

MS HOLDINGS LIMITED

茂盛控股有限公司

(Incorporated in the Republic of Singapore on 21 May 2014)

(Company Registration Number: 201414628C)

Building Your Future Together

ANNUAL REPORT 2022



Mission Statement

TO DEVELOP COST-EFFECTIVE SOLUTIONS FOR OUR CUSTOMERS AND COMPLETE EACH WORK ASSIGNMENT SAFELY AND TIMELY



This annual report has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor").

This annual report 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 annual report including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Ms Charmian Lim (Telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

Corporate Profile

We are one of the leading mobile crane rental companies in Singapore. We focus on providing mobile cranes and lorry cranes as they can be deployed easily in a wide range of lifting operations and have short set-up time due to their ability to travel on roads thus eliminating the need for special equipment to transport them to job sites.

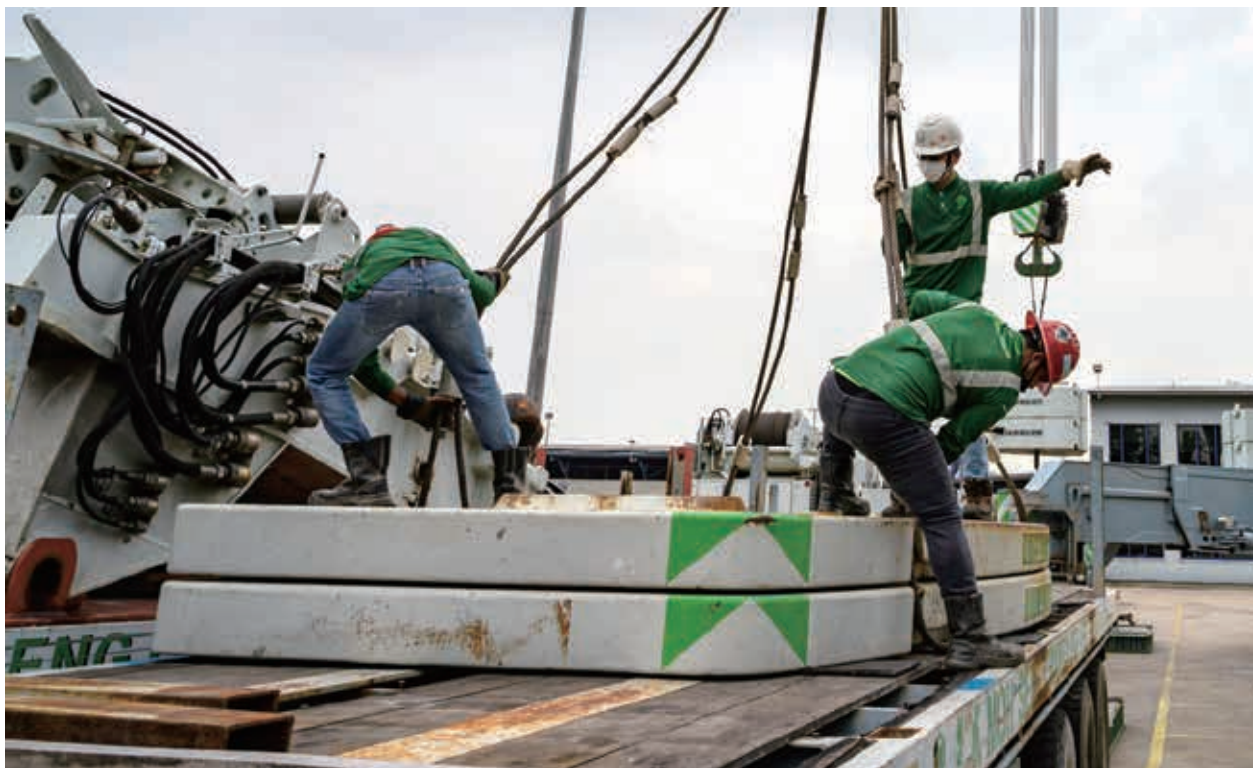
We typically rent our cranes to customers on a daily basis or short-term basis, thereby increasing the flexibility of deploying our cranes and enabling our Group to optimise the utilisation of our fleet.

With our fleet of young and modern cranes, we serve a wide customer base operating within the construction, marine, logistics, oil and gas as well as infrastructure industries in Singapore. This strategy of building and maintaining a well-diversified customer base ensures that we are not overly reliant on any particular customer or particular business sector.

During the year, we expanded into the provision of automotive financing.



Letter to Shareholders



Dear Shareholders

On behalf of the board of directors (“**Board**” or “**Directors**”) of MS Holdings Limited (“**MS Holdings**” or “**Company**”, and together with its subsidiaries, the “**Group**”), we are pleased to present to you the annual report of our Company for the financial year ended on 30 April 2022 (“**FY2022**”).

Better known as Moh Seng Cranes in the industry, our roots can be traced back to the 1960s. Since then, we have continued to invest in talent, technology and equipment which are vital to the future of our Group.

With a lifting fleet of 29 mobile cranes and lorry cranes that have lifting capabilities ranging from 25 tonnes to 500 tonnes, our Group offers a comprehensive range of integrated lifting solutions.

We typically rent our cranes to customers on a daily or short-term basis, thereby increasing the flexibility of deploying our cranes and enabling our Group to optimise the utilisation of our fleet. Our Group has built up a wide customer base operating within the construction, marine, logistics, oil and gas as well as infrastructure industries in Singapore.

We seek to improve our range of services, adding efficiency and features, to our customers. These initiatives are primarily motivated by our focus to meet the needs and requirements of our customers as we strive to continue to deliver best-in-class services and solutions to our customers like we have done throughout our history.



FY2022 Business and Financial Review

The COVID-19 pandemic has severely disrupted global economic activity, however, the economy has slowly rebounded and showed growth starting in year 2021. The Group believes that the economy should improve with the gradual resumption of construction worksites and non-essential workplaces as well as the easing of manpower restrictions by Singapore Government.

On 5 January 2022, the Group announced its business expansion into automotive financing and had on 24 March 2022 convened an Extraordinary General Meeting (“**EGM**”) to seek Shareholders’ approval for the proposed diversification of business. The proposed diversification was duly passed and approved by the shareholders by way of poll. The automotive financing business involved hire-purchase leasing of motor vehicles, floor stock financing and ad-hoc trading of used motor

vehicles. Under hire-purchase arrangements, the Group may repossess motor vehicles if there are defaults by the hirers in the payment of hire-purchase instalments or other fees. Such repossessed vehicles may be leased out under a new hire-purchase arrangement with a new hirer, or to be sold to third party.

In FY2022, the Group generated revenue primarily from the leasing & trading of used cranes. The Group’s revenue increased by S\$6.9 million or 69.9% to S\$16.7 million, compared to S\$9.8 million in the financial year ended 30 April 2021 (“**FY2021**”). This was mainly due to a sale of used mobile crane of S\$3.8 million recorded under the trading segment and S\$0.5 million in our new business segment, automotive financing.

Cost of sales increased by S\$7.5 million in FY2022 due to the reclassification of the used mobile crane from plant and equipment of S\$6.2 million to inventories which was subsequently being sold to third party. Consequently, the gross profit decreased from S\$1.5 million in FY2021 to S\$1.0 million in FY2022.

Other income decreased by S\$6.4 million to S\$0.5 million in FY2022 which was largely due to the absence of a one-time gain on disposal of the property at 11 Gul Drive of approximately S\$5.2 million.

General and administrative expenses decreased by S\$0.7 million from S\$4.6 million in FY2021 to S\$3.9 million in FY2022. This was due mainly to the decrease in professional fees and bank charges in relation to the sale of property, decrease in employees’ benefits and the absence of impairment loss on property, plant and equipment.

Finance costs decreased by S\$0.3 million due mainly to full redemption of certain finance leases.

As a result of the above, the Group reported a net loss of S\$2.8 million in FY2022.

As at 30 April 2022, the Group’s total assets amounted to S\$49.8 million, of which non-current assets amounted to S\$38.1 million or 76.6% of total assets and current assets stood at S\$11.7 million or 23.4% of total assets.

Letter to Shareholders



During the year, the Group sold a used mobile crane with net book value of S\$6.2 million and proceeds received from the sale amounted to S\$3.8 million. The long-term trade receivables of S\$1.8 million was derived from the automotive financing business. The business provides medium-to long-term hire purchase leasing to end consumers.

The Group's total liabilities amounted to S\$25.4 million, of which non-current liabilities amounted to S\$15.5 million or 61.2% of total liabilities and current liabilities stood at S\$9.9 million or 38.8% of total liabilities.

As at 30 April 2022, the Group generated net cash from operating activities amounting to S\$3.1 million.

With net assets of S\$24.4 million as at 30 April 2022, the Group's net asset value per share stood at S\$0.15.

Business Outlook

Barring unforeseen circumstances and other factors, such as the rising interest rates and/or oil prices and the potential onset of a global recession, which may negatively impact our industry and the economy, the Group believes that the outlook for the crane rental business should improve with the easing of COVID-19 measures. The Group is cautiously optimistic that business activities are gradually showing signs of improvement. The Group will continue to take steps to persevere and intensify its effort in optimising its business operation amidst this challenging time and identify new markets as well as explore new business segments.

Appreciation

Without the dedication, fortitude and commitment of our management team and staff, MS Holdings would not be where we are today and on behalf of the Board, we would like to take this opportunity to extend our appreciation for their efforts.

We would also like to express our gratitude to our fellow Directors for their valuable advice, insights and continued guidance. In addition, we are grateful to our customers, bankers and business associates for their continued support and confidence in MS Holdings.

And finally, to our Shareholders, thank you for your support and trust in our abilities. We take a long-term view in our business, and we believe our time-tested business model, culture of customer service, teamwork and excellence clearly differentiates MS Holdings from our competitors.

Thank you.

MADAM NG CHUI HWA

Executive Chairman

MR YAP CHIN HOCK

Executive Director and CEO

Corporate Milestones

1960s

- The Group's business was established by Mr Yap Lian Loke.

1987

- Incorporated Moh Seng Cranes Pte. Ltd. with the primary business of mobile crane rental services.

1995

- Acquired a property at Gul Drive with a land area of approximately 4,900 square metres.

2007

- Acquired a 250-tonne mobile crane.
- Moh Seng Services Pte. Ltd. incorporated to provide mobile crane rental services mainly to stevedoring companies at the Penjuru Lighter Terminal.

2010 – 2013

- Acquired a 350-tonne and a 500-tonne mobile crane to increase our lifting capacity.
- Acquired a property at Pandan Road with a land area of approximately 8,000 square metres.

2014

- Listed on the Catalist Board of the SGX-ST.
- Awarded the Enterprise 50 Award 2014.
- Acquired a 750-tonne mobile crane.

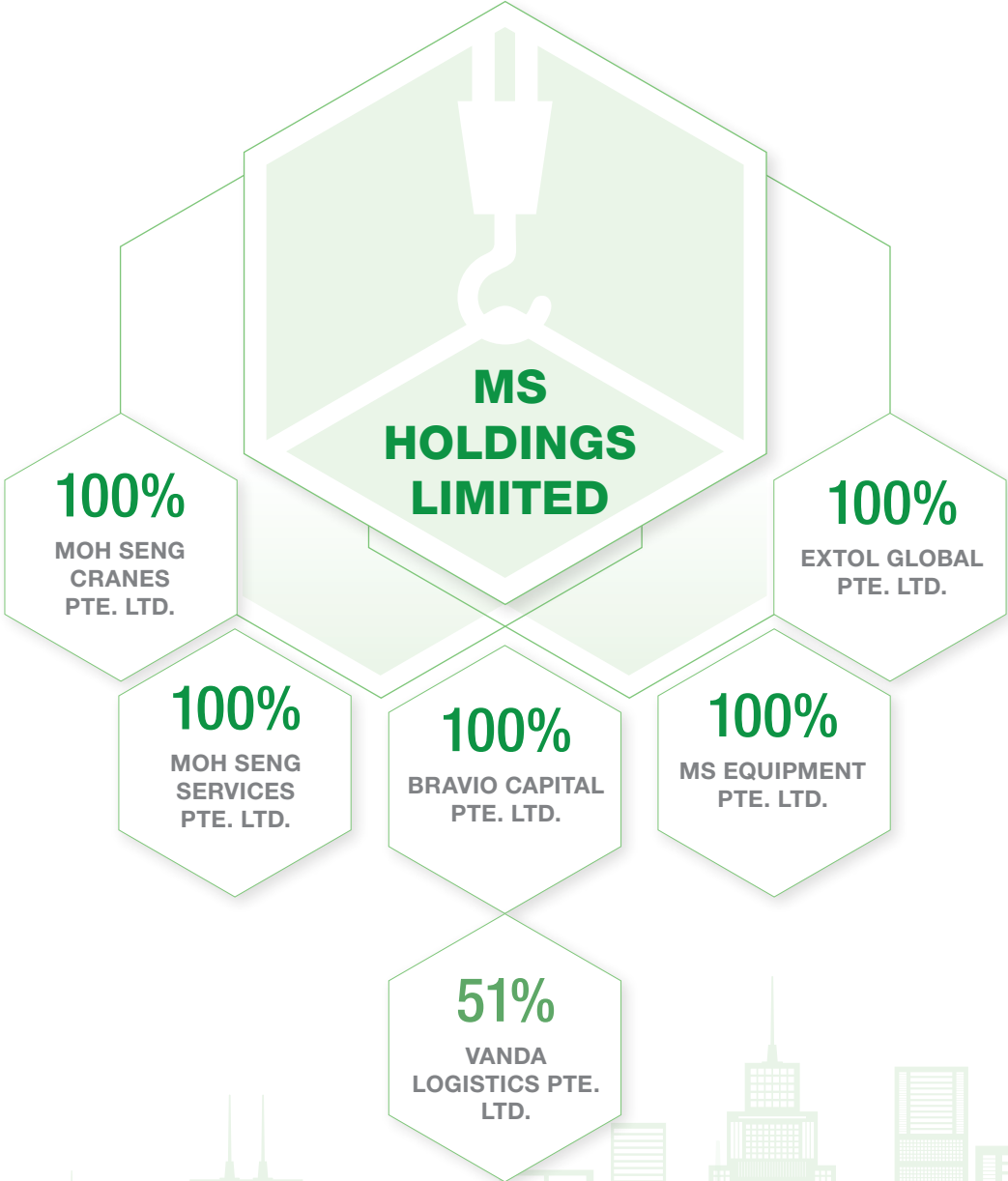
2015 – 2020

- Incorporated 100%-owned subsidiaries, MS Equipment Pte. Ltd., Extol Global Pte. Ltd. and Bravio Capital Pte. Ltd.
- Acquired rough terrain cranes to extend the range of our cranes.
- MS Equipment Pte. Ltd. was awarded with an Exclusive Distributorship from Cormach S.r.l., Jekko S.r.l., JMG Cranes S.r.l. and Soosung Motors Technology Co., Ltd.
- Raised net proceeds of approximately S\$3.8 million from renounceable non-underwritten rights cum warrants issue.
- Incorporated a 51%-owned subsidiary, Vanda Logistics Pte. Ltd. with the primary business of providing logistics services.

2021 – 2022

- Disposed a property at Gul Drive with a land area of approximately 4,900 square metres.
- Disposed a 750-tonne mobile crane.
- Diversification of the Group's business to include automotive financing

Corporate Structure

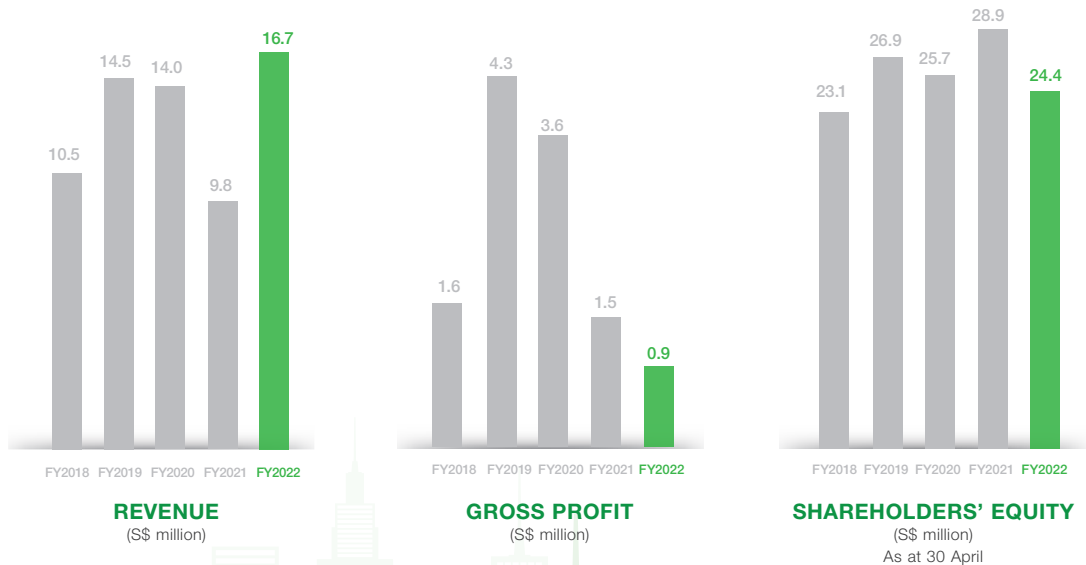


Financial Highlights

S\$ million	FY2018	FY2019	FY2020	FY2021	FY2022
Revenue	10.5	14.5	14.0	9.8	16.7
Gross Profit	1.6	4.3	3.6	1.5	0.9

As at 30 April

Shareholders' Equity	23.1	26.9	25.7	28.9	24.4
Total assets	59.1	62.0	66.0	60.9	49.8
Total bank borrowings	20.2	23.9	27.9	21.9	18.3



Board of Directors

MDM NG CHUI HWA

EXECUTIVE CHAIRMAN

Since 1974, Mdm Ng has been involved in various aspects of our Group's crane rental business such as customer service, operations, finance and administrative functions. Mdm Ng is responsible for charting and reviewing the overall strategic direction of our Group and maintaining relationships with our customers and suppliers. Under her leadership, she has led our Group to grow progressively to become one of the leading mobile crane rental companies in Singapore.

MR YAP CHIN HOCK

EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER
("CEO")

Mr Yap is responsible for the overall management of our Group's operations and supports our Executive Chairman in developing the corporate and business development strategies of our Group. He joined our Group in 2001 as a Crane Attendant. Since then, he has progressed to assume various junior and senior positions in different functions within our Group. In the last 19 years, Mr Yap also spearheaded the modernisation of our fleet of cranes and implemented information technology systems to enhance the productivity and efficiency of our operations. Mr Yap was a recipient of the Successful Entrepreneur Award (2011) organised by GRC Press Holdings, the Entrepreneur of the Year Award (2012) jointly organised by the Association of Small and Medium Enterprises and the Rotary Club of Singapore, and the Spirit of Enterprise Award (2013) organised by Spirit of Enterprise.



MR TAN JIA HUI CLARENCE

EXECUTIVE DIRECTOR AND INVESTMENT DIRECTOR

Mr Tan joined our Group in May 2015 as an Investment Director and was appointed to our Board on 10 March 2017. He is responsible for overseeing the corporate finance functions and assisting our CEO in the overall strategic expansion of our Group's business. He has over 10 years of experience in audit and accounting. His professional experience also includes being the Chief Financial Officer of a company listed on Catalyst. He holds a professional qualification from the Association of Chartered Certified Accountants and is a non-practicing member of the Institute of Singapore Chartered Accountants.

MR LIM KEE WAY IRWIN

LEAD INDEPENDENT DIRECTOR

Mr Lim is our Lead Independent Director and was appointed to our Board on 7 October 2014. He is currently the Operating Partner and Chief Financial Officer of Novo Tellus Capital Partners, a private equity firm and concurrently the Chief Financial Officer of Novo Tellus Alpha Acquisition, a Special Purpose Acquisition Company ("SPAC") listed on the mainboard of SGX. He also serves as an Independent Director, Chairman of the audit committee and member of the nominating and remuneration committees of GS Holdings Limited, which is listed on Catalyst. Mr Lim began his career in 1990 as a Senior Development Officer with the Economic Development Board of Singapore. In 1993, he joined Technomic International Inc., a United States headquartered consulting firm specialising in market penetration and investment strategies, initially as an Associate and was promoted to Senior Associate in 1995. Subsequently in 1996, Mr Lim joined Transpac Capital Pte Ltd, a venture capital and private equity firm, as a Senior Investment Manager, responsible for investment and portfolio management in the Asia Region. In 2000, he joined Murray Johnstone Private Equity as an Associate Director, and later in the same year joined Asiavest Partners, TCW/YFY (S) Private Ltd. as an Executive Director where he headed the firm's investment in the Southeast Asia region. He joined United Test and Assembly Center Ltd. in 2003, as the Group Vice-President of Corporate Development, where he helped spearhead the listing of the company in 2004. He assumed the role of Group Chief Financial Officer from 2007 to 2013 where he was responsible for the mergers and acquisitions as well as the financial, treasury, legal, corporate communications and investor relations functions of the group. He holds a Master of Science in Management from the Imperial College of Science, Technology and Medicine, University of London, and a Bachelor of Science from the Columbia University.



