



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

**(1) TERMINATION OF PROPOSED DISPOSAL OF PROPERTIES;
(2) PROPOSED DEVELOPMENT AND SALE OF PROPERTY; AND
(3) PROPOSED DIVERSIFICATION OF BUSINESS**

1. TERMINATION OF PROPOSED DISPOSAL OF PROPERTIES

1.1 The board of directors ("**Board**" or "**Directors**") of MSM International Limited ("**Company**", and together with its subsidiaries, "**Group**") refers to Company's announcements dated 7 July 2023, 12 July 2023 and 28 July 2023 ("**Previous Announcements**") in respect of the sale of properties located at Lot 1861, H.S.(M) 13710, Mukim Cheras, 43200 Cheras, Selangor ("**Property 1**") and Lot 1867, Kawasan Perindustrian Kg Baru Balakong, 43300 Seri Kembangan, Selangor ("**Property 2**", and collectively with Property 1, the "**Properties**") by the Company's wholly-owned subsidiary, MSM Metal Industries Sdn. Bhd. ("**MSM Metal**") to Plustech Engineering and Construction Sdn. Bhd. ("**Plustech**") for an aggregate consideration of RM23,500,000.00 ("**SPA**"). Shareholders' approval was obtained for the proposed disposal of Properties on 28 July 2023.

1.2 The aggregate consideration of the proposed disposal of Properties ("**SPA Consideration**") was to be paid by Plustech to MSM Metal in the following manner:

- (a) a deposit sum of RM705,000 to be paid upon the execution of the SPA ("**SPA Deposit**"); and
- (b) the balance of RM22,795,000 to be paid upon the completion of Plustech's designing, building and construction of two (2) units of factories pursuant to the construction agreement dated 7 July 2023 between MSM Metal and Plustech ("**2023 Construction Agreement**").

The payment of the SPA Consideration from Plustech to MSM Metal was intended to be set off against the contract price of the 2023 Construction Agreement (estimated to amount to approximately RM24,000,000) to be paid by MSM Metal to Plustech ("**SPA Set-Off**"). For the avoidance of doubt, given the SPA Set-Off, no amounts were actually paid from Plustech to MSM Metal in connection with the SPA, including the SPA Deposit.

1.3 The Board wishes to announce that MSM Metal has entered into a deed of revocation dated 17 March 2025 with Plustech to terminate each of the SPA and the 2023 Construction Agreement with effect from 17 March 2025 ("**Deed of Revocation**").

1.4 Pursuant to the Deed of Revocation, neither Plustech nor MSM Metal shall have any rights or claims against the other in relation to the SPA or the 2023 Construction Agreement and each of Plustech and MSM Metal releases and discharges the other from all agreements, covenants, conditions and stipulations as set out in the SPA and the 2023 Construction Agreement and shall indemnify and keep the other party indemnified against all costs, losses or damages which the other party may incur or suffer against all actions, proceedings, claims and demands in respect thereof. Plustech shall withdraw or discharge all encumbrances, orders or other proceedings as Plustech may have lodged, obtained, taken or instituted on or in any way relating to the Properties at its sole cost and expense.

- 1.5 Given (a) the relevant regulatory approval for the commencement of construction pursuant to the 2023 Construction Agreement is currently pending, and (b) the SPA Set-Off arrangement as described in section 1.2 above, the Group has thus far incurred professional fees and out-of-pocket expenses which are not material. As such, the termination of the proposed disposal of Properties is not expected to have any material impact on the financial results of the Group for the financial year ending 31 March 2025.
- 1.6 The Company has decided to enter into the Deed of Revocation due to the receipt of a higher offer which would generate higher economic benefits for the Group. Such offer resulted in the Company's decision to develop and sell the Group's properties which are currently not generating any income for the Company for higher value. Based on the offer received, the Company will develop Property 1 by constructing two (2) units of factory and subsequently dispose each of the factories together with the land on which they are built ("**Proposed Development and Sale of Property**").
- 1.7 As at the date of this announcement, MSM Metal has entered into a construction agreement with Plustech for the construction of two (2) units of factory on Property 1 and has entered into a sale and purchase agreement with Pusat Pakaian Hari-Hari Sdn. Bhd. ("**Hari-Hari**") to dispose one (1) unit of factory together with the land on which it is built, details of which are set out in section 2 below.

