 60% MCI Interest to Dato Chong, Dato Chong had transferred 100% of his shareholding interest in Cosmos Instruments Sdn Bhd (“Cosmos”) to MCI and the resultant shareholding structure following the completion of the transactions on 9 January 2019 was as follows:



The Company would like to inform shareholders that: (i) its associated company, MCI has on 26 August 2019 entered into a share sale agreement with CTI to dispose its 100% shareholding interest in Cosmos (“**Cosmos SSA**”); and (ii) the Company has also on the same date entered into a share sale agreement with Dato’ Chong and CTI (the “**MCI SSA**”) pursuant to which the Company and Dato’ Chong shall dispose its 40% and 60% shareholding interest in MCI, respectively to CTI. ((i) and (ii) are collectively referred to as the “**Proposed Restructuring**”).

In this announcement, CTI shall hereinafter be referred to as the “**Purchaser**” and the Company and Dato’ Chong shall hereinafter be referred to as the “**Vendors**” and each a “**Vendor**”.

1. KEY TERMS OF THE PROPOSED RESTRUCTURING

1.1 Consideration

The consideration arising from the Proposed Restructuring are as follows:

- (a) Pursuant to terms and conditions of Cosmos SSA, the consideration for the Cosmos SSA is valued at RM6,876,236. The sale consideration is based on the net asset value of Cosmos and the consideration will be paid for by CTI by way of the allotment and issue of a total of 137,524,720 new ordinary shares in CTI in which 55,009,888 of new ordinary shares in CTI will be issued to the Company and 82,514,832 of new ordinary shares in CTI will be issued to Dato’ Chong as nominees directed by MCI for the sale of its 100% interest in Cosmos.
- (b) Pursuant to the terms and conditions of the MCI SSA, the Company and Dato’ Chong will transfer 400,000 and 600,000 ordinary shares of MCI, representing 40% and 60% of its total issued share capital (“MCI Sale Shares”), respectively to CTI.

The consideration for the MCI Sale Shares is valued at RM 712,224.80, based on a total sale consideration of RM 1,780,562.00 for 100% of MCI. The sale consideration is based on the net asset value of MCI after the completion of the Cosmos SSA since the disposal of Cosmos is in fact a restructuring of the corporate ownership of MCI and Cosmos by interposing CTI as a new intermediate holding company of MCI and Cosmos.

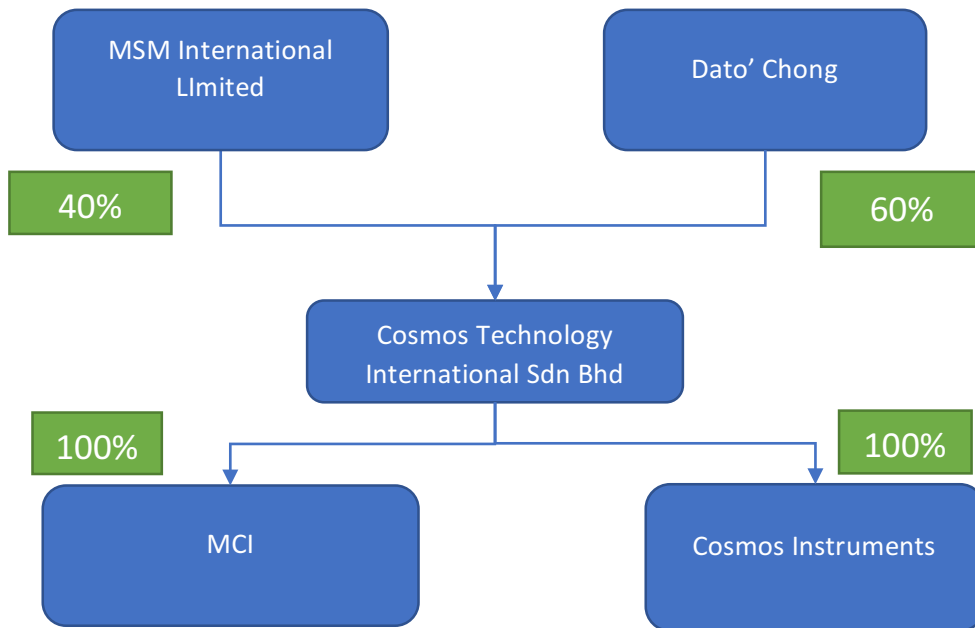
The consideration will be paid for by CTI by way of the allotment and issue of

14,244,496 new ordinary shares in CTI to the Company for the sale of its 40% interest in MCI and the allotment and issue of 21,366,744 new ordinary shares in CTI to Dato' Chong for the sale of his 60% interest in MCI.

1.2 Completion

The completion of the Proposed Restructuring is conditional upon CTI completing the purchase from MCI 100% of MCI's shareholding under the Cosmos SSA, and upon the conditions precedent having been fulfilled and/or waived on or before the date falling one (1) month from the date of the MCI SSA. Completion of the transfer of the MCI Sale Shares by the Company and the transfer of the shares in MCI held by Dato' Chong to CTI shall be within one month from the date all conditions precedent have been fulfilled (or such other date as mutually agreed in writing).

The shareholding structure of CTI, MCI and Cosmos will be as follows upon completion of the Proposed Restructuring.



(i) RATIONALE OF THE PROPOSED RESTRUCTURING

The reason for the Proposed Restructuring is to restructure the ownership of MCI and Cosmos so that upon completion of the Proposed Restructuring, CTI will own directly 100% of MCI and Cosmos. The Proposed Restructuring is part of a plan for a potential corporate exercise in Malaysia. As the terms of the corporate exercise are not finalised yet and would constitute price sensitive information, the Company is not able to provide further details at this point in time. The Company will update shareholders accordingly as and when there are any material developments to the aforementioned which warrants disclosure, in accordance with its obligations under the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalyst.

(j) FINANCIAL EFFECTS

The Proposed Restructuring is not expected to have any material effect on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 March 2020.

(k) INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors, substantial shareholders and controlling shareholders of the Company (other than in his capacity as a Director or shareholder of the Company) has any interest, direct or indirect, in the Proposed Restructuring.

(l) RESPONSIBILITY STATEMENT

The Board 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 Proposed Restructuring, the Company and its subsidiaries, and the Board is 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 Board 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.

Shareholders should note that there is no certainty and assurance that the aforementioned potential corporate exercise of the associated company in Malaysia will progress beyond the current stage or that it will be completed.

Shareholders of the Company and potential investors are therefore advised to refrain from taking any action in respect of their shares of the Company which may be prejudicial to their interests, and to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

BY ORDER OF THE BOARD

CHAN KEE SIENG

Executive Chairman
25 August 2019

*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 **SGX-ST** Listing Manual Section B: Rules of Catalyst.*

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assume 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).