

23 May 2018

Dear Shareholder

Notice to Eligible Shareholders of Non-Renounceable Entitlement Offer

We write to you as the registered holder of MSM Corporation International Limited (ASX: MSM) (Company) shares as at today's date. As advised in the Company's ASX announcement dated 21 May 2018, the Company is undertaking a non-renounceable pro-rata entitlement offer to eligible shareholders of ordinary fully paid shares in the Company (New Shares) at an issue price of \$0.043 per New Share and on the basis of 1 New Share for every 5 shares held at the record date of Friday, 25 May 2018 (Record Date), with 1 free attaching option for every 4 New Shares issued (Entitlement Offer). These attaching options are intended to be quoted and will be exercisable at \$0.10 each on or before 7 November 2019 (Attaching Options). Pursuant to the Entitlement Offer, the Company will issue up to approximately 85,426,596 New Shares and 21,356,649 Attaching Options to raise approximately \$3.67 million (before costs).

The Entitlement Offer is available to all Company shareholders (Shareholders) registered on the Record Date whose registered address is in Australia, or subject to certain offer restrictions, New Zealand (Eligible Shareholders). The Entitlement Offer is not being extended to any Shareholders with addresses outside these jurisdictions.

Purpose of the Entitlement Offer

Subject to the satisfactory completion of the Entitlement Offer, the funds raised under the Entitlement Offer are intended to be used primarily for the following purposes:

- ongoing improvement, marketing and operation of the existing competitions being operated by the Megastar platform, namely, the "Megastar Spotlight" and "Live Lightning" competitions;
- establishing the Megastar India joint venture with Riva Digital FZ LLC;
- establishing Megastar joint ventures in additional markets;
- establishing content distribution agreements;
- legal and accounting costs to qualify the Company's United States subsidiary, MSM Music, Inc. (MSM-US) under Regulation A (commonly referred to as "Reg A+") of the US Securities Act, with the intention of MSM-US undertaking strategic capital raisings in the United States from accredited and non-accredited investors;
- marketing in connection with the proposed strategic capital raisings within MSM-US;
- researching, partnering/acquiring and developing products that will drive users and or revenue to the Megastar platform; and
- repayment of short-term loans, general working capital and the costs of the Entitlement Offer.

Indicative Timetable

The securities issued under the Entitlement Offer will be offered in accordance with the following indicative timetable:

Item	Date
Lodgment of Appendix 3B and Prospectus with ASX	21 May 2018
Notice of Entitlement Offer sent to Optionholders	
Notice of Entitlement Offer sent to Shareholders	23 May 2018

Item	Date
Securities quoted on an "EX" basis	24 May 2018
Record Date for determining Entitlements	25 May 2018
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	30 May 2018
Last day to extend the offer closing date	5 June 2018
Closing Date of Entitlement Offer (5pm AEST)*	8 June 2018
Securities quoted on a deferred settlement basis	12 June 2018
Notification of Shortfall	14 June 2018
Anticipated date for issue of the Securities.	18 June 2018
Deferred settlement trading ends	
Anticipated date for commencement of Shares trading on a normal settlement basis	19 June 2018

All dates are indicative only and subject to change without prior written notice. Any extension of the Closing Date will have a consequential effect on the date of issue of the securities.

Shareholders should be aware that the Company has agreed to issue up to 79,000,000 Shares and 19,750,000 free-attaching Quoted Options to strategic investors pursuant to a placement (subject to rounding) (Committed Placement Securities). It is intended that the Committed Placement Securities will be issued to the extent that there is sufficient shortfall from the Entitlement Offer (Shortfall), as part of the Shortfall allocated by the Directors. To provide for the circumstance where there is insufficient Shortfall as allocated by the Directors, the Company is also seeking Shareholder approval at the General Meeting to be held on 22 June 2018 for the issue of the Committed Placement Securities. Eligible Shareholders may not apply for Shortfall unless invited by the Directors.

Effect on Capital Structure

The table below sets out the impact of the Entitlement Offer on the capital structure of the Company:

		Shares	Quoted Options
Balance at the date of this Prospectus		427,132,981	65,880,548
To be issued following the General Meeting ⁱ		Nil	32,000,000
To be issued under Entitlement /Shortfall Offers ⁱⁱ		85,426,596	21,356,649
To be issued under Placement Offer ⁱⁱⁱ	Minimum ^{iv} :	Nil	Nil
	Maximum ^v :	79,000,000	19,750,000
TOTAL	Minimum ^{vi} :	512,559,577	119,237,197
	Maximum ^{vii} :	591,559,577	138,987,197

Prospectus

Details of the Entitlement Offer are contained in the Prospectus. The Prospectus can be accessed from the ASX and the Company websites, www.asx.com.au and www.msmci.com.au respectively.

A copy of the Prospectus is intended to be sent to Eligible Shareholders on 30 May 2018.

The Directors of the Company urge you to read the Prospectus carefully and seek advice from your financial adviser if you have any queries. This notice is to inform you of the Entitlement Offer. You are not required to do anything in respect to this letter.

For all enquiries concerning the Entitlement Offer, please contact the Company Secretary by telephone on +61 3 9015 4036 and for all general shareholder enquiries, please contact Advanced Share Registry Limited on +61 8 9389 8033.

Yours sincerely

Mr Adam Wellisch
Non-Executive Chairman

ⁱ Assumes the necessary Shareholder approvals are received at the General Meeting and the Quoted Options are duly issued following the General Meeting. Quoted Options to be issued to participants in the February 2018 Placement and the Lead Manager. Refer to the Notice of General Meeting for further information.

ⁱⁱ Assumes that no Securities are issued, exercised or converted prior to the Record Date and that the Entitlement Offer/Shortfall Offer is fully subscribed, and is subject to rounding.

ⁱⁱⁱ Shareholder approval is being sought for the issue of the Committed Shortfall Securities pursuant to the Placement Offer at the General Meeting. If the necessary Shareholder approvals are not received, the Company intends to issue the Committed Shortfall Securities pursuant to the Placement Offer pursuant to the Company's placement capacity under Listing Rule 7.1 as and when available.

^{iv} Assumes the Committed Placement Securities are subscribed for in full under the Shortfall Offer

^v Assumes the Entitlement Offer/Shortfall Offer is subscribed for in full, and the Committed Placement Securities are subscribed for in full under the Placement Offer. Subject to rounding.

^{vi} Assumes the Committed Placement Securities are subscribed for in full under the Shortfall Offer and that the necessary Shareholder approvals are not received at the General Meeting or the Quoted Options are not issued for any other reason. Subject to rounding.

^{vii} Assumes the Entitlement Offer/Shortfall Offer is subscribed for in full, the Committed Placement Securities are subscribed for in full under the Placement Offer and the necessary Shareholder approvals are received at the General Meeting and the Quoted Options are duly issued following the General Meeting. Subject to rounding.