2. PROPOSED DEVELOPMENT AND SALE OF PROPERTY

2.1 Entry into a Construction Agreement

The Board wishes to announce that MSM Metal has entered into a 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 Property 1 (collectively, the "**Factories**") ("**Construction**") for a consideration amounting to approximately RM15,000,000 ("**Construction Agreement**").

Property 1 is a parcel of vacant industrial land owned by MSM Metal as an investment property, 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 0.8251 hectares in area. Property 1 is presently charged to Public Bank Berhad ("**PBB**") as security for a loan granted by PBB to the Company. Property 1 is a leasehold property with a leasehold tenure of 99 years expiring on 21 June 2071.

2.1.1 Information on Plustech

Plustech is a company incorporated in Malaysia on 9 May 2017 with its registered office at A-18-3A Level 18, Ekocheras Office Tower A, 56000 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur. The nature of business is construction. Tang Cheng Hooi is the sole director with 90% shareholding interests in Plustech. The remaining 10% interest in Plustech is held by Sitee Hoy Boon.

Plustech has a track record in the business of construction in Malaysia, and was also engaged by MSM Metal as the purchaser and contractor to the SPA and 2023 Construction Agreement respectively, as set out in the Previous Announcements and at section 1 above.

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

2.1.2 Material terms of the Construction Agreement

- (a) The Construction Agreement relates to the designing, building and completion of two (2) units of factory on Property 1. The consideration for the Construction amounts to RM15,000,000 ("**Contract Price**"), and the Construction shall be carried out in compliance with generally recognized building standards and practices and in accordance with the building plans set out in Appendix B to the Construction Agreement.

Under the Construction Agreement, the Contract Price shall be paid in the following manner:

- (1) upon execution of the Construction Agreement, MSM Metal will pay the first progress payment of RM1,500,000, equivalent to 10% of the Contract Price, to Plustech;
- (2) within 14 days of Plustech's written notice of the commencement of earthwork, MSM Metal will pay the second progress payment of RM2,250,000, equivalent to 15% of the Contract Price, to Plustech;
- (3) the subsequent progress payment will be paid by MSM Metal to Plustech within 14 days of Plustech's written notice based on the completion progress as set out below:

	Completion Progress	%	RM
(i)	the foundation and footing works	15	2,250,000
(ii)	the reinforced concrete framework	15	2,250,000
(iii)	the walls with door and window frames placed in position	10	1,500,000
(iv)	the roofing/ceiling, electrical wiring, plumbing (without fittings) and internal telephone trunking and cabling	10	1,500,000
(v)	the internal and external plastering	5	750,000
(vi)	the sewerage works	5	750,000
(vii)	the drains	5	750,000
(viii)	the roads	5	750,000
	Sub-total	70	10,500,000

- (4) the balance sum of RM750,000 equivalent to 5% of the Contract Price, shall be payable upon the issuance of the notice for vacant possession of the Factories.

