

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 2020

Mission Statement

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

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This annual report has been prepared by MS Holdings Limited (the "Company") and has been reviewed by the Company's sponsor, United Overseas Bank Limited (the "Sponsor"), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

This annual report has not been examined or approved by the SGX-ST. 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 persons for the Sponsor are Mr. David Tham, Senior Director, Equity Capital Markets and Ms. Priscilla Ong, Vice President, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.

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.



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 the annual report of our Company for the financial year ended on 30 April 2020 (“**FY2020**”).

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 30 mobile cranes and lorry cranes that have lifting capabilities ranging from 25 tonnes to 750 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.

Letter to Shareholders

FY2020 Business and Financial Review

Our Group generates revenue primarily from the leasing of cranes and trading of new and used equipment. Our Group's revenue decreased by 3.5% from S\$14.5 million in the financial year ended 30 April 2019 ("FY2019") to S\$14.0 million in FY2020, mainly due to the decrease in utilisation rates of cranes, which is a reflection of the challenging market conditions faced by our customers in the construction, and oil and gas industries.

Our Group recorded gross profit of S\$3.6 million with a gross profit margin of 26% in FY2020.

Other income increased by S\$0.5 million or 66.3% from S\$0.8 million in FY2019 to S\$1.3 million in FY2020. The increase was mainly due to an increase in government grants under the COVID-19 support programmes and schemes.



General and administrative expenses increased by S\$1.1 million or 27.2% from FY2019 to S\$5.1 million in FY2020 mainly due to the increase in allowance for impairment of property, plant and equipment, impairment of trade receivables, and impairment of investment security.

Finance costs increased by S\$0.1 million or 11.6% from FY2019 to S\$1.1 million in FY2020, mainly due to an increase in interest expense from the recognition of lease liabilities following the adoption of SFRS(I) 16 Leases.

As a result of the above, our Group registered a net loss after tax of S\$1.3 million in FY2020.

Healthy Balance Sheet with Resilient Cash Flow Generated from Operating Activities

In FY2020, our Group's cash flow continued to be healthy as we generated net cash from operating activities of S\$5.3 million.

As at 30 April 2020, our Group's total assets amounted to S\$66.0 million, of which non-current assets amounted to S\$50.6 million or 76.7% of total assets and current assets stood at S\$15.4 million or 23.3% of total assets. Non-current assets comprised property, plant and equipment and right-of-use assets following the initial adoption of SFRS(I) 16 Leases. Current assets comprised trade and other receivables, prepaid operating expenses, inventories as well as cash and bank balances.

As at 30 April 2020, our Group's total liabilities amounted to S\$40.4 million, of which non-current liabilities amounted to S\$23.1 million or 57.2% of total liabilities and current liabilities stood at S\$17.3 million or 42.8% of total liabilities. Non-current liabilities comprised mainly interest-bearing loans and borrowings, provision for reinstatement cost and deferred tax liabilities. Current liabilities comprised mainly trade and other payables, accrued operating expenses, interest-bearing loans and borrowings and provision for taxation.

With net assets of S\$25.7 million as at 30 April 2020, our Group's net asset value per share stood at S\$0.15.

Letter to Shareholders



Business Outlook

The Group's utilisation rate of mobile cranes has declined substantially since April 2020 due to the COVID-19 pandemic. Barring unforeseen circumstances, the Group expects the COVID-19 pandemic to continue adversely affecting the business. In the meantime, the Group will continue to focus on optimising cost and deployment of its fleet of mobile cranes and lorry cranes. The Group will also remain on the lookout for new business opportunities to grow its profitability.

Acknowledgements

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.

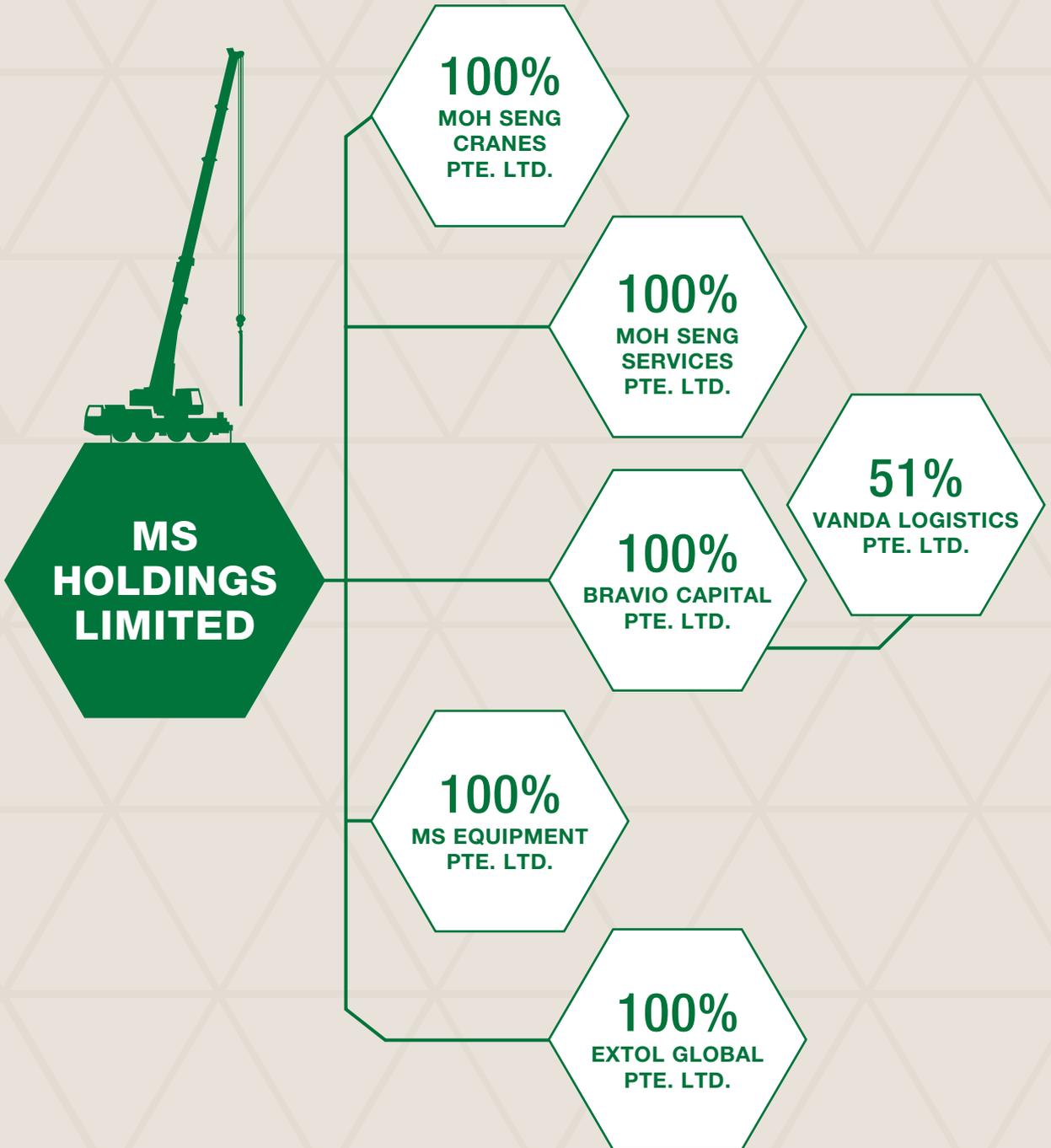
2014

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

2015 – 2020

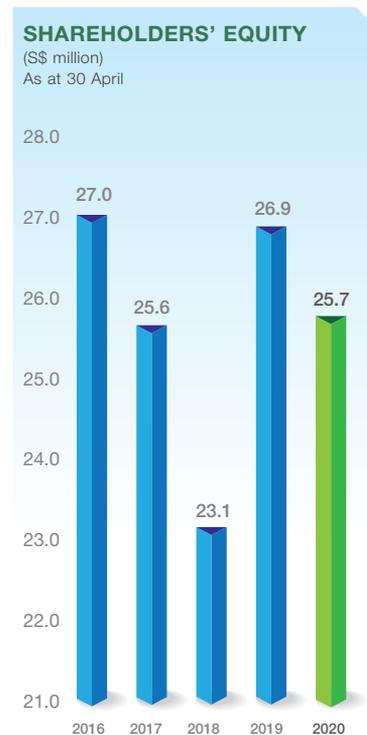
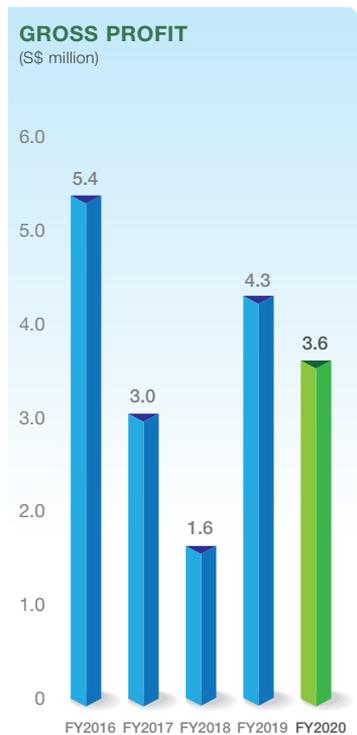
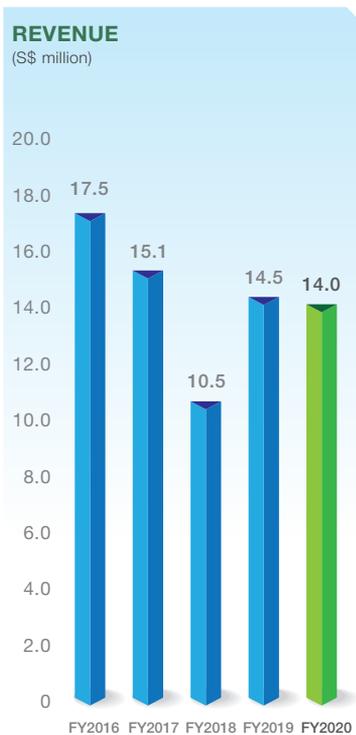
- Incorporated 100%-owned subsidiaries, MS Equipment Pte. Ltd., Extol Global Pte. Ltd. and Bravo Capital Pte. Ltd.
- Acquired rough terrain cranes to extend the range of our cranes.
- MS Equipment Pte. Ltd. was awarded with an Exclusive Distributorship from Cormach S.r.l., Jekko S.r.l., JMG Cranes S.r.l. 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.

Corporate Structure



Financial Highlights

S\$ million	FY2016	FY2017	FY2018	FY2019	FY2020
Revenue	17.5	15.1	10.5	14.5	14.0
Gross profit	5.4	3.0	1.6	4.3	3.6
As at 30 April	2016	2017	2018	2019	2020
Shareholders' equity	27.0	25.6	23.1	26.9	25.7
Total assets	67.3	64.8	59.1	62.0	66.0
Interest-bearing loans and borrowings	34.9	35.0	31.9	30.8	35.9



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 and she was also involved in the 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 17 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 include 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.



Board of Directors

◇ 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 of Novo Tellus Capital Partners, a private equity firm. 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 Catalist. 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 Asian 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.

◇ 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 Catalist. 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 Catalist. 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.



Board of Directors

◇ **MR KHO KEWEE**
◇ Independent Director

Mr Kho is our Independent Director and was appointed to our Board on 2 January 2020. He has 25 years of experience in investment banking, private equity, proprietary investments, corporate and business development, financial and strategic advisory. Previously, he was an Independent Director of Lee Metal Group Limited from 2012 to 2018 and Courts Asia Limited from 2012 to 2019. Currently, Mr Kho is an Executive Director at Castell Logistics Pte Ltd, a third-party logistics service provider and Vice-Chairman of Roadbull Logistics Pte Ltd, a last mile delivery and fulfilment company. Previously, he was 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 as Consultant at Deloitte & Touche LLP and IPC Group, LLC, both in financial advisory. 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 from Indiana University, and Graduate Certificate in International Arbitration from National University of Singapore, Law.



Key Management

◇ **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 of Moh Seng.

◇ **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 SECRETARIES

Wee Woon Hong, LLB (HONS)

Srikanth Rayaprolu, ACIS

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

RT LLP

1 Raffles Place

#17-02 One Raffles Place

Singapore 048616

Partner-in-charge: Ravinthran Arumugam

(since financial year ended 30 April 2020)

SPONSOR

United Overseas Bank Limited

80 Raffles Place

UOB Plaza

Singapore 048624

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 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 revised 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 FY2020, the Company has substantially complied with the principles and provisions of the Code. Where there are deviations from the recommendations 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.

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 practicable after the relevant facts have come to their knowledge. Any Director who has a conflict of interest which is likely to impact his/her independence or conflict with a subject under discussion by the Board is required to immediately declare his/her interest to the Board and recuse himself/herself 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 the CEO 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.

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.

During FY2020, 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.

Report of Corporate Governance

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; 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 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 attendance at such meeting 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 FY2020 are disclosed as follows:

Name of Director	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mdm Ng Chui Hwa	2	2	2*	2*	1*	1*	1*	1*
Mr Yap Chin Hock	2	2	2*	2*	1*	1*	1*	1*
Mr Tan Jia Hui Clarence	2	2	2*	2*	1	1	1*	1*
Mr Lim Kee Way Irwin	2	2	2	2	1	1	1	1
Mr Lau Yan Wai	2	2	2	2	1	1	1	1
Mr Crane Charoenratchadej**	2	1	2	1	1	1	1	1
Mr Kho Kewee***	-	-	-	-	-	-	-	-

Notes:

* Attended the meetings by invitation.

** Resigned on 2 January 2020.

*** Appointed on 2 January 2020.

Although Mr Lim Kee Way Irwin and Mr Lau Yan Wai have more than one board representation, the NC has considered and is satisfied that each of them is able to and has adequately carried out his duties as a Director of the Company for FY2020, given that only Mr Lau Yan Wai currently holds more than 1 directorship in other listed companies and the Directors have confirmed that they can contribute, and have contributed sufficient time and effort to discharge their duties in the best interests of the Group.

Report of Corporate Governance

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 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 updates.

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.

Report of Corporate Governance

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.

At least one of the Company Secretaries and/or his/her representatives attends all Board and Board Committee meetings. Together with the Management, the Company Secretaries are responsible for ensuring that appropriate procedures are followed and that the requirements of the Companies Act (Chapter 50) 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 Secretaries is a matter for the Board as a whole.

Changes to regulations and accounting standards are closely monitored by the Management. The Directors are briefed either during Board and Board Committee meetings, by the Company Secretaries 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 CEO)

Report of Corporate Governance

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 FY2020.

