



(Incorporated in the Republic of Singapore)  
(Company Registration No. 201414628C)

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## PROPOSED DISPOSAL OF PROPERTY LOCATED AT 11 GUL DRIVE, SINGAPORE 629462 – GRANT OF OPTION TO PURCHASE

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### 1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of MS Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, Moh Seng Cranes Pte. Ltd. (“**MSC**”) had, on 31 August 2020, granted an option to purchase (the “**Option**”) to Ben’s Express Engineering Pte. Ltd. (the “**Purchaser**”) for the sale of its property located at 11 Gul Drive, Singapore 629462 (the “**Property**”) for an aggregate cash consideration of S\$7.0 million (the “**Sale Consideration**”) on the terms and subject to the conditions of the Option (the “**Proposed Disposal**”). The Option shall remain valid until 5.00 p.m. on 14 September 2020 (the “**Expiry**”).

As the relative figure computed under Rule 1006(c) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Section B: Rules of Catalist (the “**Catalist Rules**”) exceeds 50%, the Proposed Disposal constitutes a “major transaction” as defined under Rule 1014 of the Catalist Rules. Accordingly, the approval of shareholders of the Company (“**Shareholders**”) at an extraordinary general meeting (“**EGM**”) is required for the Proposed Disposal.

### 2. INFORMATION ON THE PROPERTY

The Property is a leasehold property granted by the Jurong Town Corporation (“**JTC**”) with a tenure of 60 years which commenced on 1 July 1979. It is a 3-storey detached factory building comprising office and warehouse spaces and has a land and gross floor area of approximately 4,876.2 square metres and 2,485.9 square metres, respectively.

Based on the unaudited consolidated financial statements of the Group for the financial year ended 30 April 2020 (“**FY2020**”), the net tangible assets (“**NTA**”) of the Group and the book value of the Property were approximately S\$26.4 million and S\$1.8 million, respectively.

No valuation was conducted on the Property for the purpose of the Proposed Disposal. An independent valuation on the Property was conducted in April 2019 to determine the open market value of the Property for mortgage purposes and the valuation was used by management as a basis for negotiations with the Purchaser. Recently transacted prices of similar properties within the same district of the Property was also considered when negotiating the Sale Consideration. Further, as the Sale Consideration represents approximately 3.9 times of the book value of the Property as at 30 April 2020, the Board is of the view that an updated independent valuation on the Property is not necessary and the Proposed Disposal is in the best interest of the Group.

### 3. INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Singapore on 9 July 2007 with its registered office at Peck Seah Street, #02-08 Nehsons Building, Singapore 079314.

The Purchaser is an independent and unrelated third party. The Purchaser is not related to the Directors or controlling Shareholders and their respective associates.

#### 4. SALIENT TERMS OF THE OPTION

##### 4.1 Sale Consideration

The Sale Consideration for the Property is S\$7.0 million in cash and was determined on arm's length negotiations between MSC and the Purchaser and was arrived at on a willing buyer and willing seller basis after taking into consideration the open market value of the Property in April 2019 and recently transacted prices of similar properties within the same district. The balance tenure of the Property is approximately 19 years.

Under the terms of the Option, the Sale Consideration shall be payable as follows:

- (a) a sum of S\$70,000 (the "**Option Money**"), plus goods and services tax ("**GST**"), by way of cheque/cashier's order to MSC upon the grant of the Option;
- (b) a sum of S\$630,000 in favour of the Singapore Academy of Law (the "**Deposit**") less the Option Money, plus GST by way of cheque/cashier's order upon the exercise of the Option by the Purchaser. The Singapore Academy of Law shall hold the said payment of the Deposit (less the Option Money) including GST as stakeholder pending completion of the Proposed Disposal; and
- (c) the balance of the Sale Consideration by way of cashier's order to MSC upon completion of the Proposed Disposal.

Under the terms of the Option, in the event that the Option is not validly exercised by the Purchaser before its Expiry, the Option shall be null and void and the Option Money shall be forfeited to MSC absolutely, and neither party shall have any further claim, demand, action and proceedings whatsoever against the other.