- (b) Subject to any extension of time granted pursuant to the Construction Agreement, the construction of the Factories shall be completed and handed to MSM Metal within 24 months from the vacant possession date of Property 1, failing which Plustech shall pay MSM Metal liquidated damages to be calculated from day to day at the rate of 8% per annum of the Contract Price from the next day following the expiry of 24 months from the vacant possession date of Property 1 until the completion of the Factories and vacant possession of the Factories delivered to MSM Metal.
- (c) Where Plustech is required to and agrees to carry out alterations, additional works and/or incur additional costs, Plustech shall be entitled to impose additional costs in addition to the Contract Price on MSM Metal and MSM Metal shall pay for the costs within 14 days from the date of request for such payment.
- (d) Any defects or other faults in respect of the Factories which become apparent within the period of 24 calendar months from the date of the notice of handing over of vacant possession of the Factories to MSM Metal and which are due to defective workmanship or materials or the Factories not having been constructed in accordance with the building plans and specifications as approved or amended by the appropriate authorities, shall be repaired and made good by Plustech at its own cost and expense within 30 days of it having received written notice thereof from MSM Metal and if the said defects or other faults in the Factories have not been made good by Plustech, MSM Metal shall be entitled to recover from Plustech the cost of repairing and making good the same, provided that (a) MSM Metal shall, at any time after the expiry of the said period of 30 days, notify Plustech of the cost of repairing and making good the said defects or other faults before the commencement of the works and shall give Plustech an opportunity to carry out the works itself within 14 days from the date which MSM Metal has notified Plustech of its intention to carry out the said works, and (b) MSM Metal does not delay in giving access to Plustech, its servant, agents or employees to do the rectification and that the defects are not due to any other works done by other contractors after issuance of the Certificate of Practical Completion or Certificate of Completion and Compliance in respect of the Construction.
- (e) Where MSM Metal (i) breaches any terms of the Construction Agreement or fails to perform or observe all or any of MSM Metal's covenants contained in the Construction Agreement, or (ii) enters into liquidation whether compulsory or voluntary, Plustech may give to MSM Metal 14 days' notice in writing specifying the breach, and if MSM Metal fails to remedy the breach within 14 days, Plustech will be entitled to terminate the Construction Agreement. Upon such termination, Plustech, shall be entitled to claim for, amongst others, (1) the value of its works completed and begun and executed but not completed, (2) the cost of unfixed goods and materials delivered upon Property 1 for use in the construction and erection of the Factories, and (3) the cost of materials or goods properly ordered for the Factories or which Plustech shall have paid or be liable to pay.

- (f) Where Plustech (i) breaches any provision of the Construction Agreement, (ii) abandons the construction of the Factories for a continuous period of more than three (3) months (save for pursuant to a delay as permitted in the Construction Agreement), (iii) fails to complete the Factories within the period stipulated in the Construction Agreement, or (iv) enters into liquidation whether compulsory or voluntary, MSM Metal shall be entitled to the remedy of specific performance or may give to Plustech 14 days notice in writing specifying the breach, and if Plustech fails to remedy the breach within 14 days, MSM Metal will be entitled to terminate the Construction Agreement, subject to all sums due and payable by MSM Metal to Plustech having been fully settled. Plustech's servants, agents or employees shall vacate Property 1 and MSM Metal shall have the right to engage other contractors or workmen to continue with the construction works and all costs incurred in relation thereto shall be borne by MSM Metal without prejudice to MSM Metal's right for recovery against Plustech.

2.2 Proposed Disposal of a Property

The Board wishes to announce that MSM Metal has entered into a 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 Property 1 (the "**Building**") together with the land on which it is built (the "**Sale Property**") at a consideration of RM18,000,000 ("**Consideration**") ("**Disposal SPA**") ("**Proposed Disposal**").

2.2.1 Information on Hari-Hari

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 and their respective associates. For avoidance of doubt, Hari-Hari and its directors and shareholders are not interested persons under Chapter 9 of the Catalist Rules.

2.2.2 Salient Terms of the Proposed Disposal

2.2.2.1 Consideration

The Consideration for the Sale Property is RM18,000,000. The Consideration was arrived after arm's length negotiation with Hari-Hari on a willing-buyer willing-seller basis, where both MSM Metal and Hari-Hari had each acted knowledgeably, prudently and without compulsion, taking into account the current property prices in the Balakong area where the Sale Property is located.

