



MSM INTERNATIONAL LIMITED
(Company Registration No. 200918800R)
(Incorporated in the Republic of Singapore)

PROPOSED SHARE CONSOLIDATION

1. INTRODUCTION

- 1.1 The board of directors ("**Board**" or "**Directors**") of MSM International Limited ("**Company**", and together with its subsidiaries, "**Group**") wishes to announce that the Company is proposing to undertake a share consolidation exercise to consolidate every four (4) existing ordinary shares ("**Existing Shares**") in the share capital of the Company (including treasury shares) ("**Shares**") into one (1) ordinary share in the share capital of the Company ("**Consolidated Share**"), fractional entitlements to be disregarded ("**Proposed Share Consolidation**"). Pursuant thereto, each of the shareholders of the Company ("**Shareholders**", and each a "**Shareholder**") will receive one (1) Consolidated Share for every four (4) Shares held as at the record date to be determined by the Directors in their absolute discretion as they deem fit ("**Record Date**").
- 1.2 Pursuant thereto, the Company proposes to seek Shareholders' approval for the Proposed Share Consolidation at an extraordinary general meeting of the Company ("**EGM**") to be convened.
- 1.3 The Company will be issuing a circular to the Shareholders (the "**Circular**") containing information pertaining to the Proposed Share Consolidation, together with the notice of EGM in due course, via announcement on the Singapore Exchange Securities Trading Limited's (the "**SGX-ST**") website and the Company's website.

2. DETAILS OF THE PROPOSED SHARE CONSOLIDATION

- 2.1 Subject to Shareholders' approval at the EGM and the other conditions set out in paragraph 4.1 below being obtained, fulfilled or waived (as the case may be), every four (4) Shares registered in the name or standing to the credit of the securities account of each Shareholder or Depositor (as the case may be) as at the Record Date will be consolidated into one (1) Consolidated Share under the Proposed Share Consolidation, fractional entitlements to be disregarded.
- 2.2 Each Consolidated Share will rank *pari passu* in all respects with each other, except that the Consolidated Shares which are to be held as treasury shares will be subject to the provisions of the Companies Act 1967 of Singapore on treasury shares. The Consolidated Shares will be traded in board lots of 100 Consolidated Shares.
- 2.3 Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Existing Shares as at the Record Date, will be rounded down to the nearest whole Consolidated Share and any fractional entitlements to a Consolidated Share arising from the Proposed Share Consolidation will be disregarded. All fractions of Consolidated Shares arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. Shareholders who hold less than four (4) Existing Shares as at the Record Date will not be entitled to any Consolidated Shares and will no longer be Shareholders upon completion of the Proposed Share Consolidation. Such

Shareholders should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers immediately. They may, subject to the advice from such advisors on the actions that they should take and their own investment policies and risk / return requirements, wish to consider the possibility of purchasing additional Existing Shares so as to increase the number of Existing Shares held to a multiple of four (4) Existing Shares prior to the Record Date.

- 2.4 All fractional entitlements arising upon the implementation of the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including but not limited to (a) disregarding fractional entitlements, or (b) aggregating and selling the same and retaining the net proceeds for the benefit of the Company or on such other basis as they may, in their absolute discretion, deem appropriate. Shareholders will not be paid for any fractional Consolidated Shares which are disregarded or any of the proceeds arising from any aggregation and sale of such fractions.
- 2.5 Shareholders who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade in such odd lots, may trade with a minimum size of one (1) Consolidated Share on the SGX-ST Unit Share Market. The SGX-ST Unit Share Market will enable trading in odd lots in any quantity less than one (1) board lot of the underlying shares. As odd lots of Consolidated Shares can be traded on the SGX-ST Unit Share Market, no separate arrangement will be made for the trading of such odd lots.