As there are 3 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. The Independent Directors have confirmed that they do not have any 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 Directors' independent business judgement in the best interests of the Group. In this regard, the NC is of the view that Mr Lim Kee Way Irwin, Mr Lau Yan Wai and Mr Kho Kewee are independent. None of the Independent Directors have served on the Board for more than 9 years.

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.

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 3 Independent Directors representing half of the Board. Nonetheless, the Board is cognizant of the requirement that Independent Directors shall make up a majority of the Board where the Chairman is not independent by 1 January 2022. The NC and the Board will keep this matter under regular review, and will make such changes as are necessary to further enhance the standard of corporate governance. In addition, the Board has appointed Mr Lim Kee Way Irwin as the Lead Independent Director. The NC is satisfied that the Board has substantial independent elements to ensure that objective judgement is exercised on corporate affairs.

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Provision 2.3

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

As at the date of this report, the Board has 3 Non-Executive and Independent Directors representing half of the Board. The Board is cognizant of the requirement that Non-Executive Directors shall make up a majority of the Board. Although the non-executive and independent directors are not in majority, the Board has always discussed important issues robustly and been able to reach consensus on major decisions as a whole. 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. The NC and the Board 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.

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Provision 2.5

Non-executive directors and/or independent directors, led by the independent chairman or other independent directors 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, CEO 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 CEO

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 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 Secretaries). Mdm Ng Chui Hwa ensures that all Board members are provided with complete, adequate and timely information.

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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 4 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 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 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 is responsible for the re-nomination of the Directors. In the nomination and selection process for appointment or re-appointment, the NC identifies the candidates and reviews the nominations based on the following criteria:

- (i) at least half of the Directors shall be Independent Directors and a majority of the Board shall be Non-Executive Directors; and

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- (ii) 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.

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. 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 Mr Yap Chin Hock and Mr Lim Kee Way Irwin, the NC recommended to the Board that they be nominated for re-election at the forthcoming AGM. Mr Yap Chin Hock will, upon re-election as a Director, remain as the Executive Director and CEO. Mr Lim Kee Way Irwin will, upon re-election as a Director, remain as the Lead Independent Director, Chairman of the AC and a member of the NC and RC. Please refer to pages 135 to 142 of this annual report for further information on Mr Yap Chin Hock and Mr Lim Kee Way Irwin.

Pursuant to the Constitution, any new Director so appointed by the Directors shall hold office until the next AGM and shall be eligible for re-election. The NC has recommended to the Board that Mr Kho Kewee be nominated for re-election at the forthcoming AGM pursuant to Regulation 117 of the Constitution. Mr Kho Kewee will, upon re-election as a Director, remain as Independent Director and a member of the AC, NC and RC. Please refer to pages 135 to 142 of this annual report for further information on 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.

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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 in Provision 2.1 in relation to the NC's review of Director's independence.

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 director of a listed issuer as prescribed by the SGX-ST within 1 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 dates of appointment and directorships of the Directors in other listed companies are set out below:

Name of Director	Date of Appointment	Last Re-Election Date	Directorships and Chairmanships in Other Listed Companies	
			Present	Last 3 Years
Mdm Ng Chui Hwa	7 October 2014	29 August 2018	–	–
Mr Yap Chin Hock	21 May 2014	29 August 2017	–	–
Mr Tan Jia Hui Clarence	10 March 2017	28 August 2019	–	–
Mr Lim Kee Way Irwin	7 October 2014	29 August 2018	GS Holdings Limited	Lifebrandz Ltd
Mr Lau Yan Wai	7 October 2014	28 August 2019	Datapulse Technology Limited Sen Yue Holdings Limited	–
Mr Kho Kewee	2 January 2020	Not Applicable	–	Lee Metal Group Ltd Courts Asia Limited

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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 Board, the Board Committees and individual Director’s performance is 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:

- a. Board composition;
- b. Board information;
- c. Board process and accountability;
- d. standards of conduct; and
- e. Board Committee performance in relation to discharging their responsibilities set out in their respective terms of reference.

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;

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- 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 FY2020.

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.

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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 ("**ESAS**") was approved and adopted by Shareholders at an extraordinary general meeting of the Company held on 28 August 2015. 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 Group employees and the Executive Directors 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 12 August 2015 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.

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)

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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 FY2020, 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.

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 3 years with effect from the respective commencement date. Upon the expiry of the initial period of 3 years, the employment of each of the Executives shall be automatically renewed for a further period of 3 years on such terms and conditions as the parties may agree. Either party may terminate the service agreement at any time by giving to the other party not less than 6 months' notice in writing, or in lieu of notice, payment of an amount equivalent to 6 months' salary based on each Executive's last drawn monthly salary. Based on the terms of their respective service agreements, the Executives are entitled to a basic monthly salary, an annual fixed bonus of 1 month's basic salary

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as well as a discretionary bonus. Mr Yap Chin Hock is also entitled to receive 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 FY2020, the Executives have volunteered to forgo their respective fixed bonus of 1 month's basic salary.

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

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.

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 FY2020 to attain the following key objectives:

- a) to reflect the increased scope of responsibilities in view of the regulatory changes and increase in business complexity; and
- b) 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.

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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.**

The level and mix of the Directors' remuneration for FY2020 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'				Total (%)
	Fees ¹ (%)	Salary ² (%)	Bonus (%)	Benefits ³ (%)	
S\$250,001 – S\$500,000					
Mdm Ng Chui Hwa	–	91	–	9	100
Mr Yap Chin Hock	–	94	–	6	100
Mr Tan Jia Hui Clarence	–	98	–	2	100
Below or equal to S\$250,000					
Mr Lim Kee Way Irwin	100	–	–	–	100
Mr Lau Yan Wai	100	–	–	–	100
Mr Crane Charoenratchadej ⁴	100	–	–	–	100
Mr Kho Kewee ⁵	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.
- 4 Resigned on 2 January 2020.
- 5 Appointed on 2 January 2020.

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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 FY2020 are set out below:

Name of Key Management Personnel	Salary¹ (%)	Bonus (%)	Benefits² (%)	Total (%)
S\$250,001 to S\$500,000				
Mr Yap Sian Lay	98	–	2	100
Below or equal to S\$250,000				
Ms Lee Nguk Fong	81	–	19	100

Notes:

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

Mr Yap Sian Lay is the spouse of Mdm Ng Chui Hwa, and is 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 FY2020 amounted to approximately S\$366,000.

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 FY2020.

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.

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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 FY2020, the RC is of the view that the performance condition was not met.

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, a substantial Shareholder, is the spouse of Mdm Ng Chui Hwa, and is 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 a Director or the CEO or substantial Shareholder, whose remuneration exceeded S\$100,000 during FY2020.

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 remuneration details of Directors and key management personnel of the Company.

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In 2015, 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 (“**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 FY2020, no performance target was established pursuant to the ESAS and therefore no ESAS award was awarded.

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.

Report of Corporate Governance

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 2020.

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 assurance from the Executive Director and CEO and the Financial Controller that:

- (a) the financial records of the Group have been properly maintained and the financial statements for FY2020 give a true and fair view of the Group's operations and finances and are in accordance with the relevant accounting standards; and
- (b) the Group's internal controls (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;**

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- (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;**
- (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 3 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;

Report of Corporate Governance

- 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;
- 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 Catalist 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 FY2020 are as follows:

Audit fees	:	S\$53,500
Non-audit fees	:	–
Total	:	S\$53,500

Report of Corporate Governance

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, RT LLP (“RT”), to the Group for FY2020. The AC is of the opinion that RT is suitable for re-appointment and has accordingly recommended to the Board that RT 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 Catalist 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.

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, 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. No concerns involving possible corporate improprieties were brought to the attention of the AC in FY2020.

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, Lead Independent Director)
Mr Lau Yan Wai	(Member, 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 2 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.

Report of Corporate Governance

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.

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 20 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.

Report of Corporate Governance

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.

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 sensitive information is publicly released as soon as is practicable as required by the Catalist Rules. Price-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 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.

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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 Catalist 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.

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 issue. “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.

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 2 proxies to vote and attend general meetings on his behalf. In line with the amendments to the Companies Act, Chapter 50 of Singapore, corporate shareholders of the Company who provide nominee or custodial services to third parties are allowed to appoint more than 2 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.

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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 will publish 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. The Board has not recommended any dividend for FY2020 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.

Report of Corporate Governance

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, and any material updates or announcements are released on SGXNET on an ad hoc 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.

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.

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.

Report of Corporate Governance

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 the sustainability report, which will be announced by 30 September 2020 in relation to the management of stakeholder relationships during FY2020.

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 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 1 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 FY2020.

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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 FY2020 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, United Overseas Bank Limited for FY2020.

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 and 2019
- Children-In-Need Programme organised by the Singapore Children's Society in 2012, 2013, 2014, 2015, 2017 and 2019
- Down Syndrome Association in 2015, 2016, 2017 and 2019
- 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

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SUSTAINABILITY REPORTING

The Company will publish its sustainability report for FY2020 by 30 September 2020, 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 utilised as follows:

Use of proceeds	Amount allocated pursuant to the re-allocation (\$'000)	Amount utilised as at the date of this annual report (\$'000)	Balance of net proceeds as at the date of this annual report (\$'000)
Business expansion	132	132	–
General working capital ⁽¹⁾	3,673	1,522	2,151
Total	3,805	1,654	2,151

(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 Company's announcement dated 3 April 2020.

Directors' Statement

The directors present their statement to the members together with the audited consolidated financial statements of MS Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 April 2020.

Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly 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 2020 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended; 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.

Directors

The directors of the Company in office at the date of this statement are:

Ng Chui Hwa
Yap Chin Hock
Tan Jia Hui Clarence
Lim Kee Way Irwin
Lau Yan Wai
Kho Kewee – Appointed on 2 January 2020

In accordance with Regulation 107 and 117 of the Company's Constitution, Yap Chin Hock, Lim Kee Way Irwin and Kho Kewee would be retiring and being eligible, offer themselves for re-election at the forthcoming AGM for the financial year ended 30 April 2020.

Arrangements to enable directors to acquire shares and debentures

Except as disclosed below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' Statement

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), an interest in shares of the Company and related corporations as stated below:

Name of director	Direct interest		Deemed interest (Other than wholly-owned subsidiaries)	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares of the Company				
Ng Chui Hwa	–	–	138,240,000	138,240,000
Yap Chin Hock	4,200,000	5,500,000	138,240,000	138,240,000
Tan Jia Hui Clarence	–	–	1,000,000	1,000,000
Warrants of the Company				
Ng Chui Hwa	–	–	15,360,000	15,360,000
Yap Chin Hock	–	–	15,360,000	15,360,000
Tan Jia Hui Clarence	–	–	–	–

There was no change in any of the above-mentioned directors' interests in the shares and options of the Company between the end of the financial year and 21 May 2020.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of financial year, or date of appointment if later, or at the end of the financial year.

Share options

At an Extraordinary General Meeting held on 28 August 2015, shareholders approved the Employee Share Award Scheme ("ESAS") for Group Employees and Group Executive Directors, who have met Performance Target(s) to be remunerated not just through cash bonuses but also by an equity stake in the Company. The ESAS is also extended to the Group Non-Executive Directors.

Since the commencement of the ESAS till the end of the financial year:

- No award has been granted to the directors of the Company.
- No award has been granted to the controlling shareholders of the Company and their associates.
- No participant has received 5% or more of the total awards available under the ESAS.
- No award has been granted to directors and employees of the holding company and its subsidiaries.

Directors' Statement

Audit committee

The audit committee ("AC") carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, Chapter 50, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;
- Reviewed the half yearly announcement and the annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors;
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- Reviewed the nature and extent of non-audit services provided by the external auditor;
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual Section B: Rules of Catalyst.

There is no non-audit service provided by the external auditors for the financial year. As such, in the AC's opinion, the external auditors remain independent. The AC has also conducted a review of interested person transactions.

The AC convened two meetings during the year. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report of Corporate Governance.

Directors' Statement

Independent auditor

The independent auditor, RT LLP have expressed their willingness to accept re-appointment as auditor of the Company.

On behalf of the board of directors,

Yap Chin Hock
Director

Ng Chui Hwa
Director

17 September 2020

Independent Auditor's Report

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

Independent Auditor's Report to the Members of MS Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MS Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 30 April 2020, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (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 the financial position of the Company as at 30 April 2020 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's 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* ("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.

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 period. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

Independent Auditor's Report

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

Independent Auditor's Report to the Members of MS Holdings Limited (Continued)

Key Audit Matters (Continued)

Impairment assessment of certain cranes included within property, plant and equipment ("PPE") (Refer to Note 11 of the financial statements)	
Key Audit Matter	How the matter was addressed in the audit
<p>The Group has cranes with aggregate carrying amount at \$29.9 million (net of impairment) as at 30 April 2020 belonging to two cash-generating units ("CGUs") as follows:-</p> <ul style="list-style-type: none"> • Those with lifting capacity less than 500 tonnes ("$<500T$"); and • Those with lifting capacity more than or equal to 500 tonnes ("$\geq 500T$") <p>In light of the COVID-19 pandemic, the Group's significant reduction in its capacity has led to a deterioration of its profits. Additionally, the Group's net assets value exceeded its market capitalisation as at 30 April 2020. Management has determined that these events are indicators that the CGUs may be impaired.</p> <p>The COVID-19 pandemic has resulted in a significant amount of economic uncertainty in the current and future economic environment in which the Group operates. The duration and severity of the crisis is dependent on events which are continuously unfolding and are beyond the control of the Group. As a result, there is a high degree of estimation uncertainty inherent in estimating the duration and severity of the economic downturn caused by the COVID-19 pandemic, and the pattern of any expected recovery. As a result, the estimates and assumptions used in the cashflow projections which form the basis of the recoverable amounts attributable to the CGUs require significant judgement. These judgements require estimates to be made over areas including those relating to future revenues, operating costs, growth rates and discount rate for the CGUs.</p> <p>We considered this to be a key audit matter as PPE is a significant component of the Group's assets and impairment assessment of PPE is highly judgmental and involves significant estimation by management.</p>	<p>Our audit procedures focused on evaluating and assessing the key assumptions and methodology used by the Group to determine the recoverable amount of those cranes. These procedures include:</p> <ul style="list-style-type: none"> • Held discussion with the management to understand the basis of the assumptions used in forming the estimates underpinning the assessment of the recoverable amount of the CGUs. These estimates include those relating to future revenues, operating costs, growth rates and discount rate; • Challenged management's estimates based on our knowledge of the business and our understanding of different possible recovery scenarios based on the degree of sensitivity of the scenarios; • Compared management's forecasted performance for FY 2021 against May 2020 and June 2020 actual performance extrapolated to 12 months; • Re-computed discount rates and re-assessed the discount rates used by management; • Performed sensitivity test on key assumptions used against possible changes in key assumptions and estimates; • Assessed the arithmetical accuracy of the computation used in assessing the recoverable amount of the CGUs; • Obtained the approved Board Memo on management's estimates.