Under the Disposal SPA, the Consideration shall be paid in the following manner:

- (1) upon execution of the Disposal SPA in respect of the Proposed Disposal, Hari-Hari will pay the first payment of RM1,800,000, equivalent to 10% of the Consideration, to MSM Metal;
- (2) within 14 days of MSM Metal's written notice of the commencement of earthwork, Hari-Hari will pay the second progress payment of RM2,700,000, equivalent to 15% of the Consideration, to MSM Metal;

- (3) the subsequent progress payments will be paid by Hari-Hari to MSM Metal within 14 days of MSM Metal's written notice based on the completion progress as set out below:

	Completion Progress	%	RM
(i)	the foundation and footing works	15	2,700,000
(ii)	the reinforced concrete framework	15	2,700,000
(iii)	the walls with door and window frames placed in position	10	1,800,000
(iv)	the roofing/ceiling, electrical wiring, plumbing (without fittings) and internal telephone trunking and cabling	10	1,800,000
(v)	the internal and external plastering	5	900,000
(vi)	the sewerage works	5	900,000
(vii)	the drains	5	900,000
(viii)	the roads	5	900,000
	Sub-total	70	12,600,000

- (4) the balance sum of RM900,000 equivalent to 5% of the Consideration, shall be paid upon the issuance of the notice for vacant possession of the Building.

2.2.2.2 Material Terms

- (a) Hari-Hari shall use the Sale Property for industrial purposes only, and shall not permit or suffer anyone to use the same or any portion of the Sale Property thereof for any other purpose. The Building shall be completed by MSM Metal and delivery of vacant possession of the Building shall be made within 36 calendar months from the date of the Disposal SPA ("**Expiry Date**"). If MSM Metal fails to delivery such vacant possession of the Sale Property in accordance with the terms and conditions of the Disposal SPA, MSM Metal shall be liable to pay Hari-Hari liquidated damages calculated from day to day at the rate of 8% per annum of the total Consideration from the Expiry Date until the date Hari-Hari takes vacant possession of the Building.
- (b) In the events of default by Hari-Hari pursuant to the Disposal SPA which includes (i) failure to pay an instalment or any part thereof payable as set out in section 2.2.2.1 above after its due date, (ii) breach of the terms or conditions contained in the Disposal SPA or failure to perform or observe all or any of Hari-Hari's covenants therein contained, or (iii) before payment in full of the Consideration, enters into liquidation whether compulsory or voluntary, MSM Metal may immediately annul the sale of the Sale Property and terminate the Disposal SPA and in such an event: (1) MSM Metal shall be entitled to deal with or otherwise dispose of the Sale Property in such manner as it sees fit, (2) the instalment previously paid by Hari-Hari to MSM Metal, excluding any interest paid, shall be dealt with and disposed of as follows: (A) firstly, all interest payable on late payment and all monies payable, and unpaid in relation to variations to the Building and infrastructure and maintenance shall be paid to MSM Metal, (B) secondly, an amount equal to 10% of the Consideration (taking into consideration any reduction or discounts) shall be forfeited to

MSM Metal, (C) thirdly, all stamp duty and relevant registration fees incurred by MSM Metal shall be solely borne by Hari-Hari, and (D) lastly, the residue shall be refunded to Hari-Hari provided that all caveats lodged on the Sale Property shall be withdrawn, (3) all sums referred to in sub-paragraph (2) above shall be debt due from Hari-Hari to MSM Metal and payable upon demand and such payment shall bear interest at the rate of 8% per annum calculated from day to day.

