

**MOOREAST HOLDINGS LTD.**

Registration No: 202120164D Incorporated in Singapore

**Unaudited Financial Statements Announcement For Six Months ended 30 June 2022**

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

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

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**Background**

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

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

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

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

Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income for the six-months period ended 30 June 2022 (“1H2022”) and six-months period ended 30 June 2021 (“1H2021”).

	Note	1H2022 S\$'000 Unaudited	1H2021 S\$'000 Unaudited	Change %
<b>Revenue</b>	4	13,038	7,191	81
Cost of sales		(8,704)	(4,169)	109
<b>Gross profit</b>		4,334	3,022	43
<b>Other items of income</b>				
Interest income	5	327	—*	nm
Other income	5	2,324	580	301
<b>Other items of expense</b>				
Marketing and distribution		(188)	(94)	100
Administrative expenses		(3,593)	(2,580)	39
Research and development expenses		(567)	—	nm
Interest expenses	5	(961)	(33)	2,812
Other expenses	5	(608)	(347)	75
Profit before tax	5	1,068	548	95
Income tax expense	7	(196)	(156)	26
<b>Profit after tax</b>		872	392	122
<b>Other comprehensive income:</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation		54	3	1,700
<b>Total comprehensive income for the financial period attributable to owner of the Company</b>		926	395	134

\* Below S\$1,000

Nm=not meaningful

**B. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	Group		Company	
		30 June 2022 S\$'000 Unaudited	31 December 2021 S\$'000 Audited	30 June 2022 S\$'000 Unaudited	31 December 2021 S\$'000 Audited
<b>Assets</b>					
<b>Non-current assets</b>					
Plant and equipment	8	5,008	4,691	–	–
Right-of-use assets	9	32,514	33,099	–	–
Investment in subsidiaries		–	–	10,587	10,587
Trade and other receivables	10	2,265	5,193	–	–
		39,787	42,983	10,587	10,587
<b>Current assets</b>					
Inventories	11	6,586	8,609	–	–
Trade and other receivables	10	4,895	3,428	821	44
Contract assets		1,860	51	–	–
Prepaid operating expenses		923	794	23	27
Cash and bank balances	12	23,185	20,307	16,073	18,132
		37,449	33,189	16,917	18,203
<b>Total assets</b>		77,236	76,172	27,504	28,790
<b>Current liabilities</b>					
Trade and other payables	13	6,266	4,647	400	1,694
Amount due to director	14	2,000	2,000	–	–
Contract liabilities		80	1,373	–	–
Lease liabilities	9	850	713	–	–
Loan and borrowing	15	1,181	1,172	–	–
Income tax payables		502	355	–	–
		10,879	10,260	400	1,694
<b>Net current assets</b>		26,570	22,929	16,517	16,509
<b>Non-current liabilities</b>					
Lease liabilities	9	10,402	10,675	–	–
Loan and borrowing	15	25,573	26,153	–	–
Convertible note	16	4,917	4,592	4,917	4,592
Provision for reinstatement cost	17	2,047	2,000	–	–
Deferred tax liabilities	18	705	705	–	–
		43,644	44,125	4,917	4,592
<b>Total liabilities</b>		54,523	54,385	5,317	6,286
<b>Net assets</b>		22,713	21,787	22,187	22,504

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

	Note	Group		Company	
		30 June 2022 S\$'000 Unaudited	31 December 2021 S\$'000 Audited	30 June 2022 S\$'000 Unaudited	31 December 2021 S\$'000 Audited
<b>Capital and reserves</b>					
Share capital	19	23,636	23,636	23,636	23,636
Capital reserve		(9,587)	(9,587)	–	–
Retained earnings		8,145	7,273	(1,856)	(1,539)
Other reserve	16	407	407	407	407
Foreign currency translation reserve		112	58	–	–
<b>Total equity</b>		22,713	21,787	22,187	22,504
<b>Total equity and liabilities</b>		77,236	76,172	27,504	28,790