Independent Auditor's Report

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

Independent Auditor's Report to the Members of MS Holdings Limited (Continued)

Key Audit Matters (Continued)

Valuation of trade receivables (Refer to Note 15 and 28 of the financial statements)	
Key Audit Matter	How the matter was addressed in the audit
<p>As at 30 April 2020, the Group's trade receivables amount to \$4.6 million (2019: \$5.9 million) and the allowance for impairment of trade receivables as at 30 April 2020 amounted to \$263,656 (2019: \$108,751).</p> <p>Management uses a provision matrix to calculate the expected credit loss ("ECL") for trade receivables. Management categorises its debtors into 5 broad categories of industry and applies a percentage on these categories to derive the ECL.</p> <p>Management also considers if specific allowance on specific receivables should be made by reference to the current financial conditions of the customers, payment history and records, and nature of disputes, if any, with the customers.</p> <p>The percentage assigned to these categories of industry is based on management's judgement and estimation with respect to management's past experience and their industry knowledge.</p> <p>The Group will calibrate the percentage for these categories of industry to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.</p> <p>Upon adoption of SFRS(I) 9, the Group did not recognise any additional impairment on the Group's trade receivables as the computed ECL is deemed immaterial by the Group.</p> <p>We considered this to be a key audit matter as the impairment allowance as well as ECL computation is highly judgmental and involves significant estimation by management.</p>	<p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> Evaluate management's assessment of recoverability of the trade receivables by reviewing the debtors' aging, checking for subsequent receipt and analyzing the payment history of debtors with long outstanding receivables; Review management's ECL assessment on trade receivables using the historical loss rate adjusted for forward-looking information; Consider the adequacy of the Group's disclosures on the trade receivables and the related risks such as credit risk and liquidity risk in Note 28 to the financial statements.

Independent Auditor's Report

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

Independent Auditor's Report to the Members of MS Holdings Limited (Continued)

Information Other than Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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 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, 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 a 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.

Auditor's 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 auditor's 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 SSAs 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 Auditor's Report

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

Independent Auditor's Report to the Members of MS Holdings Limited (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism 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 auditor's 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 auditor's 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 Auditor's Report

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

Independent Auditor's Report to the Members of MS Holdings Limited (Continued)

Auditor's 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 auditor's 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 of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ravinthran Arumugam.

RT LLP

Public Accountants and
Chartered Accountants
Singapore

17 September 2020

Consolidated Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

	Note	Group	
		2020 \$'000	2019 \$'000
Revenue	4	13,955	14,460
Cost of sales		(10,333)	(10,167)
Gross profit		3,622	4,293
Other income	5	1,330	800
Expenses			
Distribution expenses		(20)	(15)
General and administrative expenses		(5,052)	(3,971)
Finance costs	6	(1,133)	(1,015)
Share of results of joint venture		-	(3)
(Loss)/profit before tax	8	(1,253)	89
Income tax expenses	9	(73)	(15)
(Loss)/profit for the year		(1,326)	74
(Loss)/profit net of tax, representing total comprehensive (loss)/income attributable to:			
Owners of the Company		(1,355)	65
Non-controlling interests		29	9
(Loss)/profit net of tax, representing total comprehensive (loss)/profit for the year		(1,326)	74
(Loss)/earnings per share attributable to owners of the Company (cents per share)			
Basic and diluted	10	(0.82)	0.05

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

AS AT 30 APRIL 2020

	Note	Group		Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	50,656	50,426	12	18
Investment in subsidiaries	12	-	-	23,488	23,488
Investment securities	13	-	130	-	-
Investment in joint venture	14	-	78	-	78
		50,656	50,634	23,500	23,584
Current assets					
Trade and other receivables	15	5,192	6,349	3,887	3,743
Prepaid operating expenses		208	216	10	12
Inventories	16	35	642	-	-
Cash and bank balances	17	9,950	4,150	3,344	2,342
		15,385	11,357	7,241	6,097
Total assets		66,041	61,991	30,741	29,681
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	18	1,462	1,302	2,422	1,143
Accrued operating expenses		547	497	169	160
Interest-bearing loans and borrowings	19	15,304	11,851	-	-
Provision for taxation		18	54	11	8
		17,331	13,704	2,602	1,311
Non-current liabilities					
Interest-bearing loans and borrowings	19	20,554	18,957	-	-
Deferred tax liabilities	22	1,795	1,643	2	3
Provision for reinstatement cost		700	700	-	-
		23,049	21,300	2	3
Total liabilities		40,380	35,004	2,604	1,314
Net assets		25,661	26,987	28,137	28,367
Equity attributable to owners of the Company					
Share capital	23	29,334	29,334	29,334	29,334
Merger reserve		(19,728)	(19,728)	-	-
Retained earnings/ (accumulated losses)		15,968	17,323	(1,197)	(967)
		25,574	26,929	28,137	28,367
Non-controlling interests		87	58	-	-
Total equity		25,661	26,987	28,137	28,367
Total equity and liabilities		66,041	61,991	30,741	29,681

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

	Attributable to the owners of the Company				Non-controlling interests \$'000	Total equity \$'000
	Share capital (Note 23) \$'000	Merger reserve \$'000	Retained earnings \$'000	Total \$'000		
	Group					
At 1 May 2018	25,564	(19,728)	17,258	23,094	–	23,094
Issuance of ordinary shares pursuant to the rights cum warrants issue	3,955	–	–	3,955	–	3,955
Share issuance expense	(185)	–	–	(185)	–	(185)
Capital contribution by non-controlling interests	–	–	–	–	49	49
Profit for the year, representing total comprehensive income for the year	–	–	65	65	9	74
At 30 April 2019 and 1 May 2019	29,334	(19,728)	17,323	26,929	58	26,987
Loss for the year, representing total comprehensive loss for the year	–	–	(1,355)	(1,355)	29	(1,326)
At 30 April 2020	29,334	(19,728)	15,968	25,574	87	25,661

	Share capital (Note 23) \$'000	Accumulated losses \$'000	Total \$'000
Company			
At 1 May 2018	25,564	(642)	24,922
Issuance of ordinary shares pursuant to the rights cum warrants issue	3,955	–	3,955
Share issuance expense	(185)	–	(185)
Loss for the year, representing total comprehensive loss for the year	–	(325)	(325)
At 30 April 2019 and 1 May 2019	29,334	(967)	28,367
Loss for the year, representing total comprehensive loss for the year	–	(230)	(230)
At 30 April 2020	29,334	(1,197)	28,137

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

	Note	2020 \$'000	2019 \$'000
Operating activities:			
(Loss)/profit before tax		(1,253)	89
Adjustments for:			
Depreciation of property, plant and equipment	8	3,512	3,346
Plant and equipment written off	8	9	9
Bad debt written off	8	– [#]	6
(Gain)/loss on disposal of property, plant and equipment	5 & 8	(13)	23
Gain on disposal of joint venture	5	(3)	–
Share of results of joint venture	8	–	3
Impairment loss on trade receivables	8	161	59
Impairment loss on trade receivables written back	8	(6)	–
Impairment loss on investment security	8	130	–
Impairment loss on property, plant and equipment	8	857	–
Interest income	5	(11)	– [#]
Interest expense	6	1,133	1,015
Net exchange loss	8	– [#]	–
Total adjustments		5,769	4,461
Operating cash flows before changes in working capital			
		4,516	4,550
Changes in working capital:			
Decrease/(increase) in trade and other receivables		1,010	(3,397)
Decrease in prepaid operating expenses		8	6
Decrease in inventories		607	39
Increase in trade and other payables		160	440
Increase/(decrease) in accrued operating expenses		34	(305)
Total changes in working capital		1,819	(3,217)
Cash flows from operations			
		6,335	1,333
Income tax refund/(paid)		43	(99)
Interest paid		(1,117)	(997)
Net cash flows generated from operating activities			
		5,261	237
Investing activities:			
Capital contribution by non-controlling interests		–	49
Investment in joint venture		–	(81)
Purchase of property, plant and equipment	A	(669)	(419)
Proceeds from disposal of property, plant and equipment		15	114
Proceeds from disposal of joint venture		81	–
Purchase of investment securities (unquoted)		–	(16)
Interest income		3	– [#]
Net cash flows used in investing activities			
		(570)	(353)

–[#] Amount less than \$1,000

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

	Note	2020 \$'000	2019 \$'000
Financing activities:			
Proceeds from rights cum warrants issue		-	3,955
Share issuance expense		-	(185)
Proceeds from bank borrowings		6,987	9,500
Repayments of bank borrowings		(2,429)	(5,827)
Repayments of bank borrowing for leasehold land and building		(480)	-
Payments of principal portion of lease liabilities		(2,969)	(4,862)
Financing cash flows related to liabilities	19	1,109	(1,189)
Net cash flows generated from financing activities		1,109	2,581
Net increase in cash and cash equivalents		5,800	2,465
Cash and cash equivalents at 1 May		4,150	1,685
Cash and cash equivalents at 30 April	17	9,950	4,150

Notes to the consolidated statement of cash flows

A. Purchase of property, plant and equipment

	2020 \$'000	2019 \$'000
Current year additions to property, plant and equipment (Note 11)	1,130	527
Less:		
Increase in lease liabilities (2019: obligations under finance leases)	(461)	(108)
Net cash outflow for purchase of property, plant and equipment	669	419

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

1. Corporate information

1.1 The Company

MS Holdings Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalyst Board of Singapore Exchange Securities Trading Limited on 7 November 2014. The immediate and ultimate holding company is Loke Investments Pte. Ltd..

The registered office and principal place of business of the Company 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 12 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The financial statements are presented in Singapore Dollars (SGD or \$) and all values in the tables are rounded to the nearest thousand (\$’000), except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 May 2019.

SFRS(I) 16 Leases

SFRS(I) 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of SFRS(I) 16 on the Group’s consolidated financial statements is described below.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

2. Summary of significant accounting policies (Continued)

2.2 Changes in accounting policies (Continued)

SFRS(I) 16 Leases (Continued)

The date of initial application of SFRS(I) 16 for the group is 1 May 2019.

The Group has applied SFRS(I) 16 using the modified retrospective approach without restating prior period's information and recognised amount of right-of-use asset equal to their lease liabilities as at 1 May 2019.

(a) Impact of the new definition of a lease

The Group has made use of the practical expedient available on transition to SFRS(I) 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with SFRS(I) 1-17 and SFRS(I) INT 4 will continue to be applied to those leases entered or changed before 1 May 2019.

The change in definition of a lease mainly relates to the concept of control. SFRS(I) 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in SFRS(I) 1-17 and SFRS(I) INT 4.

The Group applies the definition of a lease and related guidance set out in SFRS(I) 16 to all lease contracts entered into or modified on or after 1 May 2019 (whether it is a lessor or a lessee in the lease contract). The new definition in SFRS(I) 16 does not significantly change the scope of contracts that meet the definition of a lease for the Group.

(b) Impact on lessee accounting

Former finance leases

Under the modified retrospective method of adoption, for leases that were classified as finance leases applying SFRS(I) 1-17, the carrying amount of the right-of-use asset and the lease liability at the date of initial application is the carrying amount of the lease asset and lease liability immediately before that date measured applying SFRS(I) 1-17.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

2. Summary of significant accounting policies (Continued)

2.2 Changes in accounting policies (Continued)

SFRS(I) 16 Leases (Continued)

(b) Impact on lessee accounting (Continued)

Former operating leases

SFRS(I) 16 changes how the Group accounts for leases previously classified as operating leases under SFRS(I) 1-17, which were off-balance-sheet.

Applying SFRS(I) 16, for all leases, the Group:

- (a) Recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the remaining lease payments, with the right-of-use assets amount equal to the lease liabilities at the date of initial application;
- (b) Recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of comprehensive income; and
- (c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated statement of cash flows.

Under SFRS(I) 16, right-of-use assets are tested for impairment in accordance with SFRS 1-36 *Impairment of Assets*.

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Group has opted to recognise a lease expense on a straight-line basis as permitted by SFRS(I) 16. This expense is presented within cost of sales in the consolidated statement of comprehensive income.

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying SFRS(I) 1-17.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.
- The Group has elected not to recognise right-of-use assets and lease liabilities to leases for which the underlying asset is of low value (low-value assets) of the date of initial application.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

2. Summary of significant accounting policies (Continued)

2.2 Changes in accounting policies (Continued)

SFRS(I) 16 Leases (Continued)

(c) Impact on lessor accounting

SFRS(I) 16 does not change substantially how a lessor accounts for leases. Under SFRS(I) 16, a lessor continues to classify leases as operating leases.

(d) Financial impact of initial application of SFRS(I) 16

The weighted average lessee's incremental borrowing rate applied to the lease liabilities recognised in the statement of financial position on 1 May 2019 is 3.7%.

The following table shows the operating lease commitments disclosed applying SFRS(I) 1-17 at 30 April 2019, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the statement of financial position at the date of initial application.

	2019 \$'000
Operating lease commitments at 30 April 2019	5,279
Less: Short-term leases and leases of low value assets	(190)
Less: Effect of discounting the above amounts	(1,609)
Add: Commitments relating to leases previously classified as finance leases	6,942
Add: Commitments relating to leases previously classified as bank borrowing	9,092
Lease liabilities recognised at 1 May 2019	19,514

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

2. Summary of significant accounting policies (Continued)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 3 <i>Business Combinations: Definition of a Business</i>	1 January 2020
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements and SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material</i>	1 January 2020
Amendments to References to the Conceptual Framework in SFRS(I) Standards	1 January 2020
Amendments to SFRS(I) 16 <i>Covid-19-Related Rent Concessions</i>	1 June 2020
Amendments to SFRS(I) 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to SFRS(I) 1-16 <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37 <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

2. Summary of significant accounting policies (Continued)

2.4 Basis of consolidation and business combinations (Continued)

(a) Basis of consolidation (Continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interests;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations and goodwill

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.
- The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

2. Summary of significant accounting policies (Continued)

2.4 Basis of consolidation and business combinations (Continued)

(b) Business combinations and goodwill (Continued)

Business combinations involving entities not under common control are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interests in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

2. Summary of significant accounting policies (Continued)

2.5 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the subsidiaries is also Singapore Dollars.

Transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and its subsidiaries and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.6 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.7 Joint venture

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

2. Summary of significant accounting policies (Continued)

2.7 *Joint venture* (Continued)

The Group account for its investments in joint ventures using the equity method from the date on which it becomes joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in joint ventures are carried in the statements of financial position at cost plus post-acquisition changes in the Group's share of net results of the operations of the joint ventures. Distributions received from joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in the joint ventures.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.8 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

2. Summary of significant accounting policies (Continued)

2.8 *Property, plant and equipment* (Continued)

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	<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

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 residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.9 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

2. Summary of significant accounting policies (Continued)

2.9 Impairment of non-financial assets (Continued)

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.10 Financial instruments

(a) Financial assets

Classification and measurement

Financial assets are classified in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

Initial recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

2. Summary of significant accounting policies (Continued)

2.10 *Financial instruments* (Continued)

(a) *Financial assets* (Continued)

Subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise cash and cash equivalents and trade and other receivables.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, Fair value through other comprehensive income ("FVOCI") and Fair value through profit or loss ("FVPL"). The Group only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains and losses", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

2. Summary of significant accounting policies (Continued)

2.10 *Financial instruments* (Continued)

(a) *Financial assets* (Continued)

Recognition and derecognition (Continued)

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

The Group has not designated any financial liability upon initial recognition as fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

2. Summary of significant accounting policies (Continued)

2.11 *Impairment of financial assets*

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 28 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.12 *Cash and cash equivalents*

Cash and cash equivalents comprise unpledged bank deposit and cash at bank and on hand which are subject to an insignificant risk of changes in value.

2.13 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for based on specific identification basis. Cost comprises all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.14 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

2. Summary of significant accounting policies (Continued)

2.15 *Employee benefits*

(a) *Defined contribution plans*

The Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the reporting period is recognised for services rendered by employees up to the end of the reporting period.

2.16 *Leases*

Leases (Before 1 May 2019)

Leases – Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(a) *The Group as lessee*

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

2. Summary of significant accounting policies (Continued)

2.16 Leases (Continued)

Leases (Before 1 May 2019) (Continued)

(b) **The Group as lessor**

Rental income from operating leases is recognised 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 use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Leases (From 1 May 2019)

(a) **The Group as lessee**

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various internal financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprises fixed lease payments. The lease liability is included in interest-bearing loans and borrowings (Note 19).

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

2. Summary of significant accounting policies (Continued)

2.16 Leases (Continued)

Leases (From 1 May 2019) (Continued)

(a) **The Group as lessee** (Continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability. They are subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the lease term of the underlying asset. The depreciation starts at the date of initial application of SFRS(I) 16.

The right-of-use assets are presented within property, plant and equipment in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.9.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

2. Summary of significant accounting policies (Continued)

2.16 Leases (Continued)

Leases (From 1 May 2019) (Continued)

(b) **The Group as lessor**

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.17 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.18 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

2. Summary of significant accounting policies (Continued)

2.19 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) **Rental income**

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

(b) **Trading income**

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods are often sold with a right of return.

The amount of revenue recognised is based on the transaction price, which comprises the contractual price, adjusted for expected returns. Based on the Company's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(c) **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).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

2. Summary of significant accounting policies (Continued)

2.20 Taxes

(a) **Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) **Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and associate, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and associate, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

2. Summary of significant accounting policies (Continued)

2.20 Taxes (Continued)

(b) **Deferred tax** (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) **Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax except:

- Where the goods and services tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the goods and services tax is recognised as part of the 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 goods and services tax included.

The net amount of goods and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.21 **Share capital and share issuance expenses**

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

2. Summary of significant accounting policies (Continued)

2.22 *Contingent liabilities*

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.

Contingent liabilities 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 values can be reliably determined.

2.23 *Government grants*

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 *Judgements made in applying accounting policies*

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determination of inventories classification

Management determines on a periodic basis if the cranes would be held for rental to others or traded in the course of its ordinary activities. Cranes that held for rental to others are transferred to inventories at their carrying amount when they cease to be rented and becomes held for sale. The proceeds from the sale of such assets are recognised as revenue. The carrying amount of the Group's inventories as at 30 April 2020 is \$35,000 (2019: \$642,000). The Group's inventories are disclosed in Note 16 to the financial statements.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

3. Significant accounting judgements and estimates (Continued)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) **Impairment of property, plant and equipment**

In light of the COVID-19 pandemic, the Group's significant reduction in its capacity has led to a deterioration of its profits. Additionally, the Group's net assets value exceeded its market capitalisation as at 30 April 2020. The Group performs an impairment assessment using the management's subjective and complex judgements regarding future market and economic conditions, as well as on assumptions used in the impairment assessment.

The recoverable amounts of certain of the Group's property, plant and equipment are estimated based on value-in-use ("VIU") calculations. Where VIU method is used, cash flow forecasts are prepared by the management to assess the recoverable amounts of these property, plant and equipment using projected revenue growth rate and weighted-average cost of capital that represent the effective cost of borrowings. Based on the assessment, there was an impairment loss of \$857,000 (2019: Nil) recognised during the year. The information about the impairment on the Group's property, plant and equipment is disclosed in Note 11.

(b) **Expected credit loss of trade receivables**

The Group establishes an allowance for impairment that represents its estimate of ECL in respect of loans and receivables. The provision rates used are based on days past due for groupings of industry of debtors. Debtors are grouped according to their industry namely Construction, Cranes, Marine, Oil and Gas and others.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECL on the Group's trade receivables is disclosed in Note 28.

The carrying amount of the Group's trade receivables as at 30 April 2020 is disclosed in Note 15.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

3. Significant accounting judgements and estimates (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(c) Taxes

Significant judgement is involved in determining the Group's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be 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 tax payables as at 30 April 2020 is \$18,000 (2019: \$54,000). The Group's deferred tax liabilities are disclosed in Note 22 to the financial statements.

4. Revenue

	Group 2020			Total \$'000
	Leasing \$'000	Trading \$'000	Project management \$'000	
Type of good or service:				
Rental income	13,092	-	-	13,092
Trading income	-	94	-	94
Rendering of services	769	-	-	769
	13,861	94	-	13,955
Geographical location:				
Singapore	13,861	94	-	13,955
Timing of transfer of goods or services:				
At a point in time	13,861	94	-	13,955
	Group 2019			Total \$'000
	Leasing \$'000	Trading \$'000	Project management \$'000	
Type of good or service:				
Rental income	14,128	-	-	14,128
Trading income	-	192	-	192
Rendering of services	111	-	29	140
	14,239	192	29	14,460
Geographical location:				
Singapore	14,239	192	29	14,460
Timing of transfer of goods or services:				
At a point in time	14,239	192	-	14,431
Over time	-	-	29	29
	14,239	192	29	14,460

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

4. Revenue (Continued)

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including the related revenue recognition policies:

Rental income

Nature of goods or services	Revenue from hiring of mobile cranes and lorry cranes
When revenue is recognised	Rental income arising from hiring of mobile cranes and lorry cranes is recognised upon completion of services

Trading income

Nature of goods or services	Revenue from sale of cranes and related equipment
When revenue is recognised	Revenue is recognised when the goods are delivered

Rendering of services

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

5. Other income

	Group	
	2020	2019
	\$'000	\$'000
Rental income from subleased leasehold land and buildings	503	496
Service income	259	206
Interest income	11	– [#]
Gain on disposal of property, plant and equipment	13	–
Gain on disposal of joint venture	3	–
Insurance claim	–	15
Government grants/incentives	497	29
Realised foreign exchange gain	–[#]	–
Miscellaneous income	44	54
	<u>1,330</u>	<u>800</u>

–[#] Amount less than \$1,000

Rental income arising from leasehold properties and right-of-use assets is accounted for on a straight-line basis over the lease terms.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

6. Finance costs

	Group	
	2020 \$'000	2019 \$'000
Interest expense on:		
– Obligations under finance leases	–	323
– Bank borrowings	572	692
– Bank borrowing for leasehold land and buildings	225	–
– Lease liabilities	336	–
	1,133	1,015

7. Employee benefits

	Group	
	2020 \$'000	2019 \$'000
Employee benefits expense (including directors):		
Directors of the Company – fee and remuneration	1,057	997
Salaries and bonuses	3,873	4,149
Central Provident Fund contributions	754	738
Other short-term benefits	81	10
	5,765	5,894

8. (Loss)/profit before tax

The following items have been included in arriving at (loss)/profit before tax:

	Group	
	2020 \$'000	2019 \$'000
Audit fees:		
– Auditors of the Company	54	50
– Other auditors of the Company	8	11
Depreciation of property, plant and equipment (Note 11)	3,512	3,346
Loss on disposal of property, plant and equipment	–	23
Property, plant and equipment written off	9	9
Share of results of joint venture	–	3
Impairment loss on trade receivables	161	59
Impairment loss on trade receivables written back	(6)	–
Bad debt written off	– [#]	6
Realised foreign exchange loss	– [#]	–
Impairment loss on investment security	130	–
Impairment loss on property, plant and equipment (Note 11)	857	–
Employee benefits (Note 7)	5,765	5,894
Lease expenses (Note 21(c))	276	532

–[#] Amount less than \$1,000

There is no non-audit fee paid to the auditors of the Group for the financial year ended 30 April 2020.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

9. Income tax expenses

Major components of income tax expenses

The major components of income tax expenses for the financial years ended 30 April are:

	Group	
	2020 \$'000	2019 \$'000
Current income tax		
– Current income taxation	13	35
– Over provision in respect of previous years	(92)	(191)
	<u>(79)</u>	<u>(156)</u>
Deferred income tax		
– Origination of temporary differences	102	59
– Under provision in respect of previous years	50	112
	<u>152</u>	<u>171</u>
Income tax expenses recognised in profit or loss	<u>73</u>	<u>15</u>

Relationship between tax expenses and accounting (loss)/profit

A reconciliation between tax expenses and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the financial years ended 30 April 2020 and 2019 are as follows:

	Group	
	2020 \$'000	2019 \$'000
(Loss)/profit before tax	<u>(1,253)</u>	89
Tax at statutory income tax rate of 17% (2019: 17%)	(213)	15
Adjustments:		
Non-deductible expenses	389	615
Tax-exempt income	(15)	–
Tax incentives	(31)	(566)
Over provision of current tax in respect of previous years	(92)	(191)
Under provision of deferred tax in respect of previous years	50	112
Utilisation of tax benefits previously not recognised	(15)	–
Others	–#	30
Income tax expenses recognised in profit or loss	<u>73</u>	<u>15</u>

–# Amount less than \$1,000

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

10. (Loss)/earnings per share

The basic and diluted (loss)/earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year. The Company did not hold any dilutive potential ordinary shares during the financial year (2019: Nil).

The following tables reflect the statement of comprehensive income and share data used in the computation of basic and diluted (loss)/earnings per share for the years ended 30 April.

	Group	
	2020 \$'000	2019 \$'000
(Loss)/profit for the year attributable to owners of the Company	<u>(1,355)</u>	<u>65</u>
Weighted average number of ordinary shares for basic and diluted earnings per share computation ('000)	<u>165,789</u>	<u>137,991</u>
(Loss)/earnings per share attributable to owners of the Company (cents per share)		
– Basic and diluted	<u>(0.82)</u>	<u>0.05</u>

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

11. Property, plant and equipment

	Leasehold land and buildings \$'000	Furniture and fittings and office equipment \$'000	Cranes and motor vehicles \$'000	Plant and machinery \$'000	Renovation \$'000	Total \$'000
Group						
Cost:						
At 1 May 2018	20,460	503	52,058	696	526	74,243
Additions	–	35	484	–	8	527
Write-off	–	–	(10)	–	–	(10)
Disposals	–	–	(328)	–	–	(328)
At 30 April 2019 and 1 May 2019	20,460	538	52,204	696	534	74,432
Recognition of right-of-use asset on initial adoption of SFRS(I) 16	3,480	–	–	–	–	3,480
Adjusted balance at 1 May 2019	23,940	538	52,204	696	534	77,912
Additions	–	12	1,090	1	27	1,130
Write-off	–	(2)	(18)	(11)	–	(31)
Disposals	–	(14)	(47)	–	–	(61)
At 30 April 2020	23,940	534	53,229	686	561	78,950
Accumulated depreciation:						
At 1 May 2018	4,805	319	14,699	593	436	20,852
Charge for the year	680	70	2,509	66	21	3,346
Write-off	–	–	(1)	–	–	(1)
Disposals	–	–	(191)	–	–	(191)
At 30 April 2019 and 1 May 2019	5,485	389	17,016	659	457	24,006
Charge for the year	838	58	2,569	23	24	3,512
Write-off	–	(1)	(12)	(9)	–	(22)
Disposals	–	(14)	(45)	–	–	(59)
At 30 April 2020	6,323	432	19,528	673	481	27,437
Impairment:						
Impairment loss recognised in the year ended 30 April 2020 and balance at 30 April 2020	–	–	(857)	–	–	(857)
Net carrying amount:						
At 30 April 2019	14,975	149	35,188	37	77	50,426
At 30 April 2020	17,617	102	32,844	13	80	50,656

–# Amount less than \$1,000

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

11. Property, plant and equipment (Continued)

	2020 Furniture and fittings and office equipment \$'000	2019 Furniture and fittings and office equipment \$'000
Company		
Cost:		
At 1 May	35	30
Additions	–	5
At 30 April	<u>35</u>	<u>35</u>
Accumulated depreciation:		
At 1 May	17	12
Charge for the year	6	5
At 30 April	<u>23</u>	<u>17</u>
Net carrying amount	<u>12</u>	<u>18</u>

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 21(a).

Assets held under leasing arrangements

As at 30 April 2019, cranes and motor vehicles with total carrying amount of \$20,983,000 were acquired under finance leases arrangements.

During the previous financial year, the Group acquired cranes and motor vehicles with an aggregate cost of \$108,000 by means of finance leases. The cash outflow on the acquisition of property, plant and equipment in 2020 amounted to \$669,000 (2019: \$419,000).

Assets pledged as security

In addition to assets held under finance leases, the Group's leasehold properties with a carrying amount of \$14,294,000 (2019: \$14,975,000) are mortgaged to secure the Group's bank borrowings (Note 20). Certain cranes and motor vehicles with a carrying amount of \$6,112,000 (2019: 6,449,000) are pledged to secure the Group's bank borrowings (Note 20).

Impairment testing of assets

In light of the COVID-19 pandemic, the Group's significant reduction in its capacity has led to a deterioration of its profits. Additionally, the Group's net assets value exceeded its market capitalisation as at 30 April 2020. Management has determined that these events or conditions are indicators that certain cranes may be impaired. 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 a five-year period.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

11. Property, plant and equipment (Continued)

Impairment testing of assets (Continued)

Key assumptions used in the calculation of the value-in-use are as follows:

	CGUs
<i>Value-in-use assumptions:</i>	
Average growth rate in revenue	-23% to 14.9%
Terminal value growth rate	0%
Discount rate	4.7%

The cash flow projections were based on forecasts prepared by the management taking into account of past experience and existing market conditions. The discount rates applied to the cash flow projections were estimated based on weighted average cost of capital of the Group.

