

MOOREAST HOLDINGS LTD.

Registration No: 202120164D Incorporated in Singapore

Unaudited Financial Statements Announcement For Six Months ended 30 June 2023

This announcement has been prepared by Mooreast Holdings Ltd. (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, W Capital Markets Pte Ltd (the “**Sponsor**”).

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

The contact person for the Sponsor is Ms Sheila Ong, Registered Professional, W Capital Markets Pte Ltd, at 65 Chulia Street #43-01 OCBC Centre, Singapore 049513, telephone (65) 6513 3543.

Background

The Company is incorporated in Singapore on 8 June 2021 under the name Mooreast Holdings Pte Ltd. The Company was converted to a public limited company on 28 October 2021 and the name of the Company was changed to Mooreast Holdings Ltd. in connection therewith.

The Company and its subsidiaries (the “**Group**”) is a Total Mooring Solutions specialist, serving mainly the offshore oil and gas, marine and offshore renewable energy industries. The Group’s operations are primarily in Singapore and it maintains sales offices in Rotterdam, the Netherlands and Scotland, United Kingdom.

The Company was listed on the Catalist Board of the SGX-ST on 24 November 2021. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as ascribed to them in the Company’s Offer Document dated 17 November 2021 (the “**Offer Document**”).

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A –CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income for the six-months period ended 30 June 2023 (“1H2023”) and six-months period ended 30 June 2022 (“1H2022”).

	Note	1H2023 S\$'000 Unaudited	1H2022 S\$'000 Unaudited	Change %
Revenue	4	14,419	13,038	11
Cost of sales		(8,495)	(8,704)	(2)
Gross profit		5,924	4,334	37
Other items of income				
Interest income	5	319	327	(2)
Other income	5	3,037	2,324	31
Other items of expense				
Marketing and distribution		(330)	(188)	76
Administrative expenses		(4,365)	(3,593)	21
Research and development expenses		(19)	(567)	(97)
Interest expenses	5	(1,099)	(961)	14
Other expenses	5	(733)	(608)	21
Profit before tax	5	2,734	1,068	156
Income tax expense	7	(456)	(196)	133
Profit after tax		2,278	872	161
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation		(37)	54	Nm
Total comprehensive income for the financial period attributable to owner of the Company		2,241	926	142

Nm=not meaningful

B. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		30 June 2023 S\$'000	31 December 2022 S\$'000	30 June 2023 S\$'000	31 December 2022 S\$'000
		Unaudited	Audited	Unaudited	Audited
Assets					
Non-current assets					
Plant and equipment	8	4,311	4,985	4	–
Intangible asset		16	–	–	–
Right-of-use assets	9	30,788	31,659	–	–
Investment in subsidiaries		–	–	10,587	10,587
Trade and other receivables	10	2,403	2,555	–	–
		37,518	39,199	10,591	10,587
Current assets					
Inventories	11	8,151	6,265	–	–
Trade and other receivables	10	12,045	6,641	3,080	1,578
Contract assets		1,522	2,018	–	–
Prepaid operating expenses		797	1,638	23	26
Cash and bank balances	12	19,093	19,105	14,402	14,961
		41,608	35,667	17,505	16,565
Total assets		79,126	74,866	28,096	27,152
Current liabilities					
Trade and other payables	13	8,112	5,663	578	134
Contract liabilities		575	309	–	–
Lease liabilities	9	829	884	–	–
Loan and borrowing	14	1,263	1,060	–	–
Income tax payables		975	1,053	–	–
		11,754	8,969	578	134
Net current assets		29,854	26,698	16,927	16,431
Non-current liabilities					
Lease liabilities	9	9,572	9,965	–	–
Loan and borrowing	14	24,718	25,259	–	–
Convertible note	15	4,886	4,768	4,886	4,768
Provision for reinstatement cost	16	2,145	2,095	–	–
Deferred tax liabilities	17	581	581	–	–
		41,902	42,668	4,886	4,768
Total liabilities		53,656	51,637	5,464	4,902
Net assets		25,470	23,229	22,632	22,250

B. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	Group		Company	
		30 June 2023 S\$'000 Unaudited	31 December 2022 S\$'000 Audited	30 June 2023 S\$'000 Unaudited	31 December 2022 S\$'000 Audited
Capital and reserves					
Share capital	18	23,636	23,636	23,636	23,636
Capital reserve		(9,587)	(9,587)	–	–
Retained earnings/ (accumulated losses)		10,923	8,645	(1,411)	(1,793)
Other reserve	15	407	407	407	407
Foreign currency translation reserve		91	128	–	–
Total equity		25,470	23,229	22,632	22,250
Total equity and liabilities		79,126	74,866	28,096	27,152

C. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital SS'000	Capital reserve SS'000	Retained earnings SS'000	Other reserve SS'000	Foreign currency translation reserve SS'000	Total equity SS'000
Group						
As at 1 January 2022	23,636	(9,587)	7,272	407	59	21,787
Profit net of tax	–	–	1,373	–	–	1,373
Foreign currency translation	–	–	–	–	69	69
Total comprehensive income for the year	–	–	1,373	–	69	1,442
As at 31 December 2022	23,636	(9,587)	8,645	407	128	23,229
As at 1 January 2023	23,636	(9,587)	8,645	407	128	23,229
Profit net of tax	–	–	2,278	–	–	2,278
Foreign currency translation	–	–	–	–	(37)	(37)
Total comprehensive income for the period	–	–	2,278	–	(37)	2,241
As at 30 June 2023	23,636	(9,587)	10,923	407	91	25,470