Board of Directors

MR LAU YAN WAI

INDEPENDENT DIRECTOR

Mr Lau is our Independent Director and was appointed to our Board on 7 October 2014. He is currently a Partner of Donaldson & Burkinshaw LLP in Singapore and practices in the field of corporate and securities law. He also serves as Independent Director for Datapulse Technology Limited, which is listed on the Mainboard of the SGX-ST, and Sen Yue Holdings Limited, which is listed on Catalyst. Mr Lau started practice as an Associate in the corporate and conveyancing department of Jeyaratnam & Chong, a law firm based in Malaysia in 2003 and left the firm in 2004. He joined KhattarWong LLP, a Singapore law firm as a Foreign Lawyer in 2005 and became a Partner of the firm in 2010. From 2011 to 2014, Mr Lau was a Partner at RHTLaw Taylor Wessing LLP as well as a registered professional with RHT Capital Pte. Ltd., a continuing sponsor registered with the SGX-ST, where he had undertaken continuing sponsor activities for several companies listed on Catalyst. Mr Lau was a Director of Equity Law LLC from 2014 to 2019. Mr Lau graduated with a Bachelor of Laws from the University of Sheffield in 1999 and a Master of Laws (Chinese Law) from the National University of Singapore in 2005. He also holds a Master of Science in Information Systems from the University of Sheffield. Mr Lau is qualified to practise in Singapore and West Malaysia. Mr Lau is a member of the Singapore Academy of Law, the Law Society of Singapore and the Malaysian Bar.

MR KHO KEWEE

INDEPENDENT DIRECTOR

Mr Kho is our Independent Director and was appointed to the Board on 2 January 2020. He has over 25 years of experience in investment banking, private equity, venture capital, entrepreneur, and business management. He is currently focused on investments, and corporate and financial advisory. Presently, Mr Kho is partner at Pillars & Woggs LLP. Previously, he was Executive Director at Castell Logistics Pte Ltd, a third-party logistics service provider; Vice-Chairman of Roadbull Logistics Pte Ltd, a last mile delivery and fulfilment company; Director at SBI Ven Capital Pte Ltd (formerly SoftBank Investments), a financial services and private equity group; Corporate and Business Development Consultant at JSCL Investments Pte Ltd/Homestay Residences Pte Ltd in the hospitality and real estate industry; Managing Director at Alpha Advisory Pte Ltd, a boutique investment banking advisory firm; Head of Capital Markets, Investment Banking, for Hong Leong Bank, Singapore; and Vice-President of Business Development with securities and investment broking group Kim Eng Securities Pte Ltd. Before returning to Asia, he was in Chicago at Deloitte & Touche LLP and IPC Group, LLC. Mr Kho's listed company board experience include Zhongmin Baihui Retail Group Limited (2021 to present), Courts Asia Limited (2012 to 2019) and Lee Metal Group Ltd (2012 to 2018). Mr Kho is a Fellow of Singapore Institute of Arbitrators and member of Singapore Institute of Directors. He graduated with a Bachelor of Science in Finance and International Business, Indiana University, and Graduate Certificate in International Arbitration, National University of Singapore, Law.

MR YAP SIAN LAY
TECHNICAL DIRECTOR

Mr Yap has more than 40 years of experience in the various technical aspects of mobile cranes and is responsible for overseeing the maintenance, repair and reconditioning of our lifting and hauling fleet. He has been in the mobile crane business since his teenage years, starting in various junior positions and progressing from the position of Crane Operator. He founded Moh Seng Cranes Pte. Ltd. in 1987 to corporatise the crane rental business.

MS LEE NGUK FONG
FINANCIAL CONTROLLER

Ms Lee joined our Group in September 2015 and is primarily responsible for the financial, banking and accounting aspects of our Group. Ms Lee also oversees our Group's Human Resource and Administration department. Ms Lee has over 10 years of experience in audit as well as finance and accounting experience with companies listed on the SGX-ST. She holds a Bachelor of Commerce (Hons) in Accounting from the University of Tunku Abdul Rahman, Malaysia.



Corporate Information

BOARD OF DIRECTORS

NG CHUI HWA (EXECUTIVE CHAIRMAN)

YAP CHIN HOCK (EXECUTIVE DIRECTOR AND CEO)

TAN JIA HUI CLARENCE (EXECUTIVE DIRECTOR AND INVESTMENT DIRECTOR)

LIM KEE WAY IRWIN (LEAD INDEPENDENT DIRECTOR)

LAU YAN WAI (INDEPENDENT DIRECTOR)

KHO KEWEE (INDEPENDENT DIRECTOR)

COMPANY SECRETARY

Wee Woon Hong, LLB (HONS)

SHARE REGISTRAR

Tricor Barbinder Share Registration Services

(A division of Tricor Singapore Pte. Ltd.)

80 Robinson Road

#02-00

Singapore 068898

AUDIT COMMITTEE

Lim Kee Way Irwin (Chairman)

Lau Yan Wai

Kho Kewee

NOMINATING COMMITTEE

Lau Yan Wai (Chairman)

Lim Kee Way Irwin

Kho Kewee

Tan Jia Hui Clarence

REMUNERATION COMMITTEE

Lau Yan Wai (Chairman)

Lim Kee Way Irwin

Kho Kewee

INDEPENDENT AUDITOR

Mazars LLP

135 Cecil Street

#10-01

Singapore 069536

Partner-in-charge: Ooi Chee Keong

(since financial year ended 30 April 2021)

SPONSOR

SAC Capital Private Limited

1 Robinson Road

#21-00 AIA Tower

Singapore 048542

PRINCIPAL BANKERS

United Overseas Bank Limited

80 Raffles Place

UOB Plaza

Singapore 048624

Maybank Singapore Limited

2 Battery Road

Maybank Tower

Singapore 049907

REGISTERED OFFICE

22 Pandan Road

Singapore 609274

Tel: (65) 6266 3455

Fax: (65) 6863 8202

Website: www.mohsengcranes.com

Report of Corporate Governance

The board of directors (the “**Board**”) of MS Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is committed to maintaining a high standard of corporate governance to ensure greater transparency and to protect the interests of the Company’s shareholders (the “**Shareholders**”).

The Company has put in place various policies and practices that will safeguard the interests of Shareholders and enhance Shareholders’ value as part of its effort to maintain high standards of corporate governance. This report describes the corporate governance practices and procedures adopted by the Company with specific reference to the Code of Corporate Governance 2018 (the “**Code**”) issued by the Monetary Authority of Singapore. References to the principles of the Code are listed below.

The Board confirms that for the financial year ended 30 April 2022 (“**FY2022**”), the Company has substantially complied with the principles and provisions of the Code. Where there are deviations from the provisions of the Code, appropriate explanations have been provided.

BOARD MATTERS

THE BOARD’S CONDUCT OF AFFAIRS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1

Directors are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Board is responsible for overseeing and providing effective leadership for the overall business and corporate affairs of the Group. Every Director is expected, in the course of carrying out his or her duties, to act in good faith and to consider at all times the interests of the Company.

The Board’s role is to:

- (i) provide entrepreneurial leadership, set strategic objectives and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- (ii) establish a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding of Shareholders’ interests and the Group’s assets;
- (iii) review performance of the management of the Company (the “**Management**”);

Report of Corporate Governance

- (iv) identify the key stakeholder groups and recognise that their perceptions affect the Group's reputation;
- (v) set the Company's values and standards (including ethical standards) and ensure that obligations to Shareholders and other stakeholders are understood and met; and
- (vi) consider sustainability issues, such as environmental and social factors, as part of its strategic formulation.

The Board adopted a set of ethical values and standards which establishes the fundamental principles of professional and ethical conduct expected of the Directors and all employees in the performance of their duties. It includes guidelines on matters relating to conflicts of interest. Directors are required to promptly disclose any conflict or potential conflict of interest, whether directly or indirectly, in relation to any matters, transactions or proposed transactions with the Group as soon as is practicable after the relevant facts have come to their knowledge. Any Director who has a conflict of interest which is likely to impact his independence or conflict with a subject under discussion by the Board is required to immediately declare his interest to the Board and recuse himself from participating in any discussion and voting on the subject matter.

Provision 1.2

Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the Company's annual report.

The Directors are welcome to request further explanations, briefings or informal discussions on any aspects of the Company's operations or business issues from the Management. The Chairman and Chief Executive Officer will make the necessary arrangements for the briefings, informal discussions or explanations required by the Director. The Directors are also encouraged to attend seminars, workshops and trainings which are relevant to the Company's business and operations, so as to enable them to perform effectively as Directors. The Company arranges and funds the training of Directors.

Newly-appointed Directors undergo an orientation program with materials provided to familiarise themselves with the business and organisation structure of the Group. To get a better understanding of the Group's business, such Directors are also given the opportunity to visit the Group's operational facilities and meet with the Management. Upon appointment, the Company provides a formal letter to the Director, setting out the Director's roles and obligations. For FY2022, no new Directors were appointed.

The Board as a whole is updated regularly on risk management, corporate governance, insider trading policy and the key changes in the relevant regulatory requirements and financial reporting standards, so as to enable them to properly discharge their duties as Board or Board Committee members. The Company encourages the Directors to attend training courses organised by the Singapore Institute of Directors or other training institutions.

Report of Corporate Governance

During FY2022, the Company's external auditors briefed the audit committee members on developments in accounting and governance standards. The Executive Directors also updated the Board at each Board meeting on business and strategic developments relating to the industry the Group operates in.

Provision 1.3

The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.

The Company has adopted a set of internal guidelines setting forth matters that require the Board's review and approval. Matters which specifically require the Board's decision or approval are those involving:

- corporate strategy and business plans;
- investment and divestment proposals;
- funding decisions of the Group;
- nomination of Directors for appointment to the Board and appointment of key executives;
- announcement of financial results and annual report;
- material acquisitions and disposals of assets;
- recommendation and declaration of dividends;
- interested person transactions; and
- all matters of strategic importance.

Provision 1.4

Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the Company's annual report.

All other matters are delegated to Board committees ("**Board Committees**") whose actions are monitored and endorsed by the Board. These Board Committees include the audit committee (the "**AC**"), the nominating committee (the "**NC**") and the remuneration committee (the "**RC**"), all of which operate within clearly defined terms of reference and functional procedures. The composition, terms of reference, summary of activities, of the AC, NC and RC are disclosed under various provisions of this report.

Report of Corporate Governance

Provision 1.5

Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the Company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

The Board conducts scheduled meetings on a half-yearly basis. Ad-hoc meetings are convened when circumstances require. The Company's constitution (the "**Constitution**") provides for Board and Board Committee meetings by means of teleconference.

The attendance of the Directors at meetings of the Board and Board Committees, and the frequency of these meetings for FY2022, and the general meetings are disclosed as follows:

	Board	Board Committee			General Meeting	
		AC	NC	RC	Annual	Extraordinary
No. of meetings held	2	2	1	1	1	1
	No. of meetings attended					
Mdm Ng Chui Hwa	2	2*	1*	1*	1	1
Mr Yap Chin Hock	2	2*	1*	1*	1	1
Mr Tan Jia Hui Clarence	2	2*	1	1*	1	1
Mr Lim Kee Way Irwin	2	2	1	1	1	1
Mr Lau Yan Wai	2	2	1	1	1	1
Mr Kho Kewee	2	2	1	1	1	1

Note:

* Attended the meetings by invitation.

Although some of the Directors have multiple Board representations, the NC has considered and is satisfied that each of them has adequately carried out his duties as a Director of the Company for FY2022, and the Directors have contributed sufficient time and effort to discharge their duties in the best interests of the Group.

Provision 1.6

Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

In order to ensure that the Board is able to fulfil its responsibilities, the Management provides the Board with complete, adequate and timely information about the Group as well as the relevant background information relating to the business and matters to be discussed prior to Board meetings and on an on-going basis so as to enable them to

Report of Corporate Governance

make informed decisions to discharge their duties and responsibilities. To allow the Directors to have sufficient time to prepare for the meetings, all Board papers are distributed to the Directors in advance of the meetings. Any additional material or information requested by the Directors is promptly furnished.

The Board papers include, among others, the following documents and details:

- minutes of the previous meetings;
- follow-up on significant matters outstanding following the previous meetings;
- financial review: actual, budget and any other major financial issues;
- internal audit reports prepared by the Company's internal auditors;
- external audit reports prepared by the Company's external auditors;
- annual budgets (actual vs budget); and
- major operational and investment proposals and update.

To ensure that Directors receive sufficient background explanatory information, briefings or formal presentations may also be given or made by the Management in attendance at Board meetings, or by external consultants engaged on specific projects. Directors are also entitled to request additional information and the Management shall provide the same in a timely manner.

The Directors also receive management reports on the Group's financial performance on a half-yearly basis, which contain adequate and timely operational and financial information that facilitates an assessment of the Group's financial performance, financial position and prospects. The management reports consist of financial statements with disclosures and explanations of material variances between past performance, budgets and actual results.

Provision 1.7

Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.

The Directors have separate and independent access to the Management, the Company's internal/external auditors, the Company's sponsor and the Company Secretaries at all times should they have any queries on the Group's affairs.

In furtherance of their duties, each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil his duties and responsibilities as a Director.

The Company Secretary and/or her representatives attends all Board and Board Committee meetings. Together with the Management, the Company Secretary is responsible for ensuring that appropriate procedures are followed and that the requirements of the Companies Act 1967 of Singapore, and the provisions in the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**") are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

Report of Corporate Governance

Changes to regulations and accounting standards are closely monitored by the Management. The Directors are briefed during Board and Board Committee meetings by the Company Secretary or the Company's external/internal auditors of these changes, especially where these changes have an important bearing on the Directors' disclosure obligations.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1

An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.

- (i) The Company is headed by an effective Board to lead and control the Company.

As at the date of this report, the Board comprises the following members:

Mdm Ng Chui Hwa	(Executive Chairman)
Mr Yap Chin Hock	(Executive Director and Chief Executive Officer)
Mr Tan Jia Hui Clarence	(Executive Director and Investment Director)
Mr Lim Kee Way Irwin	(Lead Independent Director)
Mr Lau Yan Wai	(Independent Director)
Mr Kho Kewee	(Independent Director)

None of the Directors has appointed an alternate director in FY2022.

As there are three Independent Directors representing half of the Board, there is a strong independent element on the Board, thereby allowing it to exercise objective judgment on all matters independently from the Management.

- (ii) The independence of each Director is assessed and reviewed at least annually by the NC. The NC adopts the definition in the Code as to what constitutes an independent director in its review to ensure there is a strong independent element on the Board such that the Board is able to exercise objective judgement on corporate affairs independently. Each Independent Director is required to complete a checklist annually to confirm his independence in accordance with the guidelines on independence set out in the Code and the Catalist Rules. An Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company.

Report of Corporate Governance

As set out in the Company's announcement dated 1 March 2022, the Company had appointed Donaldson & Burkinshaw LLP as the legal adviser to the Company on Singapore laws in relation to the proposed diversification of the Group's business. Mr Lau Yan Wai is a partner in Donaldson & Burkinshaw LLP. Notwithstanding this, the NC (other than Mr Lau Yan Wai, who is the chairman of the NC) has determined that there is no risk of conflict of interest and Mr Lau Yan Wai continues to be considered independent having regard to the practice of the Code and the disclosures required under Catalist Rule 406(3)(d), given that the aggregate value of professional fees paid to Donaldson & Burkinshaw LLP for services rendered did not exceed S\$200,000 in FY2022.

The NC and the Board have reviewed and ascertained that Mr Lim Kee Way Irwin, Mr Lau Yan Wai and Mr Kho Kewee are independent according to the Code, its Practice Guidance and Rules 406(3)(d)(i) and 406(3)(d)(ii) of the Catalist Rules and noted that:

- (a) the Independent Directors: (i) are not employed by the Company or any of its related corporations in the current or any of the past three financial years; and (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years, and whose remuneration is determined by the RC;
- (b) none of the Independent Directors and their immediate family member had in the current or immediate past financial year (i) provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S\$50,000 for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organization which provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S\$200,000 for services rendered;
- (c) none of the Independent Directors are directly associated with a substantial shareholder of the Company; and
- (d) none of the Independent Directors has served on the Board beyond nine years from the date of first appointment.

The Independent Directors ensure that the strategies proposed by the Management are constructively challenged, fully discussed and examined and take into account the long-term interests, not only of Shareholders but also other stakeholders of the Group. The Independent Directors also review the Management's performance in achieving agreed goals and objectives, and monitor the reporting of its performance. They also meet regularly on their own, without the presence of the Management.

Report of Corporate Governance

Provision 2.2

Independent directors make up a majority of the Board where the Chairman is not independent.

As at the date of this report, the Board has three Independent Directors, representing half of the Board. While Provision 2.2 requires majority of the Board to be made up of Independent Directors in view that the Chairman is not independent, the NC and the Board has considered the following:

- Mr Lim Kee Way Irwin has been appointed as the Lead Independent Director to assist in a facilitative role within the Board;
- All Board Committees are chaired by Independent Directors;
- The Board considers the present composition and size of the Board to be adequate to facilitate effective decision making in view of the current scope and size of the operations of the Group; and
- The NC is satisfied that the Board has substantial independent elements to ensure that objective judgement is exercised on corporate affairs and there is no individual or small group who dominates decision making.

Notwithstanding, the Board is cognisant of the requirements of Provision 2.2 of the Code and will keep this matter under regular review, and will make such changes as are necessary to further enhance the standard of corporate governance.

Provision 2.3

Non-executive directors make up a majority of the Board.

As at the date of this report, the Board has three Non-Executive and Independent Directors representing half of the Board. While Provision 2.3 requires majority of the Board to be made up of non-executive Directors, the NC and the Board has considered the following:

- Independent Non-Executive Directors make up half of the Board and all Board Committees are chaired by Independent Directors which provides sufficiently strong independent element on the Board to maintain appropriate checks and balances and avoid undue influence from Management;
- The Board has always discussed important issues robustly and been able to reach consensus on major decisions as a whole;
- Mr Lim Kee Way Irwin has been appointed as the Lead Independent Director to assist in a facilitative role within the Board; and
- The Board has also considered the current size, scope, nature of operations of the Group, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, especially in the current economic climate where cost considerations and agility of the Board in decision-making are critical to the Company.

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Notwithstanding, the Board is cognisant of the requirements of Provision 2.3 of the Code and will keep this matter under regular review, and will make such changes as are necessary to further enhance the standard of corporate governance.

Provision 2.4

The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the Company's annual report.

The Board and Board Committees comprises Directors who as a group provide core competencies such as accounting and finance, legal, business and management experience, industry knowledge and strategic planning experience. Hence, the NC is of the view that the current Board and Board Committees comprise persons who as a group provide capabilities required for the Board to be effective.

The Board, through the NC, has reviewed and is satisfied that the current structure, size and composition of the Board and Board Committees are appropriate for effective decision making, taking into account the scope and nature of the operations of the Company, the balance and diversity of, amongst other factors, skills, experience and gender. The NC is of the view that no individual or small group of individuals dominates the Board's decision-making process.

While the Board and NC have not implemented a fixed diversity policy, the composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has an appropriate mix of expertise and experience to enable the Management to benefit from diverse perspectives in reviewing the issues that are brought before the Board. The NC considers the benefits of Board diversity from a number of aspects, including but not limited to gender, age, educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. However, diversity is not merely limited to gender or any other personal attributes. The benefits of Board diversity could only be harnessed if Directors adopt an independent mindset when carrying out their responsibilities. In order to gather and leverage on diverse perspectives, the Chairman of the Board strives to cultivate an inclusive environment where all Directors are able to speak up and participate in decision making.

With the introduction of Rule 710(A) of the Catalist Rules effective from 1 January 2022, the Board will endeavour to maintain a board diversity policy that addresses gender, skills and experience, and any other relevant aspects of diversity, and describe such policy in its annual report for the financial year ended 30 April 2023.

Further details of the Directors can be found under the section entitled "Board of Directors" of this annual report.

Report of Corporate Governance

Provision 2.5

Non-executive directors and/or independent directors, led by the independent chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

Mr Lim Kee Way Irwin is the Lead Independent Director, who is available to address Shareholders' concerns on issues that have not been satisfactorily resolved or cannot be appropriately dealt with by the Executive Chairman, Executive Directors, Chief Executive Officer or Financial Controller. The Independent Directors meet on a need-to basis amongst themselves and with the Company's external auditors and internal auditors without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance and risk management initiatives, Board processes and any internal audit observations. Thereafter, the Lead Independent Director would provide feedback to the Executive Chairman after such meetings, if needed.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1

The Chairman and the Chief Executive Officer ("CEO") are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.

The Company keeps the roles of the Executive Chairman and the CEO separate to ensure a clear division of responsibilities, balance of power and authority, increased accountability and greater capacity for independent decision making at the Board and Management levels. As at the date of this report, Mdm Ng Chui Hwa holds the position of Executive Chairman, whilst Mr Yap Chin Hock holds the position of Executive Director and CEO. Mdm Ng Chui Hwa is the mother of Mr Yap Chin Hock.

Provision 3.2

The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.

The Executive Chairman, Mdm Ng Chui Hwa, is primarily responsible for charting and reviewing the overall strategic direction of the Group and for leading the Board to ensure its effectiveness on all aspects of its role. She ensures that Board meetings are held when necessary and sets the Board agenda (with the assistance of the Company Secretary). Mdm Ng Chui Hwa ensures that all Board members are provided with complete, adequate and timely information.

Report of Corporate Governance

All major proposals and decisions are discussed and reviewed by the Directors. With the active participation of the Directors at Board and Board Committee meetings, the Board is satisfied that the current arrangement provides sufficient check and balance to ensure that no one individual member of the Board holds a considerable concentration of power, and that there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

The Board has delegated the daily operations of the Group to Mr Yap Chin Hock, the Executive Director and CEO. Mr Yap Chin Hock leads the Management and executes the strategic plans to achieve the strategic decisions and goals set out by the Board and ensures that the Directors are kept updated and informed of the Group's businesses.