Sensitivity Analysis

Based on management's assessment, an impairment of $\geq 500T$ CGU amounted to \$857,000 is recognised to profit or loss as the recoverable amount is lower than its carrying amount.

In respect of $< 500T$ CGU, the estimated recoverable amount exceeded its carrying amount. Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal the recoverable amount <500T CGU
Average growth rate in revenue	-22%
Discount rate	5.5%

Based on management's assessment, no impairment is required for $< 500T$ CGU as the recoverable amount is higher than its carrying amount.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

12. Investment in subsidiaries

	Company	
	2020 \$'000	2019 \$'000
Unquoted shares, at cost	23,488	23,488

(a) Composition of the Group

The Group has the following significant investment in subsidiaries.

Name of subsidiary	Principal place of business	Principal activities	Proportion of ownership interest	
			2020 %	2019 %
Held by the Company:				
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	Project logistics management and services	100	100
Bravio Capital Pte. Ltd. ⁽¹⁾	Singapore	Investment holding and other credit agencies	100	100
Held through				
Bravio Capital Pte. Ltd.:				
Vanda Logistics Pte. Ltd. ⁽¹⁾	Singapore	Value added logistics providers and general warehousing	51	51

(1) Audited by RT LLP, Singapore.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

12. Investment in subsidiaries (Continued)

(b) Interest in subsidiaries with immaterial non-controlling interests (NCI)

The Group has the following subsidiaries that have NCI that are immaterial to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interests %	Profit allocated to NCI during the reporting period \$'000
2020			
Vanda Logistics Pte. Ltd.	Singapore	49	29
2019			
Vanda Logistics Pte. Ltd.	Singapore	49	9

13. Investment securities

The fair values of each of the investments in unquoted equity securities designated at fair value through other comprehensive income at the end of the reporting period were as follows:

	2020 \$'000	2019 \$'000
At fair value through other comprehensive income		
– Unquoted equity securities in Telepod Pte. Ltd.	–	130

During the financial year, the Group recognised an impairment loss of \$130,000 (2019: Nil) for unquoted equity securities in which the Group does not expect to recover its cost of investment.

14. Investment in joint venture

In 2019, the Company has 45% interest in the ownership and voting right in a joint venture, LZ Y Motoring Pte. Ltd.. This joint venture is incorporated in Singapore and in business of renting and leasing of motor vehicles. The Company jointly controls the venture with other partner under the contractual agreement and requires unanimous consent for all major decisions over the relevant activities.

During the financial year, the Company disposed its 45% shareholding interest in LZ Y Motoring Pte. Ltd. to Mr Luo Zhenyu Louis for an aggregate cash consideration of S\$81,000. As a result of the disposal of the joint venture, the Group has recognised a gain on disposal amounting to S\$3,199 in statement of comprehensive income within "Other income" (Note 5).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

15. Trade and other receivables

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Financial assets:				
Trade receivables	4,577	5,889	-	-
Accrued revenue	320	240	-	-
Accrued government incentives	167	6	23	-
Amounts due from subsidiaries				
– Trade	-	-	3,650	2,367
– Non-trade	-	-	210	1,376
Refundable deposits	86	122	-	-
Advance to employees	3	-	-	-
	5,153	6,257	3,883	3,743
Non-financial assets:				
Advances to suppliers	39	92	4	-
	5,192	6,349	3,887	3,743

Trade receivables

Trade receivables are denominated in SGD, non-interest bearing and generally on 30 days' (2019: 30 days') terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Amounts due from subsidiaries

Amounts due from subsidiaries are denominated in SGD, unsecured, non-interest bearing and repayable upon demand.

Expected credit losses

The movement of allowance accounts are as follows:

	Group 2020 \$'000	Group 2019 \$'000
Movement in allowance accounts:		
At 1 May	109	56
Charge for the year	161	59
Written off against provision	-	(6)
Written back against provision	(6)	-
At 30 April	264	109

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

16. Inventories

	Group	
	2020 \$'000	2019 \$'000
Statement of financial position		
Inventories at cost	35	642
Consolidated statement of comprehensive income		
Inventories recognised as expenses in cost of sales	66	162

There are no allowance for stock obsolescence or inventory write-off during the financial year.

17. Cash and bank balances

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash at bank and on hand	7,950	4,150	3,344	2,342
Fixed deposits	2,000	–	–	–
	9,950	4,150	3,344	2,342

Cash at banks are denominated in SGD and earns interest at floating rates based on daily deposit rates.

Fixed deposits placed with bank with interest rates 1.80% (2019: Nil) per annum and for tenure of 1 year (2019: Nil). The fixed deposits can be readily converted into cash with minimal charges and its subject to an insignificant risk of changes in value.

18. Trade and other payables

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Financial liabilities:				
Trade payables	1,137	916	–	–
Other payables	87	94	17	34
Amounts due to subsidiaries	–	–	2,382	1,097
Deposits received	133	167	–	–
	1,357	1,177	2,399	1,131
Non-financial liability:				
GST payable	105	125	23	12
	1,462	1,302	2,422	1,143

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

18. Trade and other payables (Continued)

Trade payables

Trade payables are denominated in SGD, unsecured, non-interest bearing and are normally settled on 30 days' (2019: 30 days') terms.

Amount due to subsidiaries

Amounts due to subsidiaries are denominated in SGD, non-trade related, unsecured, non-interest bearing and repayable upon demand.

19. Interest-bearing loans and borrowings

	Group	
	2020 \$'000	2019 \$'000
Current:		
Finance lease liabilities (secured) (Note 25(b))	–	2,822
Lease liabilities (secured) (Note 21)	2,338	–
Bank borrowings (secured) (Note 20)	12,444	9,029
Bank borrowing for leasehold land and building (secured) (Note 20, 21)	522	–
	15,304	11,851
Non-current:		
Finance lease liabilities (secured) (Note 25(b))	–	4,120
Lease liabilities (secured) (Note 21)	5,576	–
Bank borrowings (secured) (Note 20)	6,888	14,837
Bank borrowing for leasehold land and building (secured) (Note 20, 21)	8,090	–
	20,554	18,957
Total interest-bearing loans and borrowings	35,858	30,808

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

19. Interest-bearings loans and borrowings (Continued)

A reconciliation of liabilities arising from financing activities is as follows:

	1 May 2019 \$'000	Cash flows \$'000	Non-cash changes		30 April 2020 \$'000
			Acquisition \$'000	Reclassification \$'000	
Bank borrowings (Note 20)					
– Current	8,409	4,558	–	(523)	12,444
– Non-current	6,365	–	–	523	6,888
Bank borrowing for lease (Note 20)					
– Current	620	(480)	–	382	522
– Non-current	8,472	–	–	(382)	8,090
Lease Liabilities (Note 21)					
– Current	2,925	(2,969)	84	2,298	2,338
– Non-current	7,497	–	377	(2,298)	5,576
Total	34,288	1,109	461	–	35,858

	1 May 2018 \$'000	Cash flows \$'000	Non-cash changes		30 April 2019 \$'000
			Acquisition \$'000	Reclassification \$'000	
Bank borrowings (Note 20)					
– Current	6,260	3,673	–	(904)	9,029
– Non-current	13,934	–	–	904	14,837
Obligations under finance lease (Note 25(b))					
– Current	4,837	(4,862)	20	2,827	2,822
– Non-current	6,859	–	88	(2,827)	4,120
Total	31,890	(1,189)	108	–	30,808

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

20. Bank borrowings

	Group	
	2020 \$'000	2019 \$'000
Current:		
Loan 1	522	620
Loan 2	4,000	2,500
Loan 3	2,000	2,000
Loan 4	2,000	2,000
Loan 5	1,938	1,909
Loan 6	663	–
Loan 7	1,843	–
	12,966	9,029
Non-current:		
Loan 1	8,090	8,472
Loan 5	4,426	6,365
Loan 6	2,462	–
	14,978	14,837
Total bank borrowings	27,944	23,866

Loan 1

The loan is denominated in SGD, bears a fixed interest rate of 2.48% (2019: 2.48%) per annum in the first year from revised facility agreement dated 30 April 2019 (“revised period”). The fixed interest rate will be revised to 2.58% per annum at second year and third year. Subsequently, the interest rate will be charged at bank commercial financing rate at fourth year from the revised period. The loan is repayable over 20 years in July 2033 from the original commencement date of the loan in 2013. The loan is secured by a legal mortgage over the leasehold properties of the Group as disclosed in Note 11 to the financial statements and a corporate guarantee from the Company. The loan includes a financial covenant which requires one of the subsidiaries of the Group to maintain a minimum total net worth of \$10 million throughout the tenure of the loan.

Loan 2

The loan is denominated in SGD, carried a floating interest rate of the Bank’s Cost of Funds or the applicable SWAP Offer Rate as determined by the Bank on the day of transaction, whichever is higher + 1.50% per annum. The loan was drawdown for working capital purpose and is secured by a legal mortgage over the leasehold properties of the Group as disclosed in Note 11 to the financial statements and a corporate guarantee from the Company. The loan includes financial covenant which require one of the subsidiaries of the Company to maintain a minimum total net worth of \$10 million and require the Group to maintain a minimum total net worth of \$22 million throughout the tenure of the loan.

Loan 3

The loan is denominated in SGD, carried a floating interest rate of the Bank’s Cost of Funds for interest period of 1, 2 or 3 months + 1.75% per annum. The loan was drawdown for working capital purpose and is secured by a corporate guarantee of the Company. The loan includes financial covenant which requires the Group to maintain a minimum total tangible net worth of \$20 million throughout the tenure of the loan.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

20. Bank borrowings (Continued)

Loan 4

The loan is denominated in SGD, carried a floating interest rate of the Bank's Cost of Funds for interest period of 1, 2 or 3 months + 1.75% per annum. The loan was drawdown for working capital purpose and is secured by a corporate guarantee of the Company. The loan includes financial covenant, requires one of the subsidiaries of the Group to maintain a minimum tangible net worth of \$10 million throughout the tenure of the loan.

Loan 5

The loan is denominated in SGD, carried a floating interest rate of the Bank's 3-month Cost of Funds or the applicable 3-month SWAP Offer Rate as determined by the Bank on the day of transaction, whichever is higher + 1.50% per annum. The loan was drawdown for working capital purpose and is secured by a legal mortgage over the leasehold properties of the Group as disclosed in Note 11 to the financial statements and a corporate guarantee from the Company. The loan includes financial covenants which require one of the subsidiaries of the Company to maintain a minimum total net worth of \$10 million and require the Group to maintain a minimum total net worth of \$22 million throughout the tenure of the loan.

Loan 6

The loan is denominated in SGD, bears a fixed interest rate of 1.98% (2019: Nil) per annum. The loan was drawdown for working capital purpose and is secured by certain cranes and motor vehicles of the Group as disclosed in Note 11 to the financial statements and a corporate guarantee from the Company. The loan includes financial covenants which require one of the subsidiaries of the Company to maintain a minimum total net worth of \$10 million and require the Group to maintain a minimum total net worth of \$22 million throughout the tenure of the loan.

Loan 7

The loan is denominated in SGD, carried a floating interest rate of the Bank's Cost of Funds or the applicable SWAP Offer Rate as determined by the Bank on the day of transaction, whichever is higher + 1.50% per annum. The loan was drawdown for working capital purpose and is secured by receivable of one of the subsidiaries of the Company and a corporate guarantee from the Company. The loan includes financial covenant which require one of the subsidiaries of the Company to maintain a minimum total net worth of \$10 million and require the Group to maintain a minimum total net worth of \$22 million throughout the tenure of the loan.

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21. Leases

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 also has lease of open yard storage with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

(a) Carrying amounts of right-of-use assets classified within property, plant and equipment

	Leasehold land and buildings \$'000	Cranes and motor vehicles \$'000	Total \$'000
Group			
At 1 May 2019	18,455	20,983	39,438
Additions	–	645	645
Depreciation	(838)	(945)	(1,783)
Fully settled during the year	–	(6,215)	(6,215)
At 30 April 2020	<u>17,617</u>	<u>14,468</u>	<u>32,085</u>

(b) Lease Liabilities

The carrying amounts of lease liabilities and bank borrowing for leasehold land and building (included under borrowings) and the movements during the year are disclosed in Note 19 and the maturity analysis of lease liabilities is disclosed in Note 28.

(c) Amounts recognised in profit or loss

	Group 2020 \$'000
Depreciation of right-of-use assets	1,783
Interest expense on lease liabilities (Note 6)	336
Interest expense on bank borrowing for leasehold land and building (Note 6)	225
Expense relating to short-term leases (Note 8)	276
Rental income from subleased leasehold land and buildings	(503)
	<u>2,117</u>

(d) Total cash outflow

The Group had total cash outflows for leases of \$3,725,000 during the financial year ended 30 April 2020.

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FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

21. Leases (Continued)

(e) Additions of right-of-use assets

Additions of right-of-use assets during the financial year ended 30 April 2020 was \$461,000.

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 between 15 months and 23 months as at 30 April 2020 (2019: 3 months and 12 months).

Minimum lease receipts recognised as other income in profit or loss for the financial year ended 30 April 2020 amounted to \$502,607 (2019: \$495,722).

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

	Group	
	2020 \$'000	2019 \$'000
Not later than one year	405	416
Later than one year but not later than five years	336	-
	741	416

22. Deferred tax liabilities

	Group				Company	
	Statement of financial position		Consolidated statement of comprehensive income		Statement of financial position	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Deferred tax liabilities:						
Differences in depreciation for tax purposes	(1,810)	(1,817)	(7)	(1,693)	(2)	(3)
Deferred tax assets:						
Unutilised capital allowance	9	168	159	1,864	-	-
Others	6	6	-	-	-	-
Net deferred tax liabilities	(1,795)	(1,643)			(2)	(3)
Deferred tax expense			152	171		

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

22. Deferred tax liabilities (Continued)

Unrecognised deferred tax assets

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group does not have unrecognised tax losses (2019: \$88,000) and has capital allowances of \$209,000 (2019: Nil) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses and capital allowances have no expiry date.

23. Share capital

	Group and Company			
	2020		2019	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid ordinary shares:				
At 1 May	165,789	29,334	102,000	25,564
Issuance of new shares pursuant to the Rights cum Warrants Issue	-	-	63,789	3,955
Share issuance expense	-	-	-	(185)
At 30 April	165,789	29,334	165,789	29,334

The Group's share capital comprises fully paid up 165,789,460 (2019: 165,789,460) ordinary shares with no par value, amounting to a total of \$29,334,048 (2019: \$29,334,048).