Company	Share capital SS'000	Retained earnings SS'000	Other reserve SS'000	Total equity SS'000
As at 1 January 2022	23,636	(1,539)	407	22,504
Total comprehensive income for the year	–	(254)	–	(254)
As at 31 December 2022	23,636	(1,793)	407	22,250
As at 1 January 2023	23,636	(1,793)	407	22,250
Total comprehensive income for the period	–	382	–	382
As at 30 June 2023	23,636	(1,411)	407	22,632

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	1H2023 Unaudited S\$'000	1H2022 Unaudited S\$'000
Group		
Operating activities		
Profit before tax	2,734	1,068
<u>Adjustments for:</u>		
Depreciation of plant and equipment	766	718
Depreciation of right-of-use assets	871	843
Gain on disposal of plant and equipment	(2,694)	(1,364)
Interest income	(319)	(327)
Interest expense	528	168
Interest expense on lease liabilities	230	244
Interest expense on convertible note	341	549
Reversal of allowance for inventories obsolescence	–	(6)
Reversal of allowance for expected credit losses	(39)	–
Inventories written off	–	38
Unrealised foreign exchange loss/(gain)	21	(12)
Operating cash flow before changes in working capital	2,439	1,919
<u>Changes in working capital:</u>		
(Increase)/decrease in inventories	(1,886)	1,991
Increase in contract assets, trade and other receivables	(4,835)	(109)
Decrease/(increase) in prepaid operating expenses	841	(139)
Increase in contract liabilities, trade and other payables	2,524	149
Restricted cash	62	(142)
Cash flow (used in)/from operations	(855)	3,669
Interest paid	–*	–*
Income tax paid	(534)	(49)
Net cash flow (used in)/generated from operating activities	(1,389)	3,620
Investing activities		
Purchase of plant and equipment	(392)	(1,723)
Development expenditure	(16)	–
Proceeds from disposal of plant and equipment	3,000	2,052
Interest received	319	22
Net cash flows generated from investing activities	2,911	351

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	1H2023 Unaudited S\$'000	1H2022 Unaudited S\$'000
Financing activities		
Interest paid on lease liabilities	(230)	(244)
Repayment on lease liabilities	(448)	(384)
Interest paid on loan and borrowing	(334)	(121)
Repayment on loan and borrowing	(482)	(571)
Net cash flows used in financing activities	(1,494)	(1,320)
Net increase in cash and cash equivalents	28	2,651
Effect of exchange rate changes on cash and cash equivalents	22	85
Cash and cash equivalents at beginning of the period	18,974	20,244
Cash and cash equivalents at the end of period	19,024	22,980

* Below S\$1,000

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These notes form an integral part of the condensed interim consolidated financial statements.

1. Corporate information

The Company was incorporated in Singapore on 8 June 2021 under the name Mooreast Holdings Pte. Ltd. The Company was converted to a public company limited by shares on 28 October 2021 and the name of the Company was changed to Mooreast Holdings Ltd. in connection herewith. The address of the Company's registered office is 51 Shipyard Road, Mooreast Offshore Base, Singapore 628139.

The financial statements of the Group as at and for the period ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as the "Group").

The principal activities of the Company are those of investment holding. Details of the subsidiaries as at 30 June 2023 are as follows:

Name of subsidiaries	Principal activities	Country of incorporation
Mooreast Asia Pte. Ltd.	Provision of mooring systems and mooring system components and related services	Singapore
Mooreast Rigging Pte. Ltd.	Provision of mooring components to the marine industry	Singapore
Mooreast Renewables Pte. Ltd.	Provision of engineering, design and consultancy services	Singapore
Mooreast Europe B.V.	Sales and marketing to customers in Europe	The Netherlands
Mooreast UK Co Limited	Provision of mooring solutions for the Floating Renewable Energy Industry	United Kingdom

2. Basis of preparation

The condensed interim consolidated financial statements for the six-months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore.

The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I), except for the adoption of new and amended standards as set out in Note 2.1.

These condensed interim consolidated financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

These condensed interim consolidated financial statements are presented in Singapore dollar, which is the Company's functional currency. The financial information has been rounded to the nearest thousand, unless otherwise stated.

2.1 New and amended Standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustment as a result of adopting those Standards.

2.2 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
<i>Amendments to SFRS(I) 1-1 on Classification of Liabilities as Current or Non-current</i>	1 January 2024
<i>Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback</i>	1 January 2024
<i>Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants</i>	1 January 2024

2.3 Use of estimates and judgements

The preparation of the condensed interim consolidated financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the period ended 30 June 2022.

Estimates and judgements are continually evaluated and are based on historical experience and on other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amount recognized in the condensed interim financial statements is included in the following notes:

(a) *Useful lives and residual value of rental equipment*

The cost of rental equipment is depreciated on a straight-line basis over their estimated economic useful lives. The Group reviews the estimated useful lives and residual value of its rental equipment at the start of each reporting period. In determining the residual value and useful lives of rental equipment, management considers factors such as market prices of used rental equipment, expected usage levels, maintenance and repair cost, technical or commercial obsolescence. Changes in these factors could potentially impact the economic useful lives and residual value of these assets, and thereby resulting in changes in future depreciation charges. Such charges are accounted for prospectively.

