茂盛控股有限公司
MS HOLDINGS LIMITED

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

PROPOSED DISPOSAL OF MOBILE CRANE

1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of MS Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiary, MS Equipment Pte. Ltd. ("**MSE**") had, on 1 October 2021, entered into an agreement ("**Agreement**") with Tiong Woon Crane & Transport Pte. Ltd. ("**Purchaser**") for the sale of a mobile crane ("**Equipment**") for cash consideration of S$3.8 million ("**Sale Consideration**") on the terms and subject to the conditions of the Agreement ("**Proposed Disposal**").

2. INFORMATION ON THE EQUIPMENT

The Equipment is 1 (one) unit of used Liebherr Telescopic Mobile Crane Type LTM 1750-9.1 which has a lifting capability of 750 tonnes.

Based on the audited consolidated financial statements of the Group for the financial year ended 30 April 2021 ("**FY2021**"), the book value of the Equipment was approximately S$6.2 million. No valuation was conducted on the Equipment.

3. INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Singapore with its registered office at 15 Pandan Crescent, Singapore 128470. It is a wholly-owned subsidiary of Tiong Woon Corporation Holdings Ltd, an integrated heavy lift specialist and service provider that is listed on the Singapore Exchange.

The Purchaser is an unrelated third party and is not related to any of the Directors or controlling shareholders and their respective associates.

4. SALIENT TERMS OF THE AGREEMENT

4.1 Sale Consideration

The Sale Consideration for the Equipment is S$3.8 million in cash and was determined on arm's length negotiations between MSE and the Purchaser and was arrived at on a willing buyer and willing seller basis after taking into consideration the current market conditions.

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

(a) a sum of S$0.38 million by way of cheque/cashier's order to MSE upon the execution of the Agreement;

(b) the balance of the Sale Consideration of S$3.42 million by way of cashier's order to MSE upon completion of the Proposed Disposal.

4.2 Completion

Completion of the sale and purchase of the Equipment ("**Completion**") will take place on 18 October 2021.

5. RATIONALE

The Equipment is one of the Group's larger mobile cranes with lifting capability of 750 tonnes. The Equipment has been underutilised in the last couple of years due to stiff competition and oversupply of large cranes in the Singapore market. The Board and Management having considered the current economic and market conditions, and the likelihood of recovery in terms of rental rates for larger cranes, have decided to proceed with the Proposed Disposal. The Proposed Disposal will also contribute net cash proceeds, after the repayment of the outstanding loan in relation to the crane of approximately S$3.4 million. This will improve the financial position and liquidity of the Group and it is intended for the net cash proceeds to be used for general working capital, as well as to capitalise on future business and acquisition opportunities. Having considered the above, the Board is of the view that the Proposed Disposal is in the best interests of the Group and Shareholders.

6. USE OF PROCEEDS AND LOSS ON THE PROPOSED DISPOSAL

Based on the audited consolidated financial statements of the Group for FY2021, the loss on Proposed Disposal is approximately S$2.4 million.

The Company expects to receive net proceeds of approximately S$3.4 million from the Proposed Disposal. The net proceeds from the Proposed Disposal will be used for general working capital purposes of the Group as well as to capitalise on future business and acquisition opportunities.

7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

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

The financial effects of the Proposed Disposal have been computed based on the audited consolidated financial statements of the Group for FY2021.

7.1 NTA

The effect of the Proposed Disposal on the NTA of the Group for FY2021, assuming that the Proposed Disposal had been effected at the end of FY2021 is as follows:

	Before the Proposed Disposal	**After the Proposed Disposal**
NTA (S$'000)	28,798	26,362
NTA per share (Cents)	17.37	15.90
Number of issued shares	165,789,460	165,789,460

7.2 Earnings per share

The effect of the Proposed Disposal on the earnings per share of the Group for FY2021, assuming that the Proposed Disposal had been effected at the beginning of FY2021 is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Profit after tax attributable to owners of the Company (S$'000)	3,224	788
Earnings per share (Cents)	1.94	0.48
Number of issued shares	165,789,460	165,789,460

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

Based on the latest announced audited consolidated financial statements of the Group for FY2021, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**"), for the Proposed Disposal are as follows:

Rule	Basis	Relative Figure
1006 (a)	Net asset value of the assets to be disposed of, compared with the group's net asset value	21.65%
1006 (b)	Net profits attributable to the assets acquired or disposed of, compared with the group's net profits	22.56%
1006 (c)	Aggregate value of the consideration given or received, compared with the issuer's market capitalisation, based on the total number of issued shares excluding treasury shares	42.45%(1)
1006 (d)	Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
1006 (e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves.	Not applicable

Note:

(1) Based on the Sale Consideration of S$3.8 million and the Company's market capitalisation of approximately S$8.95 million on 29 September 2021 (being the last market day preceding the date of the Agreement where the Company's shares were last traded).

As the relative figures computed under Rules 1006(a) to 1006(c) of the Catalist Rules exceeds 5% but does not exceed 50%, the Proposed Disposal constitutes a "Discloseable Transaction" as defined under Rule 1010 of the Catalist Rules.

9. SERVICE CONTRACT

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

10. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

11. DOCUMENT FOR INSPECTION

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

By Order of the Board

Yap Chin Hock
Executive Director and Chief Executive Officer
3 October 2021

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

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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