##### 4.2 Other Salient Terms under the Option

- (a) Completion of the Proposed Disposal ("**Completion**") is conditional upon the following conditions precedent ("**Conditions Precedent**") being fulfilled:
  - (i) JTC's right of first refusal to purchase the Property (if applicable) and the written in-principle approval from JTC for MSC to sell, and the Purchaser to purchase, all of MSC's interest in the Property (the "**In-Principle Approval**");
  - (ii) the JTC Final Approval (as defined below) having being obtained; and
  - (iii) the approval of Shareholders for the sale and purchase of the Property on the terms and conditions set out in the Option.
- (b) If the Conditions Precedent are not fulfilled by the expiry of 9 months from the date of the Option (or such extended date as the parties may mutually agree), the sale and purchase of the Property may be rescinded at the option of either party, provided that such party is not in default of any of the terms and conditions of the Option and had previously served a 21-day notice of its intention to do so in writing. In the event that the sale and purchase of the Property is rescinded, MSC shall refund the Deposit and GST thereon paid by the Purchaser, in exchange for the return to MSC all the documents of title to the Property and withdrawal of the Purchaser's and mortgagee's caveats (if any).
- (c) MSC has agreed to procure a duly signed deed of undertaking ("**Deed of Undertaking**") from Loke Investments Pte. Ltd. ("**Loke Investments**"), a controlling Shareholder, to vote in favour of the sale of the Property pursuant to the Option at the EGM to be convened,

and to deliver the Deed of Undertaking to the Purchaser within 1 week from the date of the Option.

- (d) The Option has been issued to the Purchaser subject to approval from Shareholders. If the approval from Shareholders is not obtained, MSC shall return the Deposit together with GST thereon and/or authorise and direct the refund of all monies held by the Singapore Academy of Law to the Purchaser and the Option will become null and void.

#### **4.3 Completion**

Completion will take place on the latest of:

- (a) the date falling on the expiry of 4 weeks from the date that JTC gives written confirmation that it has no objection to the execution of the assignment or instrument of transfer, or such other confirmation of similar nature (the “**JTC Final Approval**”) for the sale and purchase of the Property;
- (b) the date falling on the expiry of 4 weeks from the date that the approval of Shareholders and the approval and consents of any regulatory authorities (where necessary) is obtained, for the sale of the Property;
- (c) on the date falling on the expiry of 9 months from the date of exercise of the Option; or
- (d) such other date as both MSC and the Purchaser may mutually agree,

whichever is the latest (the “**Completion Date**”).

#### **4.4 Deed of Undertaking**

As at the date of this announcement, Loke Investments, a controlling Shareholder, holds approximately 83.38% of the issued and paid-up share capital of the Company.

Loke Investments had, on 31 August 2020, entered into the Deed of Undertaking to vote in favour of the sale of the Property pursuant to the Option at the EGM to be convened.

### **5 RATIONALE**

The Board believes that the Proposed Disposal is in the best interests of the Group and Shareholders, as it will enable the Group to realise the value of the Property and improve the liquidity of the Group. This would also allow the Group to reallocate its resources to improve and optimise the utilisation of its assets.

### **6 USE OF PROCEEDS AND GAIN ON THE PROPOSED DISPOSAL**

Based on the unaudited consolidated financial statements of the Group for FY2020, the excess of the Sale Consideration over the book value of the Property is approximately S\$5.2 million.

The Company expects to receive net proceeds of approximately S\$100,000 from the Proposed Disposal. The net proceeds from the Proposed Disposal will be used for general working capital purposes of the Group.

### **7 FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL**

The financial effects of the Proposed Disposal set out below are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after Completion.

The financial effects of the Proposed Disposal have been computed based on the unaudited consolidated financial statements of the Group for FY2020.

