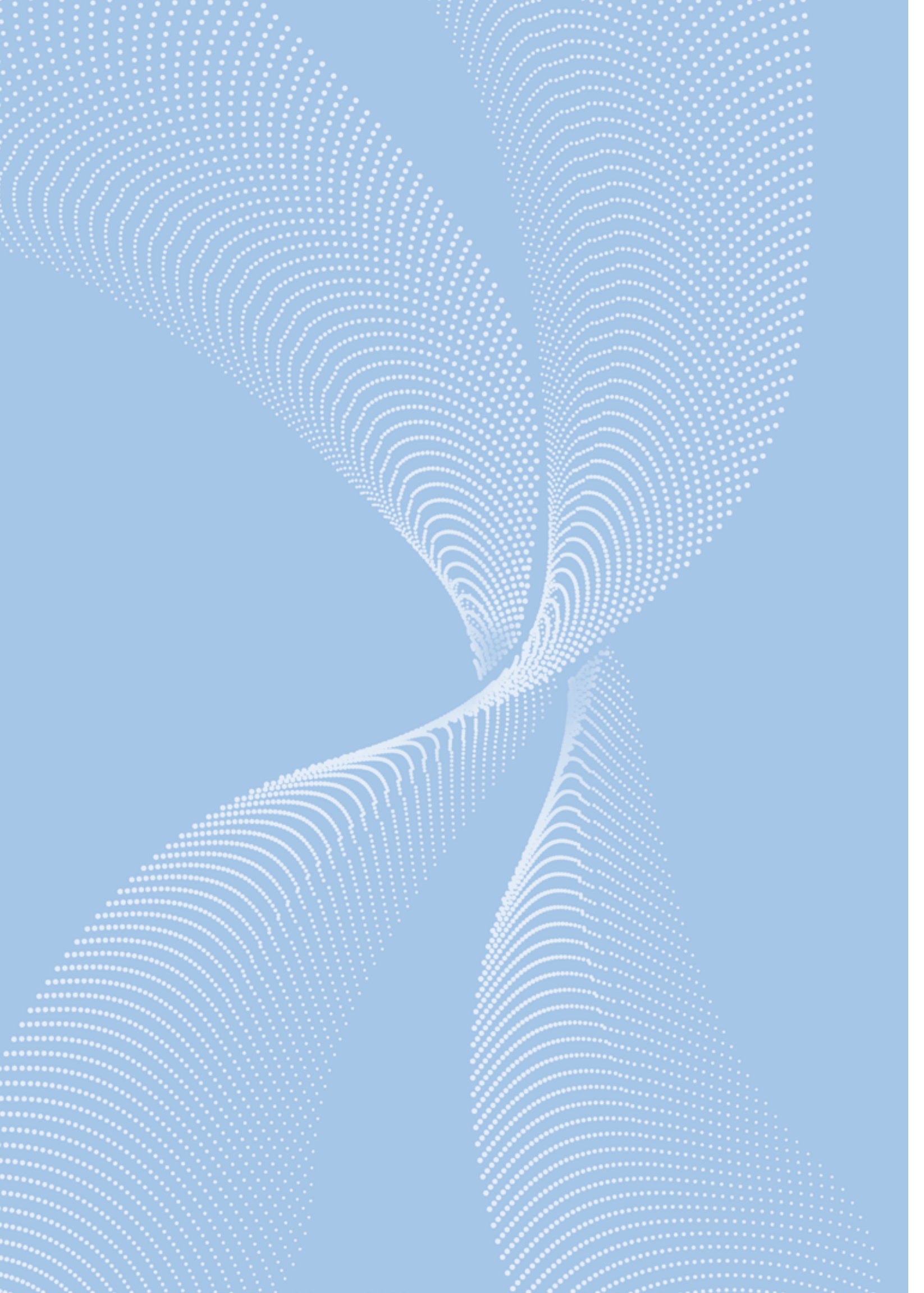


# HARNESSING STABILITY, NAVIGATING GROWTH



**MOOREAST**

ANNUAL REPORT 2023



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

This Annual Report 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 Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Ms Alicia Chang, Registered Professional, W Capital Markets Pte. Ltd., 65 Chulia Street, #43-01 OCBC Centre, Singapore 049513, telephone (65) 6513 3525.

# CORPORATE PROFILE

Listed on the SGX Catalist Board since November 2021, Mooreast is a total mooring solutions specialist, serving mainly the offshore oil & gas (“O&G”), marine and offshore renewable energy industries, with operations primarily in Singapore, and through its wholly-owned subsidiaries, Mooreast Europe, a European office in Rotterdam, the Netherlands and Mooreast UK, an office in Scotland.

## PRODUCTS AND SERVICES



### Total Mooring Solutions

Mooreast provides the design, engineering, fabrication, supply, mobilisation and logistics, installation and commissioning services of bespoke mooring systems to the offshore O&G and marine industries. We also provide leasing services for mooring systems.



### Renewable Energy

Amid concerns of climate change, Mooreast is serving the renewable energy sector through the provision of design, engineering, fabrication, supply, mobilisation demobilisation and project logistics services, installation and commissioning services for mooring systems for floating wind projects, offshore Solar Photovoltaic (“PV”) projects and tidal turbine projects.

Mooreast's solutions include the design, engineering, fabrication, supply and logistics, installation and commissioning of mooring systems. Mooreast is applying its experience and expertise in mooring solutions to floating renewable energy projects, in particular floating offshore wind farms. It has successfully participated in developmental and prototype projects for floating offshore wind turbines in Japan and Europe.

**PRODUCTS AND SERVICES**



**Yard**

Our Yard services include on-board fabrication, repairs and testing of equipment for marine vessels that dock at its waterfront site.



**Rigging & Heavy Lifting**

Mooreast provides rigging and heavy lifting equipment such as steel ropes, synthetic ropes and chains to customers in the offshore O&G, marine, renewable energy and the construction industries in Singapore.



**Marine Supplies & Services**

The provision of mooring component products, such as anchors, chains, mooring fenders, wire ropes, synthetic mooring ropes, shackles and connectors, deck fittings and other equipment, to the marine industry.

# OUR FACILITY

## Our Facility (51 Shipyard Road)

With a usable floor space of 323,000 sqft, Mooreast's facility at 51 Shipyard Road features three main buildings which are used for steel fabrication, warehousing and office functions.

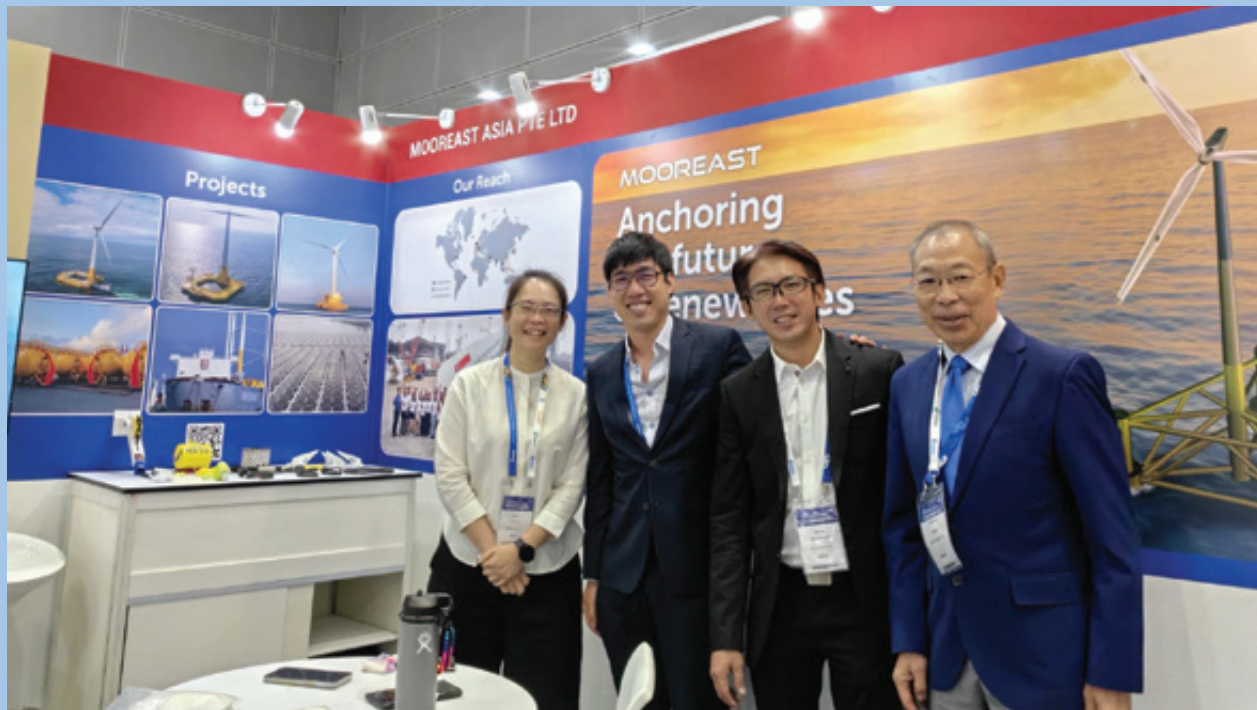
The facility's 200m water-front berth enabled Mooreast to set up our Yard business segment – which offers on-board fabrication, repairs and testing of components for marine vessels that dock.

In 2023, Mooreast upgraded its welding facilities, further enhancing its capability to widen its range of services and continue to generate synergistic value with other business divisions.



## Bringing the Mooreast Brand to the World

In 2023, Mooreast attended several exhibitions in Malaysia and the UK to showcase our deep domain expertise and innovative mooring solutions to leading floating renewable project developers. These events have advanced our international presence, paving the way for more collaborations in the floating renewable space.



EXHIBITION AT OIL AND GAS ASIA 2023 IN SEPTEMBER 2023 IN KUALA LUMPUR, MALAYSIA



EXHIBITION AT FLOATING OFFSHORE WIND 2023 (FOW23) IN OCTOBER 2023 IN ABERDEEN, UNITED KINGDOM



EXHIBITION AT GLOBAL OFFSHORE WIND IN JUNE 2023 IN LONDON, UNITED KINGDOM





“

*Our business foundation, combined with a strong track record will position us to capture opportunities as the sector gains further traction amid increasing awareness of climate change.*

**Mr Joseph Ong**

*Non-Executive Chairman and  
Lead Independent Director*





*Despite the challenging year, we remain confident in our ability to capture opportunities in the emerging floating renewable energy sector.*



## DEAR SHAREHOLDERS,

On behalf of the Board of Directors (the **"Board"**) of Mooreast Holdings Ltd. (**"Mooreast"** or the **"Company"** and together with its subsidiaries, the **"Group"**), I am pleased to present our annual report for the financial year ended 31 December 2023 (**"FY2023"**).

The year under review was notable for a slowdown in market activities amid heightened economic uncertainty, higher interest rates and increased geopolitical tensions. While we recorded a commendable performance in the first half of FY2023, second half of FY2023 was considerably weaker. As a result, this tale of two halves combined with overall higher operating costs led to a net loss for FY2023.

Despite the challenging year, we remain confident in our ability to capture opportunities in the emerging floating renewable energy sector. As one of three of the world's ultra-high power anchor manufacturers – and the only one in Asia – we are uniquely positioned to offer our end-to-end mooring solutions to this exciting industry and have already embarked on several strategies, which I will elaborate on later.

Allow me to outline our FY2023 performance in detail.

## FY2023 FINANCIAL PERFORMANCE

The Group's revenue increased 3% to S\$28.7 million in FY2023 compared to S\$27.8 million in FY2022. The topline was driven by higher revenue contributions from activities at our Yard, Renewable Energy, and Rigging & Heavy Lifting divisions, partially offset by softer sales from our core Mooring division.

In particular, revenue for the Renewable Energy division rose 87% to S\$3.3 million in FY2023, compared to S\$1.8 million in FY2022, as the Group delivered 15 midwater arch buoys to Japan's first commercial offshore wind farm in 1H2023.

Revenue for the Yard division also increased 42% to S\$9.9 million in FY2023 compared to S\$7.0 million in FY2022 as we ramped up efforts to market our full suite of afloat services which includes inspection and testing services, afloat repairs as well as mobilisation and demobilisation.

Gross profit declined 4% to S\$10.5 million in FY2023 compared to S\$10.9 million in FY2022, as increases in the cost of fabrication and third-party goods outpaced revenue growth. Accordingly, FY2023 gross profit margin narrowed to 36.4% from 39.0% a year ago. Consequently, the Group incurred a net loss of S\$1.8 million for FY2023, compared to a net profit of S\$1.4 million in FY2022.

## ACCELERATING TRANSFORMATION TOWARDS RENEWABLE SECTOR

As shareholders are aware, we signed a Collaboration Agreement with non-profit organisation ETZ Ltd to explore the establishment of a manufacturing facility in Aberdeen, Scotland in February 2023. This facility will support our efforts to capture opportunities in the floating wind energy sector in and around the North Sea region in Europe.

Expected to be more than double the floor space and output of our Singapore facility, the Aberdeen facility will further increase our lead as one of the world's largest drag embedment anchor designers and manufacturers. The Aberdeen facility's masterplan was approved by the Aberdeen City Council in January 2024, and onsite work is expected to commence in Q2 2025.

We have also been offering geotechnical and geophysical studies, such as soil data analysis and designs for mooring configurations, to Asian and European floating wind developers. Demand for such studies is expected to grow on the back of more floating renewable projects reaching commercialisation, translating into adjacent opportunities for our other business segments.

Our business foundation, combined with a strong track record will position us to capture opportunities as the sector gains further traction amid increasing awareness of climate change.

## THE ROAD AHEAD

In the short term, the Group is seeing an uptick in demand for mooring and rigging products, which will partially offset softer customer demand in the medium term, as permanent mooring projects have been delayed amid volatility in oil prices.

Meanwhile, we continue to strengthen our Yard division, which serviced 264 vessels in FY2023 compared to 228 in FY2022. We have also upgraded our Singapore facility during the year to better serve our customers, and expect to generate synergies with our other business divisions as the Yard division.

We continue to maintain a healthy pipeline of floating renewable projects. In March 2024, we secured a project to supply our proprietary MA5S mooring drag anchors to one of the first three floating wind energy projects in France. The project

is yet another feather in our cap, and underscores the trust that international players in the floating renewable industry have in us. Moving forward, we will continue to strengthen our track record and are in active discussions with developers and business partners to capture more of such projects.

## APPRECIATION

On behalf of the Board, I would like to extend my appreciation to our customers and business partners. Our journey towards serving the offshore renewable market would not be possible without your support.

To our Mooreast staff, thank you for your commitment and dedication throughout this challenging year. I would like to extend a special mention to our CEO Mr Sim Koon Lam; his guidance has been pivotal in Mooreast's transformation journey, and I am confident we will emerge stronger in the years ahead.

I would like to thank Ms Yvonne Low, our outgoing Financial Controller, for her contributions to Mooreast, and I wish her all the best in her future endeavours. We also warmly welcome our new Financial Controller, Ms Hedy Tan.

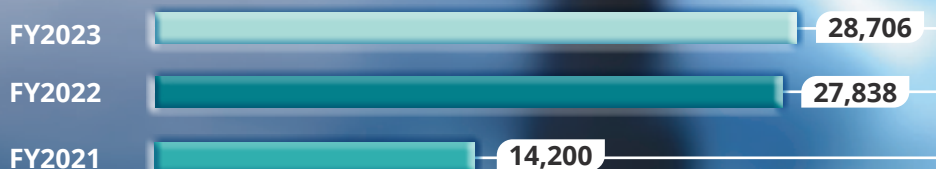
Last but not least, my sincere thanks to our shareholders for your faith and support throughout the year. Your trust in our vision drives us to innovate, strive for excellence, and deliver long-term value.

## Mr Joseph Ong

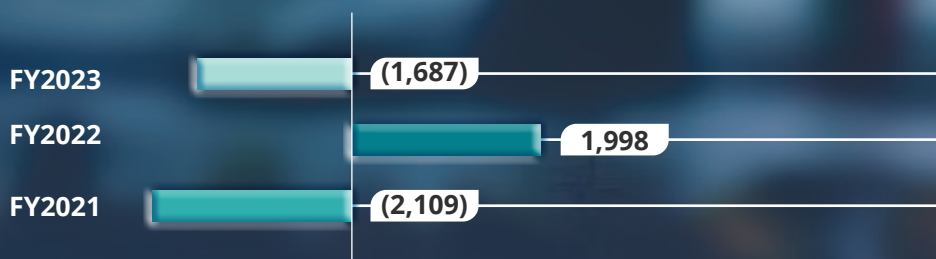
*Non-Executive Chairman and Lead Independent Director*

# FINANCIAL HIGHLIGHTS

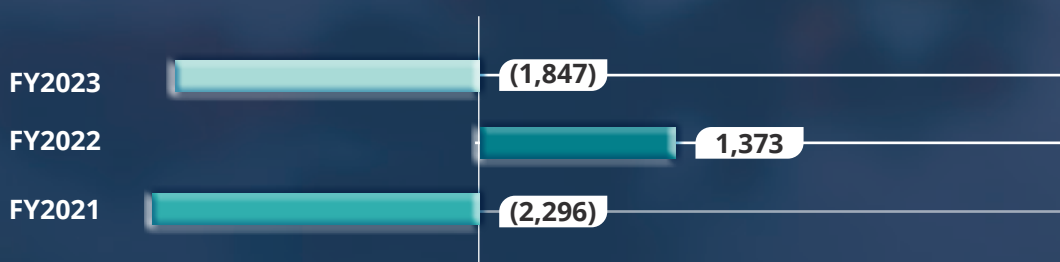
## Revenue (\$'000)



## (Loss)/profit before tax (\$'000)



## (Loss)/profit after tax (\$'000)



## FINANCIAL HIGHLIGHTS

|                                  | FY2023<br>\$'000 | FY2022<br>\$'000 | FY2021<br>\$'000 |
|----------------------------------|------------------|------------------|------------------|
| <b>Income</b>                    |                  |                  |                  |
| Revenue                          | 28,706           | 27,838           | 14,200           |
| (Loss)/profit before tax         | (1,687)          | 1,998            | (2,109)          |
| (Loss)/profit after tax          | (1,847)          | 1,373            | (2,296)          |
| <b>Financial position</b>        |                  |                  |                  |
| Total assets                     | 71,837           | 74,865           | 76,171           |
| Total liabilities                | 50,478           | 51,636           | 54,385           |
| Total equity                     | 21,359           | 23,229           | 21,787           |
| <b>Selected ratio</b>            | <b>Cents</b>     | <b>Cents</b>     | <b>Cents</b>     |
| Net asset per ordinary share     | 8.2              | 9.0              | 8.4              |
| Basic earnings/(loss) per share* | (0.71)           | 0.53             | (7)              |

\*The earnings per share is computed by dividing the profit/(loss) after tax attributable to shareholders of the Company against the weighted average number of shares, taking into account share split for the respective reporting periods.

# CORPORATE INFORMATION

## Board of Directors

**Mr Ong Yong Loke Joseph**  
*(Non-Executive Chairman  
and Lead Independent Director)*

**Mr Sim Koon Lam**  
*(Deputy Chairman, Executive Director  
and Chief Executive Officer)*

**Mrs Elaine Sim**  
*(Executive Director)*

**Ms Lee Sok Koon**  
*(Independent Director)*

**Mr Zulkifly Bin Zakaria**  
*(Independent Director)*

## Audit & Risk Committee

**Ms Lee Sok Koon**  
*(Chairman)*

**Mr Ong Yong Loke Joseph**

**Mr Zulkifly Bin Zakaria**

## Nominating Committee

**Mr Ong Yong Loke Joseph**  
*(Chairman)*

**Mr Sim Koon Lam**

**Ms Lee Sok Koon**

**Mr Zulkifly Bin Zakaria**

## Remuneration Committee

**Mr Zulkifly Bin Zakaria**  
*(Chairman)*

**Mr Ong Yong Loke Joseph**

**Ms Lee Sok Koon**

## Company Secretary

**Ms Catherine Lim Siok Ching**  
*(Associate member of CSIS)*

## Company Registration Number

**202120164D**

## Registered Office

**51 Shipyard Road**  
Mooreast Offshore Base Singapore 628139

Tel: +65 6542 8001  
Fax: +65 6542 0207  
www.mooreast.com

## Sponsor

**W Capital Markets Pte. Ltd.**  
65 Chulia Street  
#43-01 OCBC Centre  
Singapore 049513

## Auditor

**Ernst & Young LLP**  
One Raffles Quay  
Level 18 North Tower  
Singapore 048583

Partner-in-charge: Mr Ng Boon Heng  
(a practising member of the Institute of Singapore  
Chartered Accountants)

Since financial year ended 31 December 2021

## Share Registrar and Share Transfer Office

**Boardroom Corporate &  
Advisory Services Pte. Ltd.**  
1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
Singapore 098632

## Investor Relations

**WeR1 Consultants Pte Ltd**  
1 Raffles Place  
#02-01 One Raffles Place Mall  
Singapore 048616

The structure of our Company and our subsidiaries as at the date of this annual report is as follows:



## BOARD OF DIRECTORS



**MR ONG YONG LOKE JOSEPH**  
**("Joseph Ong")**  
*Non-Executive Chairman  
and Lead Independent Director*

Mr Ong Yong Loke Joseph was appointed as the Non-Executive Chairman and Lead Independent Director on 28 October 2021. He is the Chairman of the Nominating Committee and a member of the Audit & Risk Committee and Remuneration Committee.

Since 1981, Mr Ong has served in a number of senior capacities in Tan Chong International Limited, a company listed on the Hong Kong Exchange, including most recently as its Managing Director until 2016. He continues to serve as a Non-Executive Director of the company. His previous work experience includes appointments with the Singapore Ministry of Defence from 1973 to 1978 and Straits Steamship Co Limited from 1978 to 1981.

Mr Ong holds a Degree of Bachelor of Science, having obtained a Diploma in Quantity Surveying from the College of Estate Management, in the University of Reading in the United Kingdom in 1971 on a scholarship from the Singapore Government. He is a member of the Singapore Institute of Surveyors and Valuers.



**MR SIM KOON LAM**  
*Executive Director, CEO and Deputy  
Chairman*

With over 35 years of business and technical experience in the O&G industry, Mr Sim Koon Lam founded Mooreast Asia Pte Ltd in 2010. Mr Sim joined the Singapore subsidiary of Vryhof Anchors B.V. as its Regional Director in 1993 and oversaw its upstream diversification efforts, including the setup of its fabrication workshop at the Loyang Offshore Supply Base in Singapore. He acquired the company from Vryhof Anchors in 2010.

As CEO, Mr Sim's core responsibilities include operations management and business development. With over 35 years of operational and management experience in Marine, Offshore and Oil & Gas Industries, Mr Sim has navigated through the multiple booms and busts in the industry, and grown Mooreast to where it is today. Mr Sim is a member of the Nominating Committee.

Mr Sim attended an Advanced Executive Course Programme, sponsored by ESG SG-ScaleUp programme, with immersion courses conducted by Wharton School of University Pennsylvania, USA, and local workshop run by McKinsey Consultants & PwC Singapore.



**MRS ELAINE SIM**  
*Executive Director*

Mrs Elaine Sim joined Mooreast in 2005, and was appointed as Executive Director on 3 March 2022.

Mrs Sim is responsible for overseeing the commercial, human resource, administration and information technology functions of the Group. She is also responsible for strategizing and implementing improvements to our Group's key processes, to continually raise our Group's standards of quality and service.

As the management representative of the Group, Mrs Sim works together with Mooreast's ISO committee to ensure the Group meets the standards for quality management and safety; Mooreast currently holds the ISO 9001, ISO14001 and ISO45001.

Mrs Sim graduated with a Bachelor of Arts (Hons) in Business Administration, University of Portsmouth, UK in 1998.



## BOARD OF DIRECTORS



**MS LEE SOK KOON**  
**("Constance Lee")**  
*Independent Director*

Ms Lee Sok Koon was appointed as an Independent Director on 28 October 2021. She is the Chairman of the Audit & Risk Committee and a member of the Nominating Committee and Remuneration Committee.

Ms Lee serves as Non-Executive Independent Director of several SGX-listed companies, including SBS Transit Ltd, Japan Foods Holding Ltd, and Lum Chang Holdings Limited. She is also an honorary member of the School's Fundraising Committee of Singapore Arts School Ltd, Singapore's first pre-tertiary specialised arts school, and an Independent Director of NUS America Foundation, Inc., a tax-exempt public charity in the United States of America.

