



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

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## **PROPOSED DISPOSAL OF PT MULIA SINERGI METALINDO**

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### **1. INTRODUCTION**

The board of directors (“**Board**” or “**Directors**”) of MSM International Limited (“**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, MSM Equipment Manufacturer Sdn. Bhd. (“**MSME**”) (the “**Vendor**”) has on 16 August 2024, entered into a conditional share sale agreement (“**Disposal SSA**”) with Loong Jhow Chwen (the “**Purchaser**”) together with Jesper (the Purchaser’s nominee) and Muhamad Janim (the Purchaser’s appointed commissioner) to dispose the entire shareholding interest of 125,000 ordinary shares in the capital of MSME’s wholly-owned subsidiary, PT Mulia Sinergi Metalindo (“**PT Mulia**”) (“**Sale Shares**”), to the Purchaser for a cash consideration of RM600,000 (“**Consideration**”) (“**Proposed Disposal**”).

### **2. INFORMATION ON THE PURCHASER**

The Purchaser is a Malaysia citizen and currently resides in Indonesia. The Purchaser is in the business of providing food and beverage service equipment in Indonesia and has knowledge of PT Mulia’s business operations. There are no introducer fees paid or to be paid by the Company in connection with the Proposed Disposal. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Purchaser, the Purchaser’s nominee and the Purchaser’s appointed commissioner are third parties independent of the Company, its Directors and controlling shareholders, and are not related to the Company.

### **3. INFORMATION ON PT MULIA**

PT Mulia was incorporated in Indonesia on 21 January 2011 as a private company limited by shares and is primarily involved in the business of sale and service of metal parts and kitchen equipment. As at the date of this announcement, PT Mulia has an issued and paid-up share capital of USD125,000 comprising 125,000 ordinary shares.

Based on the audited financial statements of PT Mulia as at 31 March 2024, the net tangible liabilities and net liabilities value of PT Mulia amounted to RM1.26 million. PT Mulia recorded a loss before taxation of RM0.23 million for the financial year ended 31 March 2024. There is no market value of PT Mulia as the shares of PT Mulia are not publicly traded. No valuation was commissioned by the Company in respect of the Proposed Disposal taking into consideration the size of the transaction and the rationale for the proposed disposal as set out in section 5 below and the consideration was determined as set out in section 4.1 below. Assuming that the Proposed Disposal had been completed on 31 March 2024 and taking into consideration the Write-Off (as defined in Section 4.1 below) of RM1.74 million, the Proposed Disposal would result in a gain on disposal of approximately RM0.49 million.

## **4. MATERIAL TERMS OF THE PROPOSED DISPOSAL**

### **4.1 Consideration**

In addition to the Consideration, the Company has agreed to, upon completion of the Proposed Disposal, write-off RM1.74 million from the amounts owing by PT Mulia to the Company (“**Write-Off**”), which comprise part of the advances by the Company to PT Mulia to support its working capital for the past few years.

The Consideration and the Write-Off was arrived at pursuant to arm’s length negotiations between the Company and the Purchaser on a willing buyer willing seller basis, after taking into account prevailing market conditions, and the rationale for the Proposed Disposal as disclosed in paragraph 5 below.

The Consideration will be paid by the Purchaser to the Vendor in twelve (12) monthly instalments of RM50,000 with the first instalment commencing from 1 September 2024. In the event of default of payment of the monthly instalments by the Purchaser, the Purchaser (and/or his nominee) shall return all the relevant legal documents pertaining to the Proposed Disposal and effect the retransfer of all the Sale Shares in favour of the Vendor wherein the Purchaser shall bear all cost arising thereof and agree to liquidated damages of RM100,000 as compensation to the Vendor.

### **4.2 Completion**

The Proposed Disposal will complete upon fulfilment by the Purchaser of the following:

- (i) registration of the Purchaser as the shareholder and director of PT Mulia;
- (ii) cease using MSME with the relevant authorities and tax departments; and
- (iii) receipt of original share certificates of the Sale Shares together with the duly executed valid and registrable transfer in respect of the Sale Shares in favour of the Purchaser.

Nevertheless, the Purchaser shall assume control and management of PT Mulia from 1 September 2024.

## **5. RATIONALE OF THE PROPOSED DISPOSAL**

The Company is of the view that the Proposed Disposal is in the best interest of the Group given that PT Mulia has been loss making for the past seven (7) financial years except for financial year ended 31 March 2021 and is in a net liabilities position of RM1.26 million as at 31 March 2024, requiring continued funding by the Company. As such, divesting this investment is expected to improve the Group’s future financial position and operational performance. The Proposed Disposal will also allow the Group to focus on its other businesses, re-strategise and re-allocate its financial and capital resources resulting in more working capital for the expansion of the Group’s other businesses or into new businesses. This may, in turn, enhance long-term shareholders’ value of the Company.