(b) *Impairment of investment in subsidiaries*

The Company assesses at the end of each reporting period whether there is any objective evidence that the investments in subsidiaries are impaired. Management considers factors such as the historical and current performances, estimated value and probability of future cash flows.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the subsidiaries using suitable discount rates to calculate the present value of those cash flows.

2. Basis of preparation (cont'd)

2.3 Use of estimates and judgements (cont'd)

(c) Allowance for expected credit losses ("ECLs") of trade and other receivables

The Group uses a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due for groupings or various customer segments that have similar loss patterns.

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 ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future.

(d) Allowance for slow-moving and obsolete inventories

The Group carries out inventories review on a product-by-product basis to determine the allowance for slow-moving and inventories obsolescence and whether inventories are stated at the lower of cost and net realisable value, management's estimates of the net realisable value of the inventories at the end of the reporting period are based primarily on the latest selling prices and the market conditions.

(e) Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay or borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and makes certain adjustment for entity-specific estimates.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Revenue

Disaggregation of revenue

	Six months ended 30 June	
	2023	2022
	SS'000	SS'000
Group		
Sale of goods	8,094	8,427
Rental of equipment	411	2,243
Services rendered	5,914	2,368
	<hr/>	<hr/>
	14,419	13,038
	<hr/>	<hr/>
Timing of transfer of goods or services		
At a point in time	4,955	8,427
Over time	9,464	4,611
	<hr/>	<hr/>
	14,419	13,038
	<hr/>	<hr/>

5. Profit before tax

	Six months ended 30 June	
	2023	2022
	S\$'000	S\$'000
Group		
Interest income		
Interest income from:		
current account	319	327
	<hr/>	<hr/>
Other income		
Gain on disposal of plant and equipment	2,694	1,364
Gain on foreign exchange	126	95
Sales of scrap metal	57	83
Government grants	119	762
Reversal of allowance for expected credit losses	39	–
Others	2	20
	<hr/>	<hr/>
	3,037	2,324
	<hr/>	<hr/>
Interest expenses		
Interest expenses on:		
- lease liabilities	230	244
- loan and borrowing	478	121
- convertible note	341	549
- others	50	47
	<hr/>	<hr/>
	1,099	961
	<hr/>	<hr/>
Other expenses		
Legal and other professional fees	291	221
Property tax	223	282
Donations	22	–
Others	197	105
	<hr/>	<hr/>
	733	608
	<hr/>	<hr/>
Inventories recognised as an expense in cost of sales	4,391	6,033
Staff costs	2,409	2,197
Transport expenses	294	150
Depreciation of plant and equipment	766	718
Depreciation of right-of-use assets	871	843
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6. Earnings per share

	Six months ended 30 June	
	2023	2022
Group		
Basic earnings per share (cents)	0.88	0.34
	<hr/>	<hr/>
Weighted-average number of ordinary shares ('000)	259,000	259,000
	<hr/>	<hr/>
Diluted earnings per share (cents)	0.82	0.32
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Weighted-average number of ordinary shares ('000)	276,483	276,483
	<hr/>	<hr/>

The earnings per share is computed by dividing the profit after tax attributable to owners of the Company against the weighted average number of shares.

7. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Six months ended 30 June	
	2023	2022
	S\$'000	S\$'000
Group		
Current income tax:		
- Current year	456	196

8. Plant and equipment

Group	Motor vehicles	Furniture and fittings	Workshop and office equipment	Computers and software	Renovation	Rental equipment	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Cost:							
At 1 January 2022	566	71	2,353	341	583	8,959	12,873
Additions	193	–	813	247	167	1,203	2,623
Disposals	(237)	–	–	–	–	(2,161)	(2,398)
<hr/>							
At 31 December 2022 and 1 January 2023	522	71	3,166	588	750	8,001	13,098
Additions	149	6	68	37	98	34	392
Disposals	(48)	–	–	–	–	(1,848)	(1,896)
Exchange differences	–	–	–	–*	–	11	11
<hr/>							
At 30 June 2023	623	77	3,234	625	848	6,198	11,605
<hr/>							
Accumulated depreciation:							
At 1 January 2022	323	18	1,555	270	54	5,962	8,182
Depreciation charge for the year	52	20	238	84	181	974	1,549
Disposal	(237)	–	–	–	–	(1,381)	(1,618)
<hr/>							
At 31 December 2022 and 1 January 2023	138	38	1,793	354	235	5,555	8,113
Depreciation charge for the period	44	10	129	58	107	418	766
Disposal	(48)	–	–	–	–	(1,542)	(1,590)
Exchange differences	–	–	–	–*	–	5	5
<hr/>							
At 30 June 2023	134	48	1,922	412	342	4,436	7,294
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Net carrying amount:							
At 31 December 2022	384	33	1,373	234	515	2,446	4,985
<hr/>							
At 30 June 2023	489	29	1,312	213	506	1,762	4,311
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* Below S\$1,000

9. Right-of-use assets and lease liabilities

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Leasehold properties	Motor vehicles	Workshop and office equipment	Software	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group					
As at 1 January 2022	29,773	33	3,293	–	33,099
Lease modification	17	–	–	–	17
Additions	217	–	–	40	257
Depreciation	(1,467)	(17)	(219)	(11)	(1,714)
As at 31 December 2022	28,540	16	3,074	29	31,659
Depreciation	(747)	(8)	(110)	(6)	(871)
As at 30 June 2023	27,793	8	2,964	23	30,788