**C. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	<b>Share capital</b>	<b>Capital reserve</b>	<b>Retained earnings</b>	<b>Other reserve</b>	<b>Foreign currency translation reserve</b>	<b>Total equity</b>
	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>
<b>Group</b>						
<b>As at 1 January 2021</b>	1,000	–	24,568	–	19	25,587
Loss net of tax	–	–	(2,295)	–	–	(2,295)
Foreign currency translation	–	–	–	–	39	39
Total comprehensive income for the year	–	–	(2,295)	–	39	(2,256)
Issue of ordinary shares	23,202	–	–	–	–	23,202
Issue of convertible note	–	–	–	407	–	407
Declared dividend	–	–	(15,000)	–	–	(15,000)
Share issue expenses	(566)	–	–	–	–	(566)
Restructuring	–	(9,587)	–	–	–	(9,587)
<b>As at 31 December 2021</b>	<b>23,636</b>	<b>(9,587)</b>	<b>7,273</b>	<b>407</b>	<b>58</b>	<b>21,787</b>
<b>As at 1 January 2022</b>	23,636	(9,587)	7,273	407	58	21,787
Profit net of tax	–	–	872	–	–	872
Foreign currency translation	–	–	–	–	54	54
Total comprehensive income for the period	–	–	872	–	54	926
<b>As at 30 June 2022</b>	<b>23,636</b>	<b>(9,587)</b>	<b>8,145</b>	<b>407</b>	<b>112</b>	<b>22,713</b>

<b>Company</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Other reserve</b>	<b>Total equity</b>
	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>
<b>As at 8 June 2021 (date of incorporation)</b>	–*	–	–	–*
Total comprehensive income for the year	–	(1,539)	–	(1,539)
Issue of convertible note	–	–	407	407
Issue of new shares	24,202	–	–	24,202
Share issue expenses	(566)	–	–	(566)
<b>As at 31 December 2021</b>	<b>23,636</b>	<b>(1,539)</b>	<b>407</b>	<b>22,504</b>
<b>As at 1 January 2022</b>	23,636	(1,539)	407	22,504
Total comprehensive income for the period	–	(317)	–	(317)
<b>As at 30 June 2022</b>	<b>23,636</b>	<b>(1,856)</b>	<b>407</b>	<b>22,187</b>

\* Below S\$1,000

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>1H2022</b> <b>Unaudited</b> <b>S\$'000</b>	<b>1H2021</b> <b>Unaudited</b> <b>S\$'000</b>
<b>Operating activities</b>		
Profit before tax	1,068	548
<u>Adjustments for:</u>		
Depreciation of plant and equipment	718	550
Depreciation of right-of-use assets	843	351
Gain on disposal of plant and equipment	(1,364)	–*
Interest income	(327)	–*
Interest expense	168	6
Interest expense on lease liabilities	244	27
Interest expense on convertible note	549	–
Reversal of allowance for inventories obsolescence	(6)	(14)
Inventories written off	38	–
Allowance for expected credit losses	–	71
Unrealised foreign exchange (gain)/loss	(12)	38
<b>Operating cash flow before changes in working capital</b>	<b>1,919</b>	<b>1,577</b>
<u>Changes in working capital:</u>		
Decrease/(increase) in inventories	1,991	(718)
(Increase)/decrease in contract assets, trade and other receivables	(109)	2,106
Increase in prepaid operating expenses	(139)	(11)
Increase/(decrease) in contract liabilities, trade and other payables	149	(786)
Restricted cash	(142)	(71)
<b>Cash flow from operations</b>	<b>3,669</b>	<b>2,097</b>
Interest paid	–*	(6)
Income tax paid	(49)	(534)
<b>Net cash flow generated from operating activities</b>	<b>3,620</b>	<b>1,557</b>
<b>Investing activities</b>		
Purchase of plant and equipment	(1,723)	(241)
Proceeds from disposal of plant and equipment	2,052	–*
Interest received	22	–*
<b>Net cash flows generated from/(used in) investing activities</b>	<b>351</b>	<b>(241)</b>