Provision 3.3

The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

Mr Lim Kee Way Irwin is the Lead Independent Director, who is available to address Shareholders' concerns on issues that have not been satisfactorily resolved or cannot be appropriately dealt with by the Executive Chairman, Executive Directors, CEO or Financial Controller.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1

The Board establishes a Nominating Committee ("NC") to make recommendations to the Board on relevant matters relating to:

- (a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;**
- (b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;**
- (c) the review of training and professional development programmes for the Board and its directors; and**
- (d) the appointment and re-appointment of directors (including alternate directors, if any).**

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The NC comprises four Directors, namely Mr Lau Yan Wai, Mr Lim Kee Way Irwin, Mr Kho Kewee and Mr Tan Jia Hui Clarence, majority of whom, including the Chairman of the NC, Mr Lau Yan Wai, are Independent Directors. The NC has written terms of reference that describe the responsibilities of its members.

The principal functions of the NC are as follows:

- to review and recommend the nomination of new Directors or re-nomination of the Directors having regard to the Director's contribution and performance;
- to review the succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;
- to set criteria for identifying candidates and reviewing nominations for the appointments referred to above;
- to determine on an annual basis whether or not a Director is independent;
- to make plans for succession, in particular for the Executive Chairman and the CEO;
- to review training and professional development programs for the Board; and
- to assess the overall performance of the Board and contribution of each Director to the effectiveness of the Board.

Provision 4.2

The NC comprises at least three directors, all of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.

As at the date of this report, the members of the NC are:

Mr Lau Yan Wai	(Chairman, Independent Director)
Mr Lim Kee Way Irwin	(Member, Lead Independent Director)
Mr Kho Kewee	(Member, Independent Director)
Mr Tan Jia Hui Clarence	(Member, Executive Director and Investment Director)

Provision 4.3

The Company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.

The NC conducts an annual review of the nomination of the relevant Directors for re-election and re-appointment, as well as the independence of Directors. The NC conducts an annual performance assessment of individual Directors. When considering the nomination of Directors for re-election and re-appointment, the NC takes into account their contributions to the effectiveness of the Board, the preparedness, participation and competing time commitment faced by Directors who are faced with multiple board representations.

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When an existing Director chooses to retire or the need for a new Director arises, either to replace a Director or to enhance the Board's strength, the NC, in consultation with the Board, determines the selection criteria and identifies candidates with the appropriate expertise and experience for the appointment as new Director. The NC identifies the candidates and reviews the nominations based on the following criteria: the candidate shall be a fit and proper person to hold such office, and the most qualified candidate nominated for the office, taking into account the candidate's track record, age, work experience, capabilities, ability to commit sufficient time, contribution and performance and other relevant factors.

Candidates may be suggested by the Directors or the Management or sourced from external sources. The NC will interview the shortlisted candidates and assess them based on objective criteria approved by the Board such as integrity, independent mindedness, possession of the relevant skills required or skills needed to complement the existing Board members, ability to commit the time and effort to carry out his responsibilities, good decision-making track record, relevant experience and financial literacy. The shortlisted candidates will also be required to submit a declaration in the form set out in paragraph 8 of Part 7 of the Fifth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018. The NC will then nominate the most suitable candidate to the Board for approval. Upon appointment by the Board, the candidate must stand for election at the next annual general meeting ("**AGM**") of the Company.

The NC meets at least once a year. Pursuant to the Constitution, one-third of the Board is to retire by rotation and subject themselves to re-election by Shareholders at every AGM. The NC will assess and evaluate whether Directors retiring at each AGM are properly qualified for re-appointment.

Having considered the track record, work experience, capabilities, ability to commit sufficient time, contribution and performance of each of Mr Tan Jia Hui Clarence and Mr Kho Kewee, the NC recommended to the Board that they be nominated for re-election at the forthcoming AGM. Mr Tan Jia Hui Clarence will, upon re-election as a Director, remain as the Executive Director and Investment Director of the Company, and member of the NC. Mr Kho Kewee will, upon re-election as a Director, remain as the Independent Director, and member of the AC, NC and RC. Please refer to pages 132 to 138 of this annual report for further information on Mr Tan Jia Hui Clarence and Mr Kho Kewee.

Each member of the NC has abstained from making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his own performance or re-election as a Director.

Provision 4.4

The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.

The NC meets at least once a year. Please refer to the disclosure for Provision 2.1 in relation to the NC's review and assessment of the Directors' independence.

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Provision 4.5

The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.

A Director who has no prior experience as a director of an issuer listed on the SGX-ST is required to undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST within one year from his/her appointment. In addition, the responsibilities of a Director are clearly delineated in his/her appointment letter or service agreement (as the case may be).

All Directors declare their board memberships and principal commitments as and when practicable.

The respective dates of initial appointments and re-elections of the Directors, as well as the Directors' directorships in other listed companies and other principal commitments are set out below:

Name of Director	Date of Appointment	Date of Last Re-Election	Other Principal Commitments	Directorships and Chairmanships in Other Listed Companies	
				Present	Last 3 Years
Mdm Ng Chui Hwa	7 October 2014	27 August 2021	–	–	–
Mr Yap Chin Hock	21 May 2014	15 October 2020	–	–	–
Mr Tan Jia Hui Clarence	10 March 2017	28 August 2019	–	–	–
Mr Lim Kee Way Irwin	7 October 2014	15 October 2020	Operating Partner, Novo Tellus Capital Partners Chief Financial Officer, Novo Tellus Alpha Acquisition	GS Holdings Limited	–
Mr Lau Yan Wai	7 October 2014	27 August 2021	Partner, Donaldson & Burkinshaw LLP	Datapulse Technology Limited Sen Yue Holdings Limited	–
Mr Kho Kewee	2 January 2020	15 October 2020	Partner, Pillars & Woggs LLP	Zhongmin Baihui Retail Group Limited	–

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In respect of FY2022, notwithstanding that some of the Directors have multiple board representations, the NC was satisfied that where Directors had other listed company board representations and/or other principal commitments, all Directors were able to carry out and had been adequately carrying out their duties as Directors of the Company. The NC took into account attendance and contribution at Board and Board Committees meetings and ad-hoc discussions by each Director in deciding the capacity of the Directors. Accordingly, as the NC is of the view that the multiple board directorships and principal commitments do not impede their respective performance in carrying out their duties towards the Company, the Board, with the concurrence of the NC, has not fixed the maximum number of listed company board representations and other principal commitments which any Director may hold. It will do so when deemed necessary.

Further details of the Directors (including principal commitments) can be found under the section entitled "Board of Directors" of this annual report.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provision 5.1

The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.

The NC decides on how the performances of the Board, Board Committees and individual Director are to be evaluated and proposes objective performance criteria, subject to the Board's approval, which address how the Directors have enhanced long-term Shareholders' value. The Board has also implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and Board Committees and for assessing the contribution of each Director to the effectiveness of the Board. The performance evaluation process is performed on an annual basis.

In evaluating the performance of the Board and the Board Committees, the NC considers a set of quantitative and qualitative performance criteria that has been approved by the Board. The performance criteria for the evaluation of the Board and the Board Committees are in respect of:

- (i) Board composition;
- (ii) Board information;
- (iii) Board process and accountability;
- (iv) standards of conduct; and
- (v) Board Committee performance in relation to discharging their responsibilities set out in their respective terms of reference.

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The performance criteria for the evaluation of individual Directors are in relation to each Director's:

- (a) interactive skills;
- (b) knowledge, including industry or professional expertise, specialist or functional contribution and regional expertise;
- (c) performance of Directors' duties including attendance at meetings, meeting preparation, participation and performance of specific assignments; and
- (d) conduct including maintenance of independence, disclosure of related party transactions and compliance with the Company's policies.

Provision 5.2

The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.

All Directors are requested to complete a board evaluation questionnaire designed to seek their views on various aspects of the Board, the Board Committees and individual Director's performance as described above. The Executive Chairman, in consultation with the NC, will then act on the results of the performance evaluation and, where appropriate, propose that new members be appointed to the Board or seek the resignation of Directors.

The NC has assessed the current Board's performance to-date and is of the view that the performance of the Board as a whole is satisfactory, the Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

No external facilitator was engaged for the evaluation process for FY2022.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.1

The Board establishes a Remuneration Committee (“RC”) to review and make recommendations to the Board on:

- (a) a framework of remuneration for the Board and key management personnel; and**
- (b) the specific remuneration packages for each director as well as for the key management personnel.**

The RC comprises 3 Independent Directors, namely Mr Lau Yan Wai, Mr Lim Kee Way Irwin and Mr Kho Kewee. The Chairman of the RC is Mr Lau Yan Wai. The RC has written terms of reference that describe the responsibilities of its members.

The RC’s principal responsibilities are to review and recommend to the Board a framework of remuneration as well as the specific remuneration packages for the Directors and the key management personnel of the Company. The RC covers all aspects of remuneration, including but not limited to Directors’ fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind. The RC’s recommendations are submitted to the Board for endorsement. No Director is involved in deciding his or her own remuneration.

The MS Holdings Share Award Scheme 2021 (“**ESAS**”) was approved and adopted by Shareholders at an extraordinary general meeting of the Company held on 5 April 2021. The ESAS is administered by the RC comprising Mr Lau Yan Wai, Mr Lim Kee Way Irwin and Mr Kho Kewee.

The ESAS is extended to the Group employees and the Executive Directors (excluding Controlling Shareholders and their Associates) who have met performance target(s), and enables them to be remunerated not just through cash bonuses but also through an equity stake in the Company. The ESAS is also extended to the Non-Executive Directors. Please refer to the Company’s circular to Shareholders dated 20 March 2021 for further details on the ESAS. Please also refer to the section entitled “Directors’ Statement” of this annual report for more information on the ESAS.

Other than the ESAS, the Company does not have any employee share option scheme or other long-term employee incentive scheme.

The remuneration of employees who are related to the Directors or substantial Shareholders will also be reviewed annually by the RC to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. The RC will also review and approve any bonuses, pay increments and/or promotions for these related employees.

If any Director or key management personnel occupies a position for part of the financial year, the fee payable will be pro-rated accordingly.

Report of Corporate Governance

Provision 6.2

The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.

As at the date of this report, the members of RC are:

Mr Lau Yan Wai	(Chairman, Independent Director)
Mr Lim Kee Way Irwin	(Member, Lead Independent Director)
Mr Kho Kewee	(Member, Independent Director)

Provision 6.3

The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

The RC considers all aspects of remuneration, including termination terms, to ensure they are fair. Please refer to the disclosure in Provision 7.1 for remuneration aspects.

The RC will also review the Group's obligations arising in the event of termination of Executive Directors' or key management personnels' contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

Provision 6.4

The company discloses the engagement of any remuneration consultants and their independence in the Company's annual report.

For FY2022, the Company did not engage any remuneration consultants. The RC may consider to engage an external remuneration consultant, as and when necessary, to assist in the evaluation of its compensation recommendations.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Provision 7.1

A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long term success of the Company.

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The Company has entered into separate service agreements with Mdm Ng Chui Hwa, Mr Yap Chin Hock and Mr Tan Jia Hui Clarence in relation to their appointment as the Executive Chairman, the Executive Director and CEO, and the Executive Director and Investment Director, respectively and Mr Yap Sian Lay in relation to his appointment as Technical Director of the Company (collectively, the “**Executives**”). The service agreements are valid for an initial period of three years with effect from the respective commencement dates. Upon the expiry of the initial period of three years, the employment of each of the Executives shall be automatically renewed for a further period of three years on the same terms and conditions, unless either party gives six months’ notice in writing prior to the expiry of its intention not to renew the appointment. Either party may terminate the service agreement at any time by giving to the other party not less than six months’ notice in writing or, in lieu of notice, payment of an amount equivalent to six months’ salary based on each Executive’s last drawn monthly salary on a pro-rata basis.

Based on the terms of their respective service agreements, the Executives (except Mr Yap Chin Hock) are entitled to a basic monthly salary, an annual wage supplement of one month’s basic salary, as well as a discretionary bonus which is subject to the approval of the RC and Board. Mr Yap Chin Hock is entitled to a basic monthly salary, an annual wage supplement of one month’s basic salary, and a performance bonus based on the Group’s audited consolidated profit before tax (after deducting profit before tax attributable to minority interests and excluding extraordinary items) and before awarding the performance bonus (“**PBT**”). The performance bonus will be 5% of the Group’s PBT where PBT is S\$3.5 million or more. The service agreement provides that the Group shall be entitled to recover from Mr Yap Chin Hock the relevant portion of the performance bonus paid under his service agreement in the event that there is a restatement of the financial statements of the Company made to reflect the correction of a misstatement due to error or fraud (not change in accounting principle) during the financial year of the Group, or misconduct of Mr Yap Chin Hock resulting in financial loss to the Group.

For the Executive Chairman, the Executive Director and Investment Director as well as other key management personnel, the RC is of the view that there is no requirement to institute contractual provisions to allow Company to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss as the Company believes that there are alternative legal avenues to these specific contractual provisions that will enable the Company to recover financial losses arising from such exceptional events.

There are no termination, retirement or any post-employment benefits for the Directors and key management personnel.

All revisions to the remuneration packages of the Executives are subject to the review by and recommendation of the RC and the approval of the Board. The RC has full authority to obtain any external professional advice on matters relating to remuneration as and when the need arises.

Report of Corporate Governance

Provision 7.2

The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

The Independent Directors do not have service agreements with the Company. They are paid Directors' fees, which are determined by the Board, appropriate to the level of their contributions, taking into account factors such as the effort and time spent and the responsibilities of the Independent Directors. The fees are subject to approval by Shareholders at each AGM. The Independent Directors do not receive any other remuneration from the Company. The Company's fee structure for Independent Directors has been determined during FY2022 to attain the following key objectives:

- (i) to reflect the increased scope of responsibilities in view of the regulatory changes and increase in business complexity; and
- (ii) to provide a fair market remuneration at benchmarked rates to retain and/or attract new independent directors.

Provision 7.3

Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.

The RC is of the view that the remuneration is appropriate to attract, retain and motivate the Directors and key management personnel to successfully manage the Company for the long term given the low attrition rate of Directors and key management personnel.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1

The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

- (a) each individual director and the CEO; and
- (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.

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The level and mix of the Directors' remuneration for FY2022 are set out below. The remuneration of each individual Director to the nearest thousand dollars is not disclosed as the Board believes that remuneration matters are highly sensitive in nature in a small and medium size enterprise environment and the disclosure may be prejudicial to the Group's business interests given the highly competitive business environment it operates in.

Name of Director	Directors' Fees ¹ (%)	Salary ² (%)	Bonus (%)	Benefits ³ (%)	Total (%)
S\$250,001 – S\$500,000					
Mdm Ng Chui Hwa	–	85	7	8	100
Mr Yap Chin Hock	–	87	7	6	100
Mr Tan Jia Hui Clarence	–	90	7	3	100
Below or equal to S\$250,000					
Mr Lim Kee Way Irwin	100	–	–	–	100
Mr Lau Yan Wai	100	–	–	–	100
Mr Kho Kewee	100	–	–	–	100

Notes:

- 1 Subject to the approval of Shareholders at the forthcoming AGM.
- 2 Includes employers' contributions to the Central Provident Fund.
- 3 Other benefits mainly include allowances and the provision of a car to Mdm Ng Chui Hwa and Mr Yap Chin Hock.

No compensation was paid in the form of share awards/options to any of the Directors.

A summary compensation table of the key management personnel (who are not Directors or the CEO) remuneration for FY2022 are set out below:

Name of Key Management Personnel	Salary ¹ (%)	Bonus (%)	Benefits ² (%)	Total (%)
Below or equal to S\$250,000				
Mr Yap Sian Lay	90	7	3	100
Ms Lee Nguk Fong	75	22	3	100

Notes:

- 1 Includes employers' contributions to the Central Provident Fund.
- 2 Other benefits mainly include allowances.

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Mr Yap Sian Lay, the Technical Director of the Company, is the spouse of Mdm Ng Chui Hwa and the father of Mr Yap Chin Hock.

No compensation was paid in the form of share awards/options to any of the key management personnel of the Company.

The aggregate remuneration paid to the above key management personnel (who are not Directors or the CEO) for FY2022 amounted to approximately S\$444,000.

Save as disclosed above, there is no employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeded S\$100,000 during FY2022.

The Board is of the opinion that the information as disclosed above would be sufficient for Shareholders to have an adequate appreciation of the Group's compensation policies and practices and therefore does not intend to issue a separate remuneration report, the contents of which would be largely similar. In considering the disclosure of remuneration of the Directors and key management personnel, the Company has regarded the industry conditions in which the Group operates as well as the confidential nature of such remuneration. The Company believes that full detailed disclosure of the remuneration of each Director and each key management personnel as recommended by the Code would be prejudicial to the interests of the Group and hamper its ability to retain and nurture the Group's talent pool. The Company has instead presented such information in remuneration bands.

The Company adopts a remuneration policy that comprises a fixed and a variable component. The fixed component is in the form of base salary and benefits while the variable component is in the form of performance bonus determined based on the level of achievement of corporate and individual performance objectives.

The remuneration of the Executive Directors and the key management personnel takes into consideration the performance and contributions of the Executive Directors and the key management personnel based on their respective job responsibilities and gives due regard to the financial and business performance of the Group. The Group seeks to offer a competitive level of remuneration to attract, motivate and retain senior management of the required competency to run the Group successfully.

As mentioned in provision 7.1 of this report, the Company has entered into a service agreement with the Executive Director and CEO, Mr Yap Chin Hock. Pursuant to his service agreement, he is entitled to receive a performance bonus based on the Group's PBT. The performance bonus will be 5% of the Group's PBT where PBT is S\$3.5 million or more. For FY2022, the RC is of the view that the performance condition was not met.

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Provision 8.2

The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.

Mr Yap Sian Lay, the Technical Director and a substantial Shareholder of the Company, is the spouse of Mdm Ng Chui Hwa and the father of Mr Yap Chin Hock.

Save as disclosed above, there is no employee of the Company, who is a substantial Shareholder or an immediate family member of Director or the CEO or substantial Shareholder, whose remuneration exceeded S\$100,000 during FY2022.

Provision 8.3

The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the Company. It also discloses details of employee share schemes.

Please refer to the disclosure in Provision 8.1 for the breakdown of remuneration of Directors and key management personnel of the Company.

In 2021, the Company implemented the ESAS as an additional element to the variable component of the remuneration policy. The ESAS is extended to the Group employees, the Executive Directors and the Non-Executive Directors (excluding Controlling Shareholders and their Associates) ("**Participants**"). ESAS awards given to any Participant will be determined at the discretion of the RC, which will take into account factors such as the Participant's capability, scope of responsibility, skill and vulnerability to leaving the employment of the Group. In deciding whether an ESAS award is to be granted to any Participant, the RC will also consider all aspects of the compensation and/or benefits given to the Participant and such other share-based incentive schemes of the Company, if any. The RC may also set specific criteria and performance target(s) for each of its business units, taking into account factors such as (i) the Company and the Group's business goals and directions for each financial year; (ii) the Participant's actual job scope and responsibilities; and (iii) the prevailing economic conditions. For FY2022, no performance target was established pursuant to the ESAS and therefore no ESAS award was awarded.

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ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1

The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.

The Board is responsible for the governance of risks and the overall internal control framework. It ensures that the Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interests and the Group's assets and determines the nature and extent of the significant risks which the Board is willing to take in achieving the Group's strategic objectives.

To ensure that the Group's risk management and internal control systems are adequate and effective, the Company has engaged Foo Kon Tan Advisory Services Pte Ltd ("**FKTAS**") as the Group's internal auditors. FKTAS has provided summaries of its internal audit findings and reports to the AC, to assist the Board and the AC in their review of the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems. The AC has also reviewed the actions taken by the Management on the recommendations made by the internal auditors. The Group's external auditors also test controls as part of their audit of the financial statements in accordance with their external audit plans.

The AC will ensure that a review of the effectiveness of the Group's risk management policies and procedures and internal controls in addressing material risks, including financial, operational, compliance, information technology risks and sustainability risks and risk management systems is conducted annually. In this respect, the AC will review the audit plans and the findings of the external and internal auditors, and will ensure that the Management follows up on the external and internal auditors' recommendations raised, if any, during the audit process.

Based on the internal controls established and maintained by the Group, work performed by the internal auditors and the external auditors, reviews performed by the Management and various Board Committees, the Board, with the concurrence of the AC, is of the opinion that, the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective as at 30 April 2022.

Provision 9.2

The Board requires and discloses in the company's annual report that it has received assurance from:

- (a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and
- (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.