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	30 June 2023	31 December 2022
	S\$'000	S\$'000
Group		
As at 1 January	10,849	11,388
Accretion of interest	230	482
Lease modification	–	17
Additions	–	248
Payments	(678)	(1,286)
As at 30 June/ 31 December	10,401	10,849
Current	829	884
Non-current	9,572	9,965
As at 30 June/ 31 December	10,401	10,849

10. Trade and other receivables

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Trade receivables	2,403	2,555	–	–
	2,403	2,555	–	–
Current assets				
Trade receivables	11,215	6,079	–	–
Deposits	66	99	11	11
GST receivables	317	74	–	–
Other receivables	447	389	214	76
Amount due from subsidiaries	–	–	2,855	1,491
	12,045	6,641	3,080	1,578
Total trade and other receivables	14,448	9,196	3,080	1,578

10. Trade and other receivables (cont'd)Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amount which represents their fair values on initial recognition.

Trade and other receivables denominated in a foreign currency other than the respective functional currencies of the Company and its subsidiaries are as follow:

	30 June 2023	31 December 2022
	S\$'000	S\$'000
United States Dollars	10,547	5,760

11. Inventories

	30 June 2023	31 December 2022
	S\$'000	S\$'000
Group		
Raw material, at cost	2,468	2,001
Work-in-progress, at cost	1,476	91
Finished goods, at cost	4,183	4,179
Consumables, at cost	111	81
	<hr/>	<hr/>
	8,238	6,352
Less: Allowance for inventories obsolescence	(87)	(87)
	<hr/>	<hr/>
	8,151	6,265

12. Cash and bank balances

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at banks	19,089	19,104	14,402	14,961
Cash on hand	4	1	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	19,093	19,105	14,402	14,961
Less: Restricted cash	(69)	(131)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Cash and cash equivalents	19,024	18,974	14,402	14,961

Restricted cash of S\$68,545 as at 30 June 2023 represents cash at bank that has been set aside, at the subsidiary level, as performance guarantee for ongoing contracts.

12. Cash and bank balances (cont'd)

Cash and cash equivalents denominated in foreign currencies other than the respective functional currencies of the Company and its subsidiaries are as follow:

	30 June 2023	31 December 2022
	S\$'000	S\$'000
United States Dollars	2,593	1,808
Euro	125	10
	<hr/>	<hr/>

13. Trade and other payables

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables	5,416	3,598	–	–
Other payables:				
Sundry payables	414	344	100	7
Accruals	2,229	1,713	421	120
GST payables	53	8	53	7
Amount due to a subsidiary	–	–	4	–
	<hr/>	<hr/>	<hr/>	<hr/>
Total trade and other payables	8,112	5,663	578	134
	<hr/>	<hr/>	<hr/>	<hr/>

Trade payables

Trade payables are non-interest bearing. Trade payables are normally settled on 60 days' terms.

Trade and other payables denominated in foreign currencies other than the respective functional currencies of the Company and its subsidiaries are as follow:

	30 June 2023	31 December 2022
	S\$'000	S\$'000
United States Dollars	1,888	1,839
Euro	410	252
GBP	1	278
	<hr/>	<hr/>

14. Loan and borrowings

	30 June 2023	31 December 2022
Group	S\$'000	S\$'000
Current		
Commercial property loan (secured)	1,036	977
Shareholder loan	227	83
	<hr/>	<hr/>
	1,263	1,060
Non-current		
Commercial property loan (secured)	11,718	12,259
Shareholder loan	13,000	13,000
	<hr/>	<hr/>
	24,718	25,259
	<hr/>	<hr/>
Total loan and borrowings	25,981	26,319
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On 14 July 2021, Mooreast Asia Pte. Ltd. acquired a leasehold property at 51 Shipyard Road for an aggregate consideration of S\$18.5 million which was financed through a combination of commercial property loan and internal funding.

The loan is secured by an all-monies legal mortgage over the property and a personal guarantee provided by Mr Sim Koon Lam. The loan is repayable in 144 monthly instalments from 14 July 2021 to 30 June 2033.

On 28 October 2021 the then shareholder approved an interim dividend pay-out of S\$15,000,000 of which S\$2,000,000 has been repaid in FY2022, and the remaining S\$13,000,000 has been converted to an interest-bearing loan due to the sole shareholder ("**Shareholder Loan**"). The Shareholder Loan is for a term of 5 years and repayment of the Shareholder Loan is subject to the Audit Committee's approval. The interest rate payable on the Shareholder Loan for each 6-month period (such period an "**Interest Rate Period**") is a percentage equal to 0.1% above (a) in respect of the first Interest Rate Period, the 6-month Compounded Singapore Overnight Rate Average ("**Compounded SORA**"); and (b) in respect of each other successive Interest Rate Period, the Compounded SORA published on the business day immediately following the last day of the previous Interest Rate Period.

15. Convertible note

On 2 November 2021, the Company entered into the Convertible Note Agreement with EDB Investments Pte Ltd ("**EDBI**") to issue two series of unsecured convertible notes as follows:

(a) CN1

The first series of the EDBI Convertible Note ("**CN1**") was issued for a principal amount of S\$5,000,000 and will automatically convert into shares of the Company two business days prior to the listing date. The conversion was completed on 22 November 2021.