- (c) If MSM Metal fails to perform any of its obligations under the Disposal SPA or breaches any condition of sale of the Disposal SPA, or mis-represents any facts or statement in the Disposal SPA, subject to any other remedies available to Hari-Hari, Hari-Hari is entitled at its absolute discretion to either: (i) commence action against MSM Metal for specific performance of the Disposal SPA and/or claim for any damages so far as the law permits, and/or (ii) terminate the Disposal SPA by giving notice in writing to MSM Metal whereupon MSM Metal shall refund to Hari-Hari all monies previously paid by Hari-Hari to MSM Metal or for MSM Metal's benefit free of interest together with a sum equivalent to 10% of the Consideration by way of agreed liquidated damages absolutely within 14 days from the receipt of the notice of termination, failing which MSM Metal shall pay to Hari-Hari interest at the rate of 8% per annum to be calculated on a daily basis on the refund.
- (d) In the event that the transfer of the Sale Property cannot be effected or registered in the relevant land registry for any reason without any default, wilful neglect, omission or blameworthy conduct on the part of any of the parties, the Disposal SPA shall be rescinded whereupon MSM Metal shall refund to Hari-Hari all sums paid by Hari-Hari to MSM Metal free of interest within 28 days from the date of rescission, failing which MSM Metal shall pay to Hari-Hari interest at the rate of 8% per annum calculated day to day on the refund.
- (e) Hari-Hari shall not carry out or cause to be carried out, any variations to the Building or any alteration or addition or install or cause to be installed any fixtures or fittings therein which would involve the amendment of the approved building plans or the submission of further plans without the prior written consent of MSM Metal (whose consent shall not be unreasonably withheld) until the relevant certificate of completion and compliance has been issued. Where MSM Metal agrees to carry out such alterations or additional works, costs of such work shall be paid for by Hari-Hari within 21 working days of MSM Metal's request in writing of such payment.
- (f) In the event the separate document of title has yet to be registered in the name of Hari-Hari and provided Hari-Hari has fully paid or intends to fully pay the Consideration and has complied with all terms and conditions and stipulations on its part contained in the Disposal SPA, MSM Metal shall not withhold its consent to any intended sale, transfer or assignment by Hari-Hari to any third party and shall consent to the transfer or assignment within 21 days of receipt by MSM Metal of such assignment. Hari-Hari shall pay to MSM Metal for giving the consent, an administrative fee of 1% of the Consideration or 1% of the agreed selling price with the new purchaser, whichever is higher. No administrative fee shall be payable in respect of any consent in favour of any bank or financial institution or in respect of any consent to a reassignment from the bank or financial institution to Hari-Hari.

2.2.3 Rationale for the Proposed Development and Sale of Property

The Board believes that the Proposed Development and Sale of Property is in the best interests of the Group and Shareholders, as it will enable the Group to realise the value of Property 1 and generate higher economic benefits for the Group. Property 1 has been vacant and unused for more than 10 years. Given the higher offer received from Hari-Hari to purchase one (1) unit of factory together with the land on which it is built for RM18,000,000, the Group decided to develop Property 1 by entering into the Construction Agreement to construct two (2) units of factories on Property 1 for RM15,000,000, with the intention to sell.

In connection with the Proposed Development and Sale of Property, the Group intends to diversify its business to include the business of property development and investment in respect of industrial property in West Malaysia ("**Property Business**"), as and when the appropriate opportunities arise ("**Proposed Diversification**"). Please refer to section 3 for more information on the Company's diversification into the Property Business.

Based on the recommended practice by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in relation to diversification of business, where the issuer enters into the first major transaction involving the new business, such first major transaction will be made conditional upon shareholders' approval. The Proposed Disposal will be the first major transaction involving the Property Business.

2.2.4 Use of Proceeds

The Consideration of RM18 million in relation to the Proposed Disposal will primarily be used to pay the Contract Price for the construction of two (2) units of Factories on Property 1 of RM15 million in respect of the Construction Agreement. The balance proceeds from the Proposed Disposal will be utilised for working capital.

2.2.5 Value of the Sale Property

Based on the latest announced consolidated financial statements of the Group (being the unaudited consolidated financial statements for the financial period ended 30 September 2024), the net book value of Property 1 as at 30 September 2024 is approximately RM6.15 million. The market value of Property 1 was RM10 million as at 25 April 2023, being the latest independent valuation commissioned by MSM Metal and conducted by JS Valuers Property Consultants Sdn Bhd on the basis of market value with vacant possession in its existing condition and on the basis that the title is free of all encumbrances, restrictive conditions, endorsements, statutory notices and all outgoings by using the comparison method for the purpose of proposed disposal of Properties as announced in 7 July 2023.