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

24. Significant related party transactions

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:

Related parties	Transactions	Group			
		Transactions during the year		Outstanding balances as at 30 April	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Hwee Guan Pte. Ltd.	Provision of repair services and rental of mobile cranes (income)	(a) -	1	-	-
	Rental of mobile cranes (expense)	(b) 32	40	4	17

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

(b) 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.

Compensation of key management personnel

	Group	
	2020 \$'000	2019 \$'000
Short-term employee benefits	1,233	1,186
Central Provident Fund contributions	61	51
	1,294	1,237
<i>Comprise amounts paid to:</i>		
Directors of the Company	851	854
Other key management personnel	443	383
	1,294	1,237

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FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

25. Commitments

(a) *Operating lease commitments*

Operating lease commitments – As lessee

The Group has entered into commercial lease on warehouse space and has paid land rent for its leasehold property. These lease and land rent have remaining lease terms of between 3 months and 266 months as at 30 April 2019.

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 30 April 2019 amounted to \$532,000.

Future minimum rental payable under operating leases at the end of the reporting period are as follows:

	Group 2019 \$'000
Not later than one year	419
Later than one year but not later than five years	918
Later than five years	3,942
	<hr/> 5,279 <hr/>

As disclosed in Note 2.2, the Group has adopted SFRS(I) 16 on 1 May 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 30 April 2020, except for short-term and low-value leases.

(b) *Finance lease commitments*

As at 30 April 2019, the Group has finance leases for certain items of cranes and motor vehicles (Note 11). The lease periods ranged from 3 months to 5 years. The effective average discount rate implicit in the leases was approximately 2.32% to 5.48% per annum. The leases include financial covenants which require a subsidiary of the Group and the Group to maintain a leverage ratio of not more than 2.5 times and a minimum total net worth of \$10 million and \$22 million respectively throughout the tenure of the lease.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

25. Commitments (Continued)

(b) *Finance lease commitments* (Continued)

	Total minimum lease payments	Present value of payments
	2019	2019
	\$'000	\$'000
Group		
Not later than one year	3,008	2,822
Later than one year but not later than five years	4,278	4,120
Later than five years	–	–
Total minimum lease payments	7,286	6,942
Future finance charges	(344)	–
Present value of minimum lease payments	6,942	6,942
Portion classified as current liabilities	(2,822)	(2,822)
Non-current portion	4,120	4,120

The finance lease obligation were denominated in Singapore Dollars.

Finance lease liabilities were reclassified to lease liabilities on 1 May 2019 arising from the adoption of SFRS(I) 16. The impact of adoption is disclosed in Note 2.2.

(c) *Capital commitments*

There is no capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements (2019: Nil).

26. Corporate guarantees

The Company provides corporate guarantees amounted to \$44,050,000 (2019: \$40,336,000) for the purpose of assisting its subsidiaries to secure banking facilities. Of the \$44,050,000 (2019: \$40,336,000) corporate guarantees given by the Company, \$32,395,000 (2019: \$30,702,000) has been utilised by its subsidiaries as security for its bank borrowings (Note 20) and lease liabilities (Note 21) which have been recognised in the statement of financial position.

The corporate guarantees given by the Company will become due and payable on demand when an event of default occurs. No liability was recognised from the issuance of the corporate guarantees to subsidiaries as management has assessed the risk of default to be remote and therefore, the fair value of the corporate guarantee to be immaterial.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

27. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

There has been no transfer between Level 1, Level 2 and Level 3 during the financial years ended 30 April 2020 and 30 April 2019.

(b) Assets measured at fair value

The following table shows an analysis of each class of assets at the end of the reporting period.

	2020 \$'000			
	Fair value measurement at the reporting date using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
At fair value through other comprehensive income – equity securities (unquoted) (Note 13)	-	-	-	-
Total financial assets measured at fair value as at 30 April 2020	-	-	-	-

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

27. Fair value of assets and liabilities (Continued)

(b) *Assets measured at fair value* (Continued)

	2019 \$'000			Total
	Fair value measurement at the reporting date using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
At fair value through other comprehensive income – equity securities (unquoted) (Note 13)	–	130	–	130
Total financial assets measured at fair value as at 30 April 2019	–	130	–	130

Level 2 fair value measurement

The valuation of equity securities is based on last transacted price in accordance with the shareholders' agreement between Telepod Pte. Ltd. and its shareholders dated 22 March 2018.

During the financial year, the Group recognised an impairment loss of \$130,000 (2019: Nil) for unquoted equity securities in which the Group does not expect to recover its cost of investment.

28. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, credit risk, liquidity risk and foreign exchange risk.

It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculation purposes shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no material change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

28. Financial risk management objectives and policies (Continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from bank borrowings and lease liabilities (2019: bank borrowings and obligations under finance leases). The Group manages the risk by using a balanced mix of fixed and floating rate debts after considering the market conditions.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 50 basis points lower/higher with all other variables held constant, the Group's profit before tax would have been approximately \$97,000 (2019: \$154,000) higher/lower, arising mainly as a result of lower/higher interest expense on the above-mentioned floating rate bank borrowings and lease liabilities (2019: bank borrowings and obligations under finance leases).

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group and Company. The Group and Company's exposure to credit risk arises primarily from trade and other receivables and loan to the holding Group and Company. For other financial assets (including investment securities and cash), the Group and Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group and Company has adopted a policy of only dealing with creditworthy counterparties. The Group and Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Group and Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group and Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days, default of interest due for more than 60 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Group and Company has developed and maintained the Group and Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Group and Company's own trading records to rate its major customers and other debtors. The Group and Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating

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FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

28. Financial risk management objectives and policies (Continued)

Credit risk (Continued)

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Group and Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group and Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are fully impaired or written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

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

Category	Definition of category	Basis for recognising
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >60 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is fully impaired or written off

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

28. Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The tables below details the credit quality of the Group and Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Group					
	Note	Category	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
30 April 2020						
Trade receivables	15	Note A	Lifetime ECL (simplified)	4,841	(264)	4,577
Other receivables	15	Note B	12-month ECL	576	-	576
Cash and bank balances	17	Note B	12-month ECL	9,950	-	9,950
					<u>(264)</u>	

	Group					
	Note	Category	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
30 April 2019						
Trade receivables	15	Note A	Lifetime ECL (simplified)	5,998	(109)	5,889
Other receivables	15	Note B	12-month ECL	368	-	368
Cash and bank balances	17	Note B	12-month ECL	4,150	-	4,150
					<u>(109)</u>	

	Company					
	Note	Category	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
30 April 2020						
Other receivables	15	Note B	12-month ECL	3,883	-	3,883
Cash and bank balances	17	Note B	12-month ECL	3,344	-	3,344
					<u>-</u>	

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

28. Financial risk management objectives and policies (Continued)

Credit risk (Continued)

30 April 2019	Note	Category	Company		Loss allowance \$'000	Net carrying amount \$'000
			12-month or lifetime ECL	Gross carrying amount \$'000		
Other receivables	15	Note B	12-month ECL	3,743	-	3,743
Cash and bank balances	17	Note B	12-month ECL	2,342	-	2,342
					-	

Trade receivables (Note A)

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of loans and receivables. In monitoring customer credit risk, customers are grouped according to their industry namely Construction, Cranes, Marine, Oil and Gas and others. The Group uses an allowance matrix to measure the expected credit losses of trade receivables from customers. The allowance matrix is determined based on the historical loss rate adjusted for forward-looking information.

Other receivables and cash and bank balances (Note B)

The Group and Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group and Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

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28. Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The following table shows the expected credit loss rate used by the Group in determining the expected credit loss for trade receivables for the financial year ended 30 April 2020 and 30 April 2019.

	Current (not past due)	Past due less than 30 days	Past due 30 – 60 days	Past due 61 – 90 days	Past due 91 – 120 days	Past due more than 120 days
2020						
Industry						
Construction	0.20%	0.20%	0.20%	3.00%	4.00%	8.00%
Crane	0.10%	0.10%	0.10%	1.50%	2.00%	5.00%
Marine	0.10%	0.10%	0.10%	1.50%	2.00%	5.00%
Oil and Gas	0.15%	0.15%	0.15%	2.00%	3.00%	6.00%
Other industries	0.01%	0.01%	0.01%	0.50%	1.00%	1.50%
Special circumstances ⁽¹⁾	100%	100%	100%	100%	100%	100%
	Current (not past due)	Past due less than 30 days	Past due 30 – 60 days	Past due 61 – 90 days	Past due 91 – 120 days	Past due more than 120 days
2019						
Industry						
Construction	0.10%	0.10%	0.10%	1.50%	2.00%	5.00%
Crane	0.10%	0.10%	0.10%	1.50%	2.00%	5.00%
Marine	0.15%	0.15%	0.15%	2.00%	3.00%	6.00%
Oil and Gas	0.20%	0.20%	0.20%	3.00%	4.00%	8.00%
Other industries	0.01%	0.01%	0.01%	0.50%	1.00%	1.50%
Special circumstances ⁽¹⁾	100%	100%	100%	100%	100%	100%

Notes to the Financial Statements

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28. Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Other receivables and cash and bank balances (Note B) (Continued)

The following tables provides information about the exposure to credit risk and ECL for the trade receivables as at 30 April 2020 and 30 April 2019.

2020	Group		
	Gross carrying amount \$'000	Expected credit loss \$'000	Net carrying amount \$'000
By aging			
Construction	886	— ⁽²⁾	886
Crane	547	— ⁽²⁾	547
Marine	856	— ⁽²⁾	856
Oil and Gas	465	— ⁽²⁾	465
Other industries	1,823	— ⁽²⁾	1,823
	4,577	—⁽²⁾	4,577
By special circumstances⁽¹⁾			
Construction	64	(64)	—
Crane	12	(12)	—
Marine	—	—	—
Oil and Gas	15	(15)	—
Other industries	173	(173)	—
	264	(264)	—
Current (not past due)	771	— ⁽²⁾	771
Past due less than 30 days	1,341	— ⁽²⁾	1,341
Past due 30 – 60 days	782	— ⁽²⁾	782
Past due 61 – 90 days	555	— ⁽²⁾	555
Past due 91 – 120 days	466	— ⁽²⁾	466
Past due more than 120 days	662	— ⁽²⁾	662
	4,577	—⁽²⁾	4,577
Special circumstances ⁽¹⁾	264	(264)	—
	4,841	(264)	4,577

(1) Full provision was made for trade receivables which the Group determines to be uncollectable due to significant changes in the debtors' behaviours or the debtors' business.

(2) The expected credit loss by aging is deemed immaterial and is not adjusted for by the Group.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

28. Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Other receivables and cash and bank balances (Note B) (Continued)

The following tables provides information about the exposure to credit risk and ECL for the trade receivables as at 30 April 2020 and 30 April 2019. (Continued)

2019	Group		
	Gross carrying amount \$'000	Expected credit loss \$'000	Net carrying amount \$'000
By aging			
Construction	1,402	— ⁽²⁾	1,402
Crane	1,520	— ⁽²⁾	1,520
Marine	1,118	— ⁽²⁾	1,118
Oil and Gas	183	— ⁽²⁾	183
Other industries	1,666	— ⁽²⁾	1,666
	<u>5,889</u>	<u>—⁽²⁾</u>	<u>5,889</u>
By special circumstances⁽¹⁾			
Construction	28	(28)	—
Crane	13	(13)	—
Marine	—	—	—
Oil and Gas	15	(15)	—
Other industries	53	(53)	—
	<u>109</u>	<u>(109)</u>	<u>—</u>
Current (not past due)	1,441	— ⁽²⁾	1,441
Past due less than 30 days	1,541	— ⁽²⁾	1,541
Past due 30 – 60 days	1,288	— ⁽²⁾	1,288
Past due 61 – 90 days	484	— ⁽²⁾	484
Past due 91 – 120 days	229	— ⁽²⁾	229
Past due more than 120 days	906	— ⁽²⁾	906
	<u>5,889</u>	<u>—⁽²⁾</u>	<u>5,889</u>
Special circumstances ⁽¹⁾	<u>109</u>	<u>(109)</u>	<u>—</u>
	<u>5,998</u>	<u>(109)</u>	<u>5,889</u>

(1) Full provision was made for trade receivables which the Group determines to be uncollectable due to significant changes in the debtors' behaviours or the debtors' business.

(2) The expected credit loss by aging is deemed immaterial and is not adjusted for by the Group.

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FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

28. Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk towards corporate guarantee contracts provided by the Company to the banks for facilities granted to subsidiaries is disclosed in Note 26 Corporate guarantees.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 15.

At the end of the reporting period, approximately:

- 24.07% (2019: 31.9%) of the Group's trade receivables were due from 5 major customers of the Group.
- 100% (2019: 100%) of the Company's trade receivables were balances due from subsidiaries.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatch of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors the working capital requirements periodically to ensure that there are sufficient financial resources available to meet the needs of the business.

The directors have assessed the cash flow forecast of the Group for the financial year ended 30 April 2020 and have ascertained that adequate liquidity exists to finance its working capital requirements through cash inflow from its operations, cash reserves and its drawdown of bridging loan of \$5 million from bank (2019: undrawn credit facility from holding company of \$5 million), notwithstanding that the Group was in net current liabilities position of \$1,946,000 (2019: \$2,347,000).