Shareholders should note that the market for trading of such odd lots of Consolidated Shares may be illiquid and they may have to bear disproportionate transaction costs in trading their Consolidated Shares on the SGX-ST Unit Share Market. Shareholders who wish to trade their Consolidated Shares on the SGX-ST Unit Share Market should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

- 2.6 As at the date of this announcement, the Company has an issued and paid-up share capital of approximately RM30,158,413 divided into 105,391,186 Shares . On the assumption that there will be no new Shares issued by the Company up to and including the Record Date, and subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the EGM, the Company will have an issued and paid-up share capital of approximately RM30,158,413 divided into 26,347,796 Consolidated Shares following the completion of the Proposed Share Consolidation.
- 2.7 The Proposed Share Consolidation will have no impact on the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company and has no effect on the shareholders' funds (if any) of the Company and the Group. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any material changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding and disregarding fractional entitlements.

3. RATIONALE FOR THE PROPOSED SHARE CONSOLIDATION

The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders for the following reasons:

3.1 Reduction of potential volatility of the Company's Share price

As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), trading in lowly-priced shares may translate to higher transaction costs, relative to the trading price, for each board lot of Shares. In addition, lowly-priced shares are generally more prone to speculation and market manipulation. Given their susceptibility to speculation and market manipulation, lowly-priced shares are generally more volatile as compared to higher-priced shares. The Board believes that the Proposed Share Consolidation may serve to reduce potential volatility of its Share price, fluctuations in the Company's market capitalisation and the percentage transaction cost for trading in each board lot of Shares.

3.2 Increase in the market interest and attractiveness of the Company

The Directors are of the view that a higher share price may lead to the Shares being perceived more favourably and increase its appeal to long-term retail and institutional investors. The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of issued Shares. The Directors expect that, following the Proposed Share Consolidation, all other things being equal, the theoretical trading price and net tangible asset value ("**NTA**") of each Consolidated Share would be higher than that of the current trading price and NTA of each existing Share, taking into account the decrease in the number of Shares in issue following the Proposed Share Consolidation. Accordingly, the Proposed Share Consolidation is expected to improve and to allow the Company to move away from such potential market perception of the Shares. Additionally, following the Proposed Share Consolidation, the increased share price may facilitate corporate actions and increase market interest and activity in the Consolidated Shares, and may generally make the Consolidated Shares more attractive to retail and institutional investors. The Proposed Share Consolidation may also increase coverage of the Company amongst research houses and fund managers, potentially providing a more diverse shareholder base, liquidity and exposure for strong corporate brand value.

3.3 Shareholders should note that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

4. APPROVALS AND CONDITIONS FOR THE PROPOSED SHARE CONSOLIDATION

4.1 The Proposed Share Consolidation is subject to, inter alia, the following:

- (a) the approval of Shareholders for the Proposed Share Consolidation at the EGM; and
- (b) the receipt of the approval in-principle from the SGX-ST ("**AIP**") for the dealing in, listing of and quotation for the Consolidated Shares on the Catalist board of the SGX-ST and compliance with such conditions (if any) as the SGX-ST may impose in connection therewith.

4.2 An application will be made to the SGX-ST to obtain the AIP for the dealing in, listing of and quotation for the Consolidated Shares pursuant to the Proposed Share Consolidation on the Catalist board of the SGX-ST. The Company will release an announcement on the outcome of the application in due course. Any AIP which may be granted by the SGX-ST for the listing and quotation of the Consolidated Shares is not to be taken as an indication of the merits of the Proposed Share Consolidation, the Company, its subsidiaries, the Shares and/or the Consolidated Shares.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and their respective associates, and to the best of the Directors' knowledge, none of the controlling shareholders of the Company, as well as their respective associates, has any interest, whether direct or indirect, in the Proposed Share Consolidation (other than arising from their shareholdings in the Company, if any).

6. 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 constitutes full and true disclosure of all material facts about the Proposed Share Consolidation, 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.

7. FURTHER ANNOUNCEMENTS

The Company will make further announcements to keep Shareholders informed, as and when there are material updates and developments in respect of the Proposed Share Consolidation.

8. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. In particular, Shareholders and potential investors should note that completion of the Proposed Share Consolidation is subject to fulfilment of various conditions and there is no certainty or assurance that the Proposed Share Consolidation (as applicable) will be completed or that no changes will be made to the terms thereof. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.

BY ORDER OF THE BOARD

Chan Kee Sieng
Executive Chairman

17 March 2025

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, 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881