15. Convertible note (cont'd)

(b) CN2

The second series of the EDBI Convertible Note (“CN2”) was issued for a principal amount of S\$5,000,000 with the following principal terms:

Principal amount:	S\$5,000,000
Date of issuance:	22 November 2021
Interest rate:	9% per annum
Interest payment term:	Yearly
Maturity date:	22 November 2026
Mainboard transfer long stop date:	22 May 2025

The liability component of the convertible note is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption.

The movement of the convertible note was as follows:

	30 June 2023	31 December 2022
	S\$'000	S\$'000
Group and Company		
Equity component		
As at 1 January / 30 June / 31 December	407	407
Liability component		
As at 1 January	4,768	4,592
Interest expense	118	626
Payments	–	(450)
As at 30 June /31 December	4,886	4,768

16. Provision for reinstatement cost

The Group recognises provision for reinstatement cost when the Group enters into lease agreements for the premises. This provision is recognised for the expected costs for dismantling, removing and restoring of leased properties to their original state upon expiry of the leases. In determining the amount of the provision for restoration cost, estimates are made in relation to the best estimates of the expenditure with reference to quotations provided by third party contractor.

17. Deferred tax liabilities

Deferred tax liabilities relate to the following:

	30 June 2023	31 December 2022
	S\$'000	S\$'000
Group		
Differences in depreciation for tax purposes	581	581

18. Share capital

	Group and Company	
	No. of shares	Amount
		S\$'000
<i>Issued and fully paid ordinary shares:</i>		
As at 31 December 2022 and 30 June 2023	259,000,000	23,636

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.

The number of Shares that may be issued on the conversion of the outstanding Convertible Note as at 31 December 2022 and 30 June 2023 is as follows:

	Group and Company	
	No. of shares	Amount
		S\$'000
As at 31 December 2022 and 30 June 2023		
New shares to be issued on conversion of outstanding Convertible Note of S\$5 million at the conversion price of S\$0.286	17,483,000	5,000

There are no treasury shares or subsidiary holdings as at 30 June 2023 and 31 December 2022.

19. Operating segments

The Group has the following five strategic divisions, which are reportable segments. The five divisions offer different services, and are managed separately. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The following summary describes the operations in each of the Group's reportable segments:

- **Mooring division**

Provision of design, engineering, fabrication, supply and installation and commissioning services for mooring systems and mooring system to the offshore oil and gas ("O&G") and marine industries. The Group also provide leasing services for ready-made mooring systems and mooring systems components.

- **Rigging and heavy lifting division**

Provision of rigging and heavy lifting equipment to customers in the offshore O&G and marine as well as the construction industries in Singapore, including steel ropes, synthetic ropes and chains.

- **Marine supplies and services division**

Provision of mooring component products, such as synthetic ropes, shackles, chains, anchors and deck equipment to the marine industry.

- **Renewable energy division**

Provision of design, engineering, fabrication, supply and installation and commissioning services for mooring systems and mooring system components for floating wind turbine projects, offshore solar photovoltaic ("PV") projects and tidal turbine projects in Asia and Europe.

- **Yard division**

Provision of on-board fabrication, repairs and testing of equipment and components for marine vessels that dock at its waterfront site.

- **Corporate division**

Involved in group-level corporate services and treasury functions.

Information regarding the result of each reportable segment is included below. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the following table, measured differently from operating profit or loss in the consolidated financial statements.

19. Operating segments (cont'd)

Group	Mooring	Rigging and Heavy Lifting	Marine Supplies and Services	Renewable Energy	Yard	Corporate	Elimination	Per consolidated financial statements
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
For the six-months period ended 30 June 2023								
Revenue from external customers	3,208	2,016	1,226	2,522	5,447	–	–	14,419
Intersegment revenue	199	–	–	–	–	–	(199)	–
Total revenue	3,407	2,016	1,226	2,522	5,447	–	(199)	14,419
Results:								
Depreciation	(744)	(99)	(35)	(35)	(418)	(306)	–	(1,637)
Interest income	28	–	–	–	–	318	(27)	319
Interest expense	(179)	(29)	(29)	(29)	(288)	(572)	27	1,099
Segment profit	2,313	267	16	1,378	726	(2,005)	39	2,734
As at 30 June 2023								
Segment assets:	18,371	4,457	1,182	2,359	5,772	52,584	(5,599)	79,126
Segment liabilities (exclude tax payables and deferred tax liabilities):	3,878	683	144	67	3,572	50,337	(6,581)	52,100

19. Operating segments (cont'd)

Group	Mooring	Rigging and Heavy Lifting	Marine Supplies and Services	Renewable Energy	Yard	Corporate	Elimination	Per consolidated financial statements
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
For the six-months period ended 30 June 2022								
Revenue from external customers	7,795	1,956	1,159	31	2,097	–	–	13,038
Intersegment revenue	960	–	–	–	–	–	(960)	–
Total revenue	<u>8,755</u>	<u>1,956</u>	<u>1,159</u>	<u>31</u>	<u>2,097</u>	<u>–</u>	<u>(960)</u>	<u>13,038</u>
Results:								
Depreciation	(805)	(99)	(35)	(39)	(353)	(230)	–	(1,561)
Interest income	320	–	–	–	–	34	(27)	327
Interest expense	(3)	–*	–	(2)	(31)	(952)	27	(961)
Segment profit	<u>4,020</u>	<u>341</u>	<u>54</u>	<u>225</u>	<u>481</u>	<u>(4,048)</u>	<u>(5)</u>	<u>1,068</u>
As at 30 June 2022								
Segment assets:	<u>46,710</u>	<u>3,540</u>	<u>1,543</u>	<u>619</u>	<u>431</u>	<u>24,393</u>	<u>–</u>	<u>77,236</u>
Segment liabilities (exclude tax payables and deferred tax liabilities):	<u>4,401</u>	<u>1,222</u>	<u>222</u>	<u>–</u>	<u>425</u>	<u>47,046</u>	<u>–</u>	<u>53,316</u>

* Below S\$1,000

20. Related parties transactions

There are no related party transactions apart from those disclosed elsewhere in the financial statements.

21. Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The executive directors and officers of the Group are considered as key management personnel of the Group.

Key management personnel compensation comprises:

Group	Six months ended 30 June	
	2023	2022
	S\$	S\$
Key management personnel remuneration:		
- Salaries and bonuses	597,629	561,362
- CPF contributions	73,192	32,363
	<hr/>	<hr/>
Comprises amounts paid to:		
Directors' of the Company:		
- Salaries and bonuses	303,342	278,696
- CPF contributions	9,898	11,569
	<hr/>	<hr/>

22. Commitments

Operating lease commitments - as lessor

The Group has entered into leases of certain of its plant and equipment. Future minimum rental receivables under non-cancellable operating lease at the end of the reporting period are as follows:

Group	30 June 2023	30 June 2022
	\$'000	\$'000
Not later than one year	379	1,086
Later than one year but not later than five years	8	2,133
	<hr/>	<hr/>
	387	3,219
	<hr/>	<hr/>

F. OTHER INFORMATION REQUIRED BY CATALIST LISTING RULE APPENDIX 7C

OTHER INFORMATION

PART I - INFORMATION REQUIRED FOR QUARTERLY, HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Please refer to Section A – Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income

- 1(a)(ii) Notes to statement of comprehensive income**

Please refer to Section E – Notes to the Condensed Interim Consolidated Financial Statements

- 1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

Please refer to Section B – Condensed Interim Statements of Financial Position

- 1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

Please refer to Note 14 of Section E - Notes to the Condensed Interim Consolidated Financial Statements

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Please refer to Section D – Condensed Interim Consolidated Statement of Cash Flows

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.**

Please refer to Section C – Condensed Interim Statements of Changes in Equity

- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Please refer to Note 15 and Note 18 of Section E – Notes to the Condensed Interim Consolidated Financial Statements.

There are no treasury shares or subsidiary holdings as at 30 June 2023 and 31 December 2022.

- 1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Please refer to Note 18 of Section E - Notes to the Condensed Interim Consolidated Financial Statements

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The condensed consolidated statement of financial position of Mooreast Holdings Ltd. and its subsidiaries as at 30 June 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period ended 30 June 2023 and certain explanatory notes have not been audited nor reviewed.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

- 3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
 (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Please refer to Note 2.1 of Section E - Notes to the Condensed Interim Consolidated Financial Statements.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to Note 2.1 of Section E - Notes to the Condensed Interim Consolidated Financial Statements.

- 6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Please refer to Note 6 of Section E - Notes to the Condensed Interim Consolidated Financial Statements.

- 7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares, excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Net asset value (S\$'000)	25,470	23,229	22,632	22,250
Number of ordinary shares in issue ('000)	259,000	259,000	259,000	259,000
Net asset value per ordinary share (cents)	9.8	9.0	8.7	8.6

A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

A. Consolidated Statement of Comprehensive Income

(1H2023 vs 1H2022)

(1) Revenue:

Segments	1H2023 S\$'000	1H2022 S\$'000	Increase/ (Decrease) S\$'000	Increase/ (Decrease) %
Mooring	3,208	7,795	(4,587)	(59)
Rigging and Heavy Lifting	2,016	1,956	60	3
Marine Supplies and Services	1,226	1,159	67	6
Renewable Energy	2,522	31	2,491	8,035
Yard	5,447	2,097	3,350	160
Total	14,419	13,038	1,381	11

Total revenue increased by S\$1.40 million or 11% from S\$13.00 million in 1H2022 to S\$14.40 million in 1H2023. The increase was mainly due to higher revenue contributions from the Yard, Renewable Energy, Marine Supplies and Services, and Rigging and Heavy Lifting divisions partially offset by lower revenue contributions from the Mooring division.

Revenue from the Mooring division decreased by S\$4.6 million or 59% from S\$7.80 million in 1H2022 to S\$3.2 million in 1H2023. This was mainly due to a slow down in the market activities, which resulted in a decline in the contracts secured.

Revenue from the Rigging and Heavy Lifting as well as Marine Supplies and Services division in 1H2023 increased slightly by approximately S\$60,000 and S\$67,000 respectively compared to 1H2022. This was mainly due to new customers secured and better sales as the Group expanded its products range during the period.

The increase in revenue from the Renewable Energy division was mainly due to the completion of the delivery of mooring solutions (comprising 15 midwater arch buoys) to an offshore wind farm in Japan in June 2023.

Our Yard division contributed S\$5.40 million in revenue for 1H2023, an increase of S\$3.35 million as compared to 1H2022 as business momentum accelerated and the Company ramped up marketing efforts as a shipyard offering a full suite of afloat services such as inspection and testing services, afloat repairs and mobilisation and demobilisation.