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FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

28. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Exposure to liquidity risk

The table below summarises the maturity profile of the Group's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	One year or less \$'000	One to five years \$'000	Over five years \$'000	Total \$'000
Group				
2020				
Financial assets:				
Trade and other receivables	5,153	-	-	5,153
Cash and bank balances	9,950	-	-	9,950
Total undiscounted financial assets	15,103	-	-	15,103
Financial liabilities:				
Trade and other payables	1,357	-	-	1,357
Accrued operating expenses	547	-	-	547
Interest-bearing loans and borrowings	16,270	13,911	11,417	41,598
Total undiscounted financial liabilities	18,174	13,911	11,417	43,502
Total net undiscounted financial liabilities	(3,071)	(13,911)	(11,417)	(28,399)

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28. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Exposure to liquidity risk (Continued)

	One year or less \$'000	One to five years \$'000	Over five years \$'000	Total \$'000
Group				
2019				
Financial assets:				
Trade and other receivables	6,257	–	–	6,257
Cash and bank balances	4,150	–	–	4,150
Total undiscounted financial assets	10,407	–	–	10,407
Financial liabilities:				
Trade and other payables	1,177	–	–	1,177
Accrued operating expenses	497	–	–	497
Interest-bearing loans and borrowings	12,744	14,646	7,847	35,237
Total undiscounted financial liabilities	14,418	14,646	7,847	36,911
Total net undiscounted financial liabilities	(4,011)	(14,646)	(7,847)	(26,504)
Company				
2020				
Financial assets:				
Trade and other receivables	3,883	–	–	3,883
Cash and bank balances	3,344	–	–	3,344
Total undiscounted financial assets	7,227	–	–	7,227
Financial liabilities:				
Trade and other payables	2,399	–	–	2,399
Accrued operating expenses	169	–	–	169
Total undiscounted financial liabilities	2,568	–	–	2,568
Total net undiscounted financial assets	4,659	–	–	4,659

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

28. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Exposure to liquidity risk (Continued)

	One year or less \$'000	One to five years \$'000	Over five years \$'000	Total \$'000
Company				
2019				
Financial assets:				
Trade and other receivables	3,743	–	–	3,743
Cash and bank balances	2,342	–	–	2,342
Total undiscounted financial assets	6,085	–	–	6,085
Financial liabilities:				
Trade and other payables	1,131	–	–	1,131
Accrued operating expenses	160	–	–	160
Total undiscounted financial liabilities	1,291	–	–	1,291
Total net undiscounted financial assets	4,794	–	–	4,794

The table below shows the contractual expiry by maturity of the Company's corporate guarantees. The maximum amount of the corporate guarantee contracts is allocated to the earliest period in which the guarantee could be called.

	One year or less \$'000	One to five years \$'000	Over five years \$'000	Total \$'000
2020				
Company				
Financial liability:				
Corporate guarantees	32,395	–	–	32,395
2019				
Company				
Financial liability:				
Corporate guarantees	30,702	–	–	30,702

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

28. Financial risk management objectives and policies (Continued)

Foreign exchange risk

The Group's foreign currency exposure arises from the purchases of new cranes, which is mainly denominated in EUR. For such purchases, the Group is typically required to place an initial deposit of up to 10% of the purchase price with the balance of 90% due upon delivery of the crane. The above purchases are hedged through entering into short term forward contracts for settlement during the next few months prior to delivery. Upon expiry of the forward contract, it will be funded through the hire purchase arrangement denominated in SGD. If the purchases are not hedged, the cranes will be purchased at the spot rate through hire purchase arrangement denominated in SGD. The purchases of other assets are denominated in SGD. There were no outstanding forward contracts as of the respective end of reporting period.

The percentage of the Group's purchases of cranes and motor vehicles denominated in the different currencies for financial years ended 30 April 2020 and 30 April 2019 was as follows:

	Group	
	2020 %	2019 %
SGD	95.0	74.3
EUR	5.0	25.7
	100.0	100.0

29. Financial instruments by category

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Financial assets at FVOCI				
Investment securities (Note 13)	-	130	-	-
Financial assets carried at amortised cost				
Trade and other receivables (Note 15)	5,153	6,257	3,883	3,743
Cash and bank balances (Note 17)	9,950	4,150	3,344	2,342
Total financial assets measured at amortised cost	15,103	10,407	7,227	6,085

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

29. Financial instruments by category (Continued)

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<i>Financial liabilities carried at amortised cost</i>				
Trade and other payables (Note 18)	1,357	1,177	2,399	1,131
Accrued operating expenses	547	497	169	160
Interest-bearing loans and borrowings (Note 19)	35,858	30,808	-	-
Total financial liabilities measured at amortised cost	37,762	32,482	2,568	1,291

30. Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 April 2020 and 30 April 2019.

As disclosed in Note 20, a subsidiary of the Group and the Group are required by the banks to maintain a leverage ratio of not more than 2.5 times and minimum total net worth of \$10 million and \$22 million respectively throughout the tenure of the borrowings. These externally imposed capital requirements have been complied with by the above-mentioned subsidiary and the Group for the financial years ended 30 April 2020 and 2019.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

30. Capital management (Continued)

The Group monitors capital using a leverage ratio, which is total debts divided by total equity. The Group's overall strategy remains unchanged from financial year ended 30 April 2019.

	Group	
	2020 \$'000	2019 \$'000
Interest-bearing loans and borrowings (Note 19)	35,858	30,808
Equity attributable to the owners of the Company	25,574	26,929
Leverage ratio	1.4	1.1

31. Segment information

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. Project management : The income from rendering of services for projects, provision of value added logistics service and engineering activities.

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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

31. Segment information (Continued)

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

Notes	Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements
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- A Inter-segment revenues are eliminated on consolidation.
- B Other non-cash expenses consist of impairment of financial assets as presented.
- C Additions to non-current assets consist of additions to property, plant and equipment.

	Leasing	Trading	Project management	Elimination	Notes	Total
2020	\$'000	\$'000	\$'000	\$'000		\$'000
Revenue:						
– External sales	13,861	94	–	–		13,955
– Inter-segment sales	554	1,524	–	(2,078)	A	–
	<u>14,415</u>	<u>1,618</u>	<u>–</u>	<u>(2,078)</u>		<u>13,955</u>
Results:						
Other income	1,307	3	–	(7)		1,303
Interest income	11	–	–	–		11
Finance cost	1,050	83	–	–		1,133
Depreciation	3,267	260	18	(33)		3,512
Gain on disposal of plant and equipment	13	–	5	(5)		13
Gain on disposal of joint venture	3	–	–	–		3
Other non-cash expenses	1,142	–	9	–	B	1,151
Tax expense/(refund)	56	31	(14)	–		73
Segment profit/(loss)	<u>(1,763)</u>	<u>547</u>	<u>(27)</u>	<u>(10)</u>		<u>(1,253)</u>
Assets:						
Additions to non-current assets	1,322	–	–	(192)	C	1,130
Segment assets	25,471	2,708	900	(13,694)		15,385
Segment liabilities	50,852	3,216	6	(13,694)		40,380

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

31. Segment information (Continued)

2019	Leasing \$'000	Trading \$'000	Project management \$'000	Elimination \$'000	Notes	Total \$'000
Revenue:						
– External sales	14,239	192	29	–		14,460
– Inter-segment sales	20	865	–	(885)	A	–
	<u>14,259</u>	<u>1,057</u>	<u>29</u>	<u>(885)</u>		<u>14,460</u>
Results:						
Other income	780	21	–	(1)		800
Interest income	– [#]	–	–	–		– [#]
Loss on disposal of plant and equipment	23	–	–	–		23
Finance cost	962	53	–	–		1,015
Depreciation	3,095	259	22	(30)		3,346
Share of results of joint venture	3	–	–	–		3
Other non-cash expenses	67	–	–	–	B	67
Tax expense/(refund)	(138)	171	(18)	–		15
Segment profit/(loss)	<u>(372)</u>	<u>440</u>	<u>(19)</u>	<u>40</u>		<u>89</u>
Assets:						
Investment in joint venture	78	–	–	–		78
Additions to non-current assets	500	27	–	–	C	527
Segment assets	19,055	2,457	798	(10,953)		11,357
Segment liabilities	42,353	3,596	18	(10,963)		35,004

–[#] Amount less than \$1,000

Geographical information

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

	Group	
	2020 \$'000	2019 \$'000
Revenue		
Singapore	<u>13,955</u>	<u>14,460</u>
Non-current asset		
Singapore	<u>50,656</u>	<u>50,634</u>

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2020

31. Segment information (Continued)

Information about major customers

Revenue from 5 major customers contributed 16.3% (2019: 39.9%) of the total revenue of the Group.

32. Events occurring after the reporting period

- (a) The outbreak of COVID-19 in early 2020 has caused disruptions to many industries globally. Despite the challenges, governments and international organisations have implemented a series of measures to contain the pandemic. Management considers the outbreak to be a non-adjusting event for the financial year ended 30 April 2020. At the date of this report, management expects its existing core business to be impacted by COVID-19. The Group will closely monitor the development of the pandemic and assess its impact on its operations continuously. Notwithstanding this, management has assessed that the Group is still able to maintain sufficient liquidity to enable the Group to continue as a going concern for at least the next 12 months from the end of the reporting period.
- (b) On 31 August 2020, the Group granted an option to purchase (the “Option”) to Ben’s Express Engineering Pte. Ltd. (the “Purchaser”) for the sale of its property located at 11 Gul Drive, Singapore 629462 (the “Property”) for an aggregate cash consideration of S\$7.0 million (the “Sale Consideration”) on the terms and subject to the conditions of the Option (the “Proposed Disposal”). Based on SGX-ST announcement dated 14 September 2020, the Purchaser had exercised the Option on 14 September 2020, subject to approval from Shareholders for the Proposed Disposal being obtained at an EGM to be convened in due course.

33. Authorisation of financial statements for issue

The financial statements for the financial year ended 30 April 2020 were authorised for issue in accordance with a resolution of the directors on 17 September 2020.

Statistics of Shareholdings

AS AT 4 SEPTEMBER 2020

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 12.70% of the issued ordinary shares of the Company were held in the hands of the public as at 4 September 2020 and therefore Rule 723 of the Catalist Rules is complied with.

DISTRIBUTION OF SHAREHOLDINGS

<u>Range of shareholdings</u>	<u>Number of shareholders</u>	<u>Percentage</u>	<u>Number of shares</u>	<u>Percentage</u>
1 – 99	–	–	–	–
100 – 1,000	12	9.92	2,200	–(##)
1,001 – 10,000	16	13.22	100,500	0.06
10,001 – 1,000,000	88	72.73	12,831,460	7.74
1,000,001 and above	5	4.13	152,855,300	92.20
TOTAL	121	100.00	165,789,460	100.00

Less than 0.01%

Statistics of Shareholdings

AS AT 4 SEPTEMBER 2020

TWENTY LARGEST SHAREHOLDERS

No.	Name of shareholder	Number of shares held	Percentage
1	LOKE INVESTMENTS PTE. LTD.	138,240,000	83.38
2	UOB KAY HIAN PTE LTD	6,700,200	4.04
3	YAP CHIN HOCK (YE JINFU)	5,500,000	3.32
4	KOH CHIN HWA	1,298,000	0.78
5	NG TIAN ZHU	1,117,100	0.67
6	TEO KOK WOON	1,000,000	0.60
7	OCBC SECURITIES PRIVATE LTD	704,000	0.42
8	NG SZE MEE THERESE	600,000	0.36
9	KOH SZE LIAT (XU SILIE)	550,000	0.33
10	DBS NOMINEES PTE LTD	500,000	0.30
11	YEUNG SHUN YUN	500,000	0.30
12	TOH TIONG SAN	400,000	0.24
13	CHEONG CHI KIN	385,300	0.23
14	STEVEN CHONG KING PECK	260,100	0.16
15	QUEK POK YEOW STEPHEN (GUO BOYAO)	253,000	0.15
16	MAYBANK KIM ENG SECURITIES PTE.LTD	245,000	0.15
17	NG LIT SIN	240,000	0.14
18	CHIN KAI SENG	231,100	0.14
19	TAN AH GEK	218,100	0.13
20	TAN SOK HWA	202,700	0.12
TOTAL		159,144,600	95.96

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 4 September 2020)

Name of substantial shareholder	Direct Interest		Deemed Interest	
	Number of shares	%	Number of shares	%
Loke Investments Pte. Ltd.	138,240,000	83.38	–	–
Mdm Ng Chui Hwa ⁽¹⁾	–	–	138,240,000	83.38
Mr Yap Sian Lay ⁽²⁾	–	–	138,240,000	83.38
Mr Yap Chin Hock ⁽³⁾	5,500,000	3.32	138,240,000	83.38

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 138,240,000 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 138,240,000 shares 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 138,240,000 shares held by Loke Investments Pte. Ltd. pursuant to Section 4 of the Securities and Futures Act (Chapter 289) of Singapore.

Statistics of Warrantholdings

AS AT 4 SEPTEMBER 2020

DISTRIBUTION OF WARRANTHOLDINGS

Range of shareholdings	Number of shareholders	Percentage	Number of shares	Percentage
1 – 99	–	–	–	–
100 – 1,000	–	–	–	–
1,001 – 10,000	8	36.36	42,300	0.26
10,001 – 1,000,000	13	59.09	545,065	3.42
1,000,001 and above	1	4.55	15,360,000	96.32
TOTAL	22	100.00	15,947,365	100.00

TWENTY LARGEST WARRANTHOLDERS

No.	Name of warrantholder	Number of warrants held	Percentage
1	LOKE INVESTMENTS PTE. LTD.	15,360,000	96.32
2	KOH CHIN HWA	150,000	0.94
3	NG TIAN ZHU	62,275	0.39
4	KOH SZE LIAT (XU SILIE)	57,500	0.36
5	TAN SOK HWA	50,500	0.32
6	QUEK POK YEOW STEPHEN (GUO BOYAO)	42,000	0.26
7	CHIN KAI SENG	40,000	0.25
8	WOON HEE CHOY	26,000	0.16
9	TAN LAY HONG	25,000	0.16
10	TEO SIM THYE OR LIM BEE LENG	25,000	0.16
11	TAN ENG HONG	20,500	0.13
12	ANG POH LIEN	20,000	0.13
13	THAM WAI MENG	14,840	0.09
14	TEO BOCK HENG	11,450	0.07
15	LEE BEE KIM	10,000	0.06
16	NG LIT SIN	10,000	0.06
17	TEO EE TIAN	10,000	0.06
18	GOH KIAN TAT (WU JIANDA)	6,000	0.04
19	SIN JOE LIAN	2,500	0.02
20	QUEK NAM KEE	1,300	0.01
TOTAL		15,944,865	99.99

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 Thursday, 15 October 2020 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 2020 (“**FY2020**”) together with the auditors’ report thereon. **(Resolution 1)**
2. To approve the payment of directors’ fees of S\$67,000 for FY2020 (2019: S\$67,000). **(Resolution 2)**
3. To re-elect the following directors of the Company (“**Directors**”) retiring under Regulation 107 of the Company’s constitution (“**Constitution**”):

Mr Yap Chin Hock **(Resolution 3)**
(see explanatory note 1)

Mr Lim Kee Way Irwin **(Resolution 4)**
(see explanatory note 2)
4. To re-elect the following Director retiring under Regulation 117 of the Constitution:

Mr Kho Kewee **(Resolution 5)**
(see explanatory note 3)
5. To re-appoint Messrs RT LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**
6. 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:

7. **Authority to allot and issue shares in the capital of the Company (the “Share Issue Mandate”)** **(Resolution 7)**

“That pursuant to Section 161 of the Companies Act, Chapter 50 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

Notice of Annual General Meeting

- (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;

- (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 which were issued and are outstanding or subsisting at the time this resolution is passed;
 - (2) new Shares arising from the exercise of options or vesting of awards which were issued and are outstanding or subsisting at the time this resolution is passed, 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;

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 4)