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

	<b>1H2022</b> <b>Unaudited</b> <b>S\$'000</b>	<b>1H2021</b> <b>Unaudited</b> <b>S\$'000</b>
<b>Financing activities</b>		
Interest paid on lease liabilities	(244)	(27)
Repayment on lease liabilities	(384)	(259)
Interest paid on loan and borrowing	(121)	–
Repayment on loan and borrowing	(571)	–
<b>Net cash flows used in financing activities</b>	<b>(1,320)</b>	<b>(286)</b>
Net increase in cash and cash equivalents	2,651	1,030
Effect of exchange rate changes on cash and cash equivalents	85	4
Cash and cash equivalents at beginning of the period	20,244	3,340
Cash and cash equivalents at the end of period	22,980	4,374

\* Below S\$1,000



## E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

### 1. Corporate information

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

The financial statements of the Group as at and for the period ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as the "Group").

The principal activities of the Company are those of investment holding. Details of the subsidiaries as at 30 June 2022 are as follows:

Name of subsidiaries	Principal activities	Country of incorporation
Mooreast Asia Pte. Ltd.	Provision of mooring systems and mooring system components and related services	Singapore
Mooreast Europe B.V.	Sales and marketing to customers in Europe	The Netherlands
Mooreast Rigging Pte. Ltd.	Provision of mooring components to the marine industry	Singapore
Mooreast Renewables Pte. Ltd.	Provision of engineering, design and consultancy services	Singapore

### 2. Basis of preparation

The condensed interim consolidated financial statements for the six-months ended ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore.

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

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

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

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

## 2.1 New and amended Standards adopted by the Group

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

## 2.2 Standards issued but not yet effective

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

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
<i>Amendments to SFRS(I) 1-1 on Classification of Liabilities as Current or Non-current</i>	1 January 2023
<i>Amendments to SFRS(I) 1-1: Disclosure of Accounting Policies</i>	1 January 2023
<i>Amendments to SFRS(I) 1-8: Definition of Accounting Estimates</i>	1 January 2023
<i>Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

## 2.3 Use of estimates and judgements

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

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

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

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

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

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

### (b) *Impairment of investment in subsidiaries*

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

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

## 2. Basis of preparation (cont'd)

### 2.3 Use of estimates and judgements (cont'd)

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

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

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

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

#### (d) *Allowance for slow-moving and obsolete inventories*

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

#### (e) *Leases – Estimating the incremental borrowing rate*

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

#### (f) *Fair value of convertible notes*

On issuance of convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible note, and the remainder of the proceeds is allocated to the equity components that is recognised and included in other reserve. The splitting of the liability element from the equity element of a convertible note would involve a significant degree of judgement and the determination of the fair value for the convertible loan involves significant degree of estimation uncertainty in assessing the appropriateness of the valuation methodology to be applied and the reasonableness of discount rate applied in the valuation. Third party qualified valuer is involved in estimating the fair value of the convertible notes at inception date.

It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the loans.

## 3. Seasonal operations

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

4. **Revenue**

*Disaggregation of revenue*

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>SS'000</b>	<b>SS'000</b>
Sale of goods	8,427	4,891
Rental of equipment	2,243	1,951
Services rendered	2,368	349
	13,038	7,191
	13,038	7,191
<b>Timing of transfer of goods or services</b>		
At a point in time	8,427	4,891
Over time	4,611	2,300
	13,038	7,191
	13,038	7,191

5. **Profit before tax**

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>SS'000</b>	<b>SS'000</b>
<b>Interest income</b>		
Interest income from:		
current account	327	—*
	327	—*
	327	—*
<b>Other income</b>		
Gain on disposal of plant and equipment	1,364	—*
Gain on foreign exchange	95	101
Sales of scrap metal	83	17
Government grants	762	386
Others	20	76
	2,324	580
	2,324	580
<b>Interest expenses</b>		
Interest expenses on:		
- lease liabilities	244	27
- loan and borrowing	121	—
- convertible note	549	—
- others	47	6
	961	33
	961	33
<b>Other expenses</b>		
Legal and other professional fees	221	180
Property tax	282	—
Donations	—	48
Others	105	119
	608	347
	608	347