The Contract Price for the construction of two (2) units of Factories on Property 1 is RM15 million.

Accordingly, based on the net book value of Property 1 as at 30 September 2024 and the Contract Price, the estimated value of the Sale Property (one (1) unit of factory together with the land on which it is built, which approximates half of the land area of Property 1) is approximately RM10.57 million with the estimated gain on Proposed Disposal of approximately RM7.43 million.

2.2.6 Relative Figures Computed on the Bases Set Out in Rule 1006 of the Catalyst Rules

Based on the latest announced consolidated financial statements of the Group (being the unaudited consolidated financial statements for the financial period ended 30 September 2024), the relative figures for the Proposed Disposal, as computed on the bases set out in Rule 1006 of the Catalyst 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 ⁽¹⁾	31.47% ⁽²⁾
(b)	The net profits attributable to the assets disposed of, compared with the Group's net profits ⁽³⁾	Not applicable ⁽⁴⁾
(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.	176.72% ⁽⁵⁾
(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 ⁽⁶⁾
(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 ⁽⁷⁾

Notes:

- (1) Under Rule 1002(3)(a) of the Catalyst Rules, "net assets" means total assets less total liabilities.
- (2) The net book value of Property 1 as at 30 September 2024 was approximately RM6.15 million and the Contract Price for the construction of two (2) units of Factories is RM15.00 million. Given the Proposed Disposal is for one (1) unit of factory together with the land on which it is built, the calculation is based on RM10.57 million (half of the net book value of Property 1 and Contract Price) and the net asset value of the Group of RM33.59 million as at 30 September 2024.
- (3) Under Rule 1002(3)(b) of the Catalyst Rules, "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (4) Property 1 is a vacant land and is not generating any rental income.
- (5) Based on the Consideration of RM18.00 million and the Company's market capitalisation of approximately RM10.19 million. The Company's market capitalisation of approximately RM10.19 million (based on an exchange rate of S\$1.00 to RM3.3327), 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\$0.029 per share on 4 March 2025, being the last full market day immediately preceding the date of the Disposal SPA 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.

Based on the relative figures computed on the basis set out in Rule 1006 of the Catalyst Rules as set out above, the Proposed Disposal would constitute a "major transaction" under Chapter 10 of the Catalyst Rules. The Proposed Disposal will be the first major transaction involving the Property Business which the Group intends to diversify into and will be subject to shareholders' approval.

Further, as the relative figure under Rule 1006(c) exceeds 75%, the Company is required to appoint a competent and independent valuer to value the assets to be disposed. However, given that the Sale Property remains a vacant piece of industrial land, the Company intends to apply to the SGX-ST for a waiver to conduct an independent valuation on the Sale Property ("**Waiver**").

2.2.7 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 based on, *inter alia*, the following assumptions:

- (a) given the Proposed Disposal is for one (1) unit of factory together with the land on which it is built, the financial effect is based on half of the net book value of Property 1 and Contract Price;
- (b) 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;
- (c) the Proposed Disposal was completed on 1 April 2023 for computing the financial effects on the earnings per share ("**EPS**") of the Company; and
- (d) 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.

Effect on Company's NTA per share

	Before the Proposed Disposal	After the Proposed Disposal
NTA (RM'000)	33,110	40,507
Number of Shares	105,391,186	105,391,186
NTA per Share (Malaysia sen)	31.42	38.43

Effect on earnings per share ("**EPS**")

	Before the Proposed Disposal	After the Proposed Disposal
Profit attributable to the shareholders of the Company (RM'000)	377	7,775
Weighted average number of Shares	105,391,186	105,391,186
EPS (Malaysia sen)	0.36	7.38

3. KEY INFORMATION ON THE PROPOSED DIVERSIFICATION

3.1 Background

Currently, the Group is principally engaged in the core business of manufacturing metal products (generally, the "**Existing Business**"), which is the main revenue contributor to the Group. The Group remains committed to the Existing Business so long as its continuity is in the best interest of the Group and the Shareholders.