The Proposed Disposal will also not have any material impact on the Group’s core businesses and/or business segments.

## 6. USE OF PROCEEDS

The proceeds from the Proposed Disposal will be used for working capital purposes and debt repayment of the Group.

## 7. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE CATALIST RULES

Based on the latest announced consolidated financial statements of the Group (being the audited consolidated financial statements for the financial year ended 31 March 2024), the relative figures for the Proposed Disposal, as computed on the bases set out in Rule 1006 of the Catalist Rules, are as follows:

Rule 1006	Bases of computation	Relative Figure
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value <sup>(1)</sup>	-3.80% <sup>(2)</sup>
(b)	The net profits attributable to the assets disposed of, compared with the Group's net profits <sup>(3)</sup>	-27.06% <sup>(4)</sup>
(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	3.45% <sup>(5)</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable <sup>(6)</sup>
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable <sup>(7)</sup>

### Notes:

- (1) Under Rule 1002(3)(a) of the Catalist Rules, "net assets" means total assets less total liabilities.
- (2) Based on the negative net liabilities value of PT Mulia of RM1.26 million and the net asset value of the Group of RM33.11 million as at 31 March 2024. After taking into account the Write-Off of RM1.74 million, the adjusted net asset value of PT Mulia is RM0.49 million as at 31 March 2024 whereupon the relative figure would be 1.47%.
- (3) Under Rule 1002(3)(b) of the Catalist Rules, "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (4) Based on the audited financial statements of PT Mulia and the Group for the financial year ended 31 March 2024, the net loss attributable to PT Mulia was RM0.23 million and the net profit of the Group was RM0.87 million, respectively.

- (5) Based on the Consideration of RM0.60 million and the Company's market capitalisation of approximately RM17.39 million. The Company's market capitalisation of approximately RM17.39 million (based on an exchange rate of S\$1.00 to RM3.368), is determined by multiplying the total issued shares of 105,391,186 ordinary shares in issue by the volume weighted average price of shares of S\$0.049 per share on 2 August 2024, being the last full market day immediately preceding the date of the Disposal SSA on which shares were last traded.
- (6) No equity securities will be issued by the Company in connection with the Proposed Disposal.
- (7) The Company is not a mineral, oil and gas company.

The Proposed Disposal involves the disposal of a loss-making company with a negative net asset value. Notwithstanding, the Proposed Disposal would result in a gain on disposal of RM0.49 million. As the absolute relative figures computed involves negative figures which falls within the situations set out in Paragraphs 4.4 (c) and (e) of Practice Note 10A of the Catalist Rules, that is (i) the absolute relative figure computed does not exceed 50%; and (ii) the Proposed Disposal does not result in a loss on disposal, the Proposed Disposal constitutes as a "disclosable transaction".

## 8. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal as set out below are computed based on the Group's latest audited consolidated financial statements for the financial year ended 31 March 2024 and assuming, *inter alia*, that (a) the Proposed Disposal was completed on 31 March 2024 for computing the financial effects on the net tangible assets ("**NTA**") per share of the Company; (b) the Proposed Disposal was completed on 1 April 2023 for computing the financial effects on the earnings per share ("**EPS**") of the Company; and (c) the costs and expenses incurred or to be incurred in connection with the Proposed Disposal was disregarded. The financial effects below are purely for illustrative purposes only and should not be taken as an indication of the actual financial performance or position of the Company and the Group following the completion of the Proposed Disposal.

(a) NTA per Share

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
NTA (RM'000)	33,110	33,223
Number of Shares	105,391,186	105,391,186
NTA per Share (Malaysia sen)	31.42	31.52

(b) Earnings per Share ("**EPS**")

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
Profit attributable to the shareholders of the Company (RM'000)	377	481
Weighted average number of Shares	105,391,186	105,391,186
EPS (Malaysia sen)	0.36	0.46

## **9. SERVICE CONTRACTS**

No person is proposed to be appointed as a Director of the Company or any of its subsidiaries in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## **10. INTERESTS OF DIRECTORS AND SUBSTANTIAL 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 Disposal.

## **11. 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 Disposal, 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.

## **12. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Disposal SSA are available for inspection during normal office hours at the Company's registered office at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, for a period of three (3) months from the date of this announcement.

## **BY ORDER OF THE BOARD**

### **CHAN KEE SIENG**

Executive Chairman  
16 August 2024

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*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 ("SGXST") 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.*