

COMPLETION OF PLACEMENT

MSM Corporation International Limited (ASX: MSM), has issued 50,360,000 fully paid ordinary shares (Shares) pursuant to the placement announced 14 August 2017.

In accordance with Listing Rule 3.10.5A the Company advises that;

- a) The dilutive effect of the share issue on existing shareholders is as follows:
- b) Number of shares on issue prior to the share issue: 311,217,728

Issue under Listing Rule 7.1 – (20,924,550 Shares)	5.79%
Issue under Listing Rule 7.1A – (29,435,450 Shares)	8.14%
Total dilution as a result of the share issue	13.93%

- c) The Placement Shares were issued to professional and sophisticated investors in order to advance the marketing and production plans for the first Megastar competition, including music licencing rights, optimising the platform infrastructure and talent acquisition costs for payments to celebrity judges and mentors for the competition. The Placement was completed instead of a rights issue or other issue in which existing ordinary security holders could have participated due to the shorter timeframe and lower costs involved in executing the Placement.
- d) The Placement Shares were issued to professional and sophisticated investors pursuant to the Placement lead managed by CPS Capital Pty Ltd and Cadmon Advisory;
- e) The Placement was not underwritten;
- f) The Placement was subject to Placement fees of \$560,000.

An Appendix 3B reflecting the revised capital structure following the issue of the above securities has been released with this announcement.

FOR FURTHER INFORMATION, CONTACT:

Media queries:

E: media@msmci.com



Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

MSM Corporation International Limited

ABN

51 002 529 160

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued

- (i) Fully Paid Ordinary Shares
- (ii) Fully Paid Ordinary Shares
- (iii) Fully Paid Ordinary Shares
- (iv) Performance Rights
- (v) Performance Rights

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

- (i) 50,360,000 Fully Paid Ordinary Shares
- (ii) 1,000,000 Fully Paid Ordinary Shares
- (iii) 279,276 Fully Paid Ordinary Shares
- (iv) 2,500,000 Performance Rights
- (v) 10,000,000 Performance Rights

+ See chapter 19 for defined terms.

- 3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

- (i) Fully Paid Ordinary Shares
- (ii) Fully Paid Ordinary Shares
- (iii) Fully Paid Ordinary Shares
- (iv) Performance Rights (Class D) issued pursuant to the Company's Performance Rights Plan which vest and become exercisable in three (3) equal tranches, expiring 29 December 2021;
 - (a) (Tranche 1): vest upon the Company achieving a market capitalisation of \$150 million;
 - (b) (Tranche 2): vest upon the Company achieving a market capitalisation of \$200 million; and
 - (c) (Tranche 3): vest upon the Company achieving a market capitalisation of \$250 million.

A Milestone will be satisfied if the Company has had the relevant market capitalisation for a period of 30 consecutive calendar days.
- (v) Performance Rights issued pursuant to the Company's Performance Rights Plan which vest and become exercisable in two (2) tranches;
 - (a) 5 million E Class Performance Rights; and
 - (b) 5 million F Class Performance Rights.

The E Class Performance Rights will convert into ordinary shares on the satisfaction of each of the following milestones on or before 29 December 2018;

 - (i) MSM achieves \$5,000,000 in earnings before interest, tax, depreciation and amortisation (EBITDA);
 - (ii) the MSM Platform achieves a number of unique registered users of at least 1,000,000 as determined by Google Analytics; and
 - (iii) MSM achieves a market capitalisation of \$150 million for a period of 30 consecutive days.

+ See chapter 19 for defined terms.

		<p>The F Class Performance Rights will convert into ordinary shares on the satisfaction of each of the following milestones on or before 29 December 2020:</p> <ul style="list-style-type: none"> (i) MSM achieves \$15,000,000 in EBITDA; (ii) the MSM Platform achieves a number of unique registered users of at least 2,000,000 as determined by Google Analytics; and (iii) MSM achieves a market capitalisation of \$250 million for a period of 30 consecutive days.
4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<ul style="list-style-type: none"> (i) Yes, the Shares rank equally with the fully paid ordinary shares currently on issue; (ii) Yes, the Shares rank equally with the fully paid ordinary shares currently on issue; (iii) Yes, the Shares rank equally with the fully paid ordinary shares currently on issue; (iv) Yes, if vesting conditions are met, the shares issued upon exercise of the performance rights will rank equally with the ordinary shares currently on issue. (v) Yes, if vesting conditions are met, the shares issued upon exercise of the performance rights will rank equally with the ordinary shares currently on issue.
5	Issue price or consideration	<ul style="list-style-type: none"> (i) \$0.20 per share (ii) Nil (iii) Nil (iv) Nil (v) \$0.000001 per performance right

+ See chapter 19 for defined terms.