Ms Lee was the Director of Operations in the Development Office of the National University of Singapore from 2012 to 2017. Prior to this appointment, she was a consultant for Morning Services Pte Ltd, a family office, in 2011. From 1984 to 2010, Ms Lee held various senior positions at Lum Chang Holdings Limited and L.C. Development Ltd (now known as AF Global Limited), public companies which are listed on the SGX-ST. She was responsible for the financial matters, corporate governance, tax, legal, corporate communications and internal audit functions of these companies for more than 20 years. From 1975 to 1983, she was an auditor with Coopers & Lybrand in Singapore and London (now part of PriceWaterhouseCoopers).

Ms Lee graduated with a Bachelor of Accountancy (Hons) from the then University of Singapore in 1975. She is a member of the Institute of Singapore Chartered Accountants and a member of the Institute of Directors in Singapore.



**MR ZULKIFLY BIN ZAKARIA**  
**("Zulkifly")**  
*Independent Director*

Mr Zulkifly Bin Zakaria was appointed as an Independent Director on 28 October 2021. He is the Chairman of the Remuneration Committee and a member of the Nominating Committee and Audit & Risk Committee.

Mr Zulkifly Bin Zakaria has considerable experience in senior capacities within UMW Holdings Berhad from 1994 to 2011, one of the largest government-linked public companies in Malaysia. This includes acting as the Group Treasurer for UMW Holdings Berhad, Executive Director of UMW Corporation Sdn Bhd and President of UMW Oil & Gas Berhad.

From 1976 to 1994, Mr Zulkifly was in the banking industry and had stints in the Malaysian offices of Deutsche Bank AG (formerly European Asian Bank, including a stint at its head office in Germany) and Bank Islam Malaysia Berhad and ABN AMRO Bank N.V.

Mr Zulkifly graduated with a Diploma in Banking Studies from the MARA University of Technology in 1976. He subsequently obtained his Master of Business Administration from the University of Wales, United Kingdom, in 1998.

## MANAGEMENT TEAM



**MR RODERICK RUINEN**  
*Technical Director  
& Managing Director of  
Mooreast Europe*

Based in the Netherlands, Mr Roderick Ruinen serves as the Group Technical Director, overlooking the structural and geotechnical engineering of anchoring solutions, as well as Managing Director of Mooreast Europe, where he is responsible for the day to day running of the European operations.

He has more than 25 years of experience in the offshore mooring and anchoring industry. Before joining Mooreast, Mr Ruinen was the Technical Director of Vryhof Anchors BV, where he was responsible for the management of the technical department, the intellectual property portfolio and supervision of the production department.

Mr Ruinen holds a Master of Science (Civil Engineering) degree from the Delft University of Technology, The Netherlands.



**MR BARRY JAMES SILVER**  
*("Barry Silver")  
Managing Director of  
Mooreast UK*

Mr Barry James Silver serves as Managing Director at Mooreast UK, and is responsible for establishing and managing Mooreast's facility in the UK to address the floating offshore wind and renewables market, as well as business development to support Mooreast's international growth.

With over 24 years of business, technical and operational experience in offshore energy markets, Mr Silver brings a wealth of international experience to Mooreast, having served in senior management, operational and commercial roles. Mr Silver has experience at the board level with several offshore energy companies based in Europe, Singapore and Australia.

Aside from industry roles, Mr Silver was formally a Non-executive Director of Inner Ninja Foundation, a not-for-profit organisation addressing mental health and suicide prevention matters and is a member of the Australian Institute of Company Directors (MAICD).



**MR BALAKRISHNA MENON**  
*("Balu")  
Engineering Director*

Mr Balakrishna Menon brings with him 35 years of experience in marine design, offshore engineering and project engineering management.

Mr Balu started his career involved in shipbuilding, floater designs, drill ship mooring and riser systems and shipbuilding CAD/CAM developments. Prior to joining our Group, from 2012 to 2019, he was Head of Turret Mooring Services at Bumi Armada (Singapore) Pte Ltd. From 2010 to 2012, he was Engineering Manager at BW Offshore Singapore Pte Ltd. From 2001 to 2010, he was Turret Manager & Vice President of Technology at Prosafe Production Singapore Pte Ltd.

Mr Balu holds a Master of Science degree in Offshore Marine Technology from the University of Strathclyde, U.K. fully sponsored by British Chevening scholarships and a Bachelor of Technology degree in Naval Architecture and Shipbuilding from Cochin University of Science and Technology, India.

## MANAGEMENT TEAM



**MS HEDY TAN**  
*Financial Controller*

Ms Hedy Tan brings over 10 years of accounting and auditing experience across marine, manufacturing oil palm plantation and trading sectors.

She joined Mooreast in 2021 as Finance Manager, before being promoted to Financial Controller in January 2024. Prior to joining the Group, Ms Tan was an Assistant Manager at Ernst & Young LLP. From 2015 to 2018, she was a senior audit associate at KPMG PLT.

Ms Tan is a member of the Association of Chartered Certified Accountants (ACCA) and holds a professional qualification from ACCA.



**MR JAYMES SIM**  
*Head Commercial*

Mr Jaymes Sim joined Mooreast in 2011 and is responsible for overseeing the sales and marketing function of the Group. Over the years, he has assisted in expanding the Group's commercial activities and increasing the range of solutions offered.

Mr Jaymes Sim is now taking the lead as the Group's head of commercial and is directly contributing to the efforts in increasing the Group's Renewable Energy business.

Mr Jaymes Sim graduated with a Bachelor of Commerce (majoring in Management & Marketing) from the Murdoch University in Western Australia.

# CORPORATE GOVERNANCE REPORT

The Board of Mooreast Holdings Ltd. (the “**Company**”) and its subsidiaries (the “**Group**”) as well as its Management are committed to ensuring high standards of corporate governance so as to ensure transparency, to protect shareholders’ interests and promote investors’ confidence.

This report describes the Group’s corporate governance structures and practices that were adopted and in place throughout the financial year ended 31 December 2023, with specific reference made to the principles of the revised Code of Corporate Governance 2018 (the “**Code**”).

The Board is pleased to confirm that for the financial year ended 31 December 2023, the Company has adhered to the principles and provisions as set out in the Code. Where there are deviations from the recommendations of the Code, reasons and explanations in relation to the Company’s practices are provided, where appropriate.

## BOARD MATTERS

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### 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.**

The Board is entrusted with the responsibility of the overall management of the Company. The principal function of the Board is to protect and enhance long-term value and returns for its shareholders. Besides carrying out its statutory responsibilities, the Board’s role is to:

- a) provide entrepreneurial leadership, and set strategic objectives, which should include appropriate focus on value creation, innovation and sustainability;
- b) ensure that the necessary resources are in place for the Company to meet its strategic objectives;
- c) establish and maintain a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and company performance;
- d) constructively challenge Management and review its performance;
- e) instill an ethical corporate culture and ensure that the Company’s values, standards, policies and practices are consistent with the culture; and
- f) ensure transparency and accountability to key stakeholder groups.

The Board exercises objective judgement independently from Management on corporate affairs of the Group and no individual or small group of individuals dominate the decisions of the Board. All Directors are expected to exercise due diligence and independent judgement in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interests of the Group.

Each Director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as it is practicable after the relevant facts have come to his/her knowledge. In the event that any Director faces a conflict of interest, he/she will voluntarily recuse himself/herself from any discussion and decision involving the issue of conflict.

# CORPORATE GOVERNANCE REPORT

Board members are apprised of the business and operations of the Company on a regular basis either through formal or informal meetings and discussions. They are also encouraged to attend seminars and receive training to improve themselves in the discharge of their duties as Directors. The Company works closely with professionals to update its Directors with changes to relevant laws, regulations and accounting standards.

When a new Director is appointed, the Company will conduct a comprehensive and tailored induction before joining the Board, including onsite visits. This is to provide the new Director with background information about the Group's structure and core values, its strategic direction and corporate governance practices as well as industry-specific knowledge. The orientation program gives the new Director an understanding of the Group's businesses to enable him to assimilate into his new role. It also allows the new Director to get acquainted with the Management, thereby facilitating interaction and independent access to the Management. The Company will also provide the newly appointed Directors with a formal letter setting out the duties and obligations of a Director.

The Directors are provided with continuous briefings and updates in areas such as changes in company law, changes in SGX listing rules, corporate governance practices and changes in financial reporting standards, so as to enable them to make well-informed decisions. New releases issued by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and Accounting Corporate Regulatory Authority Limited ("**ACRA**") which are relevant to the Directors are also circulated to the Board.

The Board as a whole is updated on corporate governance, industry specific knowledge and the key changes in the relevant regulatory requirements and financial reporting standards, so as to enable them to properly discharge their duties.

The Company will make arrangements for a Director who has no prior experience as a Director of a listed company, to attend the Listed Entity Director ("**LED**") Programme conducted by the Singapore Institute of Directors ("**SID**"). All current Directors have completed the relevant training under the LED Programme organised by SID. All Directors are informed and encouraged to attend seminars, conferences and training courses at the Company's expenses that will assist them in executing their obligations to the Company and effectively discharge their duties as Directors. They can also request for further explanations, briefings or information on any aspect of the Company's operations or business issues from Management.

The external auditors had briefed the Audit & Risk Committee and the Board on the developments in financial reporting and governance standards. The Chief Executive Officer also updated the Board on business and strategic developments pertaining to the Group's business. In addition, all the Directors have completed the mandated sustainability training course organised by SID and the Institute of Singapore Chartered Accountants (ISCA) as required by the enhanced SGX sustainability reporting rules announced in December 2021.

The Group has adopted internal guidelines governing matters that require the Board's approval.

The matters requiring the Board's approval include:

- Overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- The Group's business strategy and objectives, budget and forecasts;
- Announcement of half-year and full year results, and release of annual report;
- The determination of any interim and final dividends;
- Convening of shareholders' meetings;

# CORPORATE GOVERNANCE REPORT

- Material acquisition/investment, divestment or capital expenditure;
- Considering sustainability issues such as environmental and social factors as part of its strategic formulation; and
- Corporate or financial restructuring.

The Board reviews these internal guidelines to ensure their relevance to the operations of the Group.

To assist the Board in the execution of its duties, the Board has established various Board Committees, namely the Nominating Committee (“**NC**”), the Remuneration Committee (“**RC**”) and the Audit & Risk Committee (“**ARC**”). Each of these committees is empowered to make decisions on matters within its terms of reference. The composition of each Board Committee, the key terms of reference and a summary of each Board Committee’s activities can be found in this report.

All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company. Minutes of all Board Committee meetings held are made available to the Board members. The Board acknowledges that while these Board Committees have the authority to examine specific issues and reports back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board.

A schedule of all Board and Board Committee meetings as well as the Annual General Meeting for the next calendar year is planned in advance. Board papers for Board meetings were sent to the Board in advance in order for the Directors to be adequately prepared for meetings, including all relevant documents, materials, background or explanatory information relating to the matters to be brought before the Board.

The Board and ARC will meet at least two times a year. In addition to the scheduled meetings, ad-hoc board briefings, conference calls and physical meetings are held as warranted by particular circumstances or as deemed appropriate by the Board members. To ensure maximum Board participation, the Company’s Constitution permits meetings of the Directors to be conducted by telephone or other methods of simultaneous communication by electronic means. When a physical Board meeting is not possible, timely communication with members of the Board can be achieved through electronic means or via circulation of written resolutions for approval by the relevant members of the Board or Board Committees. The Board and Board Committees may also make decisions through circulating resolutions.

The attendances of the Directors at meetings of the Board, Board Committees and Annual General Meeting, as well as the frequency of such meetings held during the financial year ended 31 December 2023 are as follows:

|  | Board | Audit & Risk<br>Committee | Nominating<br>Committee | Remuneration<br>Committee | Annual<br>General<br>Meeting |
|--|-------|---------------------------|-------------------------|---------------------------|------------------------------|
| <b>No. of meetings held</b>                      | 3     | 2                         | 1                       | 2                         | 1                            |
| <b>No. of meetings attended by the Directors</b> |       |                           |                         |                           |                              |
| Ong Yong Loke Joseph                             | 3     | 2                         | 1                       | 2                         | 1                            |
| Sim Koon Lam                                     | 3     | N.A.                      | 1                       | N.A.                      | 1                            |
| Mrs Elaine Sim                                   | 3     | N.A.                      | N.A.                    | N.A.                      | 1                            |
| Lee Sok Koon                                     | 3     | 2                         | 1                       | 2                         | 1                            |
| Zulkifly Bin Zakaria                             | 3     | 2                         | 1                       | 2                         | 1                            |

# CORPORATE GOVERNANCE REPORT

Prior to each Board or Board Committee meeting, notice of the meeting containing the agenda for the meeting is circulated to the Directors or the relevant Board Committee members. The Board is also furnished with Board papers prior to any Board or Board Committee meeting. These papers are issued in sufficient time to enable the Directors and/or Board Committees to obtain additional information or explanations from the Management, if necessary. The Board papers include minutes of the previous meeting, reports relating to investment proposals, budgets, financial results announcements and reports from committees, internal and external auditors. Any additional material or information requested by the Directors is promptly furnished.

If a Director is unable to attend a Board or Board Committee meeting, he/she will still receive all the papers and materials for discussion at that meeting. He/She will review them and advise the Chairman of the Board or the Board Committee of his/her views and comments on the matters to be discussed so that they can be conveyed to other members at the meeting.

The Directors may communicate directly with the Management team on all matters whenever they deem necessary. All Directors have unrestricted access to the Group's records and information. The Directors also have separate and independent access to the Company Secretary, the Company's external auditors, internal auditors and other professional advisors, where relevant. The Company Secretary attends Board and Board Committee meetings and is responsible for ensuring that Board procedures are followed and minutes of all meetings are recorded and circulated to the Board and the committees. The Company Secretary also assists the Chairman and CEO, the Chairman of each committee and Management in the development of the agendas for the various Board and Board Committee meetings. The appointment and removal of the Company Secretary are subject to the approval of the Board.

The Company currently does not have a formal procedure for Directors to seek independent professional advice for the furtherance of their duties. However, Directors may, on a case-to-case basis, propose to the Board for such independent professional advice, the cost of which may be borne by the Company.

## 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.**

The Company endeavours to maintain a strong and independent element on the Board. As at the date of this report, the Board consists of five Directors, of whom three are Independent Non-Executive Directors. The Chairman of the Board is an Independent Non-Executive Director. Accordingly, the Company is in compliance with the requirement of the Code. As the majority of the members of the Board are Independent Non-Executive Directors, there is a strong and independent element on the Board.

The Board comprises the following members:

| Name                 | Position   |
|----------------------|--|
| Ong Yong Loke Joseph | Non-Executive Chairman and Lead Independent Director |
| Sim Koon Lam         | Executive Director, CEO and Deputy Chairman          |
| Mrs Elaine Sim       | Executive Director                                   |
| Lee Sok Koon         | Independent Non-Executive Director                   |
| Zulkifly Bin Zakaria | Independent Non-Executive Director                   |

# CORPORATE GOVERNANCE REPORT

The NC reviews annually the independence of each Director, adopting the guidelines and definitions in the Code and the Catalist Rules. In addition, each Director is required to complete a checklist to confirm his/her independence.

Mr Ong Yong Loke Joseph, Ms Lee Sok Koon and Mr Zulkifly Bin Zakaria are considered to be independent as they have no relationship with the Company, its related corporations, substantial shareholders or its officers that could interfere or be reasonably perceived to interfere with the exercise of their independent business judgement with a view to the best interests of the Company.

Matters requiring the Board's approval are discussed and deliberated with participation from each member of the Board and all major decisions are made without any one individual influencing or dominating the decision-making process.

The ARC and RC consist of all Independent Directors while the NC consists of a majority of Independent Directors. All the Board Committee meetings are chaired by Independent Directors. Decisions made at these meetings are achieved by majority consensus. Management will put up proposals or reports for Board approval, for example, proposals relating to specific proposed transactions or general business direction or strategy of the Group. The Independent Directors evaluate the proposals made by Management and provide guidance on relevant aspects of the Group's business.

The current composition of the Directors in the Board and its Board Committee is as follows:-

| <b>Name of Directors</b>  | <b>NC</b> | <b>ARC</b> | <b>RC</b> |
|---|-----------|------------|-----------|
| Ong Yong Loke Joseph (Non-Executive Chairman & Lead Independent Director) | C         | M          | M         |
| Sim Koon Lam (Executive Director, CEO & Deputy Chairman)                  | M         | -          | -         |
| Mrs Elaine Sim (Executive Director)                                       | -         | -          | -         |
| Lee Sok Koon (Independent Non-Executive Director)                         | M         | C          | M         |
| Zulkifly Bin Zakaria (Independent Non-Executive Director)                 | M         | M          | C         |

C - Chairman

M - Member

When reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of Directors, the NC will consider all aspects of diversity in order to arrive at an optimum balanced composition of the Board and to allow for informed and constructive discussion and effective decision making at meetings of the Board and its Board Committees.

The Board recognises that diversity of the Board is essential to contribute to sustainable development and growth of the Group. The Company has adopted a Board Diversity Policy which endorses the principle that its Board should have a balance of skills, knowledge, experience and diversity of perspectives appropriate to its business so as to mitigate against groupthink and to ensure that the Group has the opportunity to benefit from all available talents. In reviewing the Board composition and succession planning, the NC considers the benefits of all aspects of diversity, including diversity of gender, age, independence and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. The Company will adhere to its Board diversity objectives for any search of new Directors.



# CORPORATE GOVERNANCE REPORT

The Board currently comprises business leaders and professionals with financial, risk management and business management qualifications and backgrounds. The Board has two female members, and Directors with ages ranging from 50 to more than 70 years old. The members of the Board with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction. Further information on the individual Directors' background, experience and skills can be found in the 'Board of Directors' section in this report.

Having considered the scope and nature of the operations of the Group, the Board is satisfied that the current composition mix and size of the Board provide for diversity and allow for informed and constructive discussion and effective decision making at meetings of the Board and its Board Committees. The Board will however continue to review opportunities to refresh the Board with a view to expanding the skills, experience and diversity of the Board as a whole.

The Independent Non-Executive Directors will meet on a need-to basis amongst themselves and with the Company's external auditors and internal auditors without the presence of Management to discuss matters such as the Group's financial performance, corporate governance and risk management initiatives, board processes and any audit observations. The outcome or suggestion arising from such meetings will be provided to the Board and/or Chairman as appropriate.

## **Chairman and Chief Executive Officer**

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

The roles and responsibilities of the Chairman and CEO are held by separate individuals to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

The roles of the Chairman and Chief Executive Officer are separate and their responsibilities are clearly defined to ensure a balance of power and authority within the Company.

The Chief Executive Officer, Mr Sim Koon Lam, has full executive responsibilities of the overall business and operational decisions of the Group.

The overall role of the Independent Non-Executive Chairman, Mr Ong Yong Loke Joseph, is to lead and ensure the effectiveness of the Board and this includes promoting a culture of openness and debate at the Board, facilitating the effective contribution of all Directors and promoting high standards of corporate governance. The Chairman of the Board is also the Lead Independent Director.

The Chairman sets the tone of the Board meetings to encourage participation and constructive discussions on the agenda topics. He leads the Board in its discussions and deliberations, facilitates effective contribution by the Directors and ensures the timeliness of information flow between the Board and Management.

The Non-Executive Chairman's duties and responsibilities includes:-

- a) Leading the Board to ensure it is effective in its role;
- b) Setting directions and agendas for the Company and scheduling of meetings to enable the Board to perform its duties responsibly;
- c) Ensuring the proper conduct of meetings and accurate documentation of the proceedings;

# CORPORATE GOVERNANCE REPORT

- d) Ensuring the smooth and timely flow of information between the Board and Management;
- e) Ensuring compliance with internal policies and guidelines of the Company and high standards of corporate governance;
- f) Ensuring effective communication with shareholders through investors' relationship channels and timely announcements of Company's development; and
- g) Encouraging constructive relations between the Board and Management as well as between all Directors.

The foregoing responsibilities of the Non-Executive Chairman and CEO are endorsed by the Board. The Chairman and the CEO are not immediate family members. The separation of the roles of the Chairman and the CEO and the clarity of roles provide a healthy professional relationship between the Board and Management, and facilitate robust deliberations on the business activities of the Group and the exchange of ideas and views to help shape the strategic process.

In addition to the above duties, the Non-Executive Chairman will assume duties and responsibilities as may be required from time to time.

The Board is satisfied that there is a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Group's business and no one individual should represent a considerable concentration of power.

## 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.**

The NC is established and it comprises 4 members, the majority of whom, including the Chairman, are Independent Non-executive Directors. The Non-Executive Chairman and Lead Independent Director, Mr Ong Yong Loke Joseph, is the Chairman of the NC.

|          |                        |   |
|----------|------------------------|---|
| Chairman | : Ong Yong Loke Joseph | (Lead Independent Director)                 |
| Member   | : Sim Koon Lam         | (Executive Director, CEO & Deputy Chairman) |
| Member   | : Lee Sok Koon         | (Independent Non-Executive Director)        |
| Member   | : Zulkifly Bin Zakaria | (Independent Non-Executive Director)        |

The NC held one meeting during the financial year ended 31 December 2023. The NC Chairman reports formally to the Board on its proceedings after the meeting on all matters within its duties and responsibilities.

The NC is established for the purposes of ensuring that there is a formal and transparent process for all Board appointments. It has adopted written terms of reference defining its membership, administration and duties. Some of the duties of the NC include:

- (a) making recommendations to the Board on relevant matters relating to:
  - the review of Board succession plans for the Directors and key management personnel; and
  - the review of training and professional development programmes for our Directors, in particular, ensuring that new Directors are aware of their duties and obligations;

# CORPORATE GOVERNANCE REPORT

- (b) identifying suitable candidates, reviewing, making recommendations and approving nominations for the positions of Director or alternate Director (whether appointment or re-appointment) and membership of Board Committees (including the ARC, the RC and NC), as well as appraising the qualifications and experience of any proposed new appointments to the Board and recommending to the Board whether the nomination should be supported;
- (c) ensuring that the Board and Board Committees 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 group-think and foster constructive debate;
- (d) reviewing and determining on an annual basis, and as and when circumstances require, if a Director is independent, taking into account the circumstances set forth in the Code, the Practice Guidance to the Code, the Catalyst Rules and any other salient factors;
- (e) reviewing other directorships held by each Director and deciding if the Director is able to and has been adequately carrying out his/her duties as a Director, taking into account the Director's number of directorships and other principal commitments and establish guidelines on what a reasonable and maximum number of such directorships and principal commitments for each Director (or type of Director) should be;
- (f) reviewing and recommending the appointment of executive officers; and
- (g) reviewing and approving the employment of persons related to the Directors and/or substantial shareholders and the proposed terms of their employment.

A summary of the activities carried out by the NC during the financial year ended 31 December 2023 is set out below:

- reviewed the criteria for evaluation of the performance of the Board and Board Committees;
- reviewed the Board's and Board Committees' performance for the financial year ended 31 December 2023;
- reviewed and determined the independence of Independent Directors; and
- reviewed and recommended the nomination for appointment and re-appointment of Directors.

## Process for selection and appointment of new Directors

The NC is responsible for identifying candidates and reviewing all nominations for the appointment of new Directors.

New appointments to the Board are first considered and reviewed by the NC. Potential candidates are sourced through contacts or recommendations from the Company's Sponsor and the Directors. An external consultant may be engaged to source for qualified candidates, if required. The NC evaluates the suitability of candidates taking into account, his/her character, knowledge, expertise, experience and, his/her ability and willingness to commit time to the Company, and how he/she will complement and augment the competencies of the current Board. Upon the identification of a suitable candidate, the NC will make the recommendation to the Board for approval of his/her appointment as Director.

# CORPORATE GOVERNANCE REPORT

When a new Director is appointed, the Company will conduct a comprehensive orientation program. This is to provide the new Director with background information about the Group's structure and core values, its strategic direction and corporate governance practices as well as industry-specific knowledge. The orientation program gives the new Director an understanding of the Group's businesses to enable him to assimilate into his new role. It also allows the new Director to get acquainted with the Management, thereby facilitating interaction and independent access to the Management. The Company will also provide the newly appointed Directors with a formal letter setting out the duties and obligations of a Director.