The Board received the relevant assurances from:

- (a) the CEO and the Financial Controller that financial records of the Group have been properly maintained and the financial statements for FY2022 give a true and fair view of the Group's operations and finances; and
- (b) the CEO and other key management personnel who are responsible for the Group's risk management and internal control systems that, as at 30 April 2022, the Group's risk management and internal control systems were adequate and effective to address (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

Provision 10.1

The duties of the AC include:

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;
- (b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;
- (c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
- (d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

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- (e) **reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and**
- (f) **reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.**

The AC consists of three Independent Directors, namely Mr Lim Kee Way Irwin, Mr Lau Yan Wai and Mr Kho Kewee. The Chairman of the AC is Mr Lim Kee Way Irwin. The AC has adopted written terms of reference defining its membership, administration and duties. Some of the key duties and responsibilities of the AC include:

- reviewing, with the internal auditors and the external auditors, their audit plans, scope of work, evaluation of the Group's system of internal accounting controls, audit reports, management letters on internal controls, the Management's response and any other relevant findings or matters;
- reviewing the periodic consolidated financial statements and results announcements focusing on, in particular, changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Catalist Rules and any other relevant statutory or regulatory requirements, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of the Management, where necessary, before submission to the Board for approval;
- reviewing and reporting to the Board, at least annually, the effectiveness and adequacy of the Group's risk management and internal controls systems addressing financial, operational, compliance and information technology risks and discussing issues and concerns, if any, arising from the internal audits;
- reviewing the Group's financial risk areas with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual report(s) or if the findings are material, to be immediately announced via SGXNet;
- reviewing the assistance given by the Management to the internal auditors and the external auditors;
- reviewing the independence of the internal auditors and the external auditors as well as considering the appointment or re-appointment of the internal auditors and the external auditors, including approving the remuneration and terms of engagement of the internal auditors and the external auditors;
- reviewing and discussing with the internal auditors and the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;
- reviewing interested person transactions (if any) falling within the scope of Chapter 9 of the Catalist Rules;
- reviewing potential conflicts of interests (if any) and setting out a framework to resolve or mitigate any potential conflicts of interests;

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- reviewing the procedures by which employees of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that there are arrangements in place for independent investigation and follow-up actions thereto;
- undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- generally undertaking such other functions and duties as may be required by statute or the Catalyst Rules, or by such amendments as may be made thereto from time to time.

In addition to the duties listed above, the AC has the authority to investigate any matter within its terms of reference. It is given the task to commission investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any laws, rules or regulations, which has or is likely to have a material impact on the Company's results of operations or financial position, and to review the findings thereof. The AC has full access to and co-operation by the Management and full discretion to invite any Director or key management personnel to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC meets with the external auditors and the internal auditors, without the presence of the Management, at least annually, to discuss the results of their audit, their evaluation of the Group's system of internal controls and any other relevant matters or findings that have come to the attention of the external auditors and the internal auditors as well as to review the adequacy of audit arrangements, with emphasis on the scope and quality of their audit, and the independence and objectivity of the auditors.

The aggregate amount of fees paid or payable to the external auditors of the Company, broken down into audit and non-audit services during FY2022 are as follows:

Audit fees	:	S\$65,000
Non-audit fees	:	–
Total	:	S\$65,000

The AC will review the independence of the external auditors annually. There were no non-audit services provided by the external auditors of the Company, Mazars LLP ("**Mazars**"), to the Group for FY2022. The AC is of the opinion that Mazars is suitable for re-appointment and has accordingly recommended to the Board that Mazars be nominated for re-appointment as independent auditors of the Company at the forthcoming AGM. The Company confirms that it is in compliance with Rules 712 and 715 of the Catalyst Rules in relation to the appointment of its external auditors.

To keep abreast of changes in accounting standards and issues which have a direct impact on the financial statements, the AC is encouraged to participate in training courses, seminars and workshops, as relevant, and to seek advice from the external auditors at the AC meetings that are held.

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Whistle Blowing Policy

The AC has put in place a whistle-blowing policy, whereby employees of the Group or any other persons may in confidence, raise concerns about possible improprieties or other matters to the AC Chairman and Lead Independent Director, Mr Lim Kee Way Irwin. The objective for such arrangement is to ensure independent investigations of such matters and for appropriate follow-up actions. Reports of suspected fraud, corruption, dishonest practices or other similar matters can be lodged to the AC Chairman, Mr Lim Kee Way Irwin who will designate an independent function to investigate the report. The Company is committed to ensure that the identity of the whistleblower is kept confidential and to ensure protection of the whistleblower against detrimental or unfair treatment. No concerns involving possible corporate improprieties were brought to the attention of the AC in FY2022.

Provision 10.2

The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

As at the date of this report, the members of AC are:

Mr Lim Kee Way Irwin	(Chairman, Independent Director)
Mr Lau Yan Wai	(Member, Lead Independent Director)
Mr Kho Kewee	(Member, Independent Director)

The Board is of the view that the AC has the necessary experience and expertise required to discharge its duties. At least two members of the AC, namely Mr Lim Kee Way Irwin and Mr Kho Kewee possess the requisite accounting and related financial management expertise and experience.

Provision 10.3

The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

None of the AC members were previous partners or directors of the Company's existing auditors.

Provision 10.4

The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.

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The AC is aware of the need to establish a system of internal controls within the Group to safeguard Shareholders' interests and the Group's assets, and to manage risks. The system is intended to provide reasonable but not absolute assurance against material misstatements or loss, and to safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislations, regulations and best practices, and the identification and containment of business risks.

The Board is of the view that the current size of the operations of the Group does not warrant the Group having an in-house internal audit function. The Company has outsourced its internal audit function to FKTAS who reports directly to the AC. The AC approves the hiring, removal, evaluation and compensation of the internal auditors. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including access to the AC.

The internal auditors support the AC in their role in assessing the adequacy and effectiveness of the Group's internal controls (including compliance, operational, financial and information technology controls) and risk management systems. To ensure the adequacy of the internal audit function, the AC will review and approve the internal audit plan on an annual basis. FKTAS is an associate company under Foo Kon Tan LLP, Chartered Accountants of Singapore, an accountancy practice which was founded in 1968 and is currently a principal member of HLB International, a world-wide network of independent accounting firms and business advisers. FKTAS has experience in providing internal audit and enterprise risk management services to several companies that are listed on the SGX-ST. The internal audit is guided by FKTAS's Internal audit Methodology which is aligned to the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors. The internal audit team comprising the Engagement Manager, Senior Associate and Associates, all of whom have relevant experience, is led by the Engagement Partner who is a certified Internal Auditor with 21 years of internal audit experience.

The AC, having considered, amongst others, the reputation and track record of FKTAS and the qualifications, experience and availability of resources and independence of the team at FKTAS, is satisfied that the appointment of FKTAS as internal auditors is appropriate, the internal auditors have appropriate standing within the Group and the internal audit function is independent, effective and adequately resourced.

Provision 10.5

The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.

The AC meets from time to time with the Group's external auditors and internal auditors, in each case without the presence of the Management, at least once a year.

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Key Audit Matters

In its review of the audited financial statements of the Group for FY2022, the AC had discussed with Management the accounting principles that were applied and their judgement of items that might affect the financial statements. The AC also met with the external auditors to discuss the audit findings as well as their audit.

During the audit of the financial statements for FY2022, two key audit matters (“**KAM**”) was reported by the external auditors and is set out on pages 54 to 55 of this Annual Report, being impairment assessment of cranes included within property, plant and equipment and valuation of trade receivables. The AC had reviewed the KAM and concurred and agreed with the external auditor and Management on their assessment, judgements and estimates on the significant matters reported by the external auditor. Taking into consideration, *inter alia*, the approach and methodology used, the AC is of the view that the key audit matter have been properly dealt with.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders’ rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1

The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

The Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information. Other than the routine announcements made in accordance with the requirements of the Catalist Rules, the Company has issued additional announcements and press releases to update Shareholders on the activities of the Company and the Group as and when necessary.

The Company does not practise selective disclosure of material information and price or trade sensitive information is publicly released as soon as is practicable as required by the Catalist Rules. Price or trade-sensitive information is first publicly released via SGXNet before the Company meets with any group of investors or analysts. Results and annual reports are announced or issued within the mandatory period.

Shareholders are informed of general meetings through notices published in the newspapers and the Company’s announcements and press releases via SGXNet, as well as through reports or circulars sent to all Shareholders. They are given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules

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and procedures governing the meetings are clearly communicated. The Company appoints an independent external party as scrutineer (“**Scrutineer**”) for the poll voting process at the general meetings of the Company. The Scrutineer will explain the poll voting procedures to Shareholders at the general meetings of the Company before the resolutions are put to vote.

In view of the COVID-19 situation in Singapore, the Company will be putting in place alternative measures and arrangements for its upcoming AGM pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “**Alternative Arrangements Order**”). Shareholders are advised to refer to the Company’s announcement on SGXNet on the notice of AGM which will be released in conjunction with this annual report. The Company is committed to maintaining a high level of corporate transparency of financial results and other pertinent information. The Company’s investor relations function is under the purview of Mr Yap Chin Hock, Executive Director and CEO. In line with the continuous disclosure obligations under the Catalyst Rules, the Company informs Shareholders on a timely basis of all major developments that may have a material impact on the Group. Such information is disclosed in a timely and accurate manner through SGXNet, and where appropriate, on the Company’s website.

Shareholders, investors or analysts may also send their queries or concerns to the Management, whose contact details can be found on the Company’s website, press releases and the corporate information page of this annual report. The Company will consider use of other forums as and when applicable.

Provision 11.2

The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are “bundled”, the company explains the reasons and material implications in the notice of meeting.

Separate resolutions are proposed at general meetings of shareholders on each substantially separate issues. “Bundling” of resolutions is done only where the resolutions are interdependent and linked so as to form one significant proposal. All resolutions at general meetings are put to vote by poll, and their detailed results will be announced via SGXNet after the conclusion of the general meeting.

Provision 11.3

All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders’ queries about the conduct of audit and the preparation and content of the auditors’ report. Directors’ attendance at such meetings held during the financial year is disclosed in the company’s annual report.

All Directors, including the Chairman of the Board and the respective Chairmen of the AC, the RC and the NC, as well as the Financial Controller and the external auditors will be present and on hand to address Shareholders’ queries at the AGM. Please refer to Provision 1.5 for details of the Directors’ attendance at general meetings held during FY2022.

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Provision 11.4

The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

The Constitution allows each Shareholder to appoint up to two proxies to vote and attend general meetings on his behalf. In line with the amendments to the Companies Act 1967 of Singapore, corporate shareholders of the Company who provide nominee or custodial services to third parties are allowed to appoint more than two proxies to attend and vote on their behalf at general meetings. The Company does not intend to implement absentia-voting methods such as email, fax or mail until security, integrity and other pertinent issues are satisfactorily resolved.

In light of the Alternative Arrangements Order, Shareholders who wish to vote at the forthcoming AGM for FY2022 must submit a proxy form to appoint the Chairman of the AGM as their proxy and indicate how they wish to vote for or against (or abstain from voting on) the resolutions. Detailed information on how Shareholders may vote by appointing the Chairman of the AGM as proxy and submission of questions has been specified in the notice of AGM.

Provision 11.5

The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

The Company publishes minutes of general meetings of Shareholders on its corporate website as soon as practicable and the minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting.

Provision 11.6

The Company has a dividend policy and communicates it to shareholders.

The Company does not have a formal dividend policy at present. The form, frequency and amount of future dividends on the Company's shares will depend on the Group's earnings, financial position, results of operations, cash flow, capital needs, the terms of our borrowing arrangements (if any), plans for expansion and other factors which the Directors may deem appropriate. No dividend was paid or proposed for FY2022 as the Group is loss making.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1

The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.

The AGM is the principal forum for dialogue and interaction with all Shareholders. Shareholders are encouraged to attend, participate and vote at the AGM to ensure a high level of accountability on the part of the Board and the Management, and to stay informed of the Group's performance, strategies and growth plans. All Shareholders will receive the Company's annual report and notice of AGM, together with explanatory notes, or a circular on items of special businesses (if necessary), at least 14 calendar days before the meeting. The Company supports active Shareholder participation at the AGM and welcomes questions from Shareholders who wish to raise issues pertaining to the Group, within the setting of the general meetings.

Each item of special business included in the notice of AGM will be accompanied by explanatory notes as may be required. Separate resolutions are proposed for each substantially separate issue at general meetings. The Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages.

Provision 12.2

The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

The Board provides Shareholders with a detailed and balanced explanation and analysis of the Company's performance, position and prospects on a half yearly basis. The Company's investor relations function is under the purview of Mr Yap Chin Hock, Executive Director and CEO.

Provision 12.3

The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.

Shareholders are given the opportunity to pose questions to the Directors or the Management at the AGM and all extraordinary general meetings. Shareholders are informed of Shareholders' meetings through notices published in the newspapers, annual reports and circulars sent to all Shareholders. Each item of special business included in the notices of Shareholders' meetings is accompanied, where appropriate, by an explanation for the proposed resolution.

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MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1

The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

The Company has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' standards, as well as to sustain business operations for long term growth.

The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly able to impact the Group's business and operations.

Provision 13.2

The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

Please refer to the disclosure in sustainability report, which will be announced on or before 30 September 2022 in relation to the management of stakeholder relationships during FY2022.

Provision 13.3

The company maintains a current corporate website to communicate and engage with stakeholders.

The Company updates its corporate website www.mohsengcranes.com regularly with information released on the SGXNet and business developments of the Group.

DEALINGS IN SECURITIES

The Company has complied with the requirements of Rule 1204(19) of the Catalist Rules in relation to dealings in the Company's securities by the Directors and officers of the Group.

The Company prohibits its officers from dealing in the Company's shares on short term considerations or when they are in possession of unpublished price-sensitive information. The Company, its Directors and officers are not allowed to deal in the Company's shares during the period commencing one month before the announcement of the Company's half-year and full-year financial results, and ending on the date of the announcement of the relevant financial results. They are also expected to observe insider-trading laws at all times even when dealing in securities within permitted trading periods.

INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transaction with an interested person, which sets out the procedures for review and approval of such interested person transaction.

All interested person transactions will be documented and submitted periodically to the AC for their review to ensure that such transactions are carried out on an arm's length basis on normal commercial terms and are not prejudicial to the Group.

The Group does not have a general mandate for interested person transactions. There were no interested person transactions of S\$100,000 or more during FY2022.

MATERIAL CONTRACTS

Pursuant to Rule 1204(8) of the Catalist Rules, the Company confirms that save for the service agreements entered into between the Company and the Executive Directors, Mdm Ng Chui Hwa, Mr Yap Chin Hock and Mr Tan Jia Hui Clarence as well as the Technical Director, Mr Yap Sian Lay, there were no other material contracts of the Company and its subsidiaries involving the interests of the CEO, any Director or controlling Shareholder, either still subsisting at the end of FY2022 or if not then subsisting, entered into since the end of the previous financial year.

RISK MANAGEMENT

The Management frequently reviews the Company's business and operational activities to identify areas of significant business and financial risks as well as appropriate measures to control and mitigate these risks within the Company's policies and strategies. The significant risk management policies are as disclosed in the audited financial statements.

NON-SPONSOR FEES

No non-sponsor fee was paid to the Company's sponsor, SAC Capital Private Limited for FY2022.

CORPORATE SOCIAL RESPONSIBILITY

The Group is committed to enhancing the well-being of the community and maintaining a sustainable environment in the location that it operates. The Group does not have a fixed corporate social responsibility policy, however, the Group monitors closely the impact of its activities on the environment, consumers, employees, communities, stakeholders and other members of the public actively and it is constantly searching for means to continue contributing to the community. Some of the community development projects the Group has participated in include making donations to the following:

- The Disabled People's Association in 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2021 and 2022
- Children-In-Need Programme organised by the Singapore Children's Society in 2012, 2013, 2014, 2015, 2017 and 2019

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- Down Syndrome Association in 2015, 2016, 2017, 2019, 2021 and 2022
- Asian Women's Welfare Association in 2015 and 2019
- People's Association – Community Development Council Project Fund Management Committee in 2017
- NCSS Charitable Fund in 2020
- Children's Cancer Foundation in 2021
- Caregiving Welfare Association in 2021
- Singapore Cancer Society in 2022
- Food from the Heart in 2022

SUSTAINABILITY REPORTING

The Company will publish its sustainability report for FY2022 by 30 September 2022, in accordance with Practice Note 7F of the Catalist Rules.

USE OF PROCEEDS FROM THE RIGHTS CUM WARRANTS ISSUE

The net proceeds raised by the Company from the Rights cum Warrants Issue have been fully utilised as follows:

Use of proceeds	Amount allocated pursuant to the re-allocation (S\$'000)	Amount utilised as at the date of this annual report (S\$'000)	Balance of net proceeds as at the date of this annual report (S\$'000)
Business expansion	132	132	–
General working capital ¹	3,673	3,673	–
Total	3,805	3,805	–

Note:

¹ General working capital consisted of payments to suppliers and subcontractors, administrative and operating expenses.

The use of proceeds is in accordance with the stated use and in accordance with the percentage allocated in the announcement of the Company dated 3 April 2020.

The warrants expired on 28 October 2021 and no warrants were exercised.

The directors present their statement to the members together with the audited financial statements of MS Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 30 April 2022 and the statement of financial position and statement of changes in equity of the Company as at 30 April 2022.

1. Opinion of the directors

In the opinion of the directors,

- (i) the financial statements of the Group, and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2022 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The Directors in office at the date of this statement are:

Executive directors

Ng Chui Hwa

Yap Chin Hock

Tan Jia Hui Clarence

Independent non-executive directors

Lim Kee Way Irwin

Lau Yan Wai

Kho Kewee

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

Directors' Statement

4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interest in the share capital and debentures of the Company and related corporations (other than wholly-owned subsidiaries), as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), except as disclosed below:

Name of directors and respective company in which interests are held	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
MS Holdings Limited				
Ordinary shares of the Company				
Ng Chui Hwa	–	–	138,240,000	109,282,108
Yap Chin Hock	5,500,000	–	138,240,000	109,282,108
Tan Jia Hui Clarence	4,200,000	33,157,892	–	–
Warrants of the Company				
Ng Chui Hwa	–	–	15,360,000	–
Yap Chin Hock	–	–	15,360,000	–

By virtue of Section 7 of the Act, Ng Chui Hwa and Yap Chin Hock are deemed to have an interest in all wholly owned subsidiaries of the Company.

There was no change in any of the above mentioned interests between the end of the financial year and 21 May 2022.

5. Share options

At an Extraordinary General Meeting held on 5 April 2021, shareholders approved the MS Holdings Share Award Scheme 2021 ("ESAS 2021") for Group Employees, Executive Directors and Non-Executive Directors (excluding Controlling Shareholders and their Associates) whose services and contributions are vital to the well-being and success of the Group.

The ESAS Awards given to a particular Participant will be determined at the discretion of the Remuneration Committee, who will take into account factors such as the Participant's capability, scope of responsibility, skill and vulnerability to leaving the employment of the Group. In deciding on an ESAS Award to be granted to a Participant, the Remuneration Committee will also consider all aspects of the compensation and/or benefits given to the Participant and such other share-based incentive schemes of the Company, if any. The Remuneration Committee may also set specific criteria and performance target(s) for each of its business units, taking into account factors such as (i) the Company and the Group's business goals and directions for each financial year; (ii) the Participant's actual job scope and responsibilities; and (iii) the prevailing economic conditions.

5. Share options (Continued)

The aggregate number of Shares over which the Remuneration Committee may issue or deliver pursuant to the ESAS Awards granted under the ESAS 2021, when added to the number of Shares issued and/or issuable under other share-based incentive schemes of the Company, shall not exceed fifteen percent (15%) of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings, if any) on the date preceding the Award Date.

In respect of the fulfilment of Shares granted pursuant to an ESAS Award, the Company may (i) issue New Shares to the Participant or (ii) deliver to the Participant existing Shares purchased from the market or from Shares held in treasury. Notwithstanding the Company being able to deliver treasury shares to holders of ESAS Awards in lieu of New Shares, the aggregate number of treasury shares held by the Company shall not at any time exceed ten percent (10%) of the total number of issued Shares.

No awards have been granted to the Eligible Participants under the ESAS 2021 since the commencement of the ESAS 2021 till the end of the financial year ended 30 April 2022.

6. Audit committee

The audit committee of the Company comprises three non-executive directors and at the date of this statement, they are:

Lim Kee Way Irwin (Chairman)

Lau Yan Wai

Kho Kewee

The audit committee has convened two meetings during the year with key management and the external auditors of the Company.

The audit committee carried out its functions in accordance with Section 201B (5) of the Act, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the audit committee:

- (i) reviewed the audit plan and results of the external audit, the independence and objectivity of the external auditors, including, where applicable, the review of the nature and extent of non-audit services provided by the external auditors to the Group;
- (ii) reviewed the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group's system of internal accounting controls;
- (iii) reviewed the Group's annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the board of directors;

Directors' Statement

6. Audit committee (Continued)

- (iv) reviewed the half-yearly and annual announcements, including where applicable the related press releases on the results of the Group and financial position of the Group and of the Company;
- (v) reviewed and assessed the adequacy of the Group's risk management processes;
- (vi) reviewed and checked the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;
- (vii) reviewed interested person transactions in accordance with SGX listing rules;
- (viii) reviewed the nomination of external auditors and gave approval of their compensation; and
- (ix) submitted of report of actions and minutes of the audit committee to the board of directors with any recommendations as the audit committee deems appropriate.

The audit committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the audit committee.

There are no non-audit services provided by the external auditors for the financial year. As such, in the audit committee's opinion the external auditors remain independent.

The audit committee has recommended the nomination of Mazars LLP for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

7. Independent auditors

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the directors

Yap Chin Hock

Director

Singapore
29 July 2022

Ng Chui Hwa

Director

Independent Auditors' Report

TO THE MEMBERS OF MS HOLDINGS LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of MS Holdings Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 30 April 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 59 to 122.

In our opinion, the accompanying financial statements of the Group and the statements of financial position and changes in equity of the Company are properly drawn up in accordance with provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2022 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSA"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (the "ACRA code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Overview

Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

Materiality

As in all our audits, we exercised our professional judgement in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

Scope of audit

For the audit of the current financial year's financial statements, we identified 3 significant components which required full scope audit of their financial information, either because of their size or/and their risk characteristics.