## 7.1 NTA

The effect of the Proposed Disposal on the NTA of the Group for FY2020, assuming that the Proposed Disposal had been effected at the end of FY2020 is as follows:

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
NTA attributable to owners of the Company (S\$'000)	26,431	31,615
NTA per share (Cents)	15.9	19.1
Number of issued shares	165,789,460	165,789,460

## 7.2 Earnings per share

The effect of the Proposed Disposal on the earnings per share of the Group for FY2020, assuming that the Proposed Disposal had been effected at the beginning of FY2020 is as follows:

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
(Loss)/Profit after tax attributable to owners of the Company (S\$'000)	(498)	4,686
(Loss)/Earnings per share (Cents)	(0.30)	2.83
Number of issued shares	165,789,460	165,789,460

## 8 RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

The relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Catalist Rules, based on the latest announced unaudited consolidated financial statements of the Group for FY2020 are as follows:

<b>Rule</b>	<b>Basis</b>	<b>Relative Figure</b>
1006 (a)	Net asset value of the assets to be disposed of, compared with the group's net asset value	6.87% <sup>(1)</sup>
1006 (b)	Net profits attributable to the assets acquired or disposed of, compared with the group's net profits	-32.07% <sup>(2)</sup>
1006 (c)	Aggregate value of the consideration given or received, compared with the issuer's market capitalisation, based on the total number of issued shares excluding treasury shares	61.19% <sup>(3)</sup>

1006 (d)	Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
1006(e)	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.	Not applicable

**Notes:**

- (1) The Group's net asset value and the Property's net asset value were approximately S\$26,431,000 and S\$1,816,000, respectively, as at 30 April 2020.
- (2) Based on the net rental income attributable to the Property of approximately S\$127,000 and the net loss before tax of the Group of approximately S\$396,000 for FY2020.
- (2) Based on the Sale Consideration of S\$7.0 million and the Company's market capitalisation of approximately S\$11,439,000 (being the Company's issued ordinary share capital of 165,789,460 shares (excluding treasury shares and subsidiary holdings) and the volume weighted average price of the Company's shares on the SGX-ST of S\$0.069 on 27 April 2020 (being the last market day preceding the date of the Option where the Company's shares were last traded).

As the relative figure computed under Rule 1006(c) of the Catalist Rules exceeds 50%, the Proposed Disposal constitutes a "major transaction" as defined under Rule 1014 of the Catalist Rules. Accordingly, the approval of Shareholders at an EGM is required for the Proposed Disposal.

**9 SERVICE CONTRACT**

No person will be appointed to the Board, and no service contract will be entered into by the Company, in connection with the Proposed Disposal.

**10 INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or controlling Shareholders and their respective associates has any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings (if any) in the Company.

**11 CIRCULAR AND EGM**

The circular to Shareholders containing, *inter alia*, further information on the Proposed Disposal and enclosing the notice of EGM will be despatched by the Company to Shareholders in due course. In the meantime, Shareholders are advised to refrain from taking any action in relation to their shares in the Company which may be prejudicial to their interests until they or their advisers have considered the information and recommendations to be set out in the Circular.

**12 DOCUMENTS FOR INSPECTION**

A copy of the Option and Deed of Undertaking are available for inspection at the registered office of the Company at 22 Pandan Road, Singapore 609274 during normal business hours for 3 months from the date of this announcement.

**13 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 announcement constitutes full and true disclosure of all material facts about the Proposed Disposal, 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.

#### 14 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 Disposal.

#### 15 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 Disposal is subject to fulfilment of various conditions as set out in the Option and there is no certainty or assurance that the Proposed Disposal will be completed. 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

Yap Chin Hock  
Executive Director and Chief Executive Officer  
1 September 2020

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*This announcement has been prepared by the Company and has been reviewed by the Company's sponsor ("**Sponsor**"), United Overseas Bank Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). This announcement has not been examined or approved by the 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 persons for the Sponsor are Mr. David Tham, Senior Director, Equity Capital Markets and Ms. Priscilla Ong, Vice President, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.*