(2) Cost of Sales:

Despite the increase in revenue, cost of sales decreased by S\$0.20 million or 2% from S\$8.7 million in 1H2022 to S\$8.50 million in 1H2023. This was mainly attributed to better cost-control arising from the close monitoring of the cost of third-party goods purchases.

(3) Gross Profit:

Gross profit increased by S\$1.60 million or 37% from S\$4.30 million in 1H2022 to S\$5.90 million in 1H2023. Overall gross profit margin increased from 33% in 1H2022 to 41% in 1H2023, mainly due to better cost-control arising from the monitoring of the cost of third-party goods.

(4) Other Income:

Other income increased from S\$2.30 million in 1H2022 to S\$3.00 million in 1H2023. This was due to higher gain from sales of plant and equipment, higher gain on foreign exchange, and reversal of allowance for expected credit losses, partially offset by the decrease in government grants and decrease in income from the sale of scrap metal.

(5) Marketing and Distribution Expenses:

Marketing and distribution expenses increased from S\$0.20 million in 1H2022 to S\$0.30 million in 1H2023, amid a pick-up in renewable energy opportunities developing globally and stepped-up marketing efforts to position the Company across key markets.

(6) Administrative Expenses:

	1H2023 S\$'000	1H2022 S\$'000	Increase/ (Decrease) S\$'000	Increase/ (Decrease) %
Staff related costs	2,409	2,197	212	10
Depreciation	1,100	745	355	48
Upkeep of premises	174	125	49	39
Other administrative costs	682	526	156	30
Total	4,365	3,593	772	21

Administrative expenses increased by S\$0.80 million or 21% mainly due to an increase in staff-related costs, depreciation expenses, as well as other administrative costs.

The increase in staff-related costs was mainly due to adjustments to the remuneration package of employees as well as the recruitment of more technical professionals and executives to support the Group's growth. The increase in depreciation expenses was due to higher plant and equipment as at 1H2023 before the disposal of rental equipment that was completed in June 2023.

Upkeep of premises includes warehouse-related costs incurred and maintenance costs for the upkeep of the yard facilities at 51 Shipyard Road which was acquired in July 2021.

Other administrative costs increased mainly due to the increase in office expenses as well as the incorporation of the Group's subsidiary in the United Kingdom.

(7) Research and Development Expenses:

In 1H2023, the research and development expenses of S\$19,000 pertained to a research and development project for a 10MW Wind Floater. In 1H2022, we incurred S\$0.60 million of research and development expenses pertaining to the tank tests conducted at the National Maritime Research Institute, Japan for PV floaters and basin tests for semi-submersible floaters.

(8) Interest expense:

The increase in interest expense of S\$0.10 million from S\$1.00 million in 1H2022 to S\$1.10 million in 1H2023 was due to significant increase in interest rate on loans and borrowings.

Please refer to Note 5 for detailed breakdown of interest expenses.

(9) Other expenses

Other expenses increased from S\$0.60 million in 1H2022 to S\$0.70 million in 1H2023 due to the increase in legal and professional fees incurred for compliance with the Catalist Rules, and increase in donations.

B. Consolidated Statement of Financial Position as at 30 June 2023

(1) Non-Current Assets:

Non-current assets decreased to S\$37.50 million as at 30 June 2023 from S\$39.20 million as at 31 December 2022, mainly due to a decrease in plant and equipment, right-of-use asset and trade and other receivables of S\$0.70 million, S\$0.90 million and S\$0.20 million respectively.

The decrease in plant and equipment was mainly due to the disposal of rental equipment with a net book value of S\$0.30 million and depreciation of S\$0.80 million during the period. The decrease was partially offset by the acquisition of plant and equipment of S\$0.40 million. The decrease in right-of-use assets was mainly due to depreciation charge of S\$0.90 million. The decrease in trade and other receivables was mainly due to repayment from customers during the period.

(2) Current Assets:

Current assets increased to S\$41.60 million as at 30 June 2023 compared to S\$35.70 million as at 31 December 2022. The increase was mainly due to the increase in inventories of S\$1.90 million, and trade and other receivables of S\$5.40 million, partially offset by the decrease in contract assets of S\$0.50 million and prepaid operating expenses of S\$0.80 million.

Inventories, comprising mainly raw materials, work-in-progress and finished goods, amounted to approximately S\$8.20 million as at 30 June 2023 compared to S\$6.30 million as at 31 December 2022. The increase was mainly due to an increase in work-in-progress as at 30 June 2023 due to an anchor built for a customer which is still undergoing fabrication.

The increase in trade and other receivables was mainly due to increase in trade receivables attributed to the completion of higher value project in June 2023 leading to billings being completed in the same month.

The decrease in contract assets mainly relates to the delivery of an anchor chain to a customer in 1H2022 which we billed in 2H2022. The decrease in prepaid operating expenses was mainly attributed to the advance payment made in 1H2022 on the inventories purchase but only received in 1H2023.

(3) Current Liabilities:

Current liabilities increased to S\$11.80 million as at 30 June 2023 from S\$9.00 million as at 31 December 2022 mainly due to:

- (i) increase in trade and other payables of S\$2.40 million due to increase in purchases from suppliers during the period;
- (ii) increase in contract liabilities S\$0.30 million due to advance payment from customers for contracts secured; and
- (iii) increase of S\$0.20 million in loan and borrowings due to an increase in interest rate during the period.