All the significant components were audited by us. We determined the component materiality and our level of involvement in their audit necessary for us, in our professional judgement, to obtain sufficient appropriate audit evidence as a basis for our opinion on the Group's financial statements as a whole.

Independent Auditors' Report

TO THE MEMBERS OF MS HOLDINGS LIMITED

Report on the Audit of Financial Statements (Continued)

Overview (Continued)

Area of focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatement, including areas which involve significant judgements and estimates to be made by directors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters include the salient areas of focus in our audit and do not represent all the risks identified by our audit. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of cranes included within property, plant and equipment ("PPE") (Refer to Note 3.2 and Note 10 of the financial statements)	
Key audit matter	Our audit response
<p>As at 30 April 2022, the Group reported property, plant and equipment ("PPE") with carrying amount of approximately S\$36,327,000. Included in PPE is an amount of S\$21,302,000 relating to the cranes held by the Group, net of allowance for impairment losses of approximately S\$959,000, of which S\$Nil was recognised during the year. The cranes included within PPE represented 55.9% of the Group's non-current assets.</p> <p>The Group allocated the cranes to two cash-generating units ("CGU"), being cranes more than or equal to 500 tonnes and cranes less than 500 tonnes due to the different customer bases.</p> <p>In determining the value-in-use of the applicable CGU to which the cranes are allocated to, management has estimated cash flow projections using key inputs and made assumptions as necessary. The key inputs and assumptions include growth rates, pre-tax discount rate, budgeted gross profit margins and terminal growth rate which lasts over the finite life of the cranes.</p> <p>Given the significance of the PPE and the sensitivity of the key inputs and assumptions to various factors, including the outlook of the macro-economic environment and future market conditions, significant judgements and estimates have been applied by the management in determining the value-in-use. We hence consider the management's assessment of impairment of cranes included within PPE as a key audit matter.</p>	<p>Our audit procedures included, and were not limited to, the following:</p> <ul style="list-style-type: none"> • We reviewed the cash flow projections approved by the Board of Directors for arithmetic accuracy; • We assessed the reasonableness of the key inputs and assumptions (included but not limited to its strategic plans, revenue growth, pre-tax discount rate, budgeted gross profit margins and terminal growth rate) applied by the management in their cash flow projections, in consideration of the historical and expected performance and trend of the CGU to which the PPE was allocated to, the viability of the management's plans and the relevance and reasonableness of the management's market and industry outlook; • We reviewed the sensitivity analysis to assess the impact on the recoverable amount of the CGU subsequent to reasonably possible changes to the key assumptions; and • We reviewed the appropriateness and sufficiency of the corresponding disclosures made in the financial statements.

Independent Auditors' Report

TO THE MEMBERS OF MS HOLDINGS LIMITED

Report on the Audit of Financial Statements (Continued)

Key Audit Matters (Continued)

Valuation of trade receivables (Refer to Note 3.2, Note 12 and Note 24 of the financial statements)	
Key audit matter	Our audit response
<p>As at 30 April 2022, the Group reported trade receivables with carrying amount of approximately S\$6,863,000, net of expected credit losses ("ECL") of approximately S\$247,000, representing 13.8% of the Group's total assets.</p> <p>The Group used an allowance matrix to estimate ECL for trade receivables. The ECL rates were based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that were assessed through an age analysis and by the customer's industry, adjusted for forward looking factors, including their best estimate of the impact of COVID-19, specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables.</p> <p>As the determination of the ECL requires significant judgement and estimation of management and in consideration of the significance of trade receivables in the Group, we consider management's assessment and application of SFRS(I) 9 <i>Financial Instruments</i> to the impairment of trade receivables as a key audit matter.</p>	<p>Our audit procedures included, and were not limited to, the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the Group's process in assessing and determining the loss rates used in their allowance matrix; • We reviewed the appropriateness of the bases of the Group for determining the loss rates, with reference to also the historical payment trends of its customers in the past 3 financial years analysed by past due dates and the customers' industry, adjusted for the Group's outlook of the macro-economic environment and conditions in which its customers operate in, and considered the subsequent receipts, where applicable. In the review, considered specifically the management's assessment of current and potential impact of COVID-19 on the recoverability of these trade receivables; • We assessed and tested the arithmetic accuracy of the allowance matrix; • For long outstanding receivables, we performed background checks on the customers to assess whether the receivables could be credit impaired; and • We reviewed the appropriateness and sufficiency of the corresponding disclosures made in the financial statements.

Independent Auditors' Report

TO THE MEMBERS OF MS HOLDINGS LIMITED

Report on the Audit of Financial Statements (Continued)

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors' Report

TO THE MEMBERS OF MS HOLDINGS LIMITED

Report on the Audit of Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with SSA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditors' Report

TO THE MEMBERS OF MS HOLDINGS LIMITED

Report on the Audit of Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Ooi Chee Keong.

MAZARS LLP

Public Accountants and
Chartered Accountants

Singapore
29 July 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

	Note	Group	
		2022	2021
		S\$'000	S\$'000
Revenue	4	16,664	9,806
Cost of sales		(15,755)	(8,268)
Gross profit		909	1,538
Other income	5	478	6,855
Distribution expenses		(21)	(12)
General and administrative expenses		(3,858)	(4,566)
Finance costs	6	(636)	(951)
(Loss)/Profit before income tax	7	(3,128)	2,864
Income tax credit	8	269	350
(Loss)/Profit for the year representing total comprehensive (loss)/income for the year		(2,859)	3,214
(Loss)/Profit representing total comprehensive (loss)/income attributable to:			
Owners of the Company		(2,870)	3,224
Non-controlling interests		11	(10)
		(2,859)	3,214
(Loss)/Earning per share attributable to owners of the Company (cents per share)			
Basic and diluted (loss)/earning per share	9	(1.73)	1.94

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Statements of Financial Position

AS AT 30 APRIL 2022

	Note	Group		Company	
		2022	2021	2022	2021
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	36,327	45,585	21	16
Trade receivables	12	1,792	–	–	–
Investment in subsidiaries	11	–	–	24,328	23,328
Total non-current assets		38,119	45,585	24,349	23,344
Current assets					
Trade and other receivables	12	5,852	4,754	1,075	3,860
Inventories	13	67	8	–	–
Cash and bank balances	14	5,734	10,546	561	1,741
Total current assets		11,653	15,308	1,636	5,601
Total assets		49,772	60,893	25,985	28,945
EQUITY AND LIABILITIES					
Equity					
Share capital	15	29,334	29,334	29,334	29,334
Merger reserve	16	(19,728)	(19,728)	–	–
Retained earnings/ (Accumulated losses)		14,664	19,192	(3,611)	(1,692)
Equity attributable to owners of the Company		24,270	28,798	25,723	27,642
Non-controlling interests		88	77	–	–
Total equity		24,358	28,875	25,723	27,642
Non-current liabilities					
Borrowings	17	10,962	13,069	–	–
Lease liabilities	18	3,176	3,771	–	–
Deferred tax liabilities	19	1,009	1,312	4	3
Provision for reinstatement cost		400	400	–	–
Total non-current liabilities		15,547	18,552	4	3
Current liabilities					
Borrowings	17	7,330	8,823	–	–
Lease liabilities	18	463	1,807	–	–
Trade and other payables	20	2,032	2,812	246	1,287
Income tax payable		42	24	12	13
Total current liabilities		9,867	13,466	258	1,300
Total liabilities		25,414	32,018	262	1,303
Total equity and liabilities		49,772	60,893	25,985	28,945

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Statements of Changes in Equity

AS AT 30 APRIL 2022

Group	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share capital	Merger reserve	Retained earnings	Total		
	S\$'000	S\$'000	S\$'000	S\$'000		
Balance at 1 May 2020	29,334	(19,728)	15,968	25,574	87	25,661
Profit for the year, representing total comprehensive income for the year	–	–	3,224	3,224	(10)	3,214
Balance at 30 April 2021	29,334	(19,728)	19,192	28,798	77	28,875
Loss for the year, representing total comprehensive loss for the year	–	–	(2,870)	(2,870)	11	(2,859)
Dividends on ordinary shares (Note 29)	–	–	(1,658)	(1,658)	–	(1,658)
Balance at 30 April 2022	29,334	(19,728)	14,664	24,270	88	24,358

Company	Share capital	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000
Balance at 1 May 2020	29,334	(1,197)	28,137
Loss for the year, representing total comprehensive loss for the year	–	(495)	(495)
Balance at 30 April 2021	29,334	(1,692)	27,642
Loss for the year, representing total comprehensive loss for the year	–	(261)	(261)
Dividends on ordinary shares (Note 29)	–	(1,658)	(1,658)
Balance at 30 April 2022	29,334	(3,611)	25,723

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows

AS AT 30 APRIL 2022

	Note	Group	
		2022	2021
		S\$'000	S\$'000
Operating activities			
(Loss)/Profit before income tax		(3,128)	2,864
Adjustments for:			
Depreciation of property, plant and equipment	10	3,144	3,381
Property, plant and equipment written off		–	4
Bad debt written off		5	–
Gain on disposal of property, plant and equipment	5	(24)	(5,212)
Loss allowance on trade receivables	24	18	52
Loss allowance on trade receivables written back	24	(33)	(26)
Impairment loss on property, plant and equipment	10	–	102
Interest income	5	(2)	(3)
Interest expense	6	636	951
Inventory written off		–	35
Realised foreign exchange loss		–	2
Provision for reinstatement cost written back		–	(300)
Operating cash flows before movements in working capital		616	1,850
<i>Changes in working capital</i>			
Transfer from property, plant and equipment to inventories		6,207	–
Trade and other receivables		(2,880)	610
Inventories		(67)	–
Trade and other payables		(780)	774
Cash generated from operations		3,096	3,234
Income taxes paid		(16)	(127)
Net cash generated from operating activities		3,080	3,107
Investing activities			
Purchase of property, plant and equipment	10	(129)	(231)
Proceeds from disposal of property, plant and equipment		68	7,019
Interest income		2	3
Net cash (used in)/generated from investing activities		(59)	6,791
Financing activities			
Proceeds from bank borrowings		–	5,000
Repayments of bank borrowings		(3,600)	(11,052)
Payments of principal portion of lease liabilities		(1,939)	(2,336)
Interest paid		(636)	(914)
Dividend paid		(1,658)	–
Net cash used in financing activities		(7,833)	(9,302)
Net (decrease)/increase in cash and cash equivalents		(4,812)	596
Cash and cash equivalents at beginning of the financial year		10,546	9,950
Cash and cash equivalents at end of the financial year	14	5,734	10,546

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows

AS AT 30 APRIL 2022

Reconciliation of liabilities arising from financing activities

	At beginning of financial year	Financing cashflows ¹	At end of financial year
	S\$'000	S\$'000	S\$'000
2022			
Borrowings	21,892	(3,600)	18,292
Lease liabilities	5,578	(1,939)	3,639
2021			
Borrowings	27,944	(6,052)	21,892
Lease liabilities	7,914	(2,336)	5,578

¹ Net of proceeds from bank borrowings, repayment of bank borrowings and repayment of lease liabilities.

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

MS Holdings Limited (the “Company”) (Registration Number 201414628C) is incorporated and domiciled in Singapore and is listed on the Catalist Board of Singapore Exchange Securities Trading Limited on 7 November 2014. The immediate and ultimate holding company is Loke Investments Pte. Ltd..

The principal place of business and registered office is located at 22 Pandan Road, Singapore 609274.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

The consolidated financial statements of MS Holdings Limited and its subsidiaries (collectively, the “Group”) for the year ended 30 April 2022 and the statement of financial position and statement of changes in equity of the Company as at 30 April 2022 were authorised for issue in accordance with a resolution of the directors on 29 July 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

The financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) including related Interpretations of SFRS(I)s (“SFRS(I) INTs”) and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statements of financial position and changes in equity of the Company are presented in Singapore dollar (“S\$”) which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand (“S\$’000”), unless otherwise indicated.

In the current year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INTs that are relevant to its operations and effective for annual periods beginning on or after 1 May 2021. The adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in changes to the Group’s and Company’s accounting policies, and has no material effect on the current or prior year’s financial statement and is not expected to have a material effect on future periods.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

SFRS(I) and SFRS(I) INT issued but not yet effective

At the date of authorisation of these statements, the following SFRS(I) and SFRS(I) INT that are relevant to the Group were issued but not yet effective:

SFRS (I)	Title	Effective date (annual periods beginning on or after)
SFRS(I) 3	Amendments to SFRS(I) 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
SFRS(I) 1-16	Amendments to SFRS(I) 1-16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
SFRS(I) 1-37	Amendments to SFRS(I) 1-37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined
SFRS(I) 1-8	Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Amendments to SFRS(I) 1-12: <i>Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction</i>	1 January 2023
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Various	Annual Improvements to SFRS(I)s 2018-2021	1 January 2022

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group and the Company do not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned new/revised standards will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 *Basis of consolidation*

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup assets and liabilities, equity, income, expenses and cash flows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 *Basis of consolidation* (Continued)

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9") or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2.3 *Business combinations*

The acquisition of subsidiaries is accounted for using the acquisition method when the acquired set of activities and assets constitute a business. When determining the acquired set of activities and assets constitute a business, the Group assesses whether the acquired set of activities and assets includes, at a minimum, an input and substantive process, which together contribute to the creation of outputs.

The Group has the option to apply a "concentration test" as a simplified assessment to determine whether an acquired set of activities and assets is not a business. The Group makes the election separately for each transaction or other event. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* ("SFRS(I) 3") are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations* ("SFRS(I) 5"), which are recognised and measured at the lower of cost and fair value less costs to sell.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 *Business combinations* (Continued)

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9 is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 **Revenue recognition**

The Group is principally in the business of leasing of mobile and lorry cranes and trading of cranes and related equipment. Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised good or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the good or service and that is allocated to that performance obligation. The good or service is transferred when or as the customer obtains control of the good or service. Revenue is shown net of estimated customer returns, rebates and other similar allowances.

Rental income

Rental income arising from hiring of mobile cranes and lorry cranes is recognised upon completion of the rental services.

Trading income

Revenue from trading is recognised at a point in time when control of the goods is transferred to the end customers (i.e. when the goods are delivered in accordance with the applicable incoterms or/and terms and conditions and significant risks and rewards of ownership of the goods have been transferred to the customer). A corresponding receivable is recognised for the consideration that is unconditional when only the passage of time is required before the payment is due. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Rendering of services

Revenue from the rendering of services for projects is recognised over the contract period and/or upon provision of value added logistic service and engineering activities (service rendered).

Interest income

Interest Income on hire purchases for automotive financing is recognised using effective interest method.

2.5 **Borrowing costs**

All borrowings costs are recognised in profit or loss in the period in which they are incurred.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 *Retirement benefit costs*

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2.7 *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

2.8 *Equity-settled share based payments*

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which the share options are granted. In valuing the share options, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ("market conditions"), if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in employee share option reserve, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that year.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

When the options are exercised, the proceeds received (net of any directly attributable transaction costs) and the related balance previously recognised in the share options reserve are credited to share capital, when new ordinary shares are issued.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 *Income tax*

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 *Income tax* (Continued)

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

2.10 *Dividends*

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

2.11 *Foreign currency transactions and translation*

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the dates of the transactions. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 *Foreign currency transactions and translation* (Continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Profit or loss items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.12 *Property, plant and equipment*

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases:

	<u>Useful life</u>
Leasehold land and buildings	22 – 45 years
Furniture and fittings and office equipment	3 – 6 years
Cranes and motor vehicles	5 – 30 years
Plant and machinery	5 years
Renovation	4 – 10 years

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 *Property, plant and equipment* (Continued)

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 18.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives and depreciation method are reviewed at each financial year end to ensure that the method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to retained earnings directly.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

2.13 *Impairment of tangible assets*

The Group reviews the carrying amounts of its tangible assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 *Financial instruments*

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Financial assets

Initial recognition and measurement

All financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 *Revenue from Contracts with Customers* (“SFRS(I) 15”) in Note 2.4.

Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income (“FVTOCI”) and fair value through profit or loss (“FVTPL”). The classification at initial recognition depends on the Group’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group’s business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset’s contractual cash flows are solely payments of principal and interest (“SPPI”) on the principal amount outstanding to determine the classification of the financial assets.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 *Financial instruments* (Continued)

Financial assets (Continued)

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Dividend income

Dividends from equity instruments are recognised in profit or loss only when the Group's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost and debt instruments measured at FVTOCI. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 *Financial instruments* (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group uses a practical expedient to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL using an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

While they are not financial assets, contract assets arising from the Group's contracts with customers under SFRS(I) 15 are assessed for impairment in accordance with SFRS(I) 9, similar to that of trade receivables.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 25.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 *Financial instruments* (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised on trade date – the date on which the Group commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 **Financial instruments** (Continued)

Financial liabilities and equity instruments (Continued)

Other financial liabilities (Continued)

Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (Note 2.5). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Financial guarantee contracts

The Company has issued corporate guarantees to banks for banking facilities granted by them to certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment terms.

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of the loss allowance and the amount initially recognised less cumulative amortisation in accordance with SFRS(I) 15.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2.15 **Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.16 **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Leases

The Group as a lessee

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangements for which the Group is the lessee, except for leases which have a lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16 *Leases* ("SFRS(I) 16"). For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

Right-of-use assets are presented within "property, plant and equipment".

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Leases (Continued)

The Group as a lessee (Continued)

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee,
- the exercise price under a purchase option that the Group is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group as a lessor

Where a contract contains more than one lease and/or non-lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component.

At the lease commencement date, the Group assesses and classifies each lease as either an operating lease or a finance lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 **Leases** (Continued)

The Group as a lessor (Continued)

Operating leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which it is incurred.

2.18 **Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

2.19 **Contingencies**

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 **Contingencies** (Continued)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

2.20 **Government grants**

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

Non-monetary government grant is recognised at nominal amount.

Jobs Support Scheme

The Jobs Support Scheme provides wage support to employers to help them retain their local employees during this period of economic uncertainty. Employers who have made CPF contributions for their local employees will qualify for the payouts under the scheme.

2.21 **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 *Related parties*

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and the Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

- (b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 *Related parties* (Continued)

The effect of the Group's and the Company's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly, including any director (whether executive or otherwise) of that company.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 *Critical judgements made in applying the Group's accounting policies*

Impairment of financial assets

The Group follows the guidance of SFRS(I) 9 in assessing its financial assets for impairment. This assessment requires significant judgement. The Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

The Group also assesses whether there are reasonable expectations of recovering a financial asset in its entirety or a portion thereof, failing which the Group will write off the financial asset to reduce the gross carrying amount of the financial asset. In its assessment, the Group considers various factors, including the debtor's historical payment trends, the latter's financial ability and the existence of collateral.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

3.2 *Key sources of estimation uncertainty*

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of property, plant and equipment

Property, plant and equipment are assessed at the end of each financial year to ascertain whether there is an indication of impairment, if such indications are found, the recoverable amounts of the assets are estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Such impairment loss is recognised in profit or loss.

Management judgement is required in the area of asset impairment, particularly in assessing (i) whether an event has occurred that may indicate that the related asset values may not been recoverable; (ii) whether the carrying value of an asset can be supported by the market value or the net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in estimating the market value of preparing the cash flow projections including whether these cash flow projections are discounted using an appropriate rate. In determining the value-in-use, the Group has considered the expected and estimated impact of COVID-19 on the key inputs and assumptions. Changing the assumptions selected by management to determine the level of impairment, could materially affect the net present value used in the impairment test and as a result may potentially affect the Group's results. The carrying amounts of the Group's and the Company's property, plant and equipment at 30 April 2022 were S\$36,327,000 (2021: S\$45,585,000) and S\$21,000 (2021: S\$16,000) respectively.

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. Management estimates the useful lives of these property, plant and equipment to be within 3 to 45 years. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group's and the Company's property, plant and equipment at 30 April 2022 were S\$36,327,000 (2021: S\$45,585,000) and S\$21,000 (2021: S\$16,000) respectively.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

3.2 *Key sources of estimation uncertainty* (Continued)

Provision for income taxes

The Group has exposure to income taxes in Singapore of which a portion of these taxes arose from certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's current tax payable as at 30 April 2022 was S\$42,000 (2021: S\$24,000). The carrying amounts of the Group's deferred tax liabilities as at 30 April 2022 was S\$1,009,000 (2021: S\$1,312,000).

Impairment of investments in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired or that an impairment loss recognised in prior periods may no longer exist or may have decreased. Where applicable, the Company's determination of the recoverable value is based on the estimation of the value-in-use of the applicable assets as defined in SFRS(I) 1-36 *Impairment of Assets* by forecasting the expected future cash flows for a period up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. In determining the value-in-use, the Company has considered the expected and estimated impact of COVID-19 on the key inputs, including the discount rate and growth rate, as well as key assumptions applied. The Company's carrying amounts of investments in subsidiaries as at 30 April 2022 was S\$24,328,000 (2021: S\$23,328,000).