## Process for re-appointment of Directors

The role of NC also includes the reviewing of the re-nomination of Directors who retire by rotation, taking into consideration the Director's integrity, independence, contribution and performance. The Constitution of the Company requires one-third of the Directors to retire and subject themselves to re-election by the shareholders in every Annual General Meeting ("**AGM**"). In addition, the Company shall require all Directors (including the Managing Director) to submit themselves for re-nomination and re-election at least once every three years. The Constitution of the Company also provides that a new Director appointed by the Board must retire and submit himself/herself for re-election at the next AGM following his/her appointment. Thereafter, he/she is subject to be re-elected at least once every three years. A Director who is due for retirement, shall abstain from voting on any resolution in respect of his/her re-nomination as a Director. In this aspect, the NC has recommended and the Board has agreed for Ms Lee Sok Koon and Mrs Elaine Sim to retire and seek re-election at the forthcoming AGM.

On an annual basis, the NC determines whether or not a Director is independent, taking into account the definition in the Code and the Catalist Rules.

Each Independent Non-Executive Director is required to complete a Director's independence form annually to confirm his/her independence based on the guidelines as set out in the Code and the Catalist Rules.

The NC has carried out a review on the independence of each Independent Director based on the foregoing considerations, the respective Director's independence form and their actual performance on the Board and Board Committees. Having carried out their review, the NC is satisfied that the three Directors, who are non-executive, are independent.

The NC has reviewed and ascertained that Mr Ong Yong Loke Joseph, Ms Lee Sok Koon and Mr Zulkifly Bin Zakaria continue to remain independent having considered their confirmation that they do not have any relationship with the Company, its related companies, substantial shareholders, or officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company and Group, and the other considerations set out in the Catalist Rules.

The Board recognises that the Independent Directors may over time develop significant insights in the Group's businesses and operations, and can continue to provide noteworthy and valuable contribution to the Board. The independence of the Independent Directors must be based on the substance of their professionalism, integrity, objectivity and not merely based on the number of years which they have served on the Board. As such, the Board has not set a term of office for each of its Independent Directors but shall comply with the Catalist Rules requirements. Under Catalist Rule 406(3)(d)(iv), a Director will no longer be independent if he has been a Director for an aggregate period of more than 9 years. None of our Independent Directors have served as Director for more than 9 years.

## CORPORATE GOVERNANCE REPORT

The NC has recommended to the Board as a guide that Independent Directors should limit their board representations in other listed companies to two if a Director is in full-time employment or five if a Director is not in full-time employment, including that of the Company. This is so to ensure that the Directors have adequate time to carry out their duties as a Director of the Company and contribute to the performance of the Board and the Company. For the period under review, no Director has exceeded such limit. The NC has reviewed and is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group, notwithstanding that some of the Directors have other board representations or principal commitments.

The details of the Board members' directorship including the year of initial appointment and date of last re-election are disclosed as follows:

| Name of Director     | Appointment  | Date of Initial Appointment | Date of Last Re-election | Present Directorship in other Companies  | Previous Directorship and major appointments in other companies (FY2021 to FY2023) |
|----------------------|--|-----------------------------|--------------------------|--|--|
| Ong Yong Loke Joseph | Non-Executive Chairman and Lead Independent Director | 28 October 2021             | 28 April 2023            | <ul style="list-style-type: none"> <li>- Tan Chong International Limited</li> <li>- Tyre Pacific (HK) Limited*</li> <li>- Ethoz Auto Leasing Ltd*</li> <li>- Ethoz Capital Ltd*</li> <li>- Ethoz Protect Pte. Ltd.</li> <li>- Sweets Pte. Ltd.</li> <li>- Xiamen Golden Dragon Auto Seat Co. Ltd.</li> </ul> | -  |
| Sim Koon Lam         | Executive Director, CEO and Deputy Chairman          | 8 June 2021                 | 29 April 2022            | <ul style="list-style-type: none"> <li>- Feng Tai Investment Pte Ltd</li> <li>- Mooreast Rigging Pte Ltd</li> <li>- Mooreast Renewables Pte Ltd</li> <li>- Mooreast Asia Pte Ltd</li> <li>- Sheeny Pte Ltd</li> </ul>  | -  |
| Mrs Elaine Sim       | Executive Director                                   | 3 March 2022                | 29 April 2022            | <ul style="list-style-type: none"> <li>- Feng Tai Investment Pte Ltd</li> <li>- Mooreast Rigging Pte Ltd</li> <li>- Sheeny Pte Ltd</li> </ul>  | -  |

# CORPORATE GOVERNANCE REPORT

| Name of Director     | Appointment                        | Date of Initial Appointment | Date of Last Re-election | Present Directorship in other Companies  | Previous Directorship and major appointments in other companies (FY2021 to FY2023)  |
|----------------------|------------------------------------|-----------------------------|--------------------------|--|---|
| Lee Sok Koon         | Independent Non-Executive Director | 28 October 2021             | 29 April 2022            | <ul style="list-style-type: none"> <li>- Japan Foods Holding Ltd.*</li> <li>- Lum Chang Holdings Limited*</li> <li>- SBS Transit Ltd*</li> <li>- NUS America Foundation Inc</li> </ul>   | <ul style="list-style-type: none"> <li>- Honorary member of Fundraising Committee of Singapore Arts School Ltd</li> <li>- Member of Finance and Investment Committee of The Singapore Island Country Club</li> </ul>  |
| Zulkifly Bin Zakaria | Independent Non-Executive Director | 28 October 2021             | 28 April 2023            | <ul style="list-style-type: none"> <li>- Sunview Group Berhad*</li> <li>- Federal International Holdings Berhad*</li> <li>- Lagardere Travel Retail Malaysia Sdn. Bhd.</li> <li>- Gradz Engineering Services Sdn. Bhd.</li> <li>- PKEINPk Sdn. Bhd.</li> <li>- Malaysia-China Friendship Association</li> <li>- Nautilus Oilfield Service Sdn. Bhd.</li> <li>- Mutiara Le-dang Sdn. Bhd.</li> <li>- Kumpulan Perubatan Ar Ridzuan Sdn. Bhd.</li> <li>- Go Hub Capital Sdn. Bhd.</li> </ul> | <ul style="list-style-type: none"> <li>- IDC Jadi Sdn. Bhd.</li> <li>- Malaysia China Business Council</li> <li>- Drilltec Offshore Sdn. Bhd.</li> <li>- Tanjung Drilltec Sdn. Bhd.</li> <li>- Semantan Technologies Corporation Sdn. Bhd.</li> <li>- Hiap Huat Holdings Berhad*</li> </ul> |

\*Listed Company

The Board is also advised by the Sponsor on the appointment of Directors as required under Catalist Rule 226(2)(d).

## 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.**

The Board, through the NC, has used its best effort to ensure that Directors appointed to the Board and the Board Committees, whether individually or collectively, possess the background, experience and the relevant skills set which are critical to the Group's business. It has also ensured that each Director, with his special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well-considered decisions to be made.

# CORPORATE GOVERNANCE REPORT

The NC has established a formal review process to assess the performance and effectiveness of the Board as a whole and of its Board Committees.

The NC assesses the performance of the Board and its Board Committees annually, using objective and appropriate criteria which were recommended by the NC and approved by the Board. During the financial year under review, all the Directors completed a Board Evaluation Questionnaire designed to seek their view on the various aspects of the Board and its Board Committees' performance and competencies so as to assess the overall effectiveness of the Board and its Board Committees. To ensure confidentiality, the completed evaluation forms were submitted to the Company Secretary for collation. The consolidated responses were presented to the NC for review and discussion to determine the areas for improvement and enhancement of the effectiveness of the Board and its Board Committees.

Following its review, the NC is of the view that the Board and its Board Committees operate effectively and that each Director is contributing to the overall effectiveness of the Board and its Board Committees.

The Board has not engaged any external consultant to conduct an assessment of the effectiveness of the Board and the contribution by each individual Director to the effectiveness of the Board. However, the NC will consider such an engagement as and when necessary.

## REMUNERATION MATTERS

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### 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.**

The RC is established and it comprises 3 Non-Executive and Independent Directors.

|          |   |                      |
|----------|---|----------------------|
| Chairman | : | Zulkifly Bin Zakaria |
| Member   | : | Ong Yong Loke Joseph |
| Member   | : | Lee Sok Koon         |

The RC is established for the purposes of ensuring that there is a formal and transparent procedure for fixing the remuneration packages of individual Directors and Key Management Personnel. The overriding principle is that no Director should be involved in deciding his/her own remuneration and the level of remuneration should be appropriate to attract, retain and motivate the Executive Directors to run the Company successfully and ensure that they are fairly rewarded for their individual contributions to overall performance.

The RC will work within the principle that the remuneration should be structured so as to link rewards to corporate and individual performance.

The RC has adopted written terms of reference that defines its membership, roles and functions and administration. The duties of the RC are as follows:

- (a) reviewing and recommending to the Board, for endorsement:
  - a comprehensive remuneration policy, and general framework and guidelines for remuneration for the Board, the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the Company ("**Key Management Personnel**"); and

# CORPORATE GOVERNANCE REPORT

- the specific remuneration packages for each of the Directors and Key Management Personnel;
- (b) ensuring the remuneration policies and systems of the Group, as approved by the Board, support the Group's objectives and strategies, and are consistently administered and being adhered to within the Group;
- (c) considering all aspects of remuneration (including but not limited to, Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments) and termination terms, to ensure they are fair and that the level and structure of remuneration are appropriate and proportionate to the sustained performance and value creation of the Group, taking into account the strategic objectives;
- (d) in the case of service contracts, reviewing the obligations arising in the event of termination of an Executive Director or Key Management Personnel's service contract, to ensure that such service contracts contain fair and reasonable termination clauses;
- (e) reviewing the terms of performance-related remuneration scheme or incentive schemes (if any) and determining the eligibility criteria of the employees who can participate in such scheme;
- (f) proposing, for adoption by the Board, measurable, appropriate and meaningful performance targets for assessing the performance of the Key Management Personnel, individual Directors and of the Board as a whole; and
- (g) conducting an annual review of the remuneration, bonuses, pay increase and/or promotions of employees who are related to the Group's Directors and/or Substantial Shareholders.

A summary of the activities carried out by the RC during the financial year ended 31 December 2023 is set out below:

- i) reviewed and recommended to the Board the annual remuneration (including variable bonus to be granted) of the Executive Directors, the CEO and the Key Management Personnel and
- ii) reviewed and recommended to the Board the Directors' fee for the financial year ending 31 December 2024.

There is a formal and transparent process for developing executive remuneration and for determining the remuneration packages of individual Directors. No Director is involved in deciding his/her own remuneration. The RC's recommendations are submitted for endorsement by the Board.

The RC reviews all matters concerning the remuneration of the Independent Non-Executive Directors to ensure that remuneration commensurate with their contributions, responsibilities and market benchmarks.

None of the Independent Non-Executive Directors has service contracts or consultancy arrangements with the Company. They are paid Directors' fees based on a structured fee framework reflecting the responsibilities and time commitment of each Director.

The RC may from time to time when it is appropriate, refer to market reports on average remuneration or seek external expert or independent professional advice in framing the Group's remuneration policy. For the financial year ended 31 December 2023, the RC has not sought external advice nor appointed remuneration consultants in considering the remuneration of Directors and Key Management Personnel.



## 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.**

The Company adopts a remuneration framework that combines fixed and variable components of remuneration and share incentive schemes to attract, retain and motivate Directors to provide good stewardship of the Group, and Key Management Personnel to successfully manage the Group for the long term.

The remuneration framework of the Executive Directors, CEO and Key Management Personnel comprises mainly a fixed component and a variable component. In developing the framework, the RC will take into consideration factors, such as the Company's performance, the economic scenario, market practices, the individual's duties and responsibilities and his contribution to the Group.

### Fixed and Variable Components

The remuneration packages of Executive Directors and Key Management Personnel comprise compensation in the form of a fixed monthly salary and a variable or discretionary performance bonus. Fixed salaries are determined based on the scope, criticality and complexity of each role, the individual's experience, competencies and market competitiveness. The variable component is determined based on the performance of the Group as a whole and performance of the individual Executive Director or Key Management Personnel. Individual performance is assessed based on annual appraisal of employees using selected key performance indicators such as core values, competencies, key result areas, performance rating, and potential of the employees. A significant and appropriate proportion of the performance bonuses for Executive Directors and Key Management Personnel is structured so as to link rewards to performance at both the corporate and individual level. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promote the long-term success of the Group.

### Long-term Incentive Scheme

The Company has in place long-term incentive schemes such as Mooreast Performance Share Plan and Mooreast Share Option Scheme as set out in the Company's Offer Document dated 17 November 2021. Both schemes are administered by the RC. Currently, no share awards or share options have been granted under the two schemes since their commencement.

The allocation of share-based components to employees is guided by a framework administered by the RC. An employee's sustained performance and potential for growth are among the key considerations for granting such incentives to employees, in particular, to Key Management Personnel. In addition, Executive Directors and Key Management Personnel are encouraged to hold their shares beyond the vesting period, subject to the need to finance any cost of acquiring the shares and associated tax liabilities.

The Company had entered into separate Service Agreements with the Executive Directors. The service agreements may be terminated by not less than six months' notice in writing served by either party on the other. The Group does not use contractual provisions to reclaim incentive components of remuneration from Executive Directors and Key Management Personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the company. The Group believes that such exceptional events could tantamount to breach of fiduciary duties of the Executive Directors and Key Management Personnel, which would provide the Group with legal remedies.

# CORPORATE GOVERNANCE REPORT

Independent Non-Executive Directors' fees are subject to the approval of the shareholders at the AGM. The RC is mindful that the remuneration for Independent Directors should not be excessive so as to compromise or reasonably be perceived to compromise their independence. The RC is of the view that the remuneration of the Independent Directors is appropriate to their level of contributions, taking into account factors such as effort and time spent and the role and responsibilities of the Independent Directors, and the said remuneration does not compromise their independence.

No member of the RC is involved in deliberating and deciding in respect of any remuneration, compensation or any form of benefits to be granted to him/her. The Board concurred with the RC that the proposed fees for financial year ending 31 December 2024 are appropriate and not excessive, taking into consideration the level of contributions by the Directors and factors such as effort and time spent for serving on the Board and Board Committees as well as the responsibilities and obligations of the Directors.

## 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.**

### Remuneration of Directors and CEO of the Company

The breakdown of the total remuneration of the Directors of the Company for the financial year ended 31 December 2023 is set out below:

| Name of Director     | Salary & fixed allowance (\$) | Bonus (\$) | Director's Fees (\$) | Total Remuneration (\$) |
|----------------------|-------------------------------|------------|----------------------|-------------------------|
| Ong Yong Loke Joseph | -                             | -          | 40,000               | 40,000                  |
| Sim Koon Lam         | 308,074                       | 20,000     | -                    | 328,074                 |
| Mrs Elaine Sim       | 316,412                       | 23,342     | -                    | 339,754                 |
| Lee Sok Koon         | -                             | -          | 35,000               | 35,000                  |
| Zulkifly Bin Zakaria | -                             | -          | 35,000               | 35,000                  |

- The salary and bonus amounts shown are inclusive of Singapore Central Provident Fund (CPF) contributions.
- The Director's fees for FY2023 was approved at the Annual General Meeting held on 28 April 2023.

### Remuneration of Key Management Personnel of the Group

The remuneration policy for Key Management Personnel takes into consideration the responsibility and performance of individual personnel. The following table below sets out the remuneration of the Key Management Personnel (who are not Directors and CEO of the Company) for the financial year ended 31 December 2023.

| Remuneration Band    | Number of Key Management Personnel |
|----------------------|------------------------------------|
| S\$250,000 and below | 5                                  |

# CORPORATE GOVERNANCE REPORT

In considering the disclosure of remuneration of the Key Management Personnel of the Company, 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 Key Management Personnel on a name basis as recommended by the Code would be prejudicial to the Company's interests and hamper its ability to retain and nurture the Company's talent pool. The aggregate remuneration of the top 5 Key Management Personnel (who are not Directors or the CEO) for the financial year ended 31 December 2023 is S\$1,093,709. Save as disclosed above, there are no other Key Management Personnel.

Save as disclosed above, there are no 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.

## ACCOUNTABILITY AND AUDIT

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### 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 stakeholders.**

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

The Board is assisted by the ARC which conducts reviews of the adequacy and effectiveness of the Group's internal controls and risk management systems. Management reports to the ARC on the Group's risks profile, and evaluates results and counter measures to mitigate identified potential risks.

The Group has appointed RSM Risk Advisory Pte. Ltd. as internal auditors to evaluate and test the effectiveness of internal controls in selected areas that are in place in major operating companies in Singapore as well as overseas. The internal audit review was conducted with a view to identify control gaps in the current business processes, ensure that operations were conducted within the policies and procedures laid down and identify areas for improvements, where controls can be strengthened. RSM Risk Advisory Pte. Ltd. has also assisted the Group in establishing an Enterprise Risk Management Framework to, inter alia, (i) identify key risks, (ii) rate, prioritise and mitigate tier-one risks, and (iii) establish a risk register and risk profile.

In addition, the external auditors will also highlight internal control weaknesses which have come to their attention in the course of their statutory audit. All external and internal audit findings and recommendations were reported to the ARC. There were no high-risk weaknesses identified. Management will implement the recommendations from the auditors to further strengthen the Group's internal controls system.

For the financial year ended 31 December 2023, the Board had received assurance from CEO and the FC that:-

- The financial records of the Group have been properly maintained and the financial statements for financial year ended 31 December 2023 give a true and fair view of the Group's operations and finances; and

# CORPORATE GOVERNANCE REPORT

- The internal controls systems (including financial, operational, compliance and information technology controls) and risk management systems in place within the Group are adequate and effective.

Based on the Risk Management framework and internal controls established and maintained in the Group, work performed by the internal auditors, the statutory audit undertaken by the external auditors, and the written representation from the CEO and the FC providing assurance on the Group's risk management and internal control systems and that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, the Board, with the concurrence of the ARC, is satisfied that the Group's risk management and internal control framework and systems were adequate and effective for the financial year ended 31 December 2023 to address financial, operational, compliance and information technology risks.

The internal controls and risk management systems established by the Group provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

The Board remains committed to improve the Group's internal controls and will not hesitate to take necessary actions to ensure the adequacy and effectiveness of the Group's internal controls and risk management systems.

## **Audit & Risk Committee**

### **Principle 10: The Board has an Audit & Risk Committee with written terms of reference which discharges its duties objectively.**

The ARC comprises 3 members, all of whom, including the Chairman are Non-Executive and Independent Directors.

Chairman : Lee Sok Koon  
Member : Ong Yong Loke Joseph  
Member : Zulkifly Bin Zakaria

The Chairman of the ARC, Ms Lee Sok Koon, has extensive experience in finance, commerce and industry. The other members of the ARC possess experience in finance and business management. At least two members have the appropriate accounting or related financial management experience or expertise.

The Board is of the opinion that the members of the ARC have sufficient financial management expertise and experience in discharging their duties. None of the members of the AC is a former partner or Director of the Company's external or internal auditors.

As a sub-committee of the Board of Directors, the ARC assists the Board in discharging their responsibility to safeguard the Group's assets, maintain adequate accounting records, and develop and maintain effective systems of internal control, with the overall objective of ensuring that Management creates and maintains an effective control environment in the Group. The ARC also reviews and supervises the internal audit functions of the Group.

The ARC provides a channel of communication between the Board, Management and the external auditors on matters relating to audit.

# CORPORATE GOVERNANCE REPORT

The ARC has adopted written terms of reference defining its membership, administration and duties. The duties and responsibilities of the ARC include:

- (a) assisting the Board in fulfilling its responsibility for overseeing the integrity of the Company's system of accounting and financial report and in maintaining a high standard of transparency and reliability in its corporate disclosures;
- (b) reviewing with the FC and the external auditor and recommending to the Board significant financial reporting issues and judgement to ensure the integrity of the financial statements and any announcements relating to financial performance;
- (c) reviewing the periodic financial statements and results announcements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards and compliance with the Catalist Rules and any other relevant statutory or regulatory requirements and monitoring cash flows;
- (d) reviewing and reporting to the Board, at least annually, the adequacy and effectiveness of the internal control systems, including financial, operational, compliance and information technology controls, and risk management policies and systems;
- (e) discussing with the external auditor if it becomes aware of any suspected fraud or irregularity, or suspected infringement of any Singapore laws or regulations or Catalist Rules, which has or is likely to have a material impact on our operating results or financial position, and at appropriate times, report the matter to the Board and the Sponsor;
- (f) monitoring and reviewing the implementation of the external auditors' and internal auditors' recommendations for internal control weaknesses; reviewing the adequacy and effectiveness, independence, scope and results of the external audit (including the audit plan and the audit reports as well as the external auditors' evaluation of the system of internal accounting controls, with the external auditors, as well as the assistance given by management to the external auditors) and the internal audit function;
- (g) reviewing the statements to be included in the Annual Report by the Board concerning the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems;
- (h) meeting with the external auditors, and with the internal auditors, in each case without the presence of management, at least annually and reviewing the co-operation extended to the internal auditors and the external auditors;
- (i) reviewing and approving all hedging policies and types of hedging instruments to be implemented, if any;
- (j) reviewing any Interested Person transactions as defined in the Catalist Rules;
- (k) where applicable, deciding on the appointment, termination and remuneration of the head of the internal audit function;
- (l) approving the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation to which the internal audit function is outsourced (if any) or ensuring that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience and that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies, where applicable;

## CORPORATE GOVERNANCE REPORT

- (m) where applicable, ensuring that the internal audit function has unfettered access to all our Group's documents, records, properties and personnel, including our ARC, and has appropriate standing within our Group;
- (n) making recommendations to our Board on the proposals to Shareholders on the appointment and removal of the external auditors, and the remuneration and terms of engagement of the external auditors;
- (o) reviewing any actual or potential conflicts of interest as well as any other such conflicts that may involve the Directors as disclosed by them to the Board, exercising Directors' fiduciary duties in this respect;
- (p) reviewing and establishing procedures for receipt, retention and treatment of complaints received by the Group, including criminal offences involving the Group or its employees' questionable accounting, auditing, business, safety or other matters that impact negatively on our Group and ensuring that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;
- (q) reviewing the policy and arrangements for concern about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;
- (r) ensuring that the Group publicly disclose, and clearly communicate to the employees the existence of a whistle-blowing policy and the procedures for raising concerns about possible improprieties in financial reporting or other matters to be safely raised;
- (s) reviewing the assurance from our CEO and our FC on the financial records and financial statements of our Group;
- (t) given the Group's overseas operations and expansion plans, reviewing and discussing with the internal and external auditors any suspected infringement of any relevant laws, rules, and regulations (including overseas jurisdictions);
- (u) reviewing transactions falling within the scope of Chapter 10 of the Catalist Rules;
- (v) setting out a framework to resolve or mitigate any potential conflicts of interest and monitoring compliance with the framework;
- (w) reviewing the Group's key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting. The outcome of such review shall be disclosed in the annual reports or if the findings are material, immediately announced via SGXNET;
- (x) considering the independence of the external auditor, taking into account the non-audit services provided by the external auditor and the fees paid for such non-audit services;
- (y) reviewing the risk management structure, process, and activities on an annual basis to mitigate and manage risk at acceptable levels as determined by the Board; and
- (z) undertaking other functions/duties/reviews/projects as may be required by statute or the Catalist Rules and by such amendments made from time to time, or as may be requested by the Board and report its findings from time to time on matters arising and requiring the attention of the ARC.

# CORPORATE GOVERNANCE REPORT

Each member of the ARC shall abstain from discussing and voting on any resolutions in respect of any matter in which he/she has an interest.

Apart from the duties listed above, the ARC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position.

In discharging the above duties, the ARC confirms that it has full access to and co-operation from Management and is given full discretion to invite any Director to attend its meetings. In addition, the ARC has also been given reasonable resources to enable it to perform its functions properly.

## Whistle Blowing Channels

The Company has put in place a whistle blowing framework ("**Whistle Blowing Policy**") where the employees of the Group or any other person may, in confidence, raise concerns about possible corporate improprieties on matters of financial reporting or other matters. A dedicated secured email address ([whistleblow@mooreast.com](mailto:whistleblow@mooreast.com)) has been setup to allow whistle blowers to contact the ARC directly.