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<ul style="list-style-type: none"> (i) Shares issued pursuant to the Placement announced 14 August 2017; (ii) Shares issued in lieu of cash for services rendered; (iii) Issue of fully paid ordinary shares as the incentive component of employee remuneration packages in accordance with the Company's Stock Incentive Plan. (iv) Participation in the Company's Performance Rights Plan. (v) Participation in the Company's Performance Rights Plan.
6a	Is the entity an ⁺ eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the ⁺ securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	29 November 2016
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	<ul style="list-style-type: none"> (i) 20,924,550 Fully Paid Ordinary Shares (ii) 1,000,000 Fully Paid Ordinary Shares (iii) Nil (iv) 2,500,000 Performance Rights (v) 10,000,000 Performance Rights
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	N/A
6e	Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	<ul style="list-style-type: none"> (i) Nil (ii) Nil (iii) 279,276 fully paid ordinary shares as the incentive component of employee remuneration packages in accordance with the Company's Stock Incentive Plan approved by shareholders at the annual general meeting held 29 November 2016. (iv) Nil (v) Nil

⁺ See chapter 19 for defined terms.

6f	Number of +securities issued under an exception in rule 7.2	N/A	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	(i) 29,435,450 Fully Paid Ordinary Shares (Issue price \$0.20; 7 August 2017 15 Day VWAP: \$0.2188: IRESS) (ii) Nil (iii) Nil (iv) Nil (v) Nil	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	17 August 2017	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		273,621,168	Fully Paid Ordinary Shares
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	89,235,836	Ordinary shares held in escrow until 13 January 2018
		33,980,548	Options exercisable at \$0.10 on or before 7 November 2019
		32,000,000	Options exercisable at \$0.10 on or before 7 November 2019 held in escrow until 13 January 2018
		900,000	Options exercisable at \$0.15 on or before 18 March 2020, vesting 12 May 2018

+ See chapter 19 for defined terms.

8,000,000	Options exercisable at \$0.35 on or before 19 September 2018
3,500,000	Options exercisable at \$0.40 on or before 19 September 2019
3,500,000	Options exercisable at \$0.45 on or before 19 September 2019
1,500,000	Options exercisable at \$0.55 on or before 19 September 2019
2,000,000	Options exercisable at \$0.125 on or before 18 March 2020, vesting in various tranches until 26 April 2019
50,000,000	Class A Performance Shares held in escrow until 13 January 2018
50,000,000	Class B Performance Shares held in escrow until 13 January 2018
7,800,000	Class C Performance rights vesting in various tranches, expiring 29 December 2021
2,500,000	Class D Performance rights vesting in various tranches, expiring 29 December 2021
5,000,000	Class E Performance rights vesting in various tranches, expiring 29 December 2018

+ See chapter 19 for defined terms.

		5,000,000	Class F Performance rights vesting in various tranches, expiring 29 December 2020
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	There is currently no dividend policy in place for the Company.	

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the ⁺ securities will be offered	N/A
14	⁺ Class of ⁺ securities to which the offer relates	N/A
15	⁺ Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A

⁺ See chapter 19 for defined terms.

25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities
(tick one)
- (a) ☒ +Securities described in Part 1
- (b) ☐ All other +securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

+ See chapter 19 for defined terms.

- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	N/A				
39	+Class of +securities for which quotation is sought	N/A				
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A				
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)	N/A				
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>N/A</td> <td></td> </tr> </tbody> </table>	Number	+Class	N/A	
Number	+Class					
N/A						

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Mark Clements

Company Secretary

18 August 2017

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	283,857,158
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period <ul style="list-style-type: none"> (i) 23 August 2016 Issue of shares 1,094,133 (ii) 9 September 2016 Issue of shares 684,196 (iii) 16 September 2016 Issue of shares 1,107,670 (iv) 20 September 2016 Issue of shares 17,435,715 (v) 23 September 2016 Issue of shares 125,000 (vi) 14 October 2016 Issue of shares 100,000 (vii) 21 November 2016 Issue of shares 200,000 (viii) 5 January 2017 Issue of shares 687,102 (ix) 12 January 2017 Issue of shares 2,127,500 (x) 25 January 2017 Issue of shares 137,420 (xi) 13 February 2017 Issue of shares 781,250 (xii) 23 February 2017 Issue of shares 163,121 (xiii) 2 March 2017 Issue of shares 343,552 (xiv) 13 March 2017 Issue of shares 156,250 (xv) 23 March 2017 Issue of shares 171,776 (xvi) 24 March 2017 Issue of shares 26,319 (xvii) 30 March 2017 Issue of shares 1,625,000 (xviii) 13 April 2017 Issue of shares 312,500 (xix) 21 July 2017 Issue of shares 82,066 (xx) 17 August 2017 Issue of shares 279,276 	
Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil

+ See chapter 19 for defined terms.

“A”	311,497,004
Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	46,724,550
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <ul style="list-style-type: none"> (i) 20 September 2016 Issue of options 4,500,000 (ii) 28 December 2016 Issue of performance rights 1,800,000 (iii) 13 February 2017 Issue of options 6,000,000 (iv) 17 August 2017 Issue of shares 1,000,000 (v) 17 August 2017 Issue of shares 20,924,550 (vi) 17 August 2017 Issue of performance rights 12,500,000 <p>Note:</p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	46,724,550
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	46,724,550
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	46,724,550
Total [“A” x 0.15] – “C”	Nil <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	311,497,004
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	31,149,700
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	
17 August 2017 Issue of shares	29,435,450
“E”	29,435,450
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	31,149,700
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	29,435,450
Total [“A” x 0.10] – “E”	1,714,250 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.