Measurement of ECL of trade receivables

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, adjusted for forward looking factors, including their best estimate of the impact of COVID-19, specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses and estimates, for example, the gross domestic production growth rates of Singapore and the growth rates of the major industries in which its customers operate. The Group adjusts, as necessary, the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables as at 30 April 2022 is S\$247,000 (2021: S\$290,000).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

4. REVENUE

	Group	
	2022	2021
	S\$'000	S\$'000
Revenue – at point in time	16,664	9,806

Disaggregation of revenue from contract with customers

The Group derives revenue from the following business segments and by type of goods or service, as follows:

	2022			Total
	Leasing	Trading	Other	
	S\$'000	S\$'000	S\$'000	S\$'000
Type of goods or service:				
Rental income	12,336	–	–	12,336
Trading income	–	3,800	372	4,172
Interest income	–	–	156	156
Total	12,336	3,800	528	16,664

	2021			Total
	Leasing	Trading	Other	
	S\$'000	S\$'000	S\$'000	S\$'000
Type of goods or service:				
Rental income	9,640	–	–	9,640
Trading income	–	–	–	–
Rendering of services	–	–	166	166
Total	9,640	–	166	9,806

The Group has applied the practical expedient permitted under SFRS(I) 15 for the aggregated transactions price allocated to unsatisfied contracts which are part of contracts, that have an original expected duration of one year or less, is not disclosed.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

5. OTHER INCOME

	Group	
	2022	2021
	S\$'000	S\$'000
Rental income from subleased leasehold land and buildings	58	327
Service income	133	245
Interest income	2	3
Gain on disposal of property, plant and equipment	24	5,212
Government grants/incentives	224	692
Miscellaneous income	37	76
Provision for reinstatement cost written back	–	300
	478	6,855

Included in government grants is an amount of S\$61,000 (2021: S\$351,000) which was recognised during the financial year under the Jobs Support Scheme (the "JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

6. FINANCE COSTS

	Group	
	2022	2021
	S\$'000	S\$'000
Interest expenses		
– Bank borrowings	269	511
– Bank borrowing for leasehold land and buildings	209	217
– Lease liabilities	158	223
	636	951

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

7. (LOSS)/PROFIT BEFORE INCOME TAX

In addition to the credits and charges disclosed elsewhere in the notes to the financial statements, the following credits and charges were included in the determination of (loss)/profit before income tax:

	Group	
	2022	2021
	S\$'000	S\$'000
Employee benefits expense (including directors):		
– Directors' fees	68	67
– Directors' remuneration	1,001	1,280
– Salaries and bonuses	3,896	3,357
– Central Provident Fund contributions	715	722
– Other short-term benefits	33	50
Audit fees paid to auditors:		
– Auditors of the Company	65	75
– Other auditors of the Company	22	12
Depreciation of property, plant and equipment	3,144	3,381
Property, plant and equipment written off	–	4
Loss allowance on trade receivables	18	52
Loss allowance on trade receivables written back	(33)	(26)
Bad debt written off	5	–
Realised foreign exchange loss	–	2
Impairment loss of property, plant and equipment	–	102
Inventory written off	–	35

8. INCOME TAX CREDIT

	Group	
	2022	2021
	S\$'000	S\$'000
Current income tax		
– Current	35	11
– (Over)/Under-provision in prior financial years	(1)	122
	34	133
Deferred income tax (Note 19)		
– Current	(336)	(397)
– Under/(Over)-provision in prior financial years	33	(86)
	(303)	(483)
	(269)	(350)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

8. INCOME TAX CREDIT (Continued)

The reconciliation of the tax credit and the product of accounting loss multiplied by the applicable statutory rate is as follows:

	Group	
	2022	2021
	S\$'000	S\$'000
(Loss)/Profit before income tax	(3,128)	2,864
Income tax at statutory rate of 17% (2021: 17%)	(532)	487
Tax effect of:		
– Non-deductible expenses	276	200
– Non-taxable income	(10)	(1,048)
– Tax incentives	(29)	(21)
– (Over)/Under-provision of current tax in respect of previous year	(1)	122
– Under/(Over)-provision of deferred tax in respect of previous year	33	(86)
– Utilisation of tax benefits previously not recognised	(6)	(10)
– Others	–	6
Total income tax credit	(269)	(350)

As at 30 April 2022, the Group has unabsorbed capital allowance amounting to approximately S\$37,000 (2021: S\$72,000) which are available for set-off against future profits subject to the agreement by the Singapore Income Tax Authority. Deferred tax assets of certain subsidiaries have not been recognised as it is not probable that future taxable profits will be available against which the Group can utilise the benefits.

9. (LOSS)/EARNING PER SHARE

The calculation of basic and diluted (loss)/earning per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group	
	2022	2021
(Loss)/Profit for the financial year attributable to owners of the Company (S\$'000)	(2,870)	3,224
Weighted average number of ordinary shares outstanding for basic and diluted (loss)/earning per share ('000)	165,789	165,789
Basic and diluted (loss)/earning per share (cents)	(1.73)	1.94

The calculations of the basic and diluted (loss)/earning per share are calculated by dividing the (loss)/profit for the financial year attributable to owners of the Company by the applicable weighted average number of ordinary shares. The (loss)/profit and share data are presented in the tables above.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

10. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold	Furniture	Cranes	Plant and	Renovation	Total
	land and building	and fittings and office equipment	and motor vehicles	machinery		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Cost						
Adjusted balance at 1 May 2020	23,940	534	53,229	686	561	78,950
Additions	-	48	168	-	15	231
Reclassification to inventories	-	-	(8)	-	-	(8)
Write-off	-	(18)	-	(7)	(19)	(44)
Disposals	(4,100)	(12)	(116)	(132)	(361)	(4,721)
At 30 April 2021	19,840	552	53,273	547	196	74,408
Additions	-	77	27	2	23	129
Reclassification to inventories	-	-	(8,261)	-	-	(8,261)
Reclassification from inventories	-	-	8	-	-	8
Disposals	-	-	(440)	(4)	-	(444)
At 30 April 2022	19,840	629	44,607	545	219	65,840

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group	Leasehold	Furniture	Cranes	Plant and	Renovation	Total
	land and building	and fittings and office equipment	and motor vehicles	machinery		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Accumulated depreciation						
At 1 May 2020	6,323	432	19,528	673	481	27,437
Charge for the year	777	44	2,526	10	24	3,381
Reclassification to inventories	–	–	*	–	–	–
Write-off	–	(17)	–	(6)	(17)	(40)
Disposals	(2,315)	(12)	(94)	(132)	(361)	(2,914)
At 30 April 2021	4,785	447	21,960	545	127	27,864
Charge for the year	747	53	2,321	1	22	3,144
Reclassification to inventories	–	–	(2,054)	–	–	(2,054)
Disposals	–	–	(396)	(4)	–	(400)
At 30 April 2022	5,532	500	21,831	542	149	28,554
Impairment loss						
At 1 May 2020	–	–	(857)	–	–	(857)
Additions	–	–	(102)	–	–	(102)
At 30 April 2021 and 2022	–	–	(959)	–	–	(959)
Net carrying value						
At 30 April 2022	14,308	129	21,817	3	70	36,327
At 30 April 2021	15,055	105	30,354	2	69	45,585

* Amount less than S\$1,000

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company	Furniture and fittings and office equipment
	S\$'000
Cost	
At 1 May 2020	35
Additions	11
At 30 April 2021	46
Additions	13
At 30 April 2022	59
Accumulated depreciation	
At 1 May 2020	23
Charge for the year	7
At 30 April 2021	30
Charge for the year	8
At 30 April 2022	38
Net carrying value	
At 30 April 2022	21
At 30 April 2021	16

Property, plant and equipment of the Group includes right-of-use assets of S\$19,180,000 (2021: S\$27,113,000) respectively which are presented together with the owned assets of the same class as the underlying assets. Details of the right-of-use assets are disclosed in Note 18(a).

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S\$129,000 (2021: S\$231,000) of which S\$Nil (2021: S\$Nil) were acquired by means of leases. Cash payments of S\$129,000 (2021: S\$231,000) were made to purchase property, plant and equipment.

Assets pledged as security

In addition to assets held under finance leases, the Group's leasehold properties with a carrying amount of S\$11,299,000 (2021: S\$11,889,000) are mortgaged to secure the Group's bank borrowings (Note 17). Certain cranes and motor vehicles with a carrying amount of S\$5,552,000 (2021: S\$5,775,000) are pledged to secure the Group's bank borrowings (Note 17).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

Impairment of property, plant and equipment

During the current financial year, the Group noted the presence of indicators of impairment of its property, plant and equipment in light of the COVID-19 pandemic resulting in significant reduction in its capacity and hence led to a deterioration of its profits. Accordingly, the Group carried out a review of the recoverable amounts of the corresponding property, plant and equipment.

In determining the value-in-use of the cash-generating units (CGUs) to which the corresponding property, plant and equipment belong as of 30 April 2022, the Group made judgements on certain key inputs and key assumptions, including, for example, discount rates and growth rates. In determining the value-in-use, the Group has considered the expected and estimated impact of COVID-19 on the key inputs and assumptions. Management's impairment test included both CGUs of cranes with lifting capacity less than 500 tonnes (" $<500T$ ") and more than or equal to 500 tonnes (" $\geq 500T$ ").

The recoverable amounts of CGUs have been determined based on value-in-use calculations using cash flow projections from financial forecasts approved by Management covering the finite life of the cranes.

Key assumptions on which management has based its cash flow projections for the respective periods of the significant CGUs are as follows:

	<u>2022</u>	<u>2021</u>
Gross margin ⁽ⁱ⁾	28%	31%
Growth rates ⁽ⁱⁱ⁾	5% – 40%	10% – 15%
Discount rates ⁽ⁱⁱⁱ⁾	8%	8%
Terminal growth rates ^(iv)	2%	2%

Key assumptions used in the value-in-use calculations

- (i) Budgeted gross margins – Budgeted gross margins are determined based on past performance and its expectations of market developments.
- (ii) Growth rates – The forecasted growth rates are based on published industry research relevant to the CGUs, taking into account of the forecasted growth rates relevant to the environment where the CGUs operate in.
- (iii) Discount rates – The discount rates used are based on the weighted average cost of the CGU's capital (the "WACC"), adjusted for the specific circumstances of the CGU and based on management's experience, and re-grossed back to arrive at the pre-tax rates.
- (iv) Terminal growth rates – The terminal growth rates are determined based on management's estimate of the long-term industry growth rates.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

Impairment of property, plant and equipment (Continued)

Sensitivity to changes in assumptions

Management is of the view that any reasonable possible change in any of the above key assumptions are not likely to materially cause the CGU's carrying amount to exceed its recoverable amount.

Impairment loss recognised

In prior year, impairment loss of S\$102,000 was recognised as the value-in-use could not support the cash-generating unit to which the corresponding property, plant and equipment belong. The lower value-in-use was determined consequent to management's consideration of the lower sales intake due to COVID-19.

11. INVESTMENT IN SUBSIDIARIES

	Company	
	2022	2021
	S\$'000	S\$'000
Unquoted equity shares, at cost	23,328	23,488
Less: Impairment loss	–	(160)
Additions	1,000	–
Carrying amount	24,328	23,328

Movements in the Company's provision of impairment losses for its investment in subsidiaries as at 30 April are as follows:

	Company	
	2022	2021
	S\$'000	S\$'000
At beginning of financial year	160	–
Additions during the year	–	160
At end of financial year	160	160

An assessment is made on whether there are indicators that the Company's investments are impaired. In prior year, an impairment loss of S\$160,000 was recognised for its investment in subsidiary arising from Bravio Capital Pte. Ltd..

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

11. INVESTMENT IN SUBSIDIARIES (Continued)

Details of subsidiaries directly held by the Company and their cost of investment to the Company as at 30 April are as follows:

	Company	
	2022	2021
	S\$'000	S\$'000
MS Equipment Pte. Ltd.	200	200
Moh Seng Cranes Pte. Ltd.	19,095	19,095
Moh Seng Services Pte. Ltd.	3,833	3,833
Extol Global Pte. Ltd.	1,200	200
Bravio Capital Pte. Ltd.	160	160
	24,488	23,488

During financial year ended 30 April 2022, the Company has made an additional capital injection of S\$1,000,000 (2021: S\$Nil) in respect of one of its wholly-owned subsidiary, Extol Global Pte. Ltd. (2021: Nil).

Details of subsidiaries held by the Company and its subsidiaries at 30 April are as follows:

Name	Place of incorporation and operation	Principal activities	Effective equity interest attributable to the Company	
			2022	2021
			%	%
<u>Directly held by the Company</u>				
MS Equipment Pte. Ltd. ⁽¹⁾	Singapore	Trading of mobile cranes and related equipment	100	100
Moh Seng Cranes Pte. Ltd. ⁽¹⁾	Singapore	Supply and provision of cranes and related services	100	100
Moh Seng Services Pte. Ltd. ⁽¹⁾	Singapore	Supply and provision of cranes and related services	100	100
Extol Global Pte. Ltd. ⁽¹⁾	Singapore	Automotive financing	100	100
Bravio Capital Pte. Ltd. ⁽¹⁾	Singapore	Investment holding and other credit agencies	100	100
<u>Held through Bravio Capital Pte. Ltd.</u>				
Vanda Logistics Pte. Ltd. ⁽¹⁾	Singapore	Value added logistics providers and general warehousing	51	51

⁽¹⁾ Audited by Mazars LLP, Singapore

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

11. INVESTMENT IN SUBSIDIARIES (Continued)

Included in the Group is a subsidiary which have non-controlling interests ("NCI") to the Group:

	Proportion of ownership interest held by NCI		(Loss)/Profit allocated to NCI during the financial year		Accumulated NCI at the reporting date	
	2022	2021	2022	2021	2022	2021
	%	%	S\$'000	S\$'000	S\$'000	S\$'000
Vanda Logistics Pte. Ltd.	49	49	11	(10)	88	77

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Non-current</u>				
Trade receivables	1,792	-	-	-
<u>Current</u>				
Trade receivables	5,318	4,480	-	-
Less: Loss allowance (Note 25)	(247)	(290)	-	-
Net trade receivables	5,071	4,190	-	-
Other receivables	-	1	-	-
Accrued revenue	95	172	-	-
Accrued other income	-	2	-	353
Accrued government incentives	-	61	-	24
Refundable deposits	82	90	-	-
Advance to employees	1	1	-	-
Advances to suppliers	372	5	1	-
Prepayment	231	232	10	12
Amounts due from subsidiaries				
- Trade	-	-	1,064	1,613
- Non-trade	-	-	101	1,959
- Less: Loss allowance	-	-	(101)	(101)
Net amounts due from subsidiaries	-	-	1,064	3,471
	5,852	4,754	1,075	3,860

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

12. TRADE AND OTHER RECEIVABLES (Continued)

Trade receivables are non-interest bearing and the Group generally extend credit period of 30 (2021: 30) days from date of invoice. They are recognised at the transaction price which represent their fair value on initial recognition.

The accrued revenue relates to the revenue recognised to date for satisfied performance obligations but has not been invoiced to the customer as at the financial year end and is transferred to trade receivables at the point when it is invoiced to the customers.

Trade and non-trade amounts due from subsidiaries are unsecured, interest-free and is repayable on demand.

Trade and other receivables are denominated in Singapore dollars as at the reporting date.

13. INVENTORIES

	Group	
	2022	2021
	S\$'000	S\$'000
Statement of financial position		
Inventories at cost	67	8
Consolidated statement of comprehensive income		
Inventories recognised as expenses in cost of sales	4,168	–
Inventories written off	–	35

14. CASH AND BANK BALANCES

	Group		Company	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances	5,729	10,541	561	1,741
Fixed deposit	5	5	–	–
Cash and cash equivalents	5,734	10,546	561	1,741

Cash at banks earns interest at floating rates based on daily deposit rates ranging from 0.13% to 0.20% (2021: 0.13% to 0.25%) per annum.

Fixed deposits placed with bank earns interest rates of 0.25% (2021: 0.25%) per annum and for a tenure of 1 year (2021: 1 year). The fixed deposits can be readily converted into cash with minimal charges and its subject to an insignificant risk of changes in value.

Cash and bank balances are denominated in Singapore dollars as at the reporting date.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

15. SHARE CAPITAL

The issued and paid-up share capital comprises ordinary shares as follows:

	Group and Company			
	2022	2021	2022	2021
	No. of ordinary shares		S\$'000	
	'000	'000	S\$'000	S\$'000
Issued and fully paid:				
At 1 May and 30 April	165,789	165,789	29,334	29,334

The holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share without restrictions and have no par value at meetings of the Company.

16. MERGER RESERVE

This represents the difference between the nominal value of shares issued by the Company in exchange for the nominal value of shares and capital reserve of subsidiaries acquired which is accounted for under "Merger Accounting".

17. BORROWINGS

	Group	
	2022	2021
	S\$'000	S\$'000
Bank loans – secured	18,292	21,892

Borrowings are repayable over a period of 1 month to 12 years, as follows:

	Group	
	2022	2021
	S\$'000	S\$'000
Within one year	7,330	8,823
More than one year	10,962	13,069
	18,292	21,892

The effective interest rates per annum are as follows:

	Group	
	2022	2021
Bank loans	2.23% to 3.78%	1.82% to 3.78%

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

17. BORROWINGS (Continued)

The banking facilities are secured by the following:

- (a) legal mortgage of the Group's leasehold buildings;
- (b) corporate guarantee by the Company; and
- (c) certain cranes and motor vehicles (Note 10)

Borrowings are denominated in Singapore dollars as at the reporting date.

18. LEASES

The Group as a lessee

The Group has lease contract for land, buildings, cranes and motor vehicles. The Group's obligations under the leases are secured by the lessor's title to the leased assets. For certain leases, the Group is restricted from assigning and subleasing the leased assets. However, the Group may sublease the leased assets with prior permission from the lessor.

The Group leases land under a 30-year (2021: 30-year) lease arrangement, with no option to renew the lease after that date. This lease also contains a variable lease payment that are based on a percentage of the land rent paid to Jurong Town Corporation.

The Group leases cranes and motor vehicles for 5 to 8 years (2021: 5 to 8 years).

Recognition exemptions

The Group has certain warehouse lease and rented dormitory with lease terms of 12 months or less and/or of low value. For such leases, the Group has elected not to recognise right-of-use assets and lease liabilities.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

18. LEASES (Continued)

The Group as a lessee (Continued)

(a) Right-of-use assets

The carrying amount of right-of-use assets by class of underlying asset classified within property, plant and equipment are as follows:

Group	Leasehold land and buildings	Cranes and motor vehicles	Total
	S\$'000	S\$'000	S\$'000
At 1 May 2020	17,617	14,468	32,085
Depreciation	(777)	(926)	(1,703)
Disposals	(1,785)	–	(1,785)
Fully settled during the year	–	(1,484)	(1,484)
At 30 April 2021	15,055	12,058	27,113
Depreciation	(747)	(575)	(1,322)
Fully settled during the year	–	(6,611)	(6,611)
At 30 April 2022	14,308	4,872	19,180

The total cash outflows for leases during the financial year ended 30 April 2022 is S\$1,939,000 (2021: S\$2,336,000).

(b) Lease liabilities

	Group	
	2022	2021
	S\$'000	S\$'000
Lease liabilities – non-current	3,176	3,771
Lease liabilities – current	463	1,807
	3,639	5,578

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

18. LEASES (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities (Continued)

The maturity analysis of lease liabilities is disclosed in Note 25.

Included in lease liabilities is an amount of S\$481,000 (2021: S\$2,242,000) which is secured by corporate guarantees.

Lease liabilities are denominated in Singapore dollars as at the reporting date.

(c) Amounts recognised in profit or loss

	Group	
	2022	2021
	S\$'000	S\$'000
Expense relating to short-term leases	316	312

The Group as a lessor

The Group has entered into commercial property leases on its leasehold properties. These non-cancellable leases have remaining lease terms of 7 months as at 30 April 2022 (2021: 19 months).

Minimum lease receipts recognised as other income in profit or loss for the financial year ended 30 April 2022 amounted to S\$58,000 (2021: S\$327,000).

Future minimum rental receivable of leases at the end of the reporting period are as follows:

	Group	
	2022	2021
	S\$'000	S\$'000
Not later than one year	29	52
Later than one year but not later than five years	–	29
	29	81

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

19. DEFERRED TAX LIABILITIES

The movements in deferred tax liabilities were as follows:

	Group		Company	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
At beginning of financial year	1,312	1,795	3	2
(Credit)/Charge for the year	(303)	(483)	1	1
At end of financial year	1,009	1,312	4	3

Details of deferred tax liabilities are as follows:

	Group		Company	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Provisions and accelerated tax depreciation	1,009	1,312	4	3

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables	980	842	–	–
Other payables	23	213	2	17
Amount due to a subsidiary	–	–	–	696
Accrued operating expenses	826	1,049	234	553
Deposits received	71	160	–	–
GST payable	132	548	10	21
	2,032	2,812	246	1,287

Trade payables are non-interest bearing and the average credit period on purchases of supplies and services range of 30 (2021: 30) days according to the terms agreed with suppliers.

The amount due to a subsidiary and other payables are unsecured and interest-free and is repayable on demand.

Trade and other payables are denominated in Singapore dollars as at the reporting date.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

21. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following were significant related party transactions at rates and terms agreed between the Group and the Company with its related parties during the financial year:

Transactions with key management personnel

The transactions and outstanding balances related to key management personnel, close family members of key management personnel and entities in which the key management personnel have control or joint control were as follows:

	Group			
	Transactions during the year		Outstanding balances as at 30 April	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Hwee Guan Pte. Ltd. (Note (a))	14	4	4	2
Donaldson & Burkinshaw LLP (Note (b))	8	–	–	–

(a) The Group rents mobile cranes from Hwee Guan Pte. Ltd., a company owned by a close family member of one of the key management personnel of the Company. The rent charged was based on normal market rates for such rental and were due and payable under normal payment terms.

(b) The Group engaged legal services provided by Donaldson & Burkinshaw LLP, a law firm which one of the directors is a partner. The fee charged was based on normal market rates for such service and were due and payable under normal payment terms.