\* Below S\$1,000

5. **Profit before tax (cont'd)**

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Inventories recognised as an expense in cost of sales	6,033	3,264
Staff costs	2,197	1,409
Transport expenses	150	73
Depreciation of plant and equipment	718	550
Depreciation of right-of-use assets	843	351

\* Below S\$1,000

6. **Earnings per share**

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
Basic earnings per share (cents)	0.34	0.15
Weighted-average number of ordinary shares ('000)	259,000	259,000*
Diluted earnings per share (cents)	0.32	0.15
Weighted-average number of ordinary shares ('000)	276,483	259,000*

The earnings per share is computed by dividing the profit after tax attributable to owners of the Company against the weighted average number of shares, taken into account of share split for the respective reporting periods.

\*As the Company was only incorporated on 8 June 2021, for the purpose of comparison, the basic and diluted earnings per share have been computed based on the weighted-average number of ordinary shares for the 6-month period ended 30 June 2022.

7. **Income tax expense**

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

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Current income tax:</b>		
- Current year	196	197
<b>Deferred tax:</b>		
- Origination and reversal of temporary differences	-	(41)
Income tax expense recognised in profit or loss	196	156

**8. Plant and equipment**

<b>Group</b>	<b>Motor vehicles</b>	<b>Furniture and fittings</b>	<b>Workshop and office equipment</b>	<b>Computers and software</b>	<b>Renovation</b>	<b>Rental equipment</b>	<b>Total</b>
	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>
<b>Cost:</b>							
At 1 January 2021	339	26	2,843	390	1,152	8,576	13,326
Additions	227	60	172	49	862	542	1,912
Disposals	–	(15)	(662)	(98)	(1,431)	(159)	(2,365)
At 31 December 2021 and 1 January 2022	566	71	2,353	341	583	8,959	12,873
Additions	–	–	813	53	86	771	1,723
Disposals	(120)	–	–	–	–	(1,993)	(2,113)
At 30 June 2022	446	71	3,166	394	669	7,737	12,483
<b>Accumulated depreciation:</b>							
At 1 January 2021	299	26	2,059	320	1,130	5,198	9,032
Depreciation charge for the year	24	7	151	47	64	904	1,197
Disposal	–	(15)	(655)	(97)	(1,140)	(140)	(2,047)
At 31 December 2021 and 1 January 2022	323	18	1,555	270	54	5,962	8,182
Depreciation charge for the period	22	10	125	29	88	444	718
Disposal	(120)	–	–	–	–	(1,305)	(1,425)
At 30 June 2022	225	28	1,680	299	142	5,101	7,475
<b>Net carrying amount:</b>							
At 31 December 2021	243	53	798	71	529	2,997	4,691
At 30 June 2022	221	43	1,486	95	527	2,636	5,008

## 9. Right-of-use assets and lease liabilities

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

	Leasehold properties	Motor vehicles	Workshop and office equipment	Software	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>					
<b>As at 1 January 2021</b>	1,854	49	799	–	2,702
Additions	30,466	–	2,620	–	33,086
Depreciation	(1,175)	(16)	(126)	–	(1,317)
Disposal	(1,372)	–	–	–	(1,372)
<b>As at 31 December 2021</b>	29,773	33	3,293	–	33,099
Additions	217	–	–	41	258
Depreciation	(720)	(8)	(110)	(5)	(843)
<b>As at 30 June 2022</b>	29,270	25	3,183	36	32,514

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

	30 June 2022	31 December 2021
	S\$'000	S\$'000
<b>Group</b>		
<b>As at 1 January</b>	11,388	1,873
Accretion of interest	244	265
Additions	248	11,582
Disposal	–	(1,387)
Payments	(628)	(945)
<b>As at 30 June/ 31 December</b>	11,252	11,388
Current	850	713
Non-current	10,402	10,675
<b>As at 30 June/ 31 December</b>	11,252	11,388