In connection with the Proposed Development and Sale of Property, the Group intends to diversify the Group's Existing Business to include the business of property development and investment in respect of industrial property in West Malaysia ("**Property Business**"), as and when the appropriate opportunities arise ("**Proposed Diversification**").

Based on generally available property market information, the Board is of the view that the property market in West Malaysia is currently relatively stable.

3.2 Rationale

The Group believes that the Proposed Diversification should contribute positively to the Company and Shareholders as it will provide the following benefits to the Group:

3.2.1 Facilitation of the Company's venture into the Property Business

The Proposed Diversification may facilitate the Company's venture into the Property Business by allowing the Company to realise the value of its properties and enter into ad hoc projects as and when the Company encounters such opportunities. This may establish a foundation for the Group to have a more diversified business and income base in the future.

3.2.2 Enhance Shareholders' value

The Proposed Diversification is part of the corporate strategy of the Group to realign its business strategies and improve profits. The Board believes that the Proposed Diversification is beneficial and will enhance Shareholders' value in the Company by providing an avenue for the Company to realise its properties at higher price.

3.2.3 Positive prospects in the property development and investment industry

The Malaysian construction industry is experiencing a remarkable resurgence, driven by a confluence of factors, including increased private and public investment, a surge in infrastructure projects, and a rebound in tourism. The construction sector's contribution to Malaysia's GDP has been steadily increasing since 2022, reaching a year-on-year growth of 17% in the second quarter of 2024. This upward trajectory is attributed to the ongoing demand for data centres, advanced manufacturing facilities, and anticipated infrastructure projects. Furthermore, the Bursa Malaysia Construction Index has reached a four-year high, reflecting the industry's positive sentiment and overall health.

(Sources from: <https://www.cidb.gov.my/eng/part-1-malaysias-construction-industry-roars-back-to-life-a-boom-fueled-by-investment-and-infrastructure/>)

3.2.4 The Proposed Diversification will give the Group flexibility to enter into transactions relating to the Property Business in the ordinary course of business

Subject to the Shareholders' approval of the Proposed Diversification, any acquisition or disposal which is in, or in connection with, the Property Business, may be deemed to be in the Company's ordinary course of business and therefore does not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules. Accordingly, the Company may, in its ordinary course of business, enter into transactions relating to the Property Business and which will not change the risk profile of the Company, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions relating to the Property Business arise. This will reduce substantially the administrative time and expenses incurred in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

4. 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 termination of the proposed disposal of Properties, the Proposed Development and Sale of Property or the Proposed Diversification (other than arising from their shareholdings in the Company, if any).

5. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the termination of the proposed disposal of Properties, the Proposed Development and Sale of Property or the Proposed Diversification. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

6. CIRCULAR AND EGM

The approval of the Shareholders at an extraordinary general meeting to be convened by the Company ("**EGM**") is required for (a) the Proposed Diversification; and (b) the Proposed Disposal, being the first major transaction involving the Property Business.

The circular to Shareholders containing, *inter alia*, further information on the Proposed Disposal and the Proposed Diversification will be issued by the Company to Shareholders in due course ("**Circular**").

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Deed of Revocation, SPA, 2023 Construction Agreement, Disposal SPA and the Construction Agreement are available for inspection during normal business hours from 9 a.m. to 5 p.m. 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.

8. 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 termination of the proposed disposal of Properties, the Proposed Development and Sale of Property, the Proposed Diversification, 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.

9. 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 the proposals are subject to fulfilment of various conditions and there is no certainty or assurance that they 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