Key management personnel remuneration

	Group	
	2022	2021
	S\$'000	S\$'000
Short-term benefits	1,306	1,506
Employers' contribution to defined contribution plans	64	63
	1,370	1,569

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

22. CAPITAL COMMITMENTS

There is no capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements (2021: Nil).

23. CORPORATE GUARANTEES

As at 30 April 2022, the Company has given guarantees amounting to S\$42,481,000 (2021: S\$44,242,000) to certain banks and suppliers in respect of banking facilities and credit terms granted to the subsidiaries.

The Company has not recognised any liability in respect of the guarantees given to the banks for banking facilities granted to the subsidiaries as the Company's directors have assessed that the likelihood of the subsidiaries defaulting on repayment of its loan is remote.

As at the end of the financial year, the total amount of secured loans drawn down and outstanding covered by the guarantees is S\$18,773,000 (2021: S\$24,135,000). Such guarantees are in the form of a financial guarantee as they require the Company to reimburse the respective banks if the respective subsidiaries to which the guarantees were extended fail to make principal or interest repayments when due in accordance with the terms of the borrowings. There has been no default or non-repayment since the utilisation of the banking facilities.

As at the end of the financial year, the Company has also given undertakings to certain subsidiaries to provide continued financial support to these subsidiaries to enable them to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the financial year end.

24. FAIR VALUE OF ASSETS AND LIABILITIES

The carrying amounts of cash and bank balances, bank borrowings, current trade and other receivables and payables approximate their respective fair values due to either the relatively short-term maturity of these financial instruments or the interest rates approximates the market rate prevailing at the end of the financial year. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

	Group		Company	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Trade and other receivables (less prepayment and advances to suppliers)	7,041	4,517	1,064	3,848
Cash and bank balances	5,734	10,546	561	1,741
Financial assets at amortised cost	12,775	15,063	1,625	5,589
Financial liabilities				
Borrowings	18,292	21,892	–	–
Lease liabilities	3,639	5,578	–	–
Trade and other payables (less GST payable)	1,900	2,264	236	1,266
Financial liabilities at amortised cost	23,831	29,734	236	1,266

The Group's activities expose it to credit risk, market risk (including interest rate risk) and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (Continued)

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a mean of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group's credit risk arises mainly from bank balances and trade and other receivables. Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from bank balances to be material, if any.

To assess and manage its credit risk, the Group categorises the aforementioned financial assets and contract assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, default of interest due for more than 30 days, but not later than when the financial asset is more than 90 days past due as per SFRS(I) 9's presumption.

The Group has not rebutted the presumption included in SFRS(I) 9 that there has been a significant increase in credit risk since initial recognition when financial assets are more than 30 days past due.

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each customer. The Group has established credit limits for each customer under which these customers are analysed for credit worthiness before the Group's standard payment, and delivery terms are offered. The Group's reviews include external ratings, where available and in some cases bank references. Customers that fail to meet the Group's benchmark are only allowed to transact with the Group on a prepayment or cash basis. Most of the customers have been with the Group for many years and losses have occurred infrequently. The Group does not require collateral in respect of trade and other receivables.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (Continued)

Credit risk (Continued)

The Group and Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis of recognising ECL
1	Low credit risk ^{Note 1}	12-months ECL
2	Non-significant increase in credit risk since initial recognition and financial asset is ≤ 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition ^{Note 2} or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired ^{Note 3}	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount ^{Note 4}	Written off

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial asset has a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (Continued)

Credit risk (Continued)

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst's reports etc.) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are > 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial asset is credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for the financial asset because of financial difficulties.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (Continued)

Credit risk (Continued)

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group and Company do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

With reference to Note 23, the Company provides financial guarantees to certain banks in respect of bank facilities granted to certain subsidiaries. The date when the Group becomes a committed party to the guarantee is considered to be the date of initial recognition for the purpose of assessing the financial asset for impairment. In determining whether there has been a significant risk of a default occurring on the drawn-down facilities, the Group considered the change in the risk that the specified debtor (i.e. the applicable subsidiaries) will default on the contract. The Company assessed that the credit risk relating to the financial guarantees is insignificant to the Company.

At the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Trade receivables and accrued revenue (Note 12)

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables and accrued revenue, where the loss allowance is equal to lifetime ECL.

The ECL for trade receivables and accrued revenue are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for the last 3 years prior to the respective reporting dates for various customer groups that are assessed through an age analysis and by the customer's industry, adjusted for forward looking factors, including the best estimate of the impact of COVID-19, specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Company assesses, for example, the gross domestic production growth rates of Singapore and the growth rates of the major industries which its customers operate in.

Trade receivables and accrued revenue are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there are no reasonable expectations for recovering the outstanding balances.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (Continued)

Credit risk (Continued)

Trade receivables and accrued revenue (Note 12) (Continued)

The loss allowance for trade receivables and accrued revenue are determined as follows:

	Current	Past due 1 to 30 days	Past due 31 to 60 days	Past due 61 to 90 days	Past due more than 90 days	Total
30 April 2022						
Expected credit loss rates	0%	0%	0%	0%	48%	
Trade receivables and accrued revenue (S\$'000)	3,900	1,186	1,099	510	510	7,205
Loss allowance (S\$'000)	–	–	–	2	245	247
30 April 2021						
Expected credit loss rates	0%	0%	0%	0%	26%	
Trade receivables and accrued revenue (S\$'000)	1,513	938	687	391	1,123	4,652
Loss allowance (S\$'000)	–	–	–	–	290	290

Amounts due from subsidiaries (Note 12)

As of 30 April 2022, the Company recorded amounts due from subsidiaries of S\$1,064,000 (2021: S\$3,471,000) consequent to an extension of loans to the subsidiaries. Other than the credit-impaired receivable classified under category 4, the Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. In its assessment of the credit risk of these subsidiaries, the Company considered amongst other factors, the financial position of the subsidiaries as of 30 April 2022, the past financial performance and cashflow trends, adjusted for the outlook of the industry and economy in which the subsidiaries operate in, including their best estimate of the impact of COVID-19. Using a 12-month ECL, the Company determined that the ECL is insignificant.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (Continued)

Credit risk (Continued)

The movement in the loss allowance during the financial year and the Group's exposure to credit risk in respect of trade receivables and accrued revenue are as follows:

Group	Note (i)	Total
	S\$'000	S\$'000
Internal credit risk grading		
Loss allowance		
At 1 May 2020	264	264
Additions	52	52
Reversal	(26)	(26)
At 30 April 2021	290	290
Additions	18	18
Reversal	(33)	(33)
Write-off	(28)	(28)
At 30 April 2022	247	247
Gross carrying amount		
At 30 April 2021	4,652	4,652
At 30 April 2022	7,205	7,205
Net carrying amount		
At 30 April 2021	4,362	4,362
At 30 April 2022	6,958	6,958

Note (i): For trade receivables, the Group uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where the loss allowance is equal to lifetime ECL.

The movement in the loss allowance during the financial year and the Company's exposure to credit risk in respect of amounts due from subsidiaries are as follows:

Company	Category 1	Category 4	Total
	S\$'000	S\$'000	S\$'000
Internal credit risk grading			
Loss allowance			
At 1 May 2020	–	–	–
Additions	–	101	101
At 30 April 2021 and 2022	–	101	101
Gross carrying amount			
At 30 April 2021	3,471	101	3,572
At 30 April 2022	1,064	101	1,165
Net carrying amount			
At 30 April 2021	3,471	–	3,471
At 30 April 2022	1,064	–	1,064

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (Continued)

Market risk

The Group's activities expose it primarily to the financial risk of changes in interest rates. The Group did not enter into derivative financial instruments to hedge against interest rate risk.

Interest rate risk

Interest rate risks is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risks relates to interest bearing liabilities.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short-term borrowings.

At the reporting date, the Group and the Company do not have significant exposure to interest rate risks.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for interest-bearing financial liabilities at the end of the financial year and the stipulated change taking place at the beginning of the year and held constant throughout the financial year in the case of instruments that have floating rates. A 75-basis points (2021: 50-basis points) increase or decrease is used and represents management's assessment of the possible change in interest rates.

If interest rates had been 75-basis points (2021: 50-basis points) higher or lower and all other variables were held constant, the profit for the financial year ended 30 April 2022 of the Group would decrease/increase by S\$41,000 (2021: S\$40,000).

Interest rate benchmark reform and associated risks

In view of the reform of major interest rate benchmarks that is being undertaken globally, the Group monitors and manages its potential transition to alternative rates, as applicable. The Group evaluates the contracts that could be affected, and takes a proactive approach in approaching the relevant counterparties to discuss about and assess the potential impact on the Group.

As of 30 April 2022, in relation to the aforementioned, the Group is mainly exposed to non-derivative financial liabilities in the form of bank borrowings as well as derivative financial instruments in the form of interest rate swaps that are indexed to SIBOR. The Group is still in the process of communicating with the counterparties and specific changes have yet to be agreed.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (Continued)

Market risk (Continued)

Interest rate risk (Continued)

Interest rate benchmark reform and associated risks (Continued)

The following table contains details of all the financial instruments that the Group and Company hold as at 30 April 2022 that have cash flows that will be affected by the interest rate benchmark reform as they have not yet transitioned to new benchmark rates.

Financial instruments prior to transition	Financial instrument maturity year	Carrying amount/ Notional amount \$'000	Fair value \$'000	Transition progress to new benchmark rates
Group				
Non derivative financial instrument				
Bank borrowings	2022 to 2033	18,292	Not applicable	Not transitioned

Liquidity risk

Liquidity risk refers to the risk in which the Group is unable to meet its short-term obligations. Liquidity risk is managed by matching the payments and receipts cycle.

The Group monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The Group prepares cash flows projections on a regular basis for its core operations to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Group's operations are financed mainly through external and internal funds.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (Continued)

Liquidity risk (Continued)

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations:

	Effective interest rate	Less than 1 year	1 to 5 years	More than 5 years	Total
	%	S\$'000	S\$'000	S\$'000	S\$'000
Group					
Undiscounted financial assets					
Cash and bank balances	0.13-0.20	5,734	–	–	5,734
Trade and other receivables	–	7,041	–	–	7,041
As at 30 April 2022		12,775	–	–	12,775
Cash and bank balances	0.13-0.25	10,546	–	–	10,546
Trade and other receivables	–	4,517	–	–	4,517
As at 30 April 2021		15,063	–	–	15,063
Undiscounted financial liabilities					
Trade and other payables	–	1,900	–	–	1,900
Lease liabilities	2.65-4.00	584	1,054	3,253	4,891
Bank borrowings	2.23-3.78	7,951	7,615	6,057	21,623
As at 30 April 2022		10,435	8,669	9,310	28,414
Trade and other payables	–	2,264	–	–	2,264
Lease liabilities	2.79-5.32	1,970	1,546	3,482	6,998
Bank borrowings	1.82-3.78	9,340	9,342	6,963	25,645
As at 30 April 2021		13,574	10,888	10,445	34,907
Total net undiscounted financial assets/(liabilities)					
– at 30 April 2022		2,340	(8,669)	(9,310)	(15,639)
– at 30 April 2021		1,489	(10,888)	(10,445)	(19,844)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (Continued)

Liquidity risk (Continued)

	Effective interest rate	Less than 1 year	1 to 5 years	More than 5 years	Total
	%	S\$'000	S\$'000	S\$'000	S\$'000
Company					
Undiscounted financial assets					
Cash and bank balances	–	561	–	–	561
Trade and other receivables	–	1,064	–	–	1,064
As at 30 April 2022		1,625	–	–	1,625
Cash and bank balances	–	1,741	–	–	1,741
Trade and other receivables	–	3,848	–	–	3,848
As at 30 April 2021		5,589	–	–	5,589
Undiscounted financial liabilities					
Trade and other payables	–	236	–	–	236
Maximum amount of financial guarantee	–	18,773	–	–	18,773
As at 30 April 2022		19,009	–	–	19,009
Trade and other payables	–	1,266	–	–	1,266
Maximum amount of financial guarantee	–	24,135	–	–	24,135
As at 30 April 2021		25,401	–	–	25,401
Total net undiscounted financial liabilities					
– at 30 April 2022		(17,384)	–	–	(17,384)
– at 30 April 2021		(19,812)	–	–	(19,812)

26. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged from 2021.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total bank borrowings divided by tangible net worth. Tangible net worth is calculated as total equity including non-controlling interests, as shown in the statement of financial position less intangible assets.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

26. CAPITAL MANAGEMENT (Continued)

The gearing ratio is as follows at the reporting date:

	Group	
	2022	2021
	S\$'000	S\$'000
Total bank borrowings (Note 17)	18,292	21,892
Tangible net worth	24,358	28,875
Gearing ratio	0.75	0.76

The Group is in compliance with externally imposed capital requirements for the financial years ended 30 April 2022 and 2021.

27. SEGMENT INFORMATION

Reporting format

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. For each of the strategic business units, the management reviews internal management reports on a regular basis. The following summary describes the operations in each of the Group's reportable segments.

The management also considers the business from both the business and geographical segment perspective.

Income taxes are managed on a Group basis and subsequently allocated to the respective segment.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Management evaluates performance on the basis of profit or loss from operation before income tax expense not including non-recurring gains or losses and foreign exchange gains or losses.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group accounts for inter-segment sales and transfers as if the sales or transfers were to third parties, which approximate market prices. These inter-segment transactions are eliminated on consolidation.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

27. SEGMENT INFORMATION (Continued)

Business segments

For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments as follows:

- | | | |
|------|---------|---|
| I. | Leasing | The rental income from hiring of cranes |
| II. | Trading | The sale of cranes and other equipment, spare parts, and provision of leasing of cranes |
| III. | Others | Investment holding/corporate functions and automotive financing |

Geographical segments

In the Group's geographical segmentation, revenue is segmented based on the locations of the customers in relation to the contractual transactions with the legal entities within the Group. Assets are segmented based on the location where they are situated in relation to the location of the legal entities within the Group.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

27. SEGMENT INFORMATION (Continued)

Business segments

	Leasing	Trading	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000
2022				
Revenue:				
External sales	12,336	3,800	528	16,664
Inter-segment sales	4	984	–	988
	12,340	4,784	528	17,652
Elimination				(988)
				16,664
Results:				
Other income	417	2	33	452
Interest income	2	–	–	2
Gain on disposal of property, plant and equipment	24	–	–	24
Finance cost	570	66	–	636
Depreciation	2,879	257	8	3,144
Other non-cash expenses	23	–	(33)	(10)
Tax expense/(credit)	(337)	56	12	(269)
Segment profit/(loss)	1,231	(2,741)	(1,618)	(3,128)
Segment assets	43,524	2,335	3,913	49,772
Segment liabilities	21,516	2,471	376	24,363
Provision for taxation	–	29	13	42
Deferred tax liabilities	671	334	4	1,009
	22,187	2,834	393	25,414

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

27. SEGMENT INFORMATION (Continued)

Business segments (Continued)

	Leasing	Trading	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000
2021				
Revenue:				
External sales	9,640	–	166	9,806
Inter-segment sales	129	676	220	1,025
	9,769	676	386	10,831
Elimination				(1,025)
				9,806
Results:				
Other income	1,516	23	101	1,640
Interest income	3	–	–	3
Gain on disposal of property, plant and equipment	5,212	–	–	5,212
Finance cost	865	86	–	951
Depreciation	3,118	251	12	3,381
Other non-cash expenses	78	35	56	169
Tax expense/(credit)	(363)	8	5	(350)
Segment profit/(loss)	5,381	(467)	(2,050)	2,864
Segment assets	56,579	2,190	2,124	60,893
Segment Liabilities	26,291	3,745	646	30,682
Provision for taxation	–	11	13	24
Deferred tax liabilities	1,007	302	3	1,312
	27,298	4,058	662	32,018

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

27. SEGMENT INFORMATION (Continued)

Geographical segments

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Group	
	2022	2021
	S\$'000	S\$'000
Revenue		
Singapore	16,664	9,806
Non-current asset		
Singapore	38,119	45,585

28. DEVELOPMENT OF COVID-19 OUTBREAK AND ITS IMPACT ON THE GROUP

COVID-19 outbreak has brought about an unprecedented challenge for many entities, with increased uncertainty in the global economy. As the situation is still evolving, the full effect of the outbreak is still uncertain and the Group is therefore unable to provide a quantitative estimate of the potential impact of this outbreak on the Group. The Group continues to monitor and evaluate any possible impact on the Group's business and will consider implementation of various measures to mitigate the effects arising from the COVID-19 situation. Based on management's latest assessment, there is no indicator that the going concern assumption used by the Group in preparing the financial statement is inappropriate.

29. DIVIDEND

During the financial year ended 30 April 2022, the Company declared and paid a final tax-exempt dividend of S\$0.01 (2021: S\$Nil) per ordinary share of the Company totalling approximately S\$1,658,000 (2021: S\$Nil) in respect of the financial year ended 30 April 2021.

Statistics of Shareholdings

AS AT 22 JULY 2022

Issued and fully paid	:	S\$29,882,946.52
Number of shares with voting rights	:	165,789,460
Number of treasury shares held	:	Nil
Subsidiary holdings	:	Nil
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per ordinary share

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 10.70% of the issued ordinary shares of the Company were held in the hands of the public as at 22 July 2022 and therefore Rule 723 of the Catalist Rules is complied with.

DISTRIBUTION OF SHAREHOLDINGS

Range of shareholdings	Number of shareholders	Percentage	Number of shares	Percentage
1 – 99	–	–	–	–
100 – 1,000	13	9.56	2,800	– [#]
1,001 – 10,000	18	13.23	130,800	0.08
10,001 – 1,000,000	100	73.53	13,071,960	7.89
1,000,001 and above	5	3.68	152,583,900	92.03
TOTAL	136	100.00	165,789,460	100.00

–[#] Less than 0.01%

Statistics of Shareholdings

AS AT 22 JULY 2022

TWENTY LARGEST SHAREHOLDERS

No.	Name of shareholder	Number of shares held	Percentage
1	LOKE INVESTMENTS PTE. LTD.	109,282,108	65.92
2	TAN JIA HUI CLARENCE (CHEN JIAHUI)	33,157,892	20.00
3	YAP BEE LING (YE MEILING)	5,610,000	3.38
4	UOB KAY HIAN PTE LTD	2,395,300	1.44
5	NG TIAN ZHU	2,138,600	1.29
6	TEO KOK WOON	1,000,000	0.60
7	PHILLIP SECURITIES PTE LTD	672,100	0.41
8	NG SZE MEE THERESE	600,000	0.36
9	KOH SZE LIAT (XU SILIE)	550,000	0.33
10	YEUNG SHUN YUN	500,000	0.30
11	DBS NOMINEES PTE LTD	451,600	0.27
12	IFAST FINANCIAL PTE LTD	408,800	0.25
13	CHEONG CHI KIN	379,500	0.23
14	ANG HONG LEONG (HONG FENGLONG)	371,900	0.22
15	NG LIT SIN	368,000	0.22
16	GOH CHOON SENG	309,200	0.19
17	OCBC SECURITIES PRIVATE LTD	286,900	0.17
18	MAYBANK SECURITIES PTE. LTD.	255,100	0.15
19	QUEK POK YEOW STEPHEN (GUO BOYAO)	253,000	0.15
20	CHIN KAI SENG	231,100	0.14
TOTAL		159,221,100	96.02

SUBSTANTIAL SHAREHOLDERS

Name of substantial shareholder	Direct Interest		Deemed Interest	
	Number of shares	%	Number of shares	%
Loke Investments Pte. Ltd.	109,282,108	65.92	–	–
Mdm Ng Chui Hwa ⁽¹⁾	–	–	109,282,108	65.92
Mr Yap Sian Lay ⁽²⁾	–	–	109,282,108	65.92
Mr Yap Chin Hock ⁽³⁾	–	–	109,282,108	65.92
Mr Tan Jia Hui Clarence	33,157,892	20.00	–	–

Notes:

- (1) Mdm Ng Chui Hwa holds approximately 29% of the issued and paid-up share capital of Loke Investments Pte. Ltd. Accordingly, she is deemed to be interested in the 109,282,108 shares held by Loke Investments Pte. Ltd. pursuant to Section 4 of the Securities and Futures Act (Chapter 289) of Singapore.
- (2) Mr Yap Sian Lay holds approximately 41% of the issued and paid-up share capital of Loke Investments Pte. Ltd. Accordingly, he is deemed to be interested in the 109,282,108 held by Loke Investments Pte. Ltd. pursuant to Section 4 of the Securities and Futures Act (Chapter 289) of Singapore.
- (3) Mr Yap Chin Hock holds approximately 20% of the issued and paid-up share capital of Loke Investments Pte. Ltd. Accordingly, he is deemed to be interested in the 109,282,108 shares held by Loke Investments Pte. Ltd. pursuant to Section 4 of the Securities and Futures Act (Chapter 289) of Singapore.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the annual general meeting (“**AGM**”) of MS Holdings Limited (the “**Company**”) will be held by electronic means, on Friday, 26 August 2022 at 3.00 p.m., for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the directors’ statement and the audited financial statements for the financial year ended 30 April 2022 (“**FY2022**”) together with the auditors’ report thereon. **(Resolution 1)**
2. To approve the payment of directors’ fees of S\$68,000 for FY2022 (2021: S\$68,000). **(Resolution 2)**
3. To re-elect the following directors of the Company (“**Directors**”) retiring under Regulation 107 of the Company’s constitution (“**Constitution**”):

Mr Tan Jia Hui Clarence **(Resolution 3)**
(see explanatory note 1)

Mr Kho Kewee **(Resolution 4)**
(see explanatory note 2)
4. To re-appoint Messrs Mazars LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**
5. To transact any other business that may be properly transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions (with or without amendments) as ordinary resolutions:–

6. **Authority to allot and issue shares in the capital of the Company (the “Share Issue Mandate”)** **(Resolution 6)**

“That pursuant to Section 161 of the Companies Act 1967 of Singapore (the “**Companies Act**”), the Constitution and Rule 806 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), authority be and is hereby given to the Directors to:

- (a) (i) allot and issue shares in the capital of the Company (the “**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit;

Notice of Annual General Meeting

- (b) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this resolution was in force,

provided always that:-

- (i) the aggregate number of Shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) shall not exceed 100% of the total issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to the existing shareholders of the Company (the “**Shareholders**”) (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) shall not exceed 50% of the total issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of total issued Shares shall be based on the total issued Shares (excluding treasury shares and subsidiary holdings) at the time of passing this resolution, after adjusting for:-
- (1) new Shares arising from the conversion or exercise of any convertible securities;
 - (2) new Shares arising from the exercise of options or vesting of awards, provided that the options or awards were granted in compliance with the Catalist Rules; and
 - (3) any subsequent bonus issue, consolidation or sub-division of Shares;

Adjustments in accordance with (1) and (2) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate.