8. **Authority to grant awards and to allot and issue Shares pursuant to the MS Holdings Share Award Scheme (Resolution 8)**

“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, 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 5)

BY ORDER OF THE BOARD

Wee Woon Hong
Srikanth Rayaprolu
Company Secretaries

23 September 2020
Singapore

Notice of Annual General Meeting

Explanatory Notes:-

1. Detailed information on Mr Yap Chin Hock can be found in the Company's annual report for FY2020 ("**Annual Report 2020**"). Mr Yap Chin Hock will, upon re-election as a Director, remain as the Executive Director and Chief Executive Officer. Mr Yap Chin Hock is a controlling Shareholder and son of Mdm Ng Chui Hwa (Executive Chairman) and Mr Yap Sian Lay (controlling Shareholder). Please refer to pages 135 to 142 of the Annual Report 2020 for the additional information required pursuant to Rule 720(5) of the Catalist Rules.
2. Detailed information on Mr Lim Kee Way Irwin can be found in the Annual Report 2020. Mr Lim Kee Way Irwin will, upon re-election as a Director, remain as the Lead Independent Director and Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee. Mr Lim Kee Way Irwin is considered independent by the Board for the purposes of Rule 704(7) of the Catalist Rules. Mr Lim Kee Way Irwin has no relationship with the Company, its related corporations, its substantial Shareholders or its officers. Please refer to pages 135 to 142 of the Annual Report 2020 for the additional information required pursuant to Rule 720(5) of the Catalist Rules.
3. Detailed information on Mr Kho Kewee can be found in the Annual Report 2020. Mr Kho Kewee will, upon re-election as a Director, remain as an Independent Director and member of the Audit Committee, the Nominating Committee and the Remuneration Committee. Mr Kho Kewee is considered independent by the Board for the purposes of Rule 704(7) of the Catalist Rules. Mr Kho Kewee has no relationship with the Company, its related corporations, its substantial Shareholders or its officers. Please refer to pages 135 to 142 of the Annual Report 2020 for the additional information required pursuant to Rule 720(5) of the Catalist Rules.
4. The ordinary resolution 7 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 Shareholders.
5. The ordinary resolution 8 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 AGM:

- (i) Shareholders may access a copy of the Annual Report 2020 at the Company's website (www.mohsengcranes.com) and the SGX website (<https://www.sgx.com/securities/annual-reports-related-documents>).
- (ii) In view of the safe distancing regulations to hold physical meetings and 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 ("Meeting Order"). The Meeting Order currently applies for the period starting on 27 March 2020 and ending on 30 September 2020. The Ministry of Law plans to extend the Meeting Order to 30 June 2021. Amendments to The COVID-19 (Temporary Measures) Act 2020 ("Temporary Measures Act") were passed in Parliament on 4 September 2020 to permit the Minister of Law to do so. If the President assents to the amendments to the Temporary Measures Act, the amendments to extend the duration of the Meeting Order will be gazetted, once the amendments to the Temporary Measures Act come into force. On 7 September 2020, the SGX-ST announced that it will amend the ACRA-SGX-MAS joint guidance to reflect the extended period once the legislative changes are in place. This extended duration of the Meeting Order provides the Company with the option to conduct general meetings by electronic means even where the Company is permitted under the COVID-19 safe distancing regulations to hold physical meetings, to help minimise physical interactions and COVID-19 transmission risks. **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=20MS%20HOLDINGS%20LIMITED&type=Company>).

Notice of Annual General Meeting

- (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.** 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.
- (iv) A member 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 12 October 2020** (i.e. not less than 72 hours before the time appointed for holding the AGM), to agm@msholdings.com.sg.
- Upon successful authentication, each such member will receive an email reply by **3.00 p.m. on 14 October 2020**. 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 deadline of 3.00 p.m. on 12 October 2020 but have not received an email reply by 3.00 p.m. on 14 October 2020 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.
- 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 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 Thursday, 15 October 2020**.
- (v) 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 **3.00 p.m. on 12 October 2020** (that is not less than 72 hours before the time fixed for holding the AGM) to agm@msholdings.com.sg. The Company will endeavour to address all relevant and substantial questions (as may be determined by the Company in its sole discretion) received.
- (vi) If the member is a corporation, the instrument appointing the Chairman of the AGM as proxy must be under seal or the hand of an officer or attorney duly authorised.
- (vii) The instrument appointing the Chairman of the AGM as proxy 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 13 October 2020** (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.
- (viii) 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.
- (ix) The Company will publish the minutes of the AGM on SGXNET and the Company's website within one month after the date of AGM.
- (x) As the COVID-19 situation continues to evolve, members are advised to read the Government of Singapore's "COVID-19: Advisories for Various Sectors" (<https://www.gov.sg/article/covid-19-sector-specific-advisories>) including the health advisories issued by the Ministry of Health. The Company will monitor the situation and reserves the right to take further measures as appropriate in order to comply with the various government and regulatory advisories. Any changes to the manner of conduct of the AGM will be announced by the Company on SGXNET.

Notice of Annual General Meeting

Summary of Key Dates and Times (Deadlines/Opening Time)	Actions
By Monday, 12 October 2020, 3.00 p.m.	For members: <ul style="list-style-type: none"> (a) who have questions relating to the business of the AGM to email their questions to agm@msholdings.com.sg. (b) 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 Tuesday, 13 October 2020, 3.00 p.m.	For members to either deposit the completed and signed proxy forms to the Company's Share Registrar at 80 Robinson Road, #11-02, Singapore 068898, or submit the completed and signed proxy forms to the Company by email 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 Wednesday, 14 October 2020, 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.
Thursday, 15 October 2020, 2.00 p.m.	When pre-registered members may log on for the Company's 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 Thursday, 15 October 2020), using the instructions received in the Confirmation Email.

Personal data privacy:

By attending, speaking, proposing, seconding and/or voting at the AGM and/or by a member of the Company submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and/or vote at the AGM and/or any adjournment thereof, the person/member (i) understands and accepts that photographs, images, audio and/or video recordings and transcripts of the AGM may be taken and/or made by the Company (and/or its agents and service providers), (ii) 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 legal, regulatory, compliance, corporate policies, procedures and administration, corporate actions, corporate communications and investor relations purposes and for the purposes of the processing, administration and record keeping by the Company (and/or its agents and service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation, compilation, recording, keeping of the attendance lists, transcripts, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (and/or its agents and service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines and for publication and/or use in the Annual Report 2020, corporate brochures, newsletters, publications, materials and/or corporate website by the Company (and/or its agents and service providers) (collectively, the "**Purposes**"), (iii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (and/or its agents and service providers), the member has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (and/or its agents and service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iv) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Additional Information on Directors Seeking Re-Election

PURSUANT TO RULE 720(5) OF THE CATALIST RULES

Mr Yap Chin Hock, Mr Lim Kee Way Irwin and Mr Kho Kewee are the retiring Directors who are seeking re-election at the forthcoming AGM under Ordinary Resolutions 3, 4 and 5 as set out in the notice of AGM dated 23 September 2020. Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the retiring Directors, in accordance to Appendix 7F of the Catalist Rules, is set out below:

	Yap Chin Hock	Lim Kee Way Irwin	Kho Kewee
Date of appointment	21 May 2014	7 October 2014	2 January 2020
Date of last re-appointment (if applicable)	29 August 2017	29 August 2018	Not Applicable
Age	40	55	50
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Yap Chin Hock as Executive Director and Chief Executive Officer was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Yap Chin Hock's qualifications, expertise, past experience and overall contribution since he was appointed as a Director.	The re-election of Mr Lim Kee Way Irwin as Lead Independent Director was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Lim Kee Way Irwin's qualifications, expertise, past experience and overall contribution since he was appointed as a Director.	The re-election of Mr Kho Kewee as Independent Director was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Kho Kewee'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 Overall management of the Group's operations and supports the Executive Chairman in developing the corporate and business development strategies of the Group.	Non-Executive	Non-Executive

Additional Information on Directors Seeking Re-Election

PURSUANT TO RULE 720(5) OF THE CATALIST RULES

	Yap Chin Hock	Lim Kee Way Irwin	Kho Kewee
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chief Executive Officer	Lead Independent Director, Chairman of Audit Committee and Member of Nominating Committee and Remuneration Committee	Independent Director, Member of the Audit Committee, Nominating Committee and Remuneration Committee
Professional qualifications	–	Master of Science in Management from the Imperial College of Science, Technology and Medicine, University of London Bachelor of Science from the Columbia University	Graduate Certificate in International Arbitration, NUS Law Bachelor of Science, Business, Indiana University
Working experience and occupation(s) during the past 10 years	Executive Director and Chief Executive Officer of MS Holdings Limited since 2014	2007 to 2013 – Group Chief Financial Officer, United Test and Assembly Center Ltd 2013 to 2020 – Managing Director, Inflexion Ventures Private Ltd 2015 to Present – Operating Partner, Novo Tellus Capital Partners	2019 to date – Executive Director, Castell Logistics Pte Ltd 2012 to date – Managing Partner, Pillars & Woggs LLP 2018 to 2020 – Vice-Chairman, Roadbull Logistics Pte Ltd 2019 to 2020 – Director, Foodstuff Unlimited Co. Pte Ltd 2014 to 2016 – Director, SBI Ven Capital Pte Ltd 2011 to 2012 – Corporate & Business Development Consultant, JSCL Investments Pte Ltd/ Homestay Residences Pte Ltd 2008 to 2010 – Managing Director, Alpha Advisory Pte Ltd

Additional Information on Directors Seeking Re-Election

PURSUANT TO RULE 720(5) OF THE CATALIST RULES

	Yap Chin Hock	Lim Kee Way Irwin	Kho Kewee
Shareholding interest in the listed issuer and its subsidiaries	<p>Direct interest – 5,500,000 ordinary shares of MS Holdings Limited</p> <p>Deemed interest – 138,240,000 ordinary shares of MS Holdings Limited</p>	Nil	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	<p>Yes</p> <p>Mr Yap Chin Hock is a controlling shareholder of the Company and son of Mdm Ng Chui Hwa (Executive Chairman) and Mr Yap Sian Lay (controlling shareholder).</p> <p>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 138,240,000 shares of the Company held by Loke Investments Pte. Ltd. pursuant to Section 4 of the Securities and Futures Act (Chapter 289) of Singapore.</p>	No	No
Conflict of interest (including any competing business)	No	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	Yes

Additional Information on Directors Seeking Re-Election

PURSUANT TO RULE 720(5) OF THE CATALIST RULES

	Yap Chin Hock	Lim Kee Way Irwin	Kho Kewee
Other principal commitments including directorships	<p><u>Past</u> (for the last 5 years)</p> <p>Directorships: Nil</p> <p>Other Principal Commitments: Nil</p> <p><u>Present</u></p> <p>Directorships:</p> <p>Moh Seng Cranes Pte. Ltd. Moh Seng Services Pte. Ltd. MS Equipment Pte. Ltd. Extol Global Pte. Ltd. Bravio Capital Pte. Ltd. Vanda Logistics Pte. Ltd. Loke Investments Pte. Ltd.</p> <p>Other Principal Commitments: Nil</p>	<p><u>Past</u> (for the last 5 years)</p> <p>Directorships:</p> <p>Lifebrandz Ltd</p> <p>Other Principal Commitments: Nil</p> <p><u>Present</u></p> <p>Directorships:</p> <p>GS Holdings Limited Novoflex Pte Ltd Smartflex Technology Pte Ltd Smartflex Innovation Pte Ltd</p> <p>Other Principal Commitments: Nil</p>	<p><u>Past</u> (for the last 5 years)</p> <p>Directorships:</p> <p>Foodstuff Unlimited Co. Pte Ltd (2019 to 2020) Courts Asia Limited (2012 to 2019) Lee Metal Group Limited (2012 to 2018)</p> <p>Other Principal Commitments: Nil</p> <p><u>Present</u></p> <p>Directorships:</p> <p>Pillars & Woggs LLP Castell Logistics Pte Ltd</p> <p>Other Principal Commitments: Nil</p>
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</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	No

Additional Information on Directors Seeking Re-Election

PURSUANT TO RULE 720(5) OF THE CATALIST RULES

	Yap Chin Hock	Lim Kee Way Irwin	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	No
(c) Whether there is any unsatisfied judgment against him?	No	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	No

Additional Information on Directors Seeking Re-Election

PURSUANT TO RULE 720(5) OF THE CATALIST RULES

	Yap Chin Hock	Lim Kee Way Irwin	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	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	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	No

Additional Information on Directors Seeking Re-Election

PURSUANT TO RULE 720(5) OF THE CATALIST RULES

	Yap Chin Hock	Lim Kee Way Irwin	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	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	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	No

Additional Information on Directors Seeking Re-Election

PURSUANT TO RULE 720(5) OF THE CATALIST RULES

	Yap Chin Hock	Lim Kee Way Irwin	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	No

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

**PROXY FORM
ANNUAL GENERAL MEETING**

Important:

- In view of the safe distancing regulations to hold physical meetings and 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 ("Meeting Order"). The Meeting Order currently applies for the period starting on 27 March 2020 and ending on 30 September 2020. The Ministry of Law plans to extend the Meeting Order to 30 June 2021. Amendments to The COVID-19 (Temporary Measures) Act 2020 ("Temporary Measures Act") were passed in Parliament on 4 September 2020 to permit the Minister of Law to do so. If the President assents to the amendments to the Temporary Measures Act, the amendments to extend the duration of the Meeting Order will be gazetted, once the amendments to the Temporary Measures Act come into force. On 7 September 2020, the SGX-ST announced that it will amend the ACRA-SGX-MAS joint guidance to reflect the extended period once the legislative changes are in place. This extended duration of the Meeting Order provides the Company with the option to conduct general meetings by electronic means even where the Company is permitted under the COVID-19 safe distancing regulations to hold physical meetings, to help minimise physical interactions and COVID-19 transmission risks.
- 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 23 September 2020.
- 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 Thursday, 15 October 2020 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 FY2020			
2.	Approval of Directors' fees amounting to S\$67,000 for FY2020			
3.	Re-election of Mr Yap Chin Hock as a Director			
4.	Re-election of Mr Lim Kee Way Irwin as a Director			
5.	Re-election of Mr Kho Kewee as a Director			
6.	Re-appointment of Messrs RT LLP as Auditors			
7.	Authority to allot and issue shares pursuant to the Share Issue Mandate			
8.	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 (v) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2020

Total number of shares in:	Number of shares
(a) CDP 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 (Chapter 289) 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; andin either case, by **3.00 p.m. on 13 October 2020** (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 23 September 2020.



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F / (65) 6863 8202 (Accounts)

F / (65) 6261 3369 (Operations)

