



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

WAIVER FROM COMPLIANCE WITH CATALIST RULE 1014(2) IN RELATION TO THE PROPOSED DISPOSAL OF PROPERTY LOCATED AT 11 GUL DRIVE, SINGAPORE 629462

Unless otherwise defined, all capitalized terms used herein shall bear the same meaning as in the Company's announcements dated 1 September 2020 and 14 September 2020 ("Announcements").

1. INTRODUCTION

The Board of Directors ("**Board**") of MS Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Announcements relating to the proposed disposal of property located at 11 Gul Drive, Singapore 629462 ("**Proposed Disposal**").

2. THE PROPOSED DISPOSAL AS A MAJOR TRANSACTION

As highlighted in paragraph 8 of the announcement of the Company dated 1 September 2020, as the relative figure for the Proposed Disposal computed on the basis of Rule 1006(c) of the Catalist Rules exceeds 50%, the Proposed Disposal constitutes a "major transaction" as defined under Rule 1014 of the Catalist Rules. Accordingly, the approval of Shareholders at a general meeting is required for the Proposed Disposal.

3. APPROVAL OF WAIVER APPLICATION TO COMPLY WITH RULE 1014(2) OF THE CATALIST RULES

3.1 The Company had through its sponsor, SAC Capital Private Limited, submitted an application to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), seeking a waiver from compliance with Rule 1014(2) of the Catalist Rules which requires the prior approval of Shareholders in relation to the Proposed Disposal ("**Waiver**").

3.2 The SGX-ST had on 23 December 2020 informed the Company that based on the Company's submissions and representations to the SGX-ST, the SGX-ST has no objection to the Waiver, subject to the following conditions being fulfilled:

- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Catalist Rule 106 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met; and
- (b) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company.

4. REASONS FOR SEEKING THE WAIVER

The Company had sought the Waiver based on the following reasons:

4.1 The Property is a non-core asset and is ancillary to the Group's business.

As part of its business of providing mobile cranes and lorry cranes for rent, the Group requires space to store its mobile cranes and lorry cranes when it is not being deployed for use. The Property was acquired by the Group in 1995 for the said use. Certain sections of the Property were also leased to third parties.

As the Group's business grew, the Group subsequently acquired a larger and newer property at 22 Pandan Road which was nearly twice the size of the Property ("**Pandan Property**"). The Pandan Property is currently being used to house the remaining mobile cranes and lorry cranes when they are not rented to the Group's customers. At present, the Property is vacant and all the cranes previously parked at the property are parked at Pandan Property.

In view of the above and as the Property was not a significant contributor to the Group's financials during the last 3 financial years, the Proposed Disposal would not result in a change in risk profile of the Group. In addition, as the Pandan Property is sufficient to hold all assets of the Group, the Proposed Disposal is not expected to affect the existing operations and business of the Group and the nature of the core business of the Group.

4.2 The Sale Consideration is comparable to recent transacted prices of similar properties within the same district.

Although no valuation was conducted on the Property for the purpose of the Proposed Disposal, an independent valuation was conducted by an independent valuer, RHT Chestertons Valuation and Advisory Pte. Ltd., to assess the market value of the Property for mortgage financing in April 2019 ("**2019 Valuation**"). This was used by management as a basis for negotiation with the Purchaser. Based on the 2019 Valuation, the open market value of the Property was S\$9.0 million and the forced sale value of the Property was S\$7.2 million. However, this valuation did not factor in the change in business environment and industry conditions from April 2020 till August 2020 where Singapore entered into the circuit breaker.

The Board had, in its deliberations of the Proposed Disposal, also considered recently transacted prices of similar properties within the same district as the Property. Based on www.squarefoot.com.sg, a property research website which states its source of information is from the Urban Redevelopment Authority, the recent transaction prices are as follows:

- (i) On 11 August 2020, a property with a remaining lease of 34 years at Tuas Link 1 was transacted at S\$6.0 million. The property has a land area of 48,664 square feet (approximately 4,521 square metres), which works out to a transaction price of approximately S\$123 per square foot; and
- (ii) On 13 July 2020, a property with a remaining lease of 22 years at Gul Street 4 was transacted at approximately S\$4.1 million. The property has a land area of 38,944 square feet (approximately 3,618 square metres), which works out to a transaction price of approximately S\$105 per square foot.

Based on the offer of S\$7.0 million, the Property is to be sold at approximately S\$133 per square foot which are higher than recent transaction prices.

4.3 The Proposed Disposal will improve the financial position of the Group.

Based on the Consideration, the Group will record a gain on disposal amounting to S\$5.2 million. The Group will also be able to repay and redeem a portion of its existing loans using the proceeds from the Proposed Disposal. Upon completion of the Proposed Disposal, the Group will be able to repay and redeem loans that are secured by the Property amounting to S\$6.7 million, thereby reducing its borrowings to approximately S\$21.2 million. The Proposed Disposal will also have positive financial effects to the NTA per share, EPS and gearing of the Group.

4.4 The Company has obtained a letter of undertaking from the controlling shareholder, Loke Investments Pte. Ltd. to vote in favour to approve the Proposed Disposal of the Property.

Loke Investments Pte. Ltd., which holds 138,240,000 shares in the Company representing approximately 83.38% of the total number of shares in the Company, has given an undertaking to the Purchaser to vote in favour of the resolution(s) to approve the Proposed Disposal at the general meeting of the Company, if so required to be held.

5. CONFIRMATIONS FROM THE COMPANY

The Company confirms that:

- (i) it is not aware of any information (including but not limited to financial information) with respect to the Group that may have a material bearing on investors' decisions which was not formally disclosed to the investors; and
- (ii) it is not and will not be in contravention of any laws and regulations governing the Company and the Constitution of the Company arising from the Waiver.

6. FURTHER ANNOUNCEMENT(S)

The Company will make further announcement(s) as and when there are material developments to the Proposed Disposal, as may be necessary or appropriate.

Shareholders and potential investors are reminded to exercise caution while dealing in the shares of the Company. In the event that shareholders and other investors are in doubt when dealing in the share of the Company, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Yap Chin Hock
Executive Director and Chief Executive Officer
24 December 2020

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

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

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