## 10. Trade and other receivables

	Group		Company	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Trade receivables	2,104	2,330	–	–
Other receivables	161	2,863	–	–
	2,265	5,193	–	–
<b>Current assets</b>				
Trade receivables	4,182	2,861	–	–
Deposits	123	12	11	11
GST receivables	162	271	–	33
Other receivables	428	284	270	–*
Amount due from subsidiaries	–	–	540	–
	4,895	3,428	821	44
<b>Total trade and other receivables</b>	7,160	8,621	821	44

\* Below S\$1,000

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

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

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

	<b>30 June 2022</b>	<b>31 December 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
United States Dollars	4,318	7,156

**11. Inventories**

	<b>30 June 2022</b>	<b>31 December 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Group</b>		
Raw material, at cost	2,283	2,725
Work-in-progress, at cost	—*	43
Finished goods, at cost	4,374	5,625
Consumables, at cost	62	317
	<hr/>	<hr/>
	6,719	8,710
Less: Allowance for inventories obsolescence	(95)	(101)
Less: Inventories written-off	(38)	—
	<hr/>	<hr/>
	6,586	8,609

\* Below S\$1,000

**12. Cash and bank balances**

	<b>Group</b>		<b>Company</b>	
	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Cash at banks	23,183	20,307	16,073	18,132
Cash on hand	2	—*	—	—
	<hr/>	<hr/>	<hr/>	<hr/>
	23,185	20,307	16,073	18,132
Less: Restricted cash	(205)	(63)	—	—
	<hr/>	<hr/>	<hr/>	<hr/>
Cash and cash equivalents	22,980	20,244	16,073	18,132

\* Below S\$1,000

Restricted cash of S\$205,339 as at 30 June 2022 represents cash at bank that has been set aside, at the subsidiary level, as performance guarantee for ongoing contracts.



**12. Cash and bank balances (cont'd)**

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

	<b>30 June 2022</b>	<b>31 December 2021</b>
	<b>SS'000</b>	<b>SS'000</b>
United States Dollars	4,805	1,083
Euro	9	21
	<hr/>	<hr/>

**13. Trade and other payables**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2022</b>	<b>31 December 2021</b>	<b>30 June 2022</b>	<b>31 December 2021</b>
	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>
Trade payables	4,669	3,471	–	–
Other payables:				
Sundry payables	478	545	45	8
Accruals	1,119	631	355	102
Amount due to a subsidiary	–	–	–	1,584
Total trade and other payables	<hr/> 6,266	<hr/> 4,647	<hr/> 400	<hr/> 1,694

**Trade payables**

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

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

	<b>30 June 2022</b>	<b>31 December 2021</b>
	<b>SS'000</b>	<b>SS'000</b>
United States Dollars	3,059	2,079
Euro	19	359
	<hr/>	<hr/>

**14. Amount due to a director**

Amount due to a director is non-interest bearing and are repayable on demand.

15. **Loan and borrowing**

	30 June 2022	31 December 2021
	S\$'000	S\$'000
<b>Group</b>		
<b>Current</b>		
Commercial property loan (secured)	1,173	1,166
Shareholder loan	8	6
	<hr/>	<hr/>
	1,181	1,172
<b>Non-current</b>		
Commercial property loan (secured)	12,573	13,153
Shareholder loan	13,000	13,000
	<hr/>	<hr/>
	25,573	26,153
	<hr/>	<hr/>
Total loan and borrowing	26,754	27,325
	<hr/>	<hr/>

On 14 July 2021, Mooreast Asia Pte. Ltd. acquired a leasehold property at 51 Shipyard Road. The aggregate consideration paid for the acquisition was S\$18.5 million and was financed through a combination of commercial property loan and internal funding.