Details of the Whistle Blowing Policy and arrangements have been made available to all employees of the Group. The Company is committed to ensuring that the identity of the whistleblower is kept confidential and ensuring the protection of the whistleblower against detrimental or unfair treatment. The ARC will ensure that independent investigations and any appropriate follow-up actions are carried out.

There were no reported incidents pertaining to whistle blowing during the financial year ended 31 December 2023.

The ARC is responsible for oversight and monitoring of whistleblowing and will report to the Board on such matters at the Board meetings.

## External Audit

The ARC reviews the scope and results of the audit carried out by the external auditors, the cost effectiveness of the audit, and the independence and objectivity of the external auditors. The ARC undertook a review of the independence and objectivity of the external auditors, Ernst & Young LLP ("**EY**"), through discussions with external auditors, as well as reviewing the non-audit services provided and the fees paid to them. A breakdown of the fees in total for audit and non-audit services is set out below. Based on the review, the ARC is of the opinion that EY is independent for the purpose of the Group's statutory audit. In reviewing the nomination of EY for re-appointment for the financial year ending 31 December 2024, the ARC has considered the adequacy of resources, experience and competence of EY, and has taken into account the Accounting and Corporate Regulatory Authority's ("**ACRA**") Audit Quality Indicators Framework relating to EY at the firm level and on the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members in handling the audit. The ARC is of the view that the non-audit services provided by EY during the financial year ended 31 December 2023 did not prejudice their objectivity and independence. On the basis of the above, the ARC is satisfied with the standard and quality of work performed by EY. It has recommended to the Board the nomination of EY for reappointment as external auditors at the forthcoming AGM of the Company.

# CORPORATE GOVERNANCE REPORT

A breakdown of the audit and non-audit fee charged to the Group by EY for the financial year ended 31 December 2023 is set out below:-

| <b>Service category</b> | <b>Fees Paid/Payable (S\$)</b> |
|-------------------------|--------------------------------|
| Audit Services          | 150,000                        |
| Non-Audit Services      | -                              |
| <b>Total Fees</b>       | <b>150,000</b>                 |

EY confirmed that the firm has remained as an independent public accountants within the meaning of Rule 12 of the Companies Act 1967 of Singapore and the Accountants (Public Accountants) Rules for the audit of the Group for financial year ended 31 December 2023.

The Group confirms that it has complied with Rules 712 and 715 of the Catalist Rules of the SGX-ST in relation to the appointment of its external auditors.

## Internal Audit

The ARC is aware that internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal control.

The Group has outsourced its internal audit function to RSM Risk Advisory Pte. Ltd. ("**RSM**") to assist the Group in reviewing the design and effectiveness of key internal controls which address financial, operational, compliance and information technology risks and the Group's risk management policy and system as a whole. RSM has staffed the internal audit team with persons with the relevant qualifications and experience, and carries out its function according to International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The ARC has assessed the adequacy, effectiveness and independence of the internal auditor and is satisfied that the internal auditor is independent, effective and adequately resourced.

The Internal Auditor has unfettered access to all the Group's documents, records, properties and personnel, including access to the ARC.

The ARC reviews and approves the annual internal audit plan and the appointment and remuneration of the internal auditor. The internal auditor reports directly to the ARC on audit matters and to the CEO on administrative matters.

A summary of the activities carried out by the ARC during the financial year ended 31 December 2023 is set out below:

- i) Reviewed the Group's financial performance, internal and external audit reports;
- ii) Reviewed with the Management and the external auditors, the financial results of the Group before submitting them to the Board for its approval and announcement of the financial results;
- iii) Conducted an annual review of the volume of non-audit services provided by the external auditors to ensure that the nature and extent of such services will not prejudice the independence and objectivity of the auditors before recommending their re-nomination to the Board. The ARC is satisfied with their independence and has recommended the re-appointment of the external auditors at the forthcoming Annual General Meeting of the Company;
- iv) Reviewed the adequacy of the resources, experience of the external auditors and of the audit engagement partner assigned to the audit. The ARC is satisfied that the external auditors are able to meet their audit obligations;



- v) The ARC met with the internal auditors and the external auditors, without the presence of Management; and
- vi) The external auditors updated the ARC on changes and updates to the accounting standards, and other issues which might have a direct impact on the financial statements of the Group.

## SHAREHOLDER RIGHTS AND ENGAGEMENT

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### 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.**

### Shareholders Rights

The Company believes in regular, effective and fair communication with members of the investment community and investing public and has adopted a comprehensive policy to provide clear, timely and fair disclosure of information about the Group's business developments and financial performance that could have a material impact on the price or value of its shares.

Shareholders are informed of general meetings through notices published in the Company's announcements via SGXNET as well as through the Company's official website and the reports/circulars sent to all shareholders. Resolutions tabled at general meetings are passed through a process of voting by poll which procedures are clearly explained by the scrutineers at such general meetings.

The Constitution of the Company allows an individual shareholder to appoint not more than two proxies to attend and vote on his or her behalf at the general meetings. Member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the shareholders' meetings, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number of class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

### Conduct of General Meetings

The Company's annual report which gives shareholders a balanced and understandable assessment of its performance, position and prospects, shall be made available on its corporate website. The notice will be made available on the SGXNET and the Company's website.

Participation of shareholders is encouraged at the Company's general meetings. Resolutions tabled at general meetings are on each substantially separate issue. Each item of special business included in the notice of meeting will be accompanied by the relevant explanatory notes. This is to enable the shareholders to understand the nature and effect of the proposed resolutions.

To facilitate voting by shareholders, the Company's Constitution allows shareholders to appoint up to two proxies to attend and vote at the same general meeting. The Board of Directors (including the Chairman of the respective Board committees), Management, as well as the external auditors will attend the Company's Annual General Meeting to address any questions that shareholders may have.

The Board is of the view that absentia voting at general meeting may only be possible following careful study to ensure that the integrity of the information and authentication of the identify of shareholders through the web is not compromised.

# CORPORATE GOVERNANCE REPORT

All resolutions at general meetings of the Company will be put to vote by poll so as to better reflect shareholders' shareholding interest and ensure greater transparency. The results of the poll voting on each resolution tabled will be announced after the general meetings via SGXNET and the Company's website.

The Company does not have a fixed dividend policy at present. The frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, projected capital requirements for business growth and other factors as the Board may deem appropriate. No dividend has been declared or recommended for the financial year ended 31 December 2023 as the Group continues to operate prudently and intends to conserve cash.

## 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.**

The Company endeavours to communicate regularly, effectively and fairly with its shareholders. Timely, as well as, detailed disclosure is made to the public in compliance with SGX-ST guidelines. The Company does not practise selective disclosure. All price sensitive information is announced on the SGXNET on a timely basis.

Financial results are published via SGXNET and are usually followed by a news release. Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results are announced or issued within the mandatory period and are available on the Company's website. The Company does not practise selective disclosure.

Shareholders are encouraged to attend and raise questions to the Directors at the Company's general meetings. At these meetings, shareholders are given the opportunity to express their views and raise issues either formally or informally. These meetings provide opportunities for the Board to engage with shareholders and solicit their feedback.

The Company has engaged WeR1 to manage its investor relations to enable effective communication between the Company and investors. WeR1 may also organize meetings with investors and analysts who wish to seek a better understanding of the Group's business and operations. Through these meetings, the Group may also solicit feedback from investors on a range of issues which will provide valuable insights on investors' sentiments. When opportunities arise, the Company may also provide shareholders insights on the Group's business, operations and prospects through media interviews. The Company also maintains a corporate website at <https://mooreast.com> where the public can access investor-related information of the Group.

## 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.**

The Board considers ongoing stakeholder engagement as an important activity to develop effective management strategies and pursue sustainable business practices. The Company's approach to stakeholder engagement is to ensure that it has a good understanding of the key stakeholders' concern and expectation, and develop practical and responsive sustainability strategies. In its pursuit of sustainable business practices, the Group has regularly engaged its stakeholders in the implementation of various initiatives and programs that ensure the sustainability of its business, the environment, and society.

# CORPORATE GOVERNANCE REPORT

The stakeholders have been identified as entities or individuals who are either directly or indirectly involved in the Group's business, have specific interests in the Group and may be significantly impacted by how the Group operates. The key stakeholders include the shareholders, customers, employees, non-governmental organizations, industry groups, and government agencies. The Company identifies and prioritizes issues based on the impact of its business on stakeholders or the potential impact on its business from stakeholders' view and action.

Having identified the stakeholders and the material issues, it has provided the necessary guidance on the key areas of focus and the prioritisation of resources for the various sustainability initiatives.

Please refer to the Sustainability Report for further details.

The Company will make available all media releases, financial results, annual reports, SGXNET announcements and other corporate information relating to the Group in its corporate website at <https://mooreast.com>.

## OTHER CORPORATE GOVERNANCE MATTERS

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### DEALING IN SECURITIES

(Rule 1204(19) of the Catalist Rules)

The Company has adopted a Code of Best Practices on dealing in the securities of the Company ("**COBP**") to provide guidance to all Directors and employees of the Group, while in possession of price-sensitive information.

The Company, its Directors, Officers and employees should not deal in the Company's securities on short-term considerations and are prohibited from dealing in the securities of the Company during the period beginning one month before the announcement of the half-year and full-year financial results respectively, and ending on the date of the announcement of the results.

The Company, Directors, and officers of the Group are also required to adhere to the provisions of the Securities and Futures Act, Companies Act, the Catalist Rules and any other relevant regulations with regard to their securities transactions.

Directors, Officers and employees of the Group are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period, when they are in possession of unpublished material price-sensitive information.

The Company has complied with the Code for the financial year ended 31 December 2023.

### INTERESTED PERSON TRANSACTIONS

(Rule 907 of the Catalist Rules)

The Company has adopted internal guidelines in respect of any transactions with interested persons and has set out the procedures for review and approval of the Company's interested person transactions. The main objective is to ensure that all interested person transactions are conducted on arm's length basis and on normal commercial terms and will not be prejudicial to the interests of our shareholders.

The Company monitors all its interested person transactions closely and all interested person transactions are subject to review by the ARC on a quarterly basis.

# CORPORATE GOVERNANCE REPORT

The Group does not have a general mandate from its shareholders for the interested person transactions. There were no interested person transactions (“IPT”) which were more than S\$100,000 entered into during the period under review.

Pursuant to Rule 1204(8) of the Catalist Rules of the SGX-ST, save for the service agreement entered into between the Company and Mr. Sim Koon Lam, the Deputy Chairman and CEO (as disclosed in the Company’s Offer Document dated 17 November 2021) and Mrs Elaine Sim, there were no material contracts involving the interests of any Director, CEO or controlling shareholder either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

## USE OF IPO PROCEEDS

As at the date of this Report, the use of IPO proceeds is as follows:

| Use of net proceeds  | Amount allocated as per Offer Document S\$’000 | Balance as at 29 Feb 2024 | Amount utilised S\$’000 | Balance as at the date of this report S\$’000 |
|--|--|---------------------------|-------------------------|---|
| Develop and grow our Renewable Division  | 500  | -                         | -                       | -   |
| Development of facilities and capacity of 51 Shipyard Road and scale up of operations & invest in plant, machineries & equipment | 4,000  | 1,247                     | -                       | 1,247   |
| To explore opportunities in M&A & strategic alliances  | 1,000  | 1,000                     | -                       | 1,000   |
| General corporate and working capital purposes   | 1,243  | -                         | -                       | -   |
| IPO expenses pursuant to listing   | 1,804  | -                         | -                       | -   |
| <b>Gross proceeds from the Invitation</b>  | <b>8,547</b>                                   | <b>2,247</b>              | -                       | <b>2,247</b>                                  |

The Company has also received S\$10 million from EDBI, together with the balance IPO proceeds, is currently placed in fixed deposit and pending deployment of fund.

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.

## NON-SPONSOR FEES

(Rule 1204(21) of the Catalist Rules)

The continuing sponsor of the Company is W Capital Markets Pte. Ltd. (the “Sponsor”).

For the financial year ended 31 December 2023, no fees relating to non-sponsorship activities or services were paid to the Sponsor.

## APPOINTMENT OF AUDITORS

The Group has complied with Rules 712 and 715 of the Catalist Rules of the SGX-ST in relation to its auditors.

# CORPORATE GOVERNANCE REPORT

## ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION

Pursuant to Rule 720(6) of the SGX-ST Catalist Rules, the information as set out in Appendix 7F to the SGX-ST Catalist Rules relating to Ms Lee Sok Koon and Mrs Elaine Sim, being the Directors who are retiring in accordance with the Company's Constitution at the forthcoming AGM, is set out below:

| Name of Director  | Lee Sok Koon  | Mrs Elaine Sim   |
|---|---|--|
| Date of appointment   | 28 October 2021   | 3 March 2022   |
| Date of last re-appointment (if applicable)   | N.A.  | N.A.   |
| Age   | 71  | 51   |
| Country of principal residence  | Singapore   | Singapore  |
| The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process) | The NC has recommended and the Board has agreed for Ms Lee Sok Koon to retire and seek re-election at the forthcoming AGM.                              | The NC has recommended and the Board has agreed for Mrs Elaine Sim to retire and seek re-election at the forthcoming AGM.  |
| Whether appointment is executive, and if so, the area of responsibility   | Non-executive<br><br>Ms Lee Sok Koon is the Chairman of the Audit & Risk Committee and a member of the Nominating Committee and Remuneration Committee. | Executive<br><br>Mrs Elaine Sim is responsible for overseeing the commercial, human resource & administration functions of the Group. She assumes the role of CEO, when Mr. Sim is on leave or away on business matters. |
| Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)   | Non-Executive and Independent Director<br>Chairman of Audit & Risk Committee  | Executive Director   |
| Professional Qualifications   | Bachelor of Accountancy (Hons) from the then University of Singapore  | Advanced Diploma in Administrative Management, Thames Business School<br>Bachelor of Arts in Business Administration, University of Portsmouth   |
| Working experience and occupation(s) during the past 10 years   | Please refer to the Board of Directors section in the Company's 2023 Annual Report  | Please refer to the Board of Directors section in the Company's 2023 Annual Report   |

# CORPORATE GOVERNANCE REPORT

| Name of Director  | Lee Sok Koon   | Mrs Elaine Sim   |
|---|--|--|
| Shareholding interest in the listed issuer and its subsidiaries   | Nil  | Feng Tai Investment Pte. Ltd. holds approximately 73.6% of the issued capital of the Company.<br><br>Mrs Elaine Sim holds 40% of the issued capital of Feng Tai Investment Pte. Ltd.. By virtue of Section 4 of SFA, Mrs Elaine Sim is deemed to be interested in the shares held by Feng Tai Investment Pte. Ltd. |
| 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   | Nil  | Spouse of Mr Sim Koon Lam, Executive Director, CEO and Deputy Chairman of the Company.   |
| Conflict of interest (including any competing business)   | Nil  | Nil  |
| Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer   | Yes  | Yes  |
| Other Principal Commitments including Directorships <ul style="list-style-type: none"> <li>● Past (for the last 5 years)</li> <li>● Present</li> </ul>  | <p><b><u>Directorships</u></b><br/>Singapore Arts School Limited</p> <p><b><u>Directorships</u></b><br/>Japan Foods Holding Ltd.<br/>Lum Chang Holdings Limited<br/>SBS Transit Ltd<br/>NUS America Foundation Inc</p> | <p><b><u>Directorships</u></b><br/>-</p> <p><b><u>Directorships</u></b><br/>Feng Tai Investment Pte. Ltd.<br/>Mooreast Rigging Pte. Ltd.<br/>Sheeny Pte Ltd</p>  |
| <b>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.</b>                              |  |  |
| (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   |

# CORPORATE GOVERNANCE REPORT

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

# CORPORATE GOVERNANCE REPORT

| Name of Director  | Lee Sok Koon | Mrs Elaine Sim |
|---|--------------|----------------|
| (f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? | No           | No             |
| (g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?   | No           | No             |
| (h) Whether he has ever been disqualified from acting as a Director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?  | No           | No             |
| (i) Whether he has ever been the subject of any order, judgement 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             |



# CORPORATE GOVERNANCE REPORT

| Name of Director   | Lee Sok Koon | Mrs Elaine Sim |
|--|--------------|----------------|
| <p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-</p> <ul style="list-style-type: none"> <li>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</li> <li>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</li> <li>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</li> <li>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 in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</li> </ul> | No           | No             |
| <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             |

# CORPORATE GOVERNANCE REPORT

| Name of Director  | Lee Sok Koon   | Mrs Elaine Sim   |
|---|--|--|
| <p><b>Any prior experience as a Director of a listed Company?</b></p> <p><i>If <b>yes</b>, please provide details of prior experience.</i></p> <p><i>If <b>no</b>, please state if the Director has attended or will be attending training on the roles and responsibilities of a Director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the Director to undergo training as prescribed by the Exchange (if applicable).</i></p> | <p>Yes</p> <p>Ms Lee Sok Koon is currently a Director of Mooreast Holdings Ltd, Japan Foods Holding Ltd, Lum Chang Holdings Limited and SBS Transit Ltd.</p> | <p>Yes</p> <p>Mrs Elaine Sim is currently a Director of Mooreast Holdings Ltd.</p> |

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Mooreast Holdings Ltd. (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 31 December 2023.

## Opinion of the Directors

In the opinion of the Directors,

- (i) the accompanying statements of financial position, consolidated statement of comprehensive income, statements of changes in equity and consolidated cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of the financial performance, changes in equity of the Group and of the Company and cash flows of the Group for the year ended on that date, and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## Directors

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

Ong Yong Loke Joseph  
Sim Koon Lam  
Mrs Elaine Sim  
Lee Sok Koon  
Zulkifly Bin Zakaria

## Arrangements to enable Directors to acquire shares and debentures

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

For the financial year ended 31 December 2023

## 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 1967, an interest in shares of the Company and its related corporations (other than wholly-owned subsidiaries) as stated below:

| Name of Director                     | Direct Interest   |                              | Deemed Interest   |                              |
|--------------------------------------|---|------------------------------|---|------------------------------|
|                                      | At beginning of the financial year or date of appointment, if later | At end of the financial year | At beginning of the financial year or date of appointment, if later | At end of the financial year |
| <b>Ultimate holding company</b>      |   |                              |   |                              |
| <b>Feng Tai Investment Pte. Ltd.</b> |   |                              |   |                              |
| Sim Koon Lam                         | 6   | 6                            | -   | -                            |
| Mrs Elaine Sim                       | 4   | 4                            | -   | -                            |
| <b>The Company</b>                   |   |                              |   |                              |
| <b>Mooreast Holdings Ltd.</b>        |   |                              |   |                              |
| Ong Yong Loke Joseph                 | 300,000   | 300,000                      | -   | -                            |
| Sim Koon Lam                         | 394,900   | 394,900                      | 190,634,061   | 190,634,061                  |
| Mrs Elaine Sim                       | -   | -                            | 190,634,061   | 190,634,061                  |

Sim Koon Lam and Mrs Elaine Sim are deemed interested in the Company's shares by virtue of his/her shareholding in the ultimate holding company, Feng Tai Investment Pte. Ltd.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2024.

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

## Mooreast Performance Share Plan

On 28 October 2021, the shareholders of the Company approved the Mooreast Performance Share Plan. Awards granted under the Mooreast Performance Share Plan will be principally performance-based, incorporating an element of stretched targets for senior executives and significantly stretched targets for key senior management and Directors aimed at delivering long-term shareholder value.

The plan is administered by the Remuneration Committee. No awards have been granted since the adoption of the scheme.

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

## Mooreast Share Option Scheme

On 28 October 2021, the shareholders of the Company approved the adoption of a share option scheme known as the Mooreast Share Option Scheme ("**Scheme**"). The Scheme will provide an opportunity for eligible employees to participate in the equity of the Company, and is designed to primarily reward and retain directors and employees whose services are vital to the Company's well-being and success.

The plan is administered by the Remuneration Committee. No share options under the Scheme have been granted since the adoption of the scheme.

## Audit Committee

The Audit Committee ("**AC**") carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditors' evaluation of the adequacy and effectiveness of the Group's system of internal controls and the assistance given by management to the external and internal auditors;
- Reviewed findings and recommendations of the internal and external auditors relating to the internal control systems of the Group and management responses and actions to correct any deficiencies;
- Reviewed the half-yearly and annual financial statements, results of the audit and the auditors' report on the annual financial statements of the Group and the Company before their submission to the Board of Directors;
- Reviewed the adequacy and effectiveness of the Group's material internal controls, relating to financial, operational, compliance and information technology controls and risk management;
- Met with the internal and external auditors, 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 independence and objectivity of the external auditor and 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 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.

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

## **Audit Committee (cont'd)**

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

The AC convened two meetings during the year with full attendance from all members. 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 on Corporate Governance.

## **Auditor**

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Sim Koon Lam  
Director

Lee Sok Koon  
Director

Singapore  
28 March 2024

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2023  
To the members of Mooreast Holdings Ltd.

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Mooreast Holdings Ltd. (the “**Company**”) and its subsidiaries (collectively, the “**Group**”), which comprise the statements of financial position of the Group and Company as at 31 December 2023, the statements of changes in equity of the Group and Company, and consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position, the statement of comprehensive income and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the “**Act**”) and Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

### 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 Company 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 higher 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.

We have fulfilled our responsibilities described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2023  
To the members of Mooreast Holdings Ltd.

## Recoverability of trade receivables

As at 31 December 2023, the carrying amount of the Group's trade receivables, net of allowance for expected credit losses ("ECL") of \$370,000 amounted to \$8,894,111 which represented 12% of its total assets.

Due to the inherent risk surrounding the industries which the Group operates in, there are increased risks in collection of trade receivables. The Group determines the ECL of trade receivables by making debtor-specific assessment of expected impairment loss for overdue trade receivables and using a provision matrix for remaining trade receivables that is based on its historical credit loss experience, debtors' ability to pay and forward-looking information specific to the debtors and economic environment that the debtors' operation is in. This assessment requires management to exercise significant judgement. Accordingly, we determined this as a key audit matter.

Our audit procedures included, amongst others, obtaining an understanding of the Group's processes and key controls relating to the monitoring of trade receivables and considered their trade receivables ageing process to identify collection risks. We reviewed the reasonableness of significant judgement used by the management in assessing the recoverability of trade receivables and management's assessment of the recoverability of long outstanding and overdue trade receivables. We tested the reasonableness of management's assumptions and inputs used in the ECL model by comparing to historical credit loss rates, and reviewed data and information that management has used, including consideration of forward-looking information based on specific economic data. We checked the arithmetic accuracy of management's computation of ECL. We reviewed the trade receivables ageing analysis and checked to subsequent receipts from major debtors. We obtained documentary evidence, representation and explanations from management to assess the recoverability of long outstanding debts, where applicable. In addition, we reviewed the adequacy of the disclosures relating to impairment of trade receivables and credit risk in Note 12 and Note 28(a) to the consolidated financial statements respectively.

## **Other information**

Management is responsible for 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), 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.



# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2023  
To the members of Mooreast Holdings Ltd.

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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2023  
To the members of Mooreast Holdings Ltd.

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.

From the matters communicated with the directors, we determine those matters that were of higher 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 Ng Boon Heng.