(4) Non-Current Liabilities:

Non-current liabilities decreased to S\$41.90 million as at 30 June 2023 from S\$42.70 million as at 31 December 2022. The decrease was mainly due to:

- (i) repayment of loan and borrowings of S\$0.50 million; and
- (ii) repayment of lease liabilities of S\$0.40 million.

The decrease was partially offset by an increase in convertible note as a result of recognition of accrued interest of S\$0.10 million.

C. Consolidated Statement of Cash Flows (1H2022)

- (1) In 1H2023, we generated net cash before changes in working capital of S\$2.40 million. Net cash used in changes in working capital amounted to S\$3.30 million mainly due to an increase in inventories of S\$1.90 million and an increase in contract asset, trade and other receivables of S\$4.80 million. These were partially offset by the decrease in prepaid operating expenses of S\$0.80 million and increase in contract liabilities, trade and other payables of S\$2.50 million and restricted cash of S\$0.10 million. The Group also paid income tax of S\$0.5 million.
- (2) Net cash generated from investing activities in 1H2023 amounted to S\$2.90 million. This was mainly due to proceeds from the disposal of plant and equipment of S\$3.00 million and interest income of S\$0.30 million, partially offset by the purchase of plant and equipment of S\$0.40 million.
- (3) Net cash used in financing activities in 1H2023 amounted to S\$1.50 million. This was mainly due to repayment and interest paid on lease liabilities as well as loan and borrowings of S\$0.70 million and S\$0.80 million, respectively.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There was no forecast or prospect statement disclosed previously.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

1H2023 financial performance continued to improve from 1H2022.

Looking ahead, the Group expects its Marine Supplies & Services, Rigging & Heavy Lifting, Yard and Renewable divisions to maintain business momentum and buffer against a challenging mooring market, where short-term demand will remain soft amid economic uncertainties and volatile oil prices.

The Group will continue to step up marketing efforts and widen its range of services including major structural fabrication projects. Together with competitive pricing and an experienced team, Mooreast has established a reputation amongst its customers, who return with new projects.

The Group is exploring the establishment of a manufacturing facility in Aberdeen, Scotland, which is likely to be more than double the floor space and output of the Group's Singapore facility at 51 Shipyard Road. The Aberdeen facility will potentially further strengthen the Group's position as one of the largest drag embedment anchor designer and manufacturer globally.

In line with its strategic shift to serve the floating renewable sector, the Group is expanding its geographical footprint and exploring investments in companies which can provide synergy with the Group's business. Mooreast is also working closely with various international partners to capture new opportunities in the floating renewable sector.

11 Dividend Information

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

No dividend has been declared or recommended for 1H2023 (1H2022: Nil).

(b) (i) Amount per share

Not applicable.

(ii) Previous corresponding period

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands

of shareholders, this must be shared).

Not applicable.

(d) Date the dividend is payable

Not applicable.

(e) Date on which Registrable Transfers received by the Company (up to 5pm) will be registered before entitlements to the dividend are determined

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No interim dividend has been declared or recommended for 1H2023 as the Group continues to operate prudently and intends to conserve cash.

13 If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from its shareholders for the interested person transactions. There were no interested person transactions of S\$100,000 or more for the current financial period under review.

14 Negative confirmation by the board pursuant to Rule 705(5)

Sim Koon Lam and Joseph Ong Yong Loke, being two directors of the Company, have confirmed on behalf of the Board that, to the best of their knowledge, nothing has come to their attention which may render the unaudited interim financial statements of the Company and the Group for 1H2023 to be false or misleading in any material aspect.

15 Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

16 Disclosure pursuant to Rule 706(A)

There was no acquisition or sale of shares by the Company during 1H2023 which requires disclosure pursuant to Rule 706(A) of the Catalist Rules.

Use of IPO proceeds

The gross proceeds of the Listing amounted to approximately S\$8.5 million (the “**Gross Proceeds**”). As at 30 June 2023 a total amount of approximately S\$5.5 million out of the Gross Proceeds had been utilized according to the allocation set out in the Offer Document and the remaining balance of S\$3.0 million is expected to be utilized as intended.

Use of net proceeds	Amount allocated S\$'000	Balance as at 12 Apr 2023 S\$'000	Amount utilised S\$'000	Balance as at the date of this announcement S\$'000
Develop and grow our Renewable Division	500	169	–	169
Development of facilities and capacity of 51 Shipyard Road and scale up of operations & invest in plant, machineries & equipment	4,000	1,406	–	1,406
To explore opportunities in M&A & strategic alliances	1,000	1,000	–	1,000
General corporate and working capital purposes	1,243	738	(358) ⁽¹⁾	380
IPO expenses pursuant to listing	1,804	–	–	–
Gross proceeds from the Invitation	8,547	3,313	(358)	2,955

Note:

(1) Approximately S\$0.3 million was utilised as working capital of the Company to pay its ongoing professional expenses, directors’ remuneration and other corporate and administrative expenses.

The Company will continue to make periodic announcements on the utilisation of the remaining proceeds as and when such balance of the proceeds is materially disbursed.

The Company has received S\$10 million from EDBI, which is currently placed in fixed deposit and pending deployment of fund. The Company will also utilise the proceeds in accordance with EDBI Notes Subscription Agreement.

BY ORDER OF THE BOARD

Sim Koon Lam
Chief Executive Officer
14 August 2023