Notice of Annual General Meeting

- (c) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Constitution for the time being; and
- (d) (unless revoked or varied by the Company in a general meeting) this authority shall continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.”

(see explanatory note 3)

7. **Authority to grant awards and to allot and issue shares pursuant to the MS Holdings Share Award Scheme (Resolution 7)**

“That approval be and is hereby given to the Directors to grant awards from time to time in accordance with the provisions of the MS Holdings Share Award Scheme (the “**Scheme**”) and pursuant to Section 161 of the Companies Act 1967, to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the vesting of the awards under the Scheme, provided always that the aggregate number of Shares issued and/or issuable pursuant to the Scheme and any other share-based incentive schemes of the Company shall not exceed 15% of the total issued Shares (excluding treasury shares and subsidiary holdings) from time to time; and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.”

(see explanatory note 4)

BY ORDER OF THE BOARD

Wee Woon Hong
Company Secretary

11 August 2022
Singapore

Notice of Annual General Meeting

Explanatory Notes:

1. Detailed information on Mr Tan Jia Hui Clarence can be found in the Company's annual report for FY2022 ("**Annual Report 2022**"). Mr Tan Jia Hui Clarence will, upon re-election as a Director, remain as the Executive Director and Investment Director of the Company, and as a member of the Nominating Committee. Mr Tan Jia Hui Clarence holds 20% of the issued and paid-up share capital of the Company and is therefore a controlling shareholder of the Company. There are no relationships including immediate family relationships between Mr Tan Jia Hui Clarence and the other Directors, the Company, its related corporations, its substantial shareholders, or its officers. Please refer to pages 132 to 138 of the Annual Report 2022 for the additional information required pursuant to Rule 720(5) of the Catalyst Rules.
2. Detailed information on Mr Kho Kewee can be found in the Annual Report 2022. Mr Kho Kewee will, upon re-election as a Director, remain as an Independent Director of the Company, and as a member of the Audit Committee, Nominating Committee and Remuneration Committee of the Company. Mr Kho Kewee is considered independent by the Board for the purposes of Rule 704(7) of the Catalyst Rules. There are no relationships including immediate family relationships between Mr Kho Kewee and the other Directors, the Company, its related corporations, its substantial shareholders, or its officers. Please refer to pages 132 to 138 of the Annual Report for the detailed information required pursuant to Rule 720(5) of the Catalyst Rules.
3. The ordinary resolution 6 above, if passed, will empower the Directors from the date of the AGM until the conclusion of the next AGM, the date by which the next AGM is required by law to be held, or the date such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to allot and issue Shares and make or grant Instruments convertible into Shares pursuant to such Instruments, up to an amount not exceeding, in total, 100% of the total issued Shares (excluding treasury shares and subsidiary holdings) at the time of passing of this resolution, of which up to 50% may be issued other than on a *pro rata* basis to existing shareholders of the Company.
4. The ordinary resolution 7 above, if passed, will empower the Directors to allot and issue Shares pursuant to the vesting of the awards in accordance with the Scheme.

Notes on the alternative arrangements for the forthcoming AGM:

- (i) Shareholders may access a copy of the Annual Report 2022 at the Company's website (www.mohsengcranes.com) and the SGX website (<https://www.sgx.com/securities/annual-reports-related-documents>).
- (ii) The AGM is to be convened by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and as amended by COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No.2) Order 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No.3) Order 2020. **Printed copies of this notice will not be mailed to members (i.e. shareholders) of the Company.** Instead, this notice will be published on the Company's website (www.mohsengcranes.com) and will also be made available on the SGX website (<https://www.sgx.com/securities/company-announcements?value=MS%20HOLDINGS%20LIMITED&type=company>).
- (iii) Accordingly, no physical AGM will be held in order to minimise the risk of community spread of COVID-19, and hence members can only watch the proceedings of the AGM via live webcast and will not be able to attend the AGM in person.

Live AGM Webcast:

- (iv) A member, including an investor who buys Shares using SRS monies ("**SRS Investor**"), who wishes to watch and observe the proceedings of the AGM through a live webcast (comprising both video (audio-visual) and audio-only feeds) via their mobile phones, tablets or computers are to submit their request by email, with their full name (as per The Central Depository (Pte) Limited's ("**CDP**") records), identification number (e.g. NRIC/Passport Number/FIN), shareholding type, email address and contact number (to enable the Company and/or its agents and service providers to authenticate their status as a member) to the Company by **3.00 p.m. on 23 August 2022** (the "**Registration Deadline**") (i.e. not less than 72 hours before the time appointed for holding the AGM), to agm@msholdings.com.sg.

Notice of Annual General Meeting

Upon successful authentication, each such member will receive an email reply by **3.00 p.m. on 25 August 2022**. The email reply will contain instructions to access the live webcast of the AGM proceedings. Only authenticated members are permitted to access and attend the AGM proceedings. Members who have pre-registered by the Registration Deadline but have not received an email reply by 3.00 p.m. on 25 August 2022 are to contact the Company for assistance by phone (at (65) 6861 0898) or by email (at agm@msholdings.com.sg) as soon as practicable.

Persons who hold Shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act) (excluding SRS Investors) and who wish to participate in the AGM should contact their respective relevant intermediaries through which they hold such Shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

- (v) On the day of the AGM, before an authenticated and pre-registered member may access the live webcast and attend the AGM (by electronic means), the member's identity is required to be verified by the Company's Share Registrar. Members are encouraged to log on (to access to the live webcast of the AGM proceedings) early to avoid possible bottlenecks and potential delays. We seek your kind understanding and cooperation. Members may log on from **2.00 p.m. on Friday, 26 August 2022**.

Submission of Questions in Advance:

- (vi) Members will not be allowed to ask questions during the live webcast of the AGM. Members who may have questions relating to each resolution to be tabled for approval at the AGM are to submit their questions by email, together with their full name (as per CDP records), identification number (e.g. NRIC/Passport Number/FIN), shareholding type, email address, and contact number (to enable the Company and/or its agents and service providers to authenticate their status as members) to the Company by **18 August 2022** (the "**Cut-Off Date**") to agm@msholdings.com.sg.

Persons who hold Shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act) (excluding SRS Investors) should contact their respective relevant intermediaries through which they hold such Shares to submit their questions relating to the resolutions to be tabled for approval at the AGM based on the abovementioned instructions.

- (vii) The Company will endeavour to address all relevant and substantial questions (as may be determined by the Company in its sole discretion) received. The responses to questions from members will be posted on the SGXNet and the Company's website soonest possible and in any case not later than 48 hours before the closing date and time for the lodgement of proxy forms. Any subsequent clarifications sought by members after the Cut-Off Date will be addressed at the AGM.

Submission of Proxy Forms to Vote:

- (viii) A member (whether individual or corporate) who wishes to exercise his/her/its voting rights at the AGM must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM. A member appointing the Chairman of the AGM as proxy should specifically indicate in the Proxy Form how the member wishes to vote for or vote against (or abstain from voting on) the resolutions, failing which the appointment will be treated as invalid.

- (ix) The Proxy Form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, the Proxy Form must be executed under its common seal or the hand of an officer or attorney duly authorised.

The Proxy Form, duly executed with the power of attorney or other authority, if any, under which the Proxy Form was signed or a notarially certified copy of that power of attorney or other authority (failing previous registration with the Company) must either be deposited at the office of the Company's Share Registrar (i.e. Tricor Barbinder Share Registration Services), at 80 Robinson Road, #11-02, Singapore 068898, or submitted to the Company by email to agm@msholdings.com.sg, by **3.00 p.m. on 24 August 2022** (that is, not less than 48 hours before the time appointed for holding the AGM). Members are strongly encouraged to submit the completed and signed PDF copies of their proxy forms to the Company via email.

- (x) Persons who hold Shares through their intermediaries (as defined in Section 181 of the Companies Act), including SRS Investors, who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (which would include SRS Operators) through which they hold such Shares in order to submit their voting instructions at least seven (7) working days before the AGM (i.e. by 3.00 p.m. on 17 August 2022) in order to allow sufficient time for their respective intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf by 3.00 p.m. on 24 August 2022.

Notice of Annual General Meeting

A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to access the live webcast and attend and vote via proxy at the AGM.

The Company shall be entitled to reject the Proxy Form appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointor specified in the Proxy Form appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one Proxy Form).

- (xi) The Company will publish the minutes of the AGM via the SGXNet platform and the Company's website within one month after the date of AGM.

Summary of Key Dates and Times (Deadlines/Opening Time)	Actions
By Wednesday, 17 August 2022, 3.00 p.m.	For persons who hold Shares through their intermediaries to submit their voting instructions to their respective intermediaries.
By Thursday, 18 August 2022	For members who have questions relating to the business of the AGM to email their questions to agm@msholdings.com.sg .
By Tuesday, 23 August 2022, 3.00 p.m.	For members to submit the necessary information required for authentication by email to agm@msholdings.com.sg should they wish to access the live webcast and attend the AGM.
By Wednesday, 24 August 2022, 3.00 p.m.	For members to deposit/email the completed and signed proxy forms either to (i) the Company's Share Registrar at 80 Robinson Road, #11-02, Singapore 068898, or (ii) to the Company to agm@msholdings.com.sg . In view of the COVID-19 situation, members are strongly encouraged to submit their completed and signed PDF copies of their proxy forms electronically via email to agm@msholdings.com.sg .
By Thursday, 25 August 2022, 3.00 p.m.	For members who have been successfully authenticated to receive an email reply with instructions to access the live webcast of the AGM (" Confirmation Email "); and for members who have pre-registered but have not received any Confirmation Email by this time to contact the Company for assistance by phone (at (65) 6861 0898) or by email (at agm@msholdings.com.sg) as soon as practicable.
Friday, 26 August 2022, 2.00 p.m.	When pre-registered members may log on for the Share Registrar to verify their identity and access to the live webcast to the AGM (that is scheduled to commence at 3.00 p.m. on Friday, 26 August 2022), using the instructions received in the Confirmation Email.

IMPORTANT NOTICE: Due to the evolving COVID-19 situation in Singapore, the Company may change the AGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the AGM via the SGXNet. Members are advised to check the SGXNet regularly for updates on the AGM.

Notice of Annual General Meeting

Personal data privacy:

By (a) submitting an instrument appointing the Chairman of the AGM as proxy to attend and vote at the AGM and/or any adjournment thereof, (b) submitting details for the registration to observe the proceedings of the AGM via the live webcast, or (c) submitting any question prior to the AGM in accordance with this notice, the person/member consents to the collection, use and disclosure of the person's/member's and its proxy(ies)'s or representative(s)'s personal data by the Company (and/or its agents and service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members received before the AGM and, if necessary, following up with the relevant members in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

The member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

Additional Information on Directors Seeking Re-Election

PURSUANT TO RULE 720(5) OF THE CATALIST RULES

Mr Tan Jia Hui Clarence and Mr Kho Kewee are the retiring Directors who are seeking re-election at the forthcoming annual general meeting (“**AGM**”) of the Company to be convened on 26 August 2022 under Ordinary Resolutions 3 and 4 as set out in the Notice of AGM dated 11 August 2022. Pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the information relating to the retiring Directors, in accordance to Appendix 7F to the Catalist Rules of the SGX-ST, is set out below:

	Tan Jia Hui Clarence	Kho Kewee
Date of appointment	10 March 2017	2 January 2020
Date of last re-appointment (if applicable)	28 August 2019	15 October 2020
Age	43	52
Country of principal residence	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Tan Jia Hui Clarence (“ Mr Tan ”) as Executive Director and Investment Director was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Tan’s expertise, past experience and overall contribution since he was appointed as a Director.	The re-election of Mr Kho Kewee (“ Mr Kho ”) as Independent Director was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Kho’s qualifications, expertise, past experience and overall contribution since he was appointed as a Director
Whether appointment is executive, and if so, the area of responsibility	Executive. Oversight of the corporate finance functions and assisting the Chief Executive Officer in the overall strategic expansion of the Group’s business.	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Investment Director, and a Member of the Nominating Committee of the Company	Independent Director, and Member of the Audit Committee, Nominating Committee and Remuneration Committee of the Company

Additional Information on Directors Seeking Re-Election

PURSUANT TO RULE 720(5) OF THE CATALIST RULES

	Tan Jia Hui Clarence	Kho Kewee
Professional qualifications	<ul style="list-style-type: none"> – Member of the Association of Chartered Certified Accountants – Non-practising member of the Institute of Singapore Chartered Accountants 	<ul style="list-style-type: none"> – Bachelor of Science in Finance and International Business, Indiana University – Graduate Certificate in International Arbitration, National University of Singapore, Law – Fellow of Singapore Institute of Arbitrators – Member of Singapore Institute of Directors
Working experience and occupation(s) during the past 10 years	<p>2017 to present – Executive Director and Investment Director, MS Holdings Limited</p> <p>2015 to 2017 – Investment Director, MS Holdings Limited</p> <p>2009 to 2015 – Chief Financial Officer, GKE Corporation Limited</p>	<p>2012 to present – Partner, Pillars & Woggs LLP</p> <p>2019 to 2022 – Executive Director, Castell Logistics Pte. Ltd.</p> <p>2019 to 2020 – Director, Foodstuff Unlimited Co. Pte. Ltd.</p> <p>2018 to 2020 – Vice-Chairman, Roadbull Logistics Pte. Ltd.</p> <p>2014 to 2016 – Director, SBI Ven Capital Pte. Ltd.</p> <p>2011 to 2012 – Corporate & Business Development Consultant, JSCL Investments Pte. Ltd./ Homestay Residences Pte. Ltd.</p>
Shareholding interest in the listed issuer and its subsidiaries	Direct interest – 33,157,892 ordinary shares of MS Holdings Limited, representing 20% of the total issued share capital of the Company	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No

Additional Information on Directors Seeking Re-Election

PURSUANT TO RULE 720(5) OF THE CATALIST RULES

	Tan Jia Hui Clarence	Kho Kewee
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other principal commitments including directorships	<p><u>Past</u> (for the last 5 years)</p> <p>Directorships:</p> <p>Moh Seng Cranes Pte, Ltd.</p> <p>Moh Seng Services Pte. Ltd.</p> <p>MS Equipment Pte. Ltd.</p> <p>Bravio Capital Pte. Ltd.</p> <p>Other Principal Commitments: Nil</p> <p><u>Present</u></p> <p>Directorships:</p> <p>Extol Global Pte. Ltd.</p> <p>Other Principal Commitments: Nil</p>	<p><u>Past</u> (for the last 5 years)</p> <p>Directorships:</p> <p>2019 to 2022 – Castell Logistics Pte. Ltd.</p> <p>2019 to 2020 – Foodstuff Unlimited Co. Pte. Ltd.</p> <p>2012 to 2019 – Courts Asia Limited</p> <p>2012 to 2018 – Lee Metal Group Limited</p> <p>Other Principal Commitments: Nil</p> <p><u>Present</u></p> <p>Directorships:</p> <p>2021 to present – Zhongmin Baihui Retail Group Limited</p> <p>Other Principal Commitments:</p> <p>2012 to present – Pillars & Woggs LLP</p>
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

Additional Information on Directors Seeking Re-Election

PURSUANT TO RULE 720(5) OF THE CATALIST RULES

	Tan Jia Hui Clarence	Kho Kewee
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

Additional Information on Directors Seeking Re-Election

PURSUANT TO RULE 720(5) OF THE CATALIST RULES

	Tan Jia Hui Clarence	Kho Kewee
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

Additional Information on Directors Seeking Re-Election

PURSUANT TO RULE 720(5) OF THE CATALIST RULES

	Tan Jia Hui Clarence	Kho Kewee
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: <ul style="list-style-type: none"> (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or 	No	No

Additional Information on Directors Seeking Re-Election

PURSUANT TO RULE 720(5) OF THE CATALIST RULES

	Tan Jia Hui Clarence	Kho Kewee
<p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>		
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	No	No

MS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 201414628C)

PROXY FORM ANNUAL GENERAL MEETING

Important:

- To minimise physical interactions and COVID-19 transmission risks, the Company will conduct its AGM by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and as amended by COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No.2) Order 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No.3) Order 2020.
- The notice of AGM and this proxy form are published on the Company's website (www.mohsengcranes.com) and will also be made available on SGX website (<https://www.sgx.com/securities/company-announcements>). Printed copies of the notice of AGM and this proxy form will not be mailed to members (i.e. shareholders) of the Company.
- Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live webcast (comprising both video (audio-visual) and audio-only feeds)), submission of questions to the Chairman of the AGM in advance of the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the notice of AGM.
- Accordingly, no physical AGM will be held in order to minimise the risk of community spread of COVID-19 and hence, members can only watch the proceedings of the AGM via live cast and will not be able to attend the AGM in person. A member (whether individual or corporate) who wishes to exercise his/her/its voting rights at the AGM must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM. A member should specifically indicate how the member wishes to vote for or vote against (or abstain from voting on) the resolutions.
- By submitting an instrument appointing the Chairman of the AGM as proxy, a member is deemed to have accepted and agreed to the personal data privacy terms set out in the notice of AGM dated 11 August 2022.
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the AGM as a member's proxy to vote on his/her/its behalf at the AGM.

I/We, _____ (Name)

NRIC/Passport number/Company Registration No. _____ of

_____ (Address)

being a shareholder/shareholders* of MS Holdings Limited (the "**Company**") hereby appoint the Chairman of the annual general meeting ("**AGM**") of the Company as my/our* proxy to vote for me/us* on my/our* behalf at the AGM to be held by electronic means on Friday, 26 August 2022 at 3.00 p.m. and at any adjournment thereof.

I/We* direct the Chairman of the AGM to vote for or against or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution(s) will be treated as invalid.**

All resolutions put to the vote at the AGM shall be decided by way of poll.

No.	Ordinary resolutions relating to:-	Number of votes For**	Number of votes Against**	Number of Votes Abstain**
1.	Directors' statement, auditors' report and audited financial statements for FY2022			
2.	Approval of Directors' fees amounting to S\$68,000 for FY2022			
3.	Re-election of Mr Tan Jia Hui Clarence as a Director			
4.	Re-election of Mr Kho Kewee as a Director			
5.	Re-appointment of Messrs Mazars LLP as Auditors			
6.	Authority to allot and issue shares pursuant to the Share Issue Mandate			
7.	Authority to grant awards and to allot and issue shares pursuant to the Scheme			

* Delete accordingly

** If you wish to exercise all your votes "For" or "Against" or "Abstain", please indicate with a tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2022

Total number of shares in:	Number of shares
(a) Depository Register	
(b) Register of Members	

Signature(s) of Shareholder(s)/or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of Securities and Futures Act 2001 of Singapore or any statutory modification thereof, as the case may be), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. No physical AGM will be held and hence, members can only watch the proceedings of the AGM via live webcast and will not be able to attend the AGM in person. A member (whether individual or corporate) who wishes to exercise his/her/its voting rights at the AGM must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM. This proxy form is made available on the Company's website (www.mohsengcranes.com) and will also be made available on SGX website (<https://www.sgx.com/securities/company-announcements>). Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting (for or against), or abstention from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
3. The Chairman of the AGM, as proxy, need not be a member of the Company.
4. A member who wishes to submit an instrument of proxy appointing the Chairman of the AGM as proxy must download, complete, sign and submit the proxy form, either by: (i) depositing the signed proxy form at the office of the Company's Share Registrar (i.e. Tricor Barbinder Share Registration Services), at 80 Robinson Road, #11-02, Singapore 068898; or (ii) scanning and emailing a copy of the signed proxy form to the Company to agm@msholdings.com.sg; and in either case, by **3.00 p.m. on 24 August 2022** (that is, not less than 48 hours before the time appointed for the AGM). **Members are strongly encouraged to submit their completed and signed PDF copies of their proxy forms to the Company via email (at agm@msholdings.com.sg).**
5. The instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
6. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor or by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) either be: (i) lodged/deposited with the instrument of proxy (if submitted by post); or (ii) scanned and submitted electronically with the instrument of proxy (if submitted via email), failing which the instrument may be treated as invalid.
7. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy. In addition, in the case of a member whose shares are entered against his/her/its name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
8. Any alteration made in this instrument appointing the Chairman of the AGM as proxy, must be initialed by the member/person who signs it.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the notice of the AGM dated 11 August 2022.



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