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants

Singapore  
28 March 2024

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

|   |      | Group              |                   |
|---|------|--------------------|-------------------|
|   | Note | 2023<br>\$         | 2022<br>\$        |
| <b>Revenue</b>  | 4    | 28,705,704         | 27,837,953        |
| Cost of sales   |      | (18,253,402)       | (16,973,814)      |
| <b>Gross profit</b>   |      | <u>10,452,302</u>  | <u>10,864,139</u> |
| <b>Other items of income</b>  |      |                    |                   |
| Interest income   |      | 637,280            | 492,028           |
| Other income  | 5    | 640,954            | 2,705,218         |
| <b>Other items of expense</b>   |      |                    |                   |
| Marketing and distribution  |      | (729,500)          | (503,654)         |
| Administrative expenses   |      | (8,859,021)        | (7,784,587)       |
| Interest expenses   |      | (2,256,158)        | (1,772,647)       |
| Research and development expenses   |      | (84,225)           | (857,880)         |
| Other expenses  | 5    | (1,488,762)        | (1,144,461)       |
| <b>(Loss)/profit before tax</b>   | 6    | <u>(1,687,130)</u> | <u>1,998,156</u>  |
| Income tax expense  | 9    | (160,043)          | (624,783)         |
| <b>(Loss)/profit net of tax</b>   |      | <u>(1,847,173)</u> | <u>1,373,373</u>  |
| <b>Other comprehensive (loss)/income:</b>   |      |                    |                   |
| <b>Items that may be reclassified subsequently to profit or loss</b>  |      |                    |                   |
| Foreign currency translation  |      | (22,727)           | 68,988            |
| <b>Total comprehensive (loss)/income for the financial year attributable to shareholders of the Company</b> |      | <u>(1,869,900)</u> | <u>1,442,361</u>  |
| <b>Earnings per share attributable to ordinary equity holders</b>   |      |                    |                   |
| Basic (cents)   | 8    | <u>(0.71)</u>      | <u>0.53</u>       |
| Diluted (cents)   | 8    | <u>(0.71)</u>      | <u>0.50</u>       |

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

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

|                                | Note | Group             |                   | Company           |                   |
|--------------------------------|------|-------------------|-------------------|-------------------|-------------------|
|                                |      | 2023<br>\$        | 2022<br>\$        | 2023<br>\$        | 2022<br>\$        |
| <b>Assets</b>                  |      |                   |                   |                   |                   |
| <b>Non-current assets</b>      |      |                   |                   |                   |                   |
| Right-of-use assets            | 16   | 29,990,836        | 31,659,485        | -                 | -                 |
| Plant and equipment            | 10   | 4,122,096         | 4,984,021         | 2,778             | -                 |
| Intangible asset               |      | 15,577            | -                 | -                 | -                 |
| Investment in subsidiaries     | 11   | -                 | -                 | 10,587,175        | 10,587,175        |
| Trade and other receivables    | 12   | 2,180,868         | 2,554,896         | -                 | -                 |
|                                |      | <u>36,309,377</u> | <u>39,198,402</u> | <u>10,589,953</u> | <u>10,587,175</u> |
| <b>Current assets</b>          |      |                   |                   |                   |                   |
| Inventories                    | 13   | 7,970,696         | 6,264,583         | -                 | -                 |
| Trade and other receivables    | 12   | 7,510,986         | 6,641,776         | 4,869,220         | 1,578,097         |
| Contract assets                | 4    | 1,933,022         | 2,017,795         | -                 | -                 |
| Prepaid operating expenses     |      | 1,757,255         | 1,637,510         | 37,879            | 26,033            |
| Cash and bank balances         | 14   | 16,355,735        | 19,105,101        | 12,606,438        | 14,961,050        |
|                                |      | <u>35,527,694</u> | <u>35,666,765</u> | <u>17,513,537</u> | <u>16,565,180</u> |
| <b>Total assets</b>            |      | <u>71,837,071</u> | <u>74,865,167</u> | <u>28,103,490</u> | <u>27,152,355</u> |
| <b>Current liabilities</b>     |      |                   |                   |                   |                   |
| Trade and other payables       | 15   | 5,800,390         | 5,662,630         | 181,549           | 133,769           |
| Contract liabilities           | 4    | 879,760           | 308,626           | -                 | -                 |
| Lease liabilities              | 16   | 812,973           | 884,298           | -                 | -                 |
| Income tax payable             |      | 512,015           | 1,052,912         | 131,328           | -                 |
| Loans and borrowings           | 17   | 1,357,764         | 1,059,322         | -                 | -                 |
|                                |      | <u>9,362,902</u>  | <u>8,967,788</u>  | <u>312,877</u>    | <u>133,769</u>    |
| <b>Net current assets</b>      |      | <u>26,164,792</u> | <u>26,698,977</u> | <u>17,200,660</u> | <u>16,431,411</u> |
| <b>Non-current liabilities</b> |      |                   |                   |                   |                   |
| Lease liabilities              | 16   | 9,237,461         | 9,964,984         | -                 | -                 |
| Deferred tax liabilities       | 19   | 459,814           | 581,498           | -                 | -                 |
| Provision for reinstatement    | 20   | 2,194,806         | 2,095,066         | -                 | -                 |
| Convertible notes              | 18   | 5,024,046         | 4,768,122         | 5,024,046         | 4,768,122         |
| Loans and borrowings           | 17   | 24,198,998        | 25,258,765        | -                 | -                 |
|                                |      | <u>41,115,125</u> | <u>42,668,435</u> | <u>5,024,046</u>  | <u>4,768,122</u>  |
| <b>Total liabilities</b>       |      | <u>50,478,027</u> | <u>51,636,223</u> | <u>5,336,923</u>  | <u>4,901,891</u>  |
| <b>Net assets</b>              |      | <u>21,359,044</u> | <u>23,228,944</u> | <u>22,766,567</u> | <u>22,250,464</u> |

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

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

|   | Note | Group             |                   | Company           |                   |
|---|------|-------------------|-------------------|-------------------|-------------------|
|   |      | 2023<br>\$        | 2022<br>\$        | 2023<br>\$        | 2022<br>\$        |
| <b>Equity attributable to shareholders of the Company</b> |      |                   |                   |                   |                   |
| Share capital   | 21   | 23,635,984        | 23,635,984        | 23,635,984        | 23,635,984        |
| Capital reserve   | 22   | (9,587,174)       | (9,587,174)       | -                 | -                 |
| Other reserve   | 18   | 407,204           | 407,204           | 407,204           | 407,204           |
| Retained earnings/(accumulated losses)                    |      | 6,798,203         | 8,645,376         | (1,276,621)       | (1,792,724)       |
| Foreign currency translation reserve                      |      | 104,827           | 127,554           | -                 | -                 |
| <b>Total equity</b>                                       |      | <u>21,359,044</u> | <u>23,228,944</u> | <u>22,766,567</u> | <u>22,250,464</u> |
| <b>Total equity and liabilities</b>                       |      | <u>71,837,071</u> | <u>74,865,167</u> | <u>28,103,490</u> | <u>27,152,355</u> |

*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 31 December 2023

|   | Share<br>capital<br>\$ | Capital<br>reserve <sup>(1)</sup><br>\$ | Other<br>reserve<br>\$ | Retained<br>earnings/<br>(accumulated<br>losses)<br>\$ | Foreign<br>currency<br>translation<br>reserve<br>\$ | Total<br>equity<br>\$ |
|---|------------------------|---|------------------------|--|---|-----------------------|
| <b>(Note 21)</b>  |                        |   |                        |  |   |                       |
| <b>Group</b>  |                        |   |                        |  |   |                       |
| <b>2023</b>   |                        |   |                        |  |   |                       |
| Opening balance at<br>1 January 2023                    | 23,635,984             | (9,587,174)                             | 407,204                | 8,645,376  | 127,554   | 23,228,944            |
| Loss net of tax   | -                      | -                                       | -                      | (1,847,173)  | -   | (1,847,173)           |
| Foreign currency<br>translation                         | -                      | -                                       | -                      | -  | (22,727)  | (22,727)              |
| Total comprehensive<br>loss for the financial<br>year   | -                      | -                                       | -                      | (1,847,173)  | (22,727)  | (1,869,900)           |
| Closing balance at<br>31 December 2023                  | <u>23,635,984</u>      | <u>(9,587,174)</u>                      | <u>407,204</u>         | <u>6,798,203</u>                                       | <u>104,827</u>                                      | <u>21,359,044</u>     |
| <b>2022</b>   |                        |   |                        |  |   |                       |
| Opening balance at<br>1 January 2022                    | 23,635,984             | (9,587,174)                             | 407,204                | 7,272,003  | 58,566  | 21,786,583            |
| Profit net of tax                                       | -                      | -                                       | -                      | 1,373,373  | -   | 1,373,373             |
| Foreign currency<br>translation                         | -                      | -                                       | -                      | -  | 68,988  | 68,988                |
| Total comprehensive<br>income for the<br>financial year | -                      | -                                       | -                      | 1,373,373  | 68,988  | 1,442,361             |
| Closing balance at<br>31 December 2022                  | <u>23,635,984</u>      | <u>(9,587,174)</u>                      | <u>407,204</u>         | <u>8,645,376</u>                                       | <u>127,554</u>                                      | <u>23,228,944</u>     |

(1) Capital reserve arose from restructuring exercise during financial year ended 2021.

*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 31 December 2023

|   | Share<br>capital<br>\$ | Accumulated<br>losses<br>\$ | Other<br>reserve<br>\$ | Total<br>equity<br>\$ |
|---|------------------------|-----------------------------|------------------------|-----------------------|
|   | (Note 21)              |                             |                        |                       |
| <b>Company</b>                                    |                        |                             |                        |                       |
| <b>2023</b>                                       |                        |                             |                        |                       |
| Opening balance as at 1 January 2023              | 23,635,984             | (1,792,724)                 | 407,204                | 22,250,464            |
| Total comprehensive income for the financial year | -                      | 516,103                     | -                      | 516,103               |
| Closing balance at 31 December 2023               | <u>23,635,984</u>      | <u>(1,276,621)</u>          | <u>407,204</u>         | <u>22,766,567</u>     |
| <b>2022</b>                                       |                        |                             |                        |                       |
| Opening balance as at 1 January 2022              | 23,635,984             | (1,538,949)                 | 407,204                | 22,504,239            |
| Total comprehensive loss for the financial year   | -                      | (253,775)                   | -                      | (253,775)             |
| Closing balance at 31 December 2022               | <u>23,635,984</u>      | <u>(1,792,724)</u>          | <u>407,204</u>         | <u>22,250,464</u>     |

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

# CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2023

|   | 2023<br>\$               | 2022<br>\$               |
|---|--------------------------|--------------------------|
| <b>Operating activities:</b>  |                          |                          |
| (Loss)/profit before tax  | (1,687,130)              | 1,998,156                |
| <u>Adjustments for:</u>   |                          |                          |
| Depreciation of plant and equipment                                 | 1,501,507                | 1,550,670                |
| Depreciation of right-of-use assets                                 | 1,744,188                | 1,713,859                |
| Gain on disposal of plant and equipment                             | (252,202)                | (1,331,211)              |
| Interest income   | (637,280)                | (492,028)                |
| Interest expense  | 1,099,261                | 664,249                  |
| Interest expense on lease liabilities                               | 450,973                  | 482,317                  |
| Interest expense on convertible notes                               | 705,924                  | 626,081                  |
| Unrealised foreign exchange loss                                    | (48,949)                 | 67,420                   |
| Reversal of allowance for inventories obsolescence                  | (6,508)                  | (13,594)                 |
| Bad debts written off   | 19,409                   | -                        |
| (Reversal)/allowance for expected credit losses                     | (39,083)                 | 37,642                   |
| <b>Operating cash flows before changes in working capital</b>       | <u>2,850,110</u>         | <u>5,303,561</u>         |
| <u>Changes in working capital</u>                                   |                          |                          |
| (Increase)/decrease in inventories                                  | (1,699,605)              | 2,358,448                |
| Increase in trade and other receivables                             | (308,357)                | (2,304,503)              |
| Increase in prepaid operating expenses                              | (119,745)                | (852,951)                |
| Increase/(decrease) in trade and other payables                     | 687,366                  | (103,347)                |
| Restricted cash (Note 14)   | 57,473                   | (67,866)                 |
| <b>Cash flows from operations</b>                                   | <u>1,467,242</u>         | <u>4,333,342</u>         |
| Interest paid   | (565)                    | (1,349)                  |
| Income tax paid   | (822,624)                | (50,367)                 |
| <b>Net cash flows generated from operating activities</b>           | <u>644,053</u>           | <u>4,281,626</u>         |
| <b>Investing activities</b>   |                          |                          |
| Purchase of plant and equipment                                     | (1,018,688)              | (2,623,505)              |
| Development expenditure   | (15,577)                 | -                        |
| Proceeds from disposal of plant and equipment                       | 636,913                  | 2,111,231                |
| Interest received   | 631,680                  | 159,853                  |
| <b>Net cash flows generated from/(used in) investing activities</b> | <u>234,328</u>           | <u>(352,421)</u>         |
| <b>Financing activities</b>   |                          |                          |
| Interest paid on lease liabilities                                  | (450,973)                | (482,317)                |
| Repayment of lease liabilities                                      | (874,387)                | (803,215)                |
| Interest paid on loans and borrowings                               | (998,956)                | (424,126)                |
| Repayment of loans and borrowings                                   | (761,325)                | (1,006,797)              |
| Amount due to a director  | -                        | (2,000,000)              |
| Interest paid on convertible note                                   | (450,000)                | (450,000)                |
| <b>Net cash flows used in financing activities</b>                  | <u>(3,535,641)</u>       | <u>(5,166,455)</u>       |
| <b>Net decrease in cash and cash equivalents</b>                    | <u>(2,657,260)</u>       | <u>(1,237,250)</u>       |
| Effect of exchange rate changes on cash and cash equivalents        | (34,633)                 | (32,263)                 |
| Cash and cash equivalents at 1 January                              | 18,974,526               | 20,244,039               |
| <b>Cash and cash equivalents at 31 December (Note 14)</b>           | <u><u>16,282,633</u></u> | <u><u>18,974,526</u></u> |

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 31 December 2023

## 1. Corporate information

Mooreast Holdings Ltd. (the “**Company**”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist Board of Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The immediate and ultimate holding company is Feng Tai Investment Pte. Ltd., a private limited company incorporated in Singapore.

The registered office and principal place of business of the Company is located at 51 Shipyard Road, Mooreast Offshore Base, Singapore 628139.

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

## 2. Material accounting policy information

### 2.1 *Basis of preparation*

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”).

The consolidated financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The consolidated financial statements are presented in Singapore dollars (“**SGD**” or “**\$**”), which is also the functional currency of the Company, except when otherwise indicated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

### 2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except 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 January 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

### 2.3 *Standards issued but not yet effective*

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

| Description   | <i>Effective for annual periods beginning on or after</i> |
|---|---|
| <i>Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current</i> | 1 January 2024  |
| <i>Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants</i>                  | 1 January 2024  |

The Directors expect that the adoption of the standards and amendments above will have no material impact on the financial statements in the period of initial application.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 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. Control is achieved when the Group 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. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("**OCI**") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.4 *Basis of consolidation and business combinations (cont'd)*

#### **(b) Business combinations**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

### 2.5 *Foreign currency*

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

#### **(a) Transactions and balances**

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. 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 is determined.

Differences arising on the settlement or translation of monetary items are recognised in the profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.5 Foreign currency (cont'd)

#### (b) Consolidated financial statements

On consolidation, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange prevailing at the reporting date and their statements profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

### 2.6 Plant and equipment

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

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

|                               |   |               |
|-------------------------------|---|---------------|
| Motor vehicles                | - | 6 years       |
| Furniture and fittings        | - | 3 years       |
| Workshop and office equipment | - | 3 to 15 years |
| Computers and software        | - | 3 years       |
| Renovation                    | - | 3 to 10 years |
| Rental equipment              | - | 3 to 10 years |

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

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

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

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

### 2.7 Leases

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.7 Leases (cont'd)

#### **Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (i) **Rights-of-use assets**

The Group recognises right-of-use assets at the initial application or commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

|                    |   |  |
|--------------------|---|--|
| Leasehold property | - | The lower of remaining lease period and 22 years |
| Motor vehicles     | - | 5 years  |
| Workshop equipment | - | 3 to 20 years                                    |
| Software           | - | 3 years  |

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.8.

#### (ii) **Lease liabilities**

At the initial application or commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at initial application or lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.7 Leases (cont'd)

#### *Group as a lessee (cont'd)*

##### (iii) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

#### *Group as a lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### 2.8 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 estimates 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 group 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, except for assets that are previously revalued where the revaluation was taken to OCI. In this case, the impairment is also recognised in OCI up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor 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 unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.9 *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.

### 2.10 *Financial instruments*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### (a) *Financial assets*

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially 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. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' ("**SPPI**") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

##### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.10 *Financial instruments(cont'd)*

#### (a) *Financial assets (cont'd)*

##### ***Subsequent measurement (cont'd)***

- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Financial assets at fair value through profit or loss.

The Group has no financial assets carried at fair value through OCI for both debt and equity instruments, and no financial assets carried at fair value through profit or loss.

##### ***Financial assets at amortised cost (debt instruments)***

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- That contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“**EIR**”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group’s financial assets at amortised cost includes trade and other receivables and cash and bank balances.

##### ***Derecognition***

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group’s consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.10 *Financial instruments(cont'd)*

#### (b) *Financial liabilities*

##### ***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, convertible notes, lease liabilities and loans and borrowings.

##### ***Subsequent measurement***

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; or
- Financial liabilities at amortised cost.

##### ***Financial liabilities at amortised cost (loans and borrowings)***

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to loans and borrowings (Note 17).

##### ***Derecognition***

A financial liability is derecognised 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### (c) ***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.11 *Convertible notes*

Compound financial instruments issued by the Group comprise convertible notes denominated in Singapore dollars that can either be converted to ordinary shares or to be repaid in cash at any time on or after maturity at a 20% premium.

The host debt component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component.

Interest related to the financial liability is recognised in profit or loss.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

### 2.12 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 2.13 *Cash and bank balances*

Cash and bank balances comprise cash at bank and on hand and demand deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.14 *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, as follows:

- Raw materials: purchase cost on a first-in-first-out basis
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

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 the estimated costs necessary to make the sale.

### 2.15 *Provisions*

#### *General*

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 risks 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.

#### *Provision for reinstatement*

The Group recognised a provision for reinstatement cost when there is obligation to restore the property, plant and equipment to its original condition upon termination of the contract leases. The reinstatement cost is estimated when modifications are performed on the properties, based on quotation from contractor. The provision for reinstatement cost is reviewed annually and adjusted as appropriate.

### 2.16 *Employee benefits*

#### (a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore company in 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.16 *Employee benefits (cont'd)*

#### (b) *Employee leave entitlement*

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

### 2.17 *Revenue recognition*

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) *Sales of goods*

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The amount of revenue recognised is based on the contracted price per the purchase order.

#### (b) *Rendering of services*

Revenue from operator services, and repair and maintenance are recognised upon satisfaction of performance obligation when services are rendered to customers over time.

#### (c) *Rental income*

Rental income arising from operating leases on rental equipment is recognised over time on a straight-line basis over the lease term.

### 2.18 *Interest income*

Interest income is recognised in the consolidated statement of comprehensive income for all interest-bearing financial instruments using the effective interest method.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.19 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 except to the extent that the tax relates to items recognised outside profit or loss, either in OCI or directly in equity. 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 the initial recognition of goodwill or 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 taxable temporary differences associated with investments in subsidiaries, 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, 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.19 Taxes (cont'd)

#### (b) *Deferred tax (cont'd)*

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 OCI or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### (c) *Sales tax*

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

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

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

### 2.20 *Government grants*

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

### 2.21 *Share capital and share issue 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 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.22 *Earnings per share*

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

### 2.23 *Borrowing costs*

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

### 2.24 *Related parties*

A related party is defined as follows:

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 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 the revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could 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*

Management is of the opinion that there were no significant judgements made in applying the accounting policies in the consolidated financial statements.

### 3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated 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) 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 values 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 changes are accounted for prospectively.

The carrying amounts of the Group's rental equipment at the end of the reporting period are disclosed in Note 10 of the financial statements.

#### *(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. The carrying amount of the Company's investment in subsidiaries at the reporting date are disclosed in Note 11.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Significant accounting judgements and estimates (cont'd)

### 3.2 Key sources of estimation uncertainty (cont'd)

#### (c) Allowance for expected credit losses 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 of 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 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 carrying amount of the Group's trade and other receivables and information about the ECL are disclosed in Note 12 and Note 28(a).

#### (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. For the purpose of determining 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. The carrying amount of the Group's inventories stated at net realisable value at the end of the reporting period is disclosed in Note 13.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4. Revenue

### (a) Disaggregation of revenue

|                     | Group             |                   |
|---------------------|-------------------|-------------------|
|                     | 2023              | 2022              |
|                     | \$                | \$                |
| Sale of goods       | 16,499,729        | 15,905,160        |
| Rental of equipment | 1,447,248         | 4,039,955         |
| Services rendered   | 10,758,727        | 7,892,838         |
|                     | <u>28,705,704</u> | <u>27,837,953</u> |

### Timing of transfer of goods or services

|                    |                   |                   |
|--------------------|-------------------|-------------------|
| At a point in time | 9,251,462         | 12,121,285        |
| Over time          | 19,454,242        | 15,716,668        |
|                    | <u>28,705,704</u> | <u>27,837,953</u> |

### (b) Contract assets and liabilities

Information about trade receivables, contract assets and contract liabilities from contracts with customers are disclosed as follows:

|   | Group     |           |
|---|-----------|-----------|
|   | 2023      | 2022      |
|   | \$        | \$        |
| Receivables from contracts with customers | 8,894,111 | 8,634,004 |
| Contract assets                           | 1,933,022 | 2,017,795 |
| Contract liabilities                      | 879,760   | 308,626   |

Contract assets primarily relate to the Group's right to consideration for goods or services provided but not yet billed at reporting date. They are transferred to receivables when the rights became unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers. Contract liabilities are recognised as revenue as the Group performs under the contract.

Significant changes in contract liabilities are explained as follows:

|   | Group          |                  |
|---|----------------|------------------|
|   | 2023           | 2022             |
|   | \$             | \$               |
| Revenue recognised that was included in the contract liabilities balance at the beginning of the year | <u>109,860</u> | <u>1,317,499</u> |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 5. Other income/(expenses)

|  | Group              |                    |
|--|--------------------|--------------------|
|  | 2023               | 2022               |
|  | \$                 | \$                 |
| Gain on disposal of plant and equipment                    | 252,202            | 1,331,211          |
| Gain on foreign exchange                                   | 121,017            | -                  |
| Sales of scrap metal                                       | 106,708            | 202,420            |
| Government grants  | 95,057             | 1,138,710          |
| Reversal of allowance for inventories obsolescence         | 6,508              | 13,594             |
| Reversal of allowance for expected credit losses (Note 12) | 39,083             | -                  |
| Others   | 20,379             | 19,283             |
| <b>Other income</b>  | <u>640,954</u>     | <u>2,705,218</u>   |
| Legal and other professional fees                          | (574,675)          | (472,506)          |
| Allowance for expected credit losses (Note 12)             | -                  | (37,642)           |
| Property tax   | (456,942)          | (502,136)          |
| Donations  | (42,741)           | (10,307)           |
| Bad debts written off                                      | (19,409)           | -                  |
| Others   | (394,995)          | (121,870)          |
| <b>Other expenses</b>                                      | <u>(1,488,762)</u> | <u>(1,144,461)</u> |

Government grants received in current year mainly relate to cash grants received from the government in Singapore to support high-growth companies raising capital in public equity market and to support companies to develop innovative technology and products.

## 6. (Loss)/profit before tax

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

|   | Group      |            |
|---|------------|------------|
|   | 2023       | 2022       |
|   | \$         | \$         |
| Inventories recognised as an expense in cost of sales (Note 13) | 10,968,356 | 10,946,149 |
| Staff costs (Note 7)  | 5,595,495  | 5,106,677  |
| Transport expenses  | 494,305    | 440,847    |
| Depreciation of plant and equipment (Note 10)                   | 1,501,507  | 1,550,670  |
| Depreciation of right-of-use assets (Note 16)                   | 1,744,188  | 1,713,859  |
| Reversal of allowance for inventories obsolescence (Note 13)    | (6,508)    | (13,594)   |
| Interest expenses:  |            |            |
| - Lease liabilities (Note 16)                                   | 450,973    | 482,317    |
| - Loans and borrowings (Note 17)                                | 998,956    | 424,126    |
| - Convertible notes (Note 18)                                   | 705,924    | 626,081    |
| - Significant financing component from contract with customers  | -          | 143,708    |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 7. Staff costs

|                      | Group            |                  |
|----------------------|------------------|------------------|
|                      | 2023             | 2022             |
|                      | \$               | \$               |
| Salaries and bonuses | 4,367,644        | 3,967,171        |
| CPF contributions    | 338,316          | 373,364          |
| Others               | 889,535          | 766,142          |
|                      | <u>5,595,495</u> | <u>5,106,677</u> |

Included in staff costs are key management personnel remuneration, as disclosed in Note 23 to the financial statements.

## 8. Earnings per share

Basic earnings per share are calculated by dividing profit for the financial year, net of tax, attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing profit for the financial year, net of tax, attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. In current year, diluted earnings per share is the same as basic earnings per share as the effect of conversion of the convertible notes is anti-dilutive.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

|   | 2023               | 2022               |
|---|--------------------|--------------------|
|   | \$                 | \$                 |
| (Loss)/profit for the financial year attributable to ordinary equity holders for basic and diluted earnings | <u>(1,847,173)</u> | <u>1,373,373</u>   |
|   | No. of shares      | No. of shares      |
| Weighted average number of ordinary shares for basic EPS  | <u>259,000,000</u> | <u>259,000,000</u> |
| Weighted average number of ordinary shares for diluted EPS  | <u>276,482,517</u> | <u>276,482,517</u> |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 9. Income tax expense

### Major components of income tax expense

The major components of income tax expense for the financial years ended 31 December 2023 and 2022 are:

|   | <b>Group</b>     |                  |
|---|------------------|------------------|
|   | <b>2023</b>      | <b>2022</b>      |
|   | <b>\$</b>        | <b>\$</b>        |
| Current income tax:                                 |                  |                  |
| - Current year                                      | 218,319          | 807,863          |
| - Under/(over) provision in respect of prior year   | 63,408           | (59,952)         |
|   | <u>281,727</u>   | <u>747,911</u>   |
| Deferred tax:                                       |                  |                  |
| - Origination and reversal of temporary differences | (121,684)        | (123,128)        |
|   | <u>(121,684)</u> | <u>(123,128)</u> |
| Income tax expense recognised in profit or loss     | <u>160,043</u>   | <u>624,783</u>   |

### Relationship between tax expense and accounting (loss)/profit

A reconciliation between tax expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the financial years ended 31 December 2023 and 2022 are as follows:

|   | <b>Group</b>       |                  |
|---|--------------------|------------------|
|   | <b>2023</b>        | <b>2022</b>      |
|   | <b>\$</b>          | <b>\$</b>        |
| (Loss)/profit before tax                                | <u>(1,687,130)</u> | <u>1,998,156</u> |
| Tax at statutory rate of 17% (2022: 17%)                | (286,812)          | 339,687          |
| Non-deductible expenses                                 | 319,316            | 451,078          |
| Income not subject to tax                               | (39,078)           | (140,903)        |
| Deferred tax assets not recognised                      | 314,642            | 37,545           |
| Utilisation of previously unrecognised tax losses       | -                  | (13,010)         |
| Effect of partial tax exemption and tax relief          | (17,425)           | (17,425)         |
| Under/(over) provision in respect of previous year      | 63,408             | (59,952)         |
| Effects of higher tax rates in Netherlands and Scotland | (100,225)          | (5,420)          |
| Others  | (93,783)           | 33,183           |
| Income tax expense recognised in profit or loss         | <u>160,043</u>     | <u>624,783</u>   |

As at 31 December 2023, the Group has unutilised tax losses of approximately 2,273,000 (2022: \$1,018,000) available for offset against future taxable profits, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to agreement of the tax authority and compliance with the relevant provisions of the respective countries' Corporate Income Tax Act.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 10. Plant and equipment

|   | Motor<br>vehicles<br>\$ | Furniture<br>and<br>fittings<br>\$ | Workshop<br>and office<br>equipment<br>\$ | Computers<br>and<br>software<br>\$ | Renovation<br>\$ | Rental<br>equipment<br>\$ | Total<br>\$ |
|---|-------------------------|------------------------------------|---|------------------------------------|------------------|---------------------------|-------------|
| <b>Group</b>                              |                         |                                    |   |                                    |                  |                           |             |
| <b>Cost:</b>                              |                         |                                    |   |                                    |                  |                           |             |
| At 1 January 2022                         | 566,183                 | 72,026                             | 2,353,397                                 | 341,530                            | 583,147          | 8,959,097                 | 12,875,380  |
| Additions                                 | 192,800                 | -                                  | 813,477                                   | 247,233                            | 167,424          | 1,202,571                 | 2,623,505   |
| Disposals                                 | (237,328)               | -                                  | -   | -                                  | -                | (2,160,578)               | (2,397,906) |
| At 31 December 2022 and<br>1 January 2023 | 521,655                 | 72,026                             | 3,166,874                                 | 588,763                            | 750,571          | 8,001,090                 | 13,100,979  |
| Additions                                 | 149,178                 | 5,800                              | 169,051                                   | 64,763                             | 198,012          | 431,884                   | 1,018,688   |
| Disposals                                 | (48,355)                | -                                  | -   | -                                  | -                | (1,986,308)               | (2,034,663) |
| Exchange difference                       | -                       | -                                  | 311                                       | 70                                 | -                | 7,142                     | 7,523       |
| At 31 December 2023                       | 622,478                 | 77,826                             | 3,336,236                                 | 653,596                            | 948,583          | 6,453,808                 | 12,092,527  |
| <b>Accumulated depreciation:</b>          |                         |                                    |   |                                    |                  |                           |             |
| At 1 January 2022                         | 323,387                 | 18,476                             | 1,555,663                                 | 270,702                            | 53,537           | 5,962,409                 | 8,184,174   |
| Charge for the financial year             | 52,540                  | 20,303                             | 238,041                                   | 84,231                             | 181,144          | 974,411                   | 1,550,670   |
| Disposals                                 | (237,325)               | -                                  | -   | -                                  | -                | (1,380,561)               | (1,617,886) |
| At 31 December 2022 and<br>1 January 2023 | 138,602                 | 38,779                             | 1,793,704                                 | 354,933                            | 234,681          | 5,556,259                 | 8,116,958   |
| Charge for the financial year             | 92,654                  | 21,742                             | 269,853                                   | 115,405                            | 232,930          | 768,923                   | 1,501,507   |
| Disposals                                 | (48,353)                | -                                  | -   | -                                  | -                | (1,601,599)               | (1,649,952) |
| Exchange difference                       | -                       | -                                  | 23  | 30                                 | -                | 1,865                     | 1,918       |
| At 31 December 2023                       | 182,903                 | 60,521                             | 2,063,580                                 | 470,368                            | 467,611          | 4,725,448                 | 7,970,431   |
| <b>Net carrying amount:</b>               |                         |                                    |   |                                    |                  |                           |             |
| At 31 December 2023                       | 439,575                 | 17,305                             | 1,272,656                                 | 183,228                            | 480,972          | 1,728,360                 | 4,122,096   |
| At 31 December 2022                       | 383,053                 | 33,247                             | 1,373,170                                 | 233,830                            | 515,890          | 2,444,831                 | 4,984,021   |

## 11. Investment in subsidiaries

|                          | Company    |            |
|--------------------------|------------|------------|
|                          | 2023<br>\$ | 2022<br>\$ |
| Unquoted shares, at cost | 10,587,175 | 10,587,175 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 11. Investment in subsidiaries (cont'd)

Details of the subsidiaries at 31 December are as follows:

| Name of subsidiaries<br>(Country of<br>incorporation)  | Principal activities<br>(Place of business)   | Cost             |                  | Percentage of<br>equity held by<br>the Group |           |
|--|---|------------------|------------------|--|-----------|
|  |   | 2023<br>\$       | 2022<br>\$       | 2023<br>%                                    | 2022<br>% |
| Mooreast Asia Pte Ltd<br>(Singapore,<br>incorporated on<br>16 March 2010) <sup>(2)</sup>           | Provision of mooring<br>systems and mooring<br>system components<br>and related services<br>(Singapore)                     | 10,587,174       | 10,587,174       | 100  | 100       |
| Mooreast Rigging Pte.<br>Ltd (Singapore,<br>incorporated on<br>14 July 2016) <sup>(2)</sup>        | Building of ships & other<br>ocean-going vessels<br>including selling of<br>marine equipment and<br>accessories (Singapore) | – <sup>(1)</sup> | – <sup>(1)</sup> | 100  | 100       |
| Mooreast Renewables<br>Pte Ltd (Singapore,<br>incorporated on<br>10 September 2018) <sup>(2)</sup> | Engineering design &<br>consultancy services in<br>energy management &<br>clean energy systems<br>(Singapore)               | – <sup>(1)</sup> | – <sup>(1)</sup> | 100  | 100       |
| <i>Held through Mooreast Asia Pte Ltd:</i>   |   |                  |                  |  |           |
| Mooreast Europe B.V<br>(The Netherlands,<br>incorporated on<br>29 August 2014) <sup>(3)</sup>      | Consultancy services<br>in and trading of marine<br>related equipment and<br>accessories (Europe)                           | 16,587           | 16,587           | 100  | 100       |
| <i>Held through Mooreast Renewables Pte Ltd:</i>   |   |                  |                  |  |           |
| Mooreast UK Co Limited<br>(Scotland, incorporated<br>on 4 July 2022) <sup>(3)</sup>                | Provision of mooring<br>solutions for the Floating<br>Renewable Energy<br>Industry (United<br>Kingdom)                      | 244,650          | 244,650          | 100  | 100       |

(1) Amount less than \$1

(2) Audited by Ernst & Young LLP, Singapore

(3) Reviewed by Ernst & Young LLP, Singapore for the purpose of group consolidation

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 12. Trade and other receivables

|   | Group      |            | Company    |            |
|---|------------|------------|------------|------------|
|   | 2023       | 2022       | 2023       | 2022       |
|   | \$         | \$         | \$         | \$         |
| <b>Non-current assets</b>                           |            |            |            |            |
| Trade receivables                                   | 2,180,868  | 2,554,896  | -          | -          |
| <b>Current assets</b>                               |            |            |            |            |
| Trade receivables                                   | 6,713,243  | 6,079,108  | -          | -          |
| Deposits  | 50,787     | 98,953     | -          | 11,348     |
| GST receivables                                     | 366,691    | 73,614     | -          | -          |
| Other receivables                                   | 380,265    | 390,101    | 164,217    | 75,978     |
| Amount due from subsidiaries                        | -          | -          | 4,705,003  | 1,490,771  |
|   | 7,510,986  | 6,641,776  | 4,869,220  | 1,578,097  |
| Total trade and other receivables                   | 9,691,854  | 9,196,672  | 4,869,220  | 1,578,097  |
| Add: Cash and cash equivalents<br>(Note 14)         | 16,282,633 | 18,974,526 | 12,606,438 | 14,961,050 |
| Less: GST receivables                               | (366,691)  | (73,614)   | -          | -          |
| Total financial assets carried at<br>amortised cost | 25,607,796 | 28,097,584 | 17,475,658 | 16,539,147 |

### 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.

### Other receivables

Included in other receivables is compensation of \$Nil (2022: \$81,736) due from a customer for the premature termination of a contractual agreement.

Trade and other receivables denominated in a foreign currency other than the respective functional currencies of the Group and its subsidiaries at 31 December is as follow:

|                       | Group     |           |
|-----------------------|-----------|-----------|
|                       | 2023      | 2022      |
|                       | \$        | \$        |
| United States Dollars | 3,800,173 | 5,759,784 |



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 12. Trade and other receivables (cont'd)

### ECL of trade and other receivables

The movement in allowance for expected credit losses of trade and other receivables computed based on lifetime ECL are as follows:

|   | Group    |         |
|---|----------|---------|
|   | 2023     | 2022    |
|   | \$       | \$      |
| Movement in allowance accounts:                   |          |         |
| At 1 January                                      | 409,083  | 371,441 |
| (Reversal) / allowance for expected credit losses | (39,083) | 37,642  |
| At 31 December                                    | 370,000  | 409,083 |

## 13. Inventories

|  | Group     |           |
|--|-----------|-----------|
|  | 2023      | 2022      |
|  | \$        | \$        |
| Raw materials, at cost                       | 2,855,989 | 2,001,024 |
| Work-in-progress, at cost                    | 596,203   | 90,604    |
| Finished goods, at cost                      | 4,525,166 | 4,179,190 |
| Consumables, at cost                         | 73,945    | 80,880    |
|  | 8,051,303 | 6,351,698 |
| Less: Allowance for inventories obsolescence | (80,607)  | (87,115)  |
|  | 7,970,696 | 6,264,583 |

### Movement in allowance account:

|  |         |          |
|--|---------|----------|
| At 1 January                                       | 87,115  | 100,709  |
| Reversal of allowance for inventories obsolescence | (6,508) | (13,594) |
| At 31 December                                     | 80,607  | 87,115   |

### **Statement of comprehensive income:**

|   |            |            |
|---|------------|------------|
| Inventories recognised as an expense in cost of sales | 10,968,356 | 10,946,149 |
|---|------------|------------|

The reversal of allowance for inventories obsolescence was made when the related inventories were sold above their carrying amount.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 14. Cash and bank balances

|                           | Group      |            | Company    |            |
|---------------------------|------------|------------|------------|------------|
|                           | 2023       | 2022       | 2023       | 2022       |
|                           | \$         | \$         | \$         | \$         |
| Cash at bank              | 16,350,885 | 19,103,945 | 12,606,438 | 14,961,050 |
| Cash on hand              | 4,850      | 1,156      | -          | -          |
|                           | 16,355,735 | 19,105,101 | 12,606,438 | 14,961,050 |
| Less: Restricted cash     | (73,102)   | (130,575)  | -          | -          |
| Cash and cash equivalents | 16,282,633 | 18,974,526 | 12,606,438 | 14,961,050 |

Restricted cash of \$73,102 (2022: \$130,575) represents cash at bank that has been set aside, at the subsidiary level, as performance guarantee for ongoing contracts.

Cash and cash equivalents denominated in foreign currencies other than the respective functional currencies of the Company and its subsidiaries at 31 December are as follows:

|                       | Group     |           |
|-----------------------|-----------|-----------|
|                       | 2023      | 2022      |
|                       | \$        | \$        |
| United States Dollars | 1,760,087 | 1,807,590 |
| Euro                  | 13,534    | 9,901     |

## 15. Trade and other payables

|   | Group      |            | Company   |           |
|---|------------|------------|-----------|-----------|
|   | 2023       | 2022       | 2023      | 2022      |
|   | \$         | \$         | \$        | \$        |
| Trade payables  | 3,412,510  | 3,597,987  | -         | -         |
| Other payables:                                       |            |            |           |           |
| Sundry payables                                       | 496,919    | 343,842    | 6,304     | 6,420     |
| GST payables  | 28,720     | 7,540      | 28,720    | 7,279     |
| Accruals  | 1,862,241  | 1,713,261  | 142,525   | 120,070   |
| Amount due to a subsidiary                            | -          | -          | 4,000     | -         |
| Total trade and other payables                        | 5,800,390  | 5,662,630  | 181,549   | 133,769   |
| Add: Lease liabilities (Note 16)                      | 10,050,434 | 10,849,282 | -         | -         |
| Add: Loans and borrowings (Note 17)                   | 25,556,762 | 26,318,087 | -         | -         |
| Add: Convertible notes (Note 18)                      | 5,024,046  | 4,768,122  | 5,024,046 | 4,768,122 |
| Less: GST Payables                                    | (28,720)   | (7,540)    | (28,720)  | (7,279)   |
| Total financial liabilities carried at amortised cost | 46,402,912 | 47,590,581 | 5,176,875 | 4,894,612 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 15. Trade and other payables (cont'd)

### 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 Group and its subsidiaries as at 31 December are as follow:

|                       | Group     |           |
|-----------------------|-----------|-----------|
|                       | 2023      | 2022      |
|                       | \$        | \$        |
| United States Dollars | 1,239,948 | 1,838,983 |
| Euro                  | 106,296   | 252,129   |
| British Pound         | 957       | 278,275   |

## 16. Leases

The Group has lease contracts for various items of leasehold property, motor vehicles and workshop equipment used in its operations. Leases of leasehold property, motor vehicles and workshop equipment generally have lease terms between 3 to 22 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

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

|  | Leasehold<br>property | Motor<br>vehicles | Workshop<br>equipment | Software | Total       |
|--|-----------------------|-------------------|-----------------------|----------|-------------|
|  | \$                    | \$                | \$                    | \$       | \$          |
| <b>Group</b>   |                       |                   |                       |          |             |
| <b>As at 1 January 2022</b>                              | 29,773,614            | 31,681            | 3,293,127             | -        | 33,098,422  |
| Lease modification                                       | 17,154                | -                 | -                     | -        | 17,154      |
| Additions  | 217,240               | -                 | -                     | 40,528   | 257,768     |
| Depreciation   | (1,466,693)           | (16,477)          | (219,431)             | (11,258) | (1,713,859) |
| <b>As at 31 December<br/>2022 and<br/>1 January 2023</b> | 28,541,315            | 15,204            | 3,073,696             | 29,270   | 31,659,485  |
| Lease modification                                       | 75,539                | -                 | -                     | -        | 75,539      |
| Depreciation   | (1,496,144)           | (15,104)          | (219,431)             | (13,509) | (1,744,188) |
| <b>As at 31 December<br/>2023</b>                        | 27,120,710            | 100               | 2,854,265             | 15,761   | 29,990,836  |

The Group's leasehold property is located at 51 Shipyard Road, Mooreast Offshore Base, Singapore 628139.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 16. Leases (cont'd)

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

|                          | 2023<br>\$        | 2022<br>\$        |
|--------------------------|-------------------|-------------------|
| <b>Group</b>             |                   |                   |
| <b>As at 1 January</b>   | 10,849,282        | 11,387,075        |
| Lease modification       | 75,539            | 17,154            |
| Accretion of interest    | 450,973           | 482,317           |
| Additions                | -                 | 248,268           |
| Payments                 | (1,325,360)       | (1,285,532)       |
| <b>As at 31 December</b> | <u>10,050,434</u> | <u>10,849,282</u> |
| Current                  | 812,973           | 884,298           |
| Non-current              | 9,237,461         | 9,964,984         |
|                          | <u>10,050,434</u> | <u>10,849,282</u> |

The maturity analysis of lease liabilities is disclosed in Note 28(b).

The following are the amounts recognised in profit or loss:

|  | 2023<br>\$       | 2022<br>\$       |
|--|------------------|------------------|
| Depreciation of right-of-use assets              | 1,744,188        | 1,713,859        |
| Interest expense on leases liabilities           | 450,973          | 482,317          |
| <b>Total amount recognised in profit or loss</b> | <u>2,195,161</u> | <u>2,196,176</u> |

The Group had total cash outflows for leases of \$1,325,360 (2022: \$1,285,532) in 2023.

The reconciliation of lease liabilities arising from financing activities is as follows:

|                          | 1 January<br>\$   | Cash flows<br>\$   | Non-cash changes                |                             |              | 31 December<br>\$ |
|--------------------------|-------------------|--------------------|---------------------------------|-----------------------------|--------------|-------------------|
|                          |                   |                    | Accretion of<br>interests<br>\$ | Lease<br>modification<br>\$ | Others<br>\$ |                   |
| <b>Group</b>             |                   |                    |                                 |                             |              |                   |
| <b>2023</b>              |                   |                    |                                 |                             |              |                   |
| <b>Lease liabilities</b> |                   |                    |                                 |                             |              |                   |
| Current                  | 884,298           | (1,325,360)        | 450,973                         | -                           | 803,062      | 812,973           |
| Non-current              | 9,964,984         | -                  | -                               | 75,539                      | (803,062)    | 9,237,461         |
|                          | <u>10,849,282</u> | <u>(1,325,360)</u> | <u>450,973</u>                  | <u>75,539</u>               | <u>-</u>     | <u>10,050,434</u> |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 16. Leases (cont'd)

|                          | 1 January         | Cash flows         | Accretion of interests | Non-cash changes |                    |           | 31 December       |
|--------------------------|-------------------|--------------------|------------------------|------------------|--------------------|-----------|-------------------|
|                          |                   |                    |                        | Addition         | Lease modification | Others    |                   |
|                          | \$                | \$                 | \$                     | \$               | \$                 | \$        | \$                |
| <b>Group</b>             |                   |                    |                        |                  |                    |           |                   |
| <b>2022</b>              |                   |                    |                        |                  |                    |           |                   |
| <b>Lease liabilities</b> |                   |                    |                        |                  |                    |           |                   |
| Current                  | 712,508           | (1,285,532)        | 482,317                | 118,700          | -                  | 856,305   | 884,298           |
| Non-current              | 10,674,567        | -                  | -                      | 129,568          | 17,154             | (856,305) | 9,964,984         |
|                          | <u>11,387,075</u> | <u>(1,285,532)</u> | <u>482,317</u>         | <u>248,268</u>   | <u>17,154</u>      | <u>-</u>  | <u>10,849,282</u> |

The "Others" column includes the effect of reclassification of non-current portion of lease liabilities to current due to the passage of time.

## 17. Loans and borrowings

|                                    | Group             |                   |
|------------------------------------|-------------------|-------------------|
|                                    | 31 December 2023  | 31 December 2022  |
|                                    | \$                | \$                |
| <b>Current</b>                     |                   |                   |
| Commercial property loan (secured) | 1,046,977         | 976,747           |
| Shareholder loan                   | 310,787           | 82,575            |
|                                    | <u>1,357,764</u>  | <u>1,059,322</u>  |
| <b>Non-current</b>                 |                   |                   |
| Commercial property loan (secured) | 11,198,998        | 12,258,765        |
| Shareholder loan                   | 13,000,000        | 13,000,000        |
|                                    | <u>24,198,998</u> | <u>25,258,765</u> |
| Total loans and borrowings         | <u>25,556,762</u> | <u>26,318,087</u> |

The maturity analysis of loans and borrowings is disclosed in Note 28(b).

### Commercial property loan (secured)

On 14 July 2021, Mooreast Asia Pte Ltd acquired a leasehold property at 51 Shipyard Road. The aggregate consideration paid for the acquisition was \$18,500,000 and was financed through a combination of commercial property loan amounting to \$14,800,000 and internal funding of \$3,700,000.

The loan is secured by an all-monies legal mortgage over the property and a corporate guarantee provided by Mooreast Holdings Ltd. The loan is repayable in 144 monthly instalments between 14 July 2021 to 30 June 2033. The interest rate payable on the loan is at 0.82% (2022: 0.80%) per annum above 3-month Singapore Inter-Bank Offer Rate ("**3M SIBOR**") for Year 1.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 17. Loans and borrowings (cont'd)

### Shareholder loan

On 28 October 2021, the then shareholder approved an interim dividend pay-out of \$15,000,000 of which \$2,000,000 has been paid out and the remaining \$13,000,000 has been converted to an interest-bearing loan due to the sole shareholder ("**Shareholder Loan**"). The interest rate payable on the Shareholder Loan for each 6-month interest rate 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 successive Interest Rate Period, the Compounded SORA published on the business day immediately following the last day of the previous Interest Rate Period.

The reconciliation of loans and borrowings arising from financing activities is as follows:

|   | 1 January  | Cash flows  | Non-cash changes |             | 31 December |
|---|------------|-------------|------------------|-------------|-------------|
|   | \$         | \$          | Interest         | Others      | \$          |
|   |            |             | \$               | \$          |             |
| <b>Group</b>                              |            |             |                  |             |             |
| <b>2023</b>                               |            |             |                  |             |             |
| <b>Commercial property loan (secured)</b> |            |             |                  |             |             |
| Current                                   | 976,747    | (1,608,869) | 619,332          | 1,059,767   | 1,046,977   |
| Non-current                               | 12,258,765 | -           | -                | (1,059,767) | 11,198,998  |
|   | 13,235,512 | (1,608,869) | 619,332          | -           | 12,245,975  |
| <b>Shareholder loan</b>                   |            |             |                  |             |             |
| Current                                   | 82,575     | (151,412)   | 379,624          | -           | 310,787     |
| Non-current                               | 13,000,000 | -           | -                | -           | 13,000,000  |
|   | 13,082,575 | (151,412)   | 379,624          | -           | 13,310,787  |
| Total loans and borrowings                | 26,318,087 | (1,760,281) | 998,956          | -           | 25,556,762  |

The "Others" column includes the effect of reclassification of non-current portion of loans and borrowings to current due to the passage of time. The Group classifies interest paid as cash flows used in financing activities.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 17. Loans and borrowings (cont'd)

The reconciliation of loans and borrowings arising from financing activities is as follows:

|   | 1 January         | Cash flows         | Non-cash changes |           | 31 December       |
|---|-------------------|--------------------|------------------|-----------|-------------------|
|   |                   |                    | Interest         | Others    |                   |
|   | \$                | \$                 | \$               | \$        | \$                |
| <b>Group</b>                              |                   |                    |                  |           |                   |
| <b>2022</b>                               |                   |                    |                  |           |                   |
| <b>Commercial property loan (secured)</b> |                   |                    |                  |           |                   |
| Current                                   | 1,166,269         | (1,413,920)        | 330,620          | 893,778   | 976,747           |
| Non-current                               | 13,152,543        | -                  | -                | (893,778) | 12,258,765        |
|   | 14,318,812        | (1,413,920)        | 330,620          | -         | 13,235,512        |
| <b>Shareholder loan</b>                   |                   |                    |                  |           |                   |
| Current                                   | 6,072             | (17,003)           | 93,506           | -         | 82,575            |
| Non-current                               | 13,000,000        | -                  | -                | -         | 13,000,000        |
|   | 13,006,072        | (17,003)           | 93,506           | -         | 13,082,575        |
| <b>Total loans and borrowings</b>         | <b>27,324,884</b> | <b>(1,430,923)</b> | <b>424,126</b>   | <b>-</b>  | <b>26,318,087</b> |

The "Others" column includes the effect of reclassification of non-current portion of loans and borrowings to current due to the passage of time. The Group classifies interest paid as cash flows used in financing activities.

## 18. Convertible notes

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

### (a) CN1

The first series of the EDBI Convertible Note ("CN1") was issued for a principal amount of \$5,000,000 and will automatically convert into share of the Company two business days prior to the listing date, 24 November 2021. The conversion was completed on 22 November 2021.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 18. Convertible notes (cont'd)

### (b) CN2

The second series of the EDBI Convertible Note (“CN2”) was issued on 22 November 2021 for a principal amount of \$5,000,000. Principal terms of CN2 as below:

|  |  |
|--|--|
| Interest rate:                                     | 9% per annum   |
| Interest payment term:                             | Yearly   |
| Maturity date:                                     | 22 November 2026   |
| Mainboard transfer long stop date:                 | 22 May 2025  |
| Automatic conversion date upon mainboard transfer: | 22 May 2025  |
| Voluntary conversion period:                       | 22 May 2025 to 22 November 2026  |
| Conversion price:                                  | \$0.286 per ordinary share of the Company  |
| No. of shares to be issued on conversion:          | 17,482,517   |
| Early redemption period:                           | 22 May 2025 to 22 November 2026  |
| Redemption amount:                                 | 120% of the aggregate sum of the principal amount and all accrued and unpaid interest on redemption date |

The conversion option of the convertible notes is accounted for as equity instrument and is determined after deducting the fair value of the liability component from the total fair value amount of the convertible notes at the date of issuance. The residual amount represents the value of the conversion option, which is credited directly to equity as other reserve of the Company and the Group.

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

The movement of the convertible notes was as follows:

|                               | <b>Group and Company</b> |             |
|-------------------------------|--------------------------|-------------|
|                               | <b>2023</b>              | <b>2022</b> |
|                               | <b>\$</b>                | <b>\$</b>   |
| <b>Equity component</b>       |                          |             |
| As at 1 January / 31 December | 407,204                  | 407,204     |
| <b>Liability component</b>    |                          |             |
| As at 1 January               | 4,768,122                | 4,592,041   |
| Interest expense              | 705,924                  | 626,081     |
| Payments                      | (450,000)                | (450,000)   |
| As at 31 December             | 5,024,046                | 4,768,122   |



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 19. Deferred tax liabilities

Deferred tax as at 31 December relates to the following:

|  | Group                         |                |  |                  |
|--|-------------------------------|----------------|--|------------------|
|  | Consolidated<br>balance sheet |                | Consolidated statement<br>of comprehensive<br>income |                  |
|  | 2023                          | 2022           | 2023   | 2022             |
|  | \$                            | \$             | \$   | \$               |
| Deferred tax liabilities:                                |                               |                |  |                  |
| Differences in depreciation for tax purposes             | 470,166                       | 598,511        | (128,345)  | (125,354)        |
| Provisions   | (11,895)                      | (9,180)        | (2,715)  | 264              |
| Allowance for expected credit losses of financial assets | (42,330)                      | (42,330)       | -  | 245              |
| Unremitted foreign income                                | 43,873                        | 34,497         | 9,376  | 1,717            |
| Deferred tax expense                                     | <u>459,814</u>                | <u>581,498</u> | <u>(121,684)</u>                                     | <u>(123,128)</u> |

The movement of deferred tax liabilities for the financial years are summarised as follows:

|  | Group          |                |
|--|----------------|----------------|
|  | 2023           | 2022           |
|  | \$             | \$             |
| At 1 January   | 581,498        | 704,626        |
| Reversal to consolidated statement of comprehensive income | (121,684)      | (123,128)      |
| At 31 December   | <u>459,814</u> | <u>581,498</u> |

## 20. Provision for reinstatement

Provision for reinstatement relates to reinstatement costs of leasehold property. The provision was made based on the estimated cost of reinstating the leased premises when the leases expire, taking into consideration current market assessment of the time value of money.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 21. Share capital

|   | Group         |             | Company       |             |
|---|---------------|-------------|---------------|-------------|
|   | No. of shares | Amount (\$) | No. of shares | Amount (\$) |
| <b><i>Issued and fully paid ordinary shares:</i></b>        |               |             |               |             |
| As at 1 January 2022, 31 December 2022 and 31 December 2023 | 259,000,000   | 23,635,984  | 259,000,000   | 23,635,984  |

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.

## 22. Capital reserve

|   | Group      |            |
|---|------------|------------|
|   | 2023<br>\$ | 2022<br>\$ |
| As at 1 January 2022, 31 December 2022 and 31 December 2023 | 9,587,174  | 9,587,174  |

On 28 October 2021, the Company entered into a restructuring agreement with Mr Sim Koon Lam, who was the sole shareholder of Mooreast Asia Pte Ltd, to acquire entire issued and paid-up capital of Mooreast Asia Pte Ltd for an aggregate consideration of \$10,587,174 by issue and allotment of an aggregate of 9,999 new fully paid-up shares to Mr Sim Koon Lam. The difference between the aggregate consideration and opening balance as at 1 January 2021 was recorded as capital reserve.

## 23. Related parties transactions

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

### ***Compensation of key management personnel***

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 of the Group are considered as key management personnel of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 23. Related parties transactions (cont'd)

### *Compensation of key management personnel (cont'd)*

Key management personnel compensation comprises:

|  | Group     |           |
|--|-----------|-----------|
|  | 2023      | 2022      |
|  | \$        | \$        |
| Key management personnel remuneration: |           |           |
| - Salaries and bonuses                 | 1,737,051 | 1,408,586 |
| - CPF contributions                    | 154,309   | 229,904   |
| <b>Comprises amounts paid to:</b>      |           |           |
| Directors' of the Company:             |           |           |
| - Salaries and bonuses                 | 643,342   | 615,353   |
| - CPF contributions                    | 24,486    | 26,121    |

## 24. 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   |         |
|---|---------|---------|
|   | 2023    | 2022    |
|   | \$      | \$      |
| Not later than one year                           | 330,597 | 81,292  |
| Later than one year but not later than five years | 87,600  | 23,234  |
|   | 418,197 | 104,526 |

## 25. Contingencies

### Guarantee

|                    | Group   |        |
|--------------------|---------|--------|
|                    | 2023    | 2022   |
|                    | \$      | \$     |
| Banker's guarantee | 148,190 | 83,390 |

The Group has provided guarantees to its subsidiary for the performance of ongoing contracts.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 26. Segment information

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

- i) The mooring division is the provision of design, engineering, fabrication, supply, mobilisation and logistics, installation and commissioning services of bespoke mooring systems to the offshore oil and gas (“O&G”) and marine industries. The Group also provide leasing services for mooring systems.
- ii) The rigging and heavy lifting division is the provision of rigging and heavy lifting equipment such as steel ropes, synthetic ropes and chains to customers in the offshore O&G, marine, renewable energy and the construction industries in Singapore.
- iii) The marine supplies and services division is the provision of mooring component products, such as anchors, chains, mooring fenders, wire ropes, synthetic mooring ropes, shackles and connectors, deck fittings and other equipment, to the marine industry.
- iv) The renewable energy division is the provision of design, engineering, fabrication, supply, mobilisation, demobilisation and project logistics, installation and commissioning services for mooring systems for floating wind projects, offshore solar photovoltaic (“PV”) projects and tidal turbine projects.
- v) The yard division is the provision of on-board fabrication, repairs and testing of equipment for marine vessels that dock at its waterfront site.
- vi) The corporate level is involved in group-level corporate services and treasury functions.

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 31 December 2023

## 26. Segment information (cont'd)

|   | Mooring<br>\$ | Rigging<br>and heavy<br>lifting<br>\$ | Marine<br>supplies<br>and<br>services<br>\$ | Renewable<br>energy<br>\$ | Yard<br>\$ | Corporate<br>Elimination<br>\$ | Per<br>consolidated<br>financial<br>statements<br>\$ |
|---|---------------|---------------------------------------|---|---------------------------|------------|--------------------------------|--|
| <b>For year ended<br/>31 December 2023</b>  |               |                                       |   |                           |            |                                |  |
| Revenue from external customers   | 7,848,349     | 5,111,438                             | 2,515,865                                   | 3,292,212                 | 9,937,840  | -                              | 28,705,704   |
| Intersegment revenue  | 954,757       | -                                     | -   | -                         | -          | (954,757)                      | -  |
| Total revenue   | 8,803,106     | 5,111,438                             | 2,515,865                                   | 3,292,212                 | 9,937,840  | (954,757)                      | 28,705,704   |
| Results:  |               |                                       |   |                           |            |                                |  |
| Depreciation  | 1,431,272     | 196,395                               | 69,376                                      | 69,376                    | 836,426    | 642,850                        | 3,245,695  |
| Interest income   | 60,750        | -                                     | -   | -                         | -          | 631,680                        | 637,280  |
| Interest expense  | 340,045       | 55,909                                | 55,909                                      | 55,909                    | 548,794    | 1,254,732                      | 2,256,158  |
| Segment (loss)/profit   | (587,935)     | 655,339                               | 109,421                                     | 1,455,262                 | 1,430,051  | (4,784,892)                    | (1,687,130)  |
| Segment assets:   | 16,341,561    | 5,001,469                             | 1,515,354                                   | 605,207                   | 4,936,700  | 50,743,835                     | 71,837,071   |
| Segment liabilities<br>(exclude tax payables<br>and deferred tax<br>liabilities): | 6,598,329     | 256,796                               | 211,286                                     | 532                       | 2,599,835  | 48,122,139                     | 49,506,198   |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 26. Segment information (cont'd)

|   | Mooring<br>\$ | Rigging<br>and heavy<br>lifting<br>\$ | Marine<br>supplies<br>and<br>services<br>\$ | Renewable<br>energy<br>\$ | Yard<br>\$ | Corporate<br>Elimination<br>\$ | Per<br>consolidated<br>financial<br>statements<br>\$ |
|---|---------------|---------------------------------------|---|---------------------------|------------|--------------------------------|--|
| <b>For year ended<br/>31 December 2022</b>  |               |                                       |   |                           |            |                                |  |
| Revenue from external customers   | 12,733,164    | 3,751,715                             | 2,579,369                                   | 1,759,867                 | 7,013,838  | -                              | 27,837,953   |
| Intersegment revenue  | 1,759,734     | -                                     | -   | -                         | -          | (1,759,734)                    | -  |
| Total revenue   | 14,492,898    | 3,751,715                             | 2,579,369                                   | 1,759,867                 | 7,013,838  | (1,759,734)                    | 27,837,953   |
| Results:  |               |                                       |   |                           |            |                                |  |
| Depreciation  | 1,584,931     | 197,364                               | 69,260                                      | 69,260                    | 835,393    | 508,321                        | 3,264,529  |
| Interest income   | 345,045       | 2,411                                 | -   | -                         | -          | 197,295                        | 492,028  |
| Interest expense  | 401,826       | 43,288                                | 41,917                                      | 43,984                    | 435,840    | 858,527                        | 1,772,647  |
| Segment profit/(loss)   | 4,716,477     | 6,700                                 | (14,581)                                    | 13,210                    | 752,411    | (3,459,067)                    | 1,998,156  |
| Segment assets:   | 15,605,303    | 3,957,567                             | 1,346,894                                   | 1,592,290                 | 4,669,821  | 51,070,791                     | 74,865,167   |
| Segment liabilities<br>(exclude tax payables<br>and deferred tax<br>liabilities): | 2,544,151     | 509,106                               | 164,420                                     | 495,106                   | 3,110,471  | 47,494,599                     | 50,001,813   |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 26. Segment information (cont'd)

### Geographical information

|                                    | Group      |            |                    |            |
|------------------------------------|------------|------------|--------------------|------------|
|                                    | Revenue    |            | Non-current assets |            |
|                                    | 2023       | 2022       | 2023               | 2022       |
|                                    | \$         | \$         | \$                 | \$         |
| Singapore                          | 14,725,298 | 14,075,530 | 33,810,726         | 36,326,922 |
| Europe                             | 4,548,704  | 5,594,164  | 302,206            | 316,584    |
| Asia Pacific (excluding Singapore) | 6,364,811  | 6,955,359  | -                  | -          |
| Middle East                        | 595,867    | 770,141    | -                  | -          |
| Oceania                            | 1,132,320  | 442,759    | -                  | -          |
| South America                      | 1,234,437  | -          | -                  | -          |
| Others                             | 104,267    | -          | -                  | -          |
|                                    | 28,705,704 | 27,837,953 | 34,112,932         | 36,643,506 |

Segment revenue is based on the countries in which customers are invoiced. Non-current assets information consists of plant and equipment and right-of-use assets as presented in the statements of financial position and are based on the geographical location of the entities.

## 27. Fair value of financial instruments

### **(a) Fair value hierarchy**

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

- Level 1 - Quoted prices (unadjusted) in active market 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 (i.e. as prices) or indirectly (i.e. derived from prices); 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.

### **(b) Assets and liabilities by classes that are not measured at fair value and whose carrying amounts are reasonable approximation of fair value**

The carrying amounts of cash and bank balances, trade and other receivables and trade and other payables are reasonable approximation of fair values, due to their short-term nature.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 28. Financial risk management objectives and policies

The Group and Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, liquidity risk and foreign currency risk. The directors review and agree policies and procedures for the management of these risks. It is, and has been throughout the current and previous financial year, the Group's and Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and Company do not apply hedge accounting.

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

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

### (a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and Company's exposure to credit risk arises primarily from trade receivables and amounts due from subsidiaries. For cash at bank balances, the Group minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group 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 has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

Additionally, the Group 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 borrower will enter bankruptcy or other financial reorganisation; or
- There is a disappearance of an active market for that financial asset because of financial difficulty.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 28. Financial risk management objectives and policies (cont'd)

### (a) Credit risk (cont'd)

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where financial assets have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Group has applied the simplified approach to providing for impairment for ECLs prescribed by SFRS(I) 9, which permits the use of the lifetime expected loss provision for impairment of all trade receivables. To measure the ECLs, trade and other receivables have been grouped based on the days past due. The provision rates are determined based on the Company's historical observed default rates. The loss allowance provision as at 31 December also incorporated forward looking information. The expected credit losses of trade and other receivables are disclosed in Note 12.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instrument presented on the balance sheet.

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix:-

| Group               | Gross<br>carrying<br>amount<br>\$ | Loss<br>allowance<br>provision<br>\$ | Carrying<br>amount<br>\$ |
|---------------------|-----------------------------------|--------------------------------------|--------------------------|
| <b>2023</b>         |                                   |                                      |                          |
| Current             | 1,253,116                         | -                                    | 1,253,116                |
| Past due:           |                                   |                                      |                          |
| - 1 to 30 days      | 2,690,948                         | -                                    | 2,690,948                |
| - 31 to 60 days     | 1,147,138                         | -                                    | 1,147,138                |
| - 61 to 90 days     | 664,371                           | -                                    | 664,371                  |
| - More than 90 days | 3,508,538                         | (370,000)                            | 3,138,538                |
|                     | 9,264,111                         | (370,000)                            | 8,894,111                |
| <b>2022</b>         |                                   |                                      |                          |
| Current             | 4,686,162                         | -                                    | 4,686,162                |
| Past due:           |                                   |                                      |                          |
| - 1 to 30 days      | 1,159,725                         | -                                    | 1,159,725                |
| - 31 to 60 days     | 307,137                           | -                                    | 307,137                  |
| - 61 to 90 days     | 196,436                           | -                                    | 196,436                  |
| - More than 90 days | 2,693,627                         | (409,083)                            | 2,284,544                |
|                     | 9,043,087                         | (409,083)                            | 8,634,004                |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 28. Financial risk management objectives and policies (cont'd)

### (a) Credit risk (cont'd)

#### Concentration of credit risk

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

|                                    | 2023             |            | Group            |            | 2022 |   |
|------------------------------------|------------------|------------|------------------|------------|------|---|
|                                    | \$               | %          | \$               | %          | \$   | % |
| <b>By country</b>                  |                  |            |                  |            |      |   |
| Singapore                          | 2,388,967        | 27         | 2,010,501        | 23         |      |   |
| Europe                             | 1,901,684        | 21         | 2,048,527        | 24         |      |   |
| Asia Pacific (excluding Singapore) | 2,909,562        | 33         | 4,413,048        | 51         |      |   |
| Middle East                        | 118,701          | 1          | 3,004            | -          |      |   |
| America                            | 686,652          | 8          | -                | -          |      |   |
| Oceania                            | 888,545          | 10         | 158,924          | 2          |      |   |
|                                    | <u>8,894,111</u> | <u>100</u> | <u>8,634,004</u> | <u>100</u> |      |   |

At the end of the reporting period, 28% (2022: 31%) of the Group's trade receivables were due from 1 (2022: 1) major customer located in Asia Pacific.

### (b) Liquidity risk

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

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 28. Financial risk management objectives and policies (cont'd)

### (b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

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

|   | One year<br>or less<br>\$ | One to<br>five years<br>\$ | Total<br>\$         |
|---|---------------------------|----------------------------|---------------------|
| <b>2023</b>   |                           |                            |                     |
| <b>Group</b>  |                           |                            |                     |
| <b>Financial assets:</b>  |                           |                            |                     |
| Trade and other receivables, excluding<br>GST receivables (Note 12) | 7,144,295                 | 2,180,868                  | 9,325,163           |
| Cash and cash equivalents (Note 14)                                 | 16,282,633                | -                          | 16,282,633          |
| Total undiscounted financial assets                                 | <u>23,426,928</u>         | <u>2,180,868</u>           | <u>25,607,796</u>   |
| <b>Financial liabilities:</b>                                       |                           |                            |                     |
| Trade and other payables, excluding<br>GST payables (Note 15)       | 5,771,670                 | -                          | 5,771,670           |
| Lease liabilities (Note 16)   | 1,231,069                 | 13,245,459                 | 14,476,528          |
| Shareholder loan (Note 17)  | 310,787                   | 13,000,000                 | 13,310,787          |
| Commercial property loan (Note 17)                                  | 1,588,039                 | 13,498,332                 | 15,086,371          |
| Convertible notes (Note 18)   | 450,000                   | 6,900,000                  | 7,350,000           |
| Total undiscounted financial liabilities                            | <u>9,351,565</u>          | <u>46,643,791</u>          | <u>55,995,356</u>   |
| Total net undiscounted financial<br>assets/(liabilities)            | <u>14,075,363</u>         | <u>(44,462,923)</u>        | <u>(30,387,560)</u> |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 28. Financial risk management objectives and policies (cont'd)

### (b) Liquidity risk (cont'd)

|   | One year<br>or less<br>\$ | One to<br>five years<br>\$ | Total<br>\$         |
|---|---------------------------|----------------------------|---------------------|
| <b>2022</b>   |                           |                            |                     |
| <b>Group</b>  |                           |                            |                     |
| <b>Financial assets:</b>  |                           |                            |                     |
| Trade and other receivables, excluding<br>GST receivables (Note 12) | 6,568,162                 | 2,554,896                  | 9,123,058           |
| Cash and cash equivalents (Note 14)                                 | 18,974,526                | -                          | 18,974,526          |
| Total undiscounted financial assets                                 | <u>25,542,688</u>         | <u>2,554,896</u>           | <u>28,097,584</u>   |
| <b>Financial liabilities:</b>                                       |                           |                            |                     |
| Trade and other payables, excluding<br>GST payables (Note 15)       | 5,655,090                 | -                          | 5,655,090           |
| Lease liabilities (Note 16)   | 1,346,909                 | 14,439,757                 | 15,786,666          |
| Shareholder loan (Note 17)  | 82,575                    | 13,000,000                 | 13,082,575          |
| Commercial property loan (Note 17)                                  | 1,632,976                 | 15,513,270                 | 17,146,246          |
| Convertible notes (Note 18)   | 450,000                   | 7,350,000                  | 7,800,000           |
| Total undiscounted financial liabilities                            | <u>9,167,550</u>          | <u>50,303,027</u>          | <u>59,470,577</u>   |
| Total net undiscounted financial<br>assets/(liabilities)            | <u>16,375,138</u>         | <u>(47,748,131)</u>        | <u>(31,372,993)</u> |
| <b>2023</b>   |                           |                            |                     |
| <b>Company</b>  |                           |                            |                     |
| <b>Financial assets:</b>  |                           |                            |                     |
| Trade and other receivables, excluding<br>GST receivables (Note 12) | 4,869,220                 | -                          | 4,869,220           |
| Cash and cash equivalents (Note 14)                                 | 12,606,438                | -                          | 12,606,438          |
| Total undiscounted financial assets                                 | <u>17,475,658</u>         | <u>-</u>                   | <u>17,475,658</u>   |
| <b>Financial liabilities:</b>                                       |                           |                            |                     |
| Trade and other payables, excluding<br>GST payables (Note 15)       | 152,829                   | -                          | 152,829             |
| Convertible notes (Note 18)   | 450,000                   | 6,900,000                  | 7,350,000           |
| Total undiscounted financial liabilities                            | <u>602,829</u>            | <u>6,900,000</u>           | <u>7,502,829</u>    |
| Total net undiscounted financial<br>assets/(liabilities)            | <u>16,872,829</u>         | <u>(6,900,000)</u>         | <u>9,972,829</u>    |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 28. Financial risk management objectives and policies (cont'd)

### (b) Liquidity risk (cont'd)

|   | One year<br>or less<br>\$ | One to<br>five years<br>\$ | Total<br>\$       |
|---|---------------------------|----------------------------|-------------------|
| <b>2022</b>   |                           |                            |                   |
| <b>Company</b>  |                           |                            |                   |
| <b>Financial assets:</b>  |                           |                            |                   |
| Trade and other receivables, excluding<br>GST receivables (Note 12) | 1,578,097                 | -                          | 1,578,097         |
| Cash and cash equivalents (Note 14)                                 | 14,961,050                | -                          | 14,961,050        |
| Total undiscounted financial assets                                 | <u>16,539,147</u>         | -                          | <u>16,539,147</u> |
| <b>Financial liabilities:</b>                                       |                           |                            |                   |
| Trade and other payables, excluding<br>GST payables (Note 15)       | 126,490                   | -                          | 126,490           |
| Convertible notes (Note 18)   | 450,000                   | 7,350,000                  | 7,800,000         |
| Total undiscounted financial liabilities                            | <u>576,490</u>            | <u>7,350,000</u>           | <u>7,926,490</u>  |
| Total net undiscounted financial<br>assets/(liabilities)            | <u>15,962,657</u>         | <u>(7,350,000)</u>         | <u>8,612,657</u>  |

### (c) Foreign currency risk

The Group has exposure to foreign currency risk primarily with respect to United States Dollars ("USD") and EURO ("EUR"). The Group does not use forward currency contracts to minimise its currency exposures.

The following table demonstrates the sensitivity of the Group's (loss)/profit net of tax to a reasonably possible change in the USD and EUR exchange rates against the functional currency of the Group, with all other variables held constant:

|         |                              | <b>Group<br/>(Loss)/profit net of tax<br/>Increase/(decrease)</b> |                |
|---------|------------------------------|---|----------------|
|         |                              | <b>2023</b>   | <b>2022</b>    |
|         |                              | \$  | \$             |
| USD/SGD | - strengthened 2% (2022: 3%) | (66,067)  | 127,260        |
|         | - weakened 2% (2022: 3%)     | 66,067  | (127,260)      |
| EUR/SGD | - strengthened 1% (2022: 2%) | (406)   | 2,373          |
|         | - weakened 1% (2022: 2%)     | <u>406</u>  | <u>(2,373)</u> |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 28. Financial risk management objectives and policies (cont'd)

### (d) *Interest rate risk*

The Group's and Company's exposure to market risk for changes in interest rates relates primarily to loans and borrowings and convertible notes. The Group and Company seek to minimise its interest rate exposure by obtaining the most favourable interest rate available. The convertible notes are at fixed interest rate.

#### Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 50 (2022: 50) basis points lower/higher with all other variables held constant, the Group's loss before tax would have been \$131,000 (2022: \$131,000) lower/higher, arising mainly as a result of lower/higher interest expense on floating rate borrowings.

## 29. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' 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 shareholder, return capital to shareholder or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2023 and 31 December 2022.

## 30. Authorisation of financial statements

The financial statements of the Group for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 28 March 2024.

# STATISTICS OF SHAREHOLDINGS

As at 11 March 2024

## SHARE CAPITAL

|                           |                                  |
|---------------------------|----------------------------------|
| Number of Issued Shares   | : 259,000,000                    |
| Class of shares           | : Ordinary shares                |
| Voting rights             | : 1 vote for each ordinary share |
| Number of treasury shares | : Nil                            |

## DISTRIBUTION OF SHAREHOLDINGS

| SIZE OF SHAREHOLDINGS | NO. OF SHAREHOLDERS | %             | NO. OF SHARES      | %             |
|-----------------------|---------------------|---------------|--------------------|---------------|
| 100 - 1,000           | 73                  | 17.38         | 70,700             | 0.03          |
| 1,001 - 10,000        | 168                 | 40.00         | 731,800            | 0.28          |
| 10,001 - 1,000,000    | 169                 | 40.24         | 16,641,900         | 6.43          |
| 1,000,001 and above   | 10                  | 2.38          | 241,555,600        | 93.26         |
| <b>TOTAL</b>          | <b>420</b>          | <b>100.00</b> | <b>259,000,000</b> | <b>100.00</b> |

## SHAREHOLDING HELD BY THE PUBLIC

Based on the information available to the Company as at 11 March 2024, approximately 14% of the issued ordinary shares of the Company is held in the hands of the public as defined in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”). Accordingly, Rule 723 of the Catalist Rules is complied with.

## TWENTY LARGEST SHAREHOLDERS

| NO. | NAME                                  | NO. OF SHARES | %     |
|-----|---------------------------------------|---------------|-------|
| 1   | FENG TAI INVESTMENT PTE. LTD.         | 190,634,061   | 73.60 |
| 2   | EDB INVESTMENTS PTE LTD               | 29,515,939    | 11.40 |
| 3   | HSBC (SINGAPORE) NOMINEES PTE LTD     | 7,373,000     | 2.85  |
| 4   | DBS NOMINEES (PRIVATE) LIMITED        | 3,162,500     | 1.22  |
| 5   | ICH CAPITAL PTE LTD                   | 2,536,100     | 0.98  |
| 6   | CHUA GUEK LIANG                       | 1,900,000     | 0.73  |
| 7   | CHEN XIONGZHAO                        | 1,900,000     | 0.73  |
| 8   | YOHANES CHANDRA EKAJAYA               | 1,900,000     | 0.73  |
| 9   | CITIBANK NOMINEES SINGAPORE PTE LTD   | 1,547,000     | 0.60  |
| 10  | BPSS NOMINEES SINGAPORE (PTE.) LTD.   | 1,087,000     | 0.42  |
| 11  | RAFFLES NOMINEES (PTE.) LIMITED       | 803,100       | 0.31  |
| 12  | LOH TEE YANG                          | 643,800       | 0.25  |
| 13  | MOOMOO FINANCIAL SINGAPORE PTE. LTD.  | 547,900       | 0.21  |
| 14  | TAN YEE CHIN                          | 396,000       | 0.15  |
| 15  | SIM KOON LAM                          | 394,900       | 0.15  |
| 16  | SUNIL KUMAR                           | 390,000       | 0.15  |
| 17  | LEE PENG SHARMAYNE MRS.SHARMAYNE SHUM | 350,000       | 0.14  |
| 18  | UOB KAY HIAN PRIVATE LIMITED          | 345,500       | 0.13  |
| 19  | GOH GUAN SIONG (WU YUANXIANG)         | 328,400       | 0.13  |
| 20  | TAN SWEE MIANG                        | 310,000       | 0.12  |

# STATISTICS OF SHAREHOLDINGS

As at 11 March 2024

## SUBSTANTIAL SHAREHOLDERS AS AT 11 MARCH 2024

| No. | Name of Shareholders  | Direct Interest<br>No. of Shares | Deemed Interest<br>No. of Shares | Total       | % *   |
|-----|---|----------------------------------|----------------------------------|-------------|-------|
| 1.  | Feng Tai Investment Pte. Ltd.   | 190,634,061                      | –                                | 190,634,061 | 73.60 |
| 2.  | Sim Koon Lam <sup>1</sup>   | 394,900                          | 190,634,061                      | 191,028,961 | 73.75 |
| 3.  | Mrs Elaine Sim <sup>2</sup>   | –                                | 190,634,061                      | 190,634,061 | 73.60 |
| 4.  | EDB Investments Pte Ltd   | 29,515,939                       | –                                | 29,515,939  | 11.40 |
| 5.  | EDBI Pte Ltd / Economic<br>Development Board of<br>Singapore <sup>3</sup> | –                                | 29,515,939                       | 29,515,939  | 11.40 |

\*Percentage is calculated based on the total number of issued ordinary shares as at 11 March 2024

### Note:

1. Mr Sim Koon Lam (“**Mr Sim**”), holds 60% of the issued capital of Feng Tai Investment Pte. Ltd. (“**Feng Tai**”). By virtue of Section 4 of the Securities and Futures Act 2001 (“**SFA**”), Mr Sim is deemed to be interested in the 190,634,061 ordinary shares held by Feng Tai.
2. Mrs Elaine Sim (“**Mrs Sim**”), holds 40% of the issued capital of Feng Tai. By virtue of Section 4 of the SFA, Mrs Sim is deemed to be interested in the 190,634,061 ordinary shares held by Feng Tai.
3. EDB Investments Pte Ltd (“**EDB Investments**”) is the direct shareholder of Mooreast Holdings Ltd. EDBI Pte Ltd (“**EDBI**”) is the fund manager of EDB Investments. Both EDBI and EDB Investments are wholly-owned by the Economic Development Board of Singapore (“**EDB**”). Accordingly, EDB and EDBI are deemed interested in the 29,515,939 ordinary shares held by EDB Investments.



# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 3rd Annual General Meeting (“AGM”) of the Company will be convened and held at 51 Shipyard Road Singapore 628139 on Friday, 26 April 2024 at 9.30 a.m. to transact the following business:

## ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Auditors’ Report thereon. **Resolution 1**
2. To re-elect the following Directors who retire by rotation in accordance with the Constitution of the Company and who, being eligible, offer themselves for re-election:
  - (a) Ms Lee Sok Koon [Regulation 94] **Resolution 2**
  - (b) Mrs Elaine Sim [Regulation 94] **Resolution 3**
3. To approve the Directors’ fees of SGD124,000 for the financial year ending 31 December 2024. **Resolution 4**
4. To re-appoint Ernst & Young LLP as auditors of the Company and to authorize the Directors to fix their remuneration. **Resolution 5**

## SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without amendments:

5. **Authority to allot and issue shares** **Resolution 6**

That pursuant to Section 161 of the Companies Act 1967 of Singapore (“**Companies Act**”) and Rule 806 of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), authority be and is hereby given to the Directors of the Company to allot and issue shares and/or convertible securities in the capital of the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit provided that:

  - (i) the aggregate number of shares and/or convertible securities to be issued pursuant to this resolution must not be more than one hundred per cent (100%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares and/or convertible securities to be issued other than on a *pro-rata* basis to existing shareholders of the Company must not be more than fifty per cent (50%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (ii) below);

# NOTICE OF ANNUAL GENERAL MEETING

- (ii) (subject to such manner of calculations 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 total number of issued shares excluding treasury shares and subsidiary holdings shall be based on the total number of issued shares excluding treasury shares and subsidiary holdings of the Company at the time this resolution is passed after adjusting for:
  - (a) new shares arising from the conversion or exercise of any convertible securities;
  - (b) new shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (c) any subsequent bonus issue, consolidation or sub-division of shares.

Adjustments in accordance with sub-paragraphs (a) and (b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving this resolution;

- (iii) 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), the Companies Act and the Company's Constitution; and
- (iv) unless revoked or varied by the Company in a general meeting, the authority conferred by this resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

## 6 **Grant awards and to allot and issue shares in accordance with Mooreast Performance Share Plan**

## **Resolution 7**

That pursuant to Section 161 of the Companies Act and the Catalist Rules, approval be and is hereby given to the Directors to:

- (i) offer and grant awards in accordance with the provisions of the Mooreast Performance Share Plan (the "**Performance Share Plan**"); and
- (ii) allot and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be allotted and issued pursuant to the vesting of awards under the Performance Share Plan, provided always that the aggregate number of Shares issued and/or issuable pursuant to the Performance Share Plan, the Share Option Scheme (as defined below) and any other share based incentive schemes of the Company shall not exceed 15% of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings, if any) from time to time.

# NOTICE OF ANNUAL GENERAL MEETING

## 7. **Grant Options and to allot and issue shares in accordance with Mooreast Share Option Scheme** **Resolution 8**

That pursuant to Section 161 of the Companies Act and the Catalist Rules, approval be and is hereby given to the Directors of the Company to:

- (i) offer and grant Options in accordance with the provisions of the Mooreast Share Option Scheme (the “**Share Option Scheme**”); and
- (ii) allot and issue from time to time such number of fully paid-up shares as may be required to be allotted and issued pursuant to the exercise of the options under the Share Option Scheme, provided always that the aggregate number of Shares issued and/or issuable pursuant to the Share Option Scheme, the Performance Share Plan and any other share based incentive schemes of the Company shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) from time to time.

## 8. To transact any other business which may be properly transacted at an AGM of the Company.

### BY ORDER OF THE BOARD

Catherine Lim Siok Ching  
Company Secretary

Date: 9 April 2024

### EXPLANATORY NOTES

#### Resolution 2

Ms Lee Sok Koon shall, upon re-election as Director of the Company, remain as an Independent Non-Executive Director, Chairman of the Audit & Risk Committee, a member of the Nominating Committee and the Remuneration Committee and shall be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

#### Resolution 6

Resolution 6 is to empower the Directors of the Company from the date of this AGM until the date of the next AGM, to allot and issue shares and convertible securities in the Company. The number of shares and convertible securities, which the Directors may allot and issue under this Resolution shall not exceed hundred per cent (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) at the time of passing this Resolution. For allotment and issue of shares and convertible securities other than on a pro-rata basis to all shareholders of the Company, the aggregate number of shares and convertible securities to be allotted and issued shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any). This authority will, unless revoked or varied at a general meeting, expire at the next AGM, or by the date by which the next AGM is required by law to be held, whichever is earlier.

#### Resolution 7

Resolution 7 is to empower the Directors to grant awards and to allot and issue shares pursuant to the Performance Share Plan. The grant of awards under the Performance Share Plan will be made in accordance with the provisions of the Performance Share Plan. The aggregate number of shares which may be issued pursuant to the Performance Share Plan and the Share Option Scheme shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) from time to time.

# NOTICE OF ANNUAL GENERAL MEETING

## Resolution 8

Resolution 8 is to empower the Directors to offer and grant options, and to allot and issue shares pursuant to the Share Option Scheme. The grant of options under the Scheme will be made in accordance with the provisions of the Share Option Scheme. The aggregate number of shares which may be issued pursuant to the Performance Share Plan and Share Option Scheme shall not exceed fifteen per cent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) from time to time.

## NOTES

1. The members of the Company are invited to attend the AGM physically. **There will be no option for members to participate virtually.** Printed copies of this Notice of AGM, Proxy Form and the Request Form for members to request for a printed copy of the Annual Report (the “**Request Form**”) will be sent to members. Copies of the Annual Report are available to members by electronic means via publication on the Company’s website at the URL <https://mooreast.com/> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
2. Members (including Central Provident Fund (“**CPF**”) Investment Scheme members (“**CPF Investors**”) and/or Supplementary Retirement Scheme investors (“**SRS Investors**”)) may participate in the AGM by:
  - (a) attending the AGM in person;
  - (b) raising questions at the AGM or submitting questions in advance of the AGM; and/ or
  - (c) voting at the AGM (i) themselves personally; or (ii) through their duly appointed proxy(ies).

CPF Investors and SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 9:30 a.m. on 17 April 2024, being seven (7) working days prior to the date of the AGM.

Please bring along your NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process and are advised not to attend the AGM if they are feeling unwell. Members are strongly encouraged to exercise social responsibility to rest at home and consider appoint a proxy(ies) to attend the Meeting. We encourage members to mask up when attending the AGM.

3. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

4. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

“**Relevant Intermediary**” has the meaning prescribed to it in Section 181 of the Companies Act:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence holder to provide under the Securities and Futures Act and who holds shares in that capacity; and
  - (c) Central Provident Fund (“**CPF**”) Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.
5. A member can appoint the Chairman of the Meeting as his/her/its proxy **but this is not mandatory.**

If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

# NOTICE OF ANNUAL GENERAL MEETING

6. The Proxy Form must be submitted to the Company in the following manner:
- (a) if submitted by hand or by post, to the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, Keppel Bay Tower, #14- 07, Singapore 098632; or
  - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at srs.proxy@boardroomlimited.com

in either case, not less than 72 hours before the time appointed for holding the AGM (and any adjournment thereof), i.e. by no later than **9:30 a.m. on 23 April 2024**.

A member who wishes to submit an instrument of proxy by (a) or (b) must **complete and sign the Proxy Form**, before submitting it by hand or by post to the address provided above, or before scanning and sending it by email to the email address provided above. Members are strongly encouraged to submit the completed proxy forms electronically by email.

If a proxy is to be appointed, the instrument appointing the proxy must be signed by the appointer on his/her/its attorney duly authorized in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorized. The Proxy Form has been uploaded together with the Notice of AGM on SGXNet on the same day.

Where this instrument appointing a proxy or proxies is signed on behalf of the appointer by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.

Members (whether individual or corporate) appointing a proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment may be treated as invalid.

The Company shall be entitled to reject a Proxy Form 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 (such as in the case where the appointor submits more than one instrument of proxy).

In the case of Shares entered in the Depository Register, a Depositor's name must appear on the Depository Register maintained by CDP as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to appoint the proxy.

## 7. Member's Queries

Members may raise questions at the AGM or submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM, in the following manner by **9:30 a.m. on 19 April 2024** (the "**Cut-off Time**"):

- (a) in hard copy by sending personally or by post and lodging the same at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or
- (b) by email to Boardroom Corporate & Advisory Services Pte. Ltd. at srs.teamE@boardroomlimited.com

For verification purpose, when submitting any questions by post or via email, members MUST provide the Company with their particulars (comprising full name (for individuals)/ company name (for corporates), email address, contact number, NRIC/passport number/ company registration number, shareholding type and number of shares held).

The Company will endeavour to address substantial and relevant questions (determined by the Company in its sole discretion) to the resolutions at the AGM and upload the Company's responses on the SGX website. Members may also ask questions during the AGM.

The minutes of the AGM will be published on SGXNet within one (1) month after the date of the AGM.

## 8. COVID-19 Measures

The Company will continue to monitor the ongoing COVID-19 situation and reserves the right to take further measures as appropriate and at short notice, in order to comply with the various government and regulatory advisories from time to time. Any changes to the manner of conduct of the AGM will be announced on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. Members are advised to check the SGXNet regularly for updates on the AGM.

# NOTICE OF ANNUAL GENERAL MEETING

## PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the Meeting as the proxy(ies) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) 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.

# MOOREAST HOLDINGS LTD.

Registration No. 202120164D  
(Incorporated in Singapore)

## ANNUAL GENERAL MEETING PROXY FORM

### IMPORTANT

1. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast their votes at the AGM personally. SRS Investors who are unable to attend the AGM but would like to vote, may inform their SRS Operators to appoint the Chairman of the AGM to act as their proxy, in which case, the SRS Investors shall be precluded from attending the AGM.
2. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We \_\_\_\_\_ NRIC/Passport number/Co. Reg. No. \_\_\_\_\_

of \_\_\_\_\_

being a member/members of Mooreast Holdings Ltd.(the "Company") hereby appoint:

| Name    | NRIC/Passport No. | Proportion of Shareholdings |   |
|---------|-------------------|-----------------------------|---|
|         |                   | No. of Shares               | % |
| Address | Email Address^    |                             |   |

and/or (delete as appropriate)

| Name    | NRIC/Passport No. | Proportion of Shareholdings |   |
|---------|-------------------|-----------------------------|---|
|         |                   | No. of Shares               | % |
| Address | Email Address^    |                             |   |

or failing which, the Chairman ("Chairman") of the 3rd Annual General Meeting of the Company (the "AGM"), as my/our proxy to attend, speak and to vote for \*me/us on \*my/our behalf at the AGM of the Company to be held at 51 Shipyard Road Singapore 628139 on 26 April 2024 at 9:30 a.m. and at any adjournment thereof.

\*I/We direct \*my/our proxy(ies) to vote for, or against, or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder.

| No.                      | Resolutions  | For | Against | Abstain |
|--------------------------|--|-----|---------|---------|
| <b>ORDINARY BUSINESS</b> |  |     |         |         |
| 1.                       | To receive and adopt the Directors' Statement, Audited Financial Statements and Auditor's Report                   |     |         |         |
| 2.                       | To re-elect Ms Lee Sok Koon as Director  |     |         |         |
| 3.                       | To re-elect Mrs Elaine Sim as Director   |     |         |         |
| 4.                       | To approve the Directors' fees payable by the Company  |     |         |         |
| 5.                       | To re-appoint Ernst & Young LLP as Auditors  |     |         |         |
| <b>SPECIAL BUSINESS</b>  |  |     |         |         |
| 6.                       | To authorise the Directors to allot and issue new shares   |     |         |         |
| 7.                       | To authorise the Directors to grant awards and issue shares in accordance with the Mooreast Performance Share Plan |     |         |         |
| 8.                       | To authorise the Directors to grant options and issue shares in accordance with the Mooreast Share Option Scheme   |     |         |         |

\* If you wish to exercise all your votes "For", "Against" or "Abstain", please indicate with a "✓" in the box provided. Alternatively, please indicate the number of shares as appropriate. If no specific direction as to voting is given, the proxy/proxies (except where the Chairman of the AGM is appointed as my/our proxy) will vote or abstain from voting at his/her/their discretion on any matter arising at the AGM and at any adjournment thereof. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as my/our proxy for that resolution will be treated as invalid

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Total number of Shares held

|  |
|--|
|  |
|--|

Signature(s) of member(s) or common seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM**



## NOTES:

1. Please insert the total number of shares in the capital of the Company (“Shares”) held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81F of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.
2. A member of the Company may physically attend and vote at the AGM, or:
  - (a) a member of the Company entitled to attend and vote at the AGM and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where such member appoints more than one(1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second name proxy shall be deemed to be an alternate to the first named proxy; and
  - (b) a member of the Company entitled to attend and vote at the AGM and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM of the Company, but each such proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one (1) proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

A “relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of shareholders of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. In appointing a proxy, if no specific directions as to voting is given by a member, the proxy/proxies (except where the Chairman of the AGM is appointed as the member’s proxy) will vote or abstain from voting at his/her/their discretion on any matter arising at the AGM and at any adjournment thereof. In the absence of specific direction as to the voting is given by a member, the appointment of the Chairman of the AGM as the member’s proxy for the relevant resolutions will be treated as invalid.
  4. SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective SRS operators to submit their votes by 9:30 a.m. on 17 April 2024 (being at least seven (7) working days before the date of the AGM) to allow sufficient time for their respective SRS operators to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.
  5. A proxy need not be a member of the Company.
  6. The duly executed Proxy Form must be submitted to the Company in the following manner:
    - (a) if submitted by hand or by post, to be lodged with the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or
    - (b) if submitted electronically, be submitted via email to the Company’s Share Registrar at srs.proxy@boardroomlimited.com,in either case, not less than 72 hours before the time appointed for holding the AGM (and at any adjournment thereof).  
**Members are strongly encouraged to submit completed Proxy Forms electronically via email.**
  7. This instrument of proxy must be signed by the appointor or of his/her/its attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or signed on its behalf by a duly authorised officer or attorney.

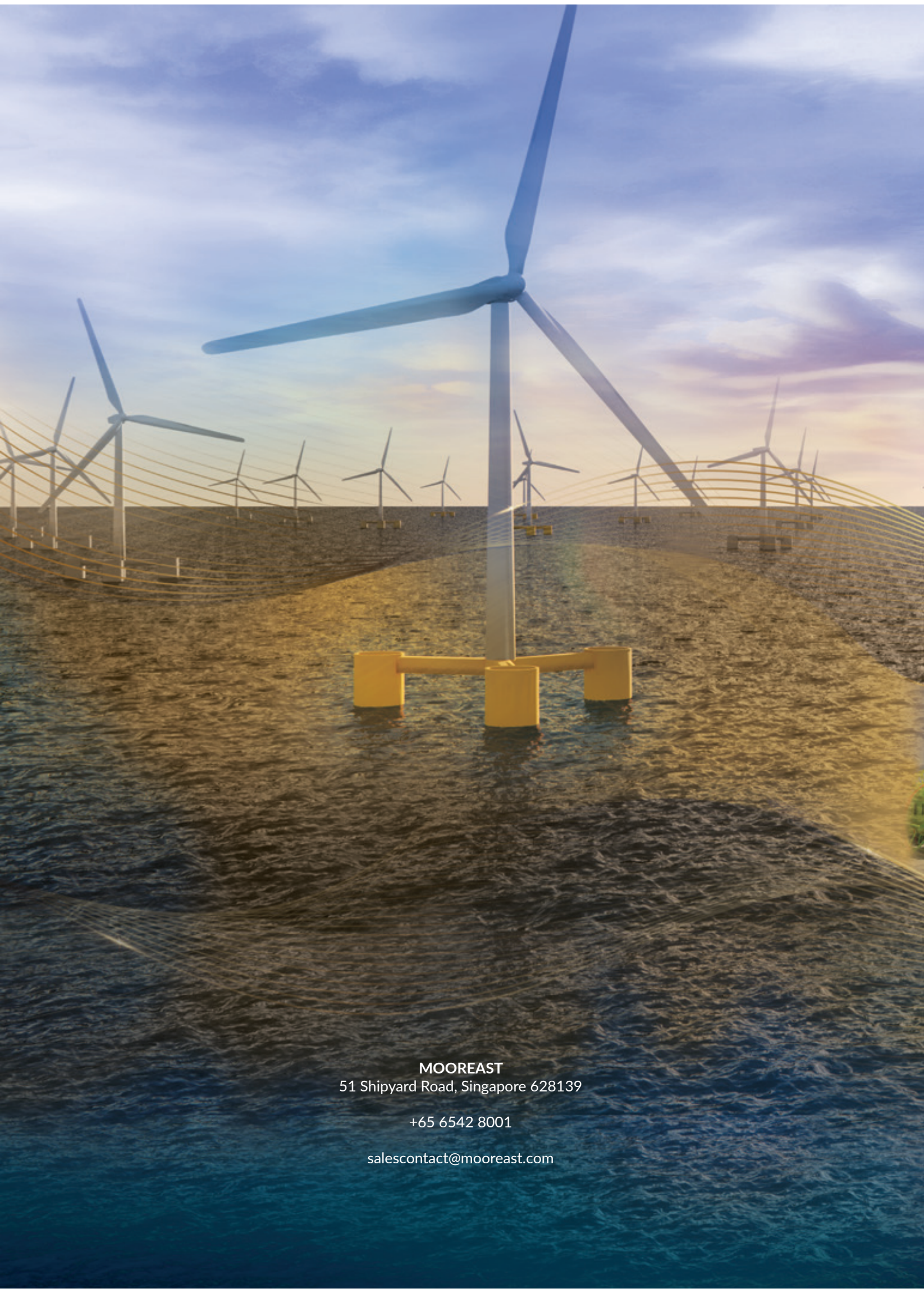
Where the instrument appointing a proxy or proxies is submitted by email, it must be authorised in the following manner:

- (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
  - (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.
8. Where this instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.
  9. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act 1967 of Singapore.
  10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as the proxy.
  11. In the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as the proxy lodged if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

## Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 9 April 2024.





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