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

On 28 October 2021 the then shareholder approved an interim dividend pay-out of S\$15,000,000 of which S\$2,000,000 is shown as amount due to a director (Note 14) and the remaining S\$13,000,000 is to be converted to an interest-bearing loan due to the sole shareholder ("**Shareholder Loan**"). The Shareholder Loan is for a term of 5 years and repayment of the Shareholder Loan is subject to the Audit Committee's approval. The interest rate payable on the Shareholder Loan for each 6-month 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 other successive Interest Rate Period, the Compounded SORA published on the business day immediately following the last day of the previous Interest Rate Period. For further details of the Shareholder Loan, please refer to the Offer Document.

16. **Convertible note**

On 2 November 2021, the Company had entered into the Convertible Note 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 S\$5,000,000 and will automatically convert into share of the Company two business days prior to the listing date. The conversion was completed on 22 November 2021.

## 16. Convertible note (cont'd)

### (b) CN2

The second series of the EDBI Convertible Note ("CN2") was issued for a principal amount of S\$5,000,000. Principal terms of CN2 as below:

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

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

The movement of the convertible note was as follows:

	30 June 2022	31 December 2021
	S\$'000	S\$'000
<b>Group and Company</b>		
<b>Equity component</b>		
As at 1 January	407	–
Issuance of convertible note	–	407
As at 30 June /31 December	<u>407</u>	<u>407</u>
<b>Liability component</b>		
As at 1 January	4,592	–
Issuance of convertible note	–	4,525
Interest expense	325	67
As at 30 June /31 December	<u>4,917</u>	<u>4,592</u>

## 17. Provision for reinstatement cost

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

## 18. Deferred tax liabilities

Deferred tax liabilities relate to the following:

	30 June 2022	31 December 2021
	S\$'000	S\$'000
<b>Group</b>		
Differences in depreciation for tax purposes	<u>705</u>	<u>705</u>

## 19. Share capital

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

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

## 20. Operating segments

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

- **Mooring division**

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

- **Rigging and heavy lifting division**

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

- **Marine supplies and services division**

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

- **Renewable energy division**

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

- **Yard division**

Provision of on-board fabrication, repairs and testing of equipment and components for marine vessels that dock at its waterfront site. This is a new business segment which leverages on the Group's yard facilities after the Group relocated to the new premises at 51 Shipyard Road in October 2021.

- **Corporate division**

Involved in group-level corporate services and treasury functions.

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

20. **Operating segments (cont'd)**

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

\* Below S\$1,000

20. Operating segments (cont'd)

	Mooring	Rigging and Heavy Lifting	Marine Supplies and Services	Renewable Energy	Corporate	Elimination	Per consolidated financial statements
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>For the six-months period ended 30 June 2021</b>							
Revenue from external customers	3,990	1,826	1,200	175	–	–	7,191
Intersegment revenue	335	–	–	–	–	(335)	–
Total revenue	4,325	1,826	1,200	175	–	(335)	7,191
Results:							
Depreciation	(458)	(55)	(1)	–	(387)	–	(901)
Interest income	–	–	–	–	–*	–	–*
Interest expense	–	–	–	–	(33)	–	(33)
Segment profit	2,127	401	317	176	(2,472)	(1)	548
<b>As at 30 June 2021</b>							
Segment assets:	21,275	3,405	777	58	7,464	–	32,979
Segment liabilities (exclude tax payables and deferred tax liabilities):	3,232	543	121	–	1,739	–	5,635

\* Below S\$1,000

## 21. Related parties

### *Key management personnel compensation*

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

Key management personnel compensation comprises:

<b>Group</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>S\$</b>	<b>S\$</b>
Key management personnel remuneration:		
- Salaries and bonuses	278,696	60,000
- CPF contributions	11,569	3,240
- Salaries and bonus paid to a spouse of a director	–	60,000
- CPF contributions paid to a spouse of a director	–	6,120

## 22. Commitments

### **Operating lease commitments - as lessor**

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

	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	1,086	1,481
Later than one year but not later than five years	2,133	–

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

### OTHER INFORMATION

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

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

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

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

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

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

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

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

Please refer to Note 15 of Section E - Notes to the Condensed Interim Consolidated Financial Statements

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

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

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

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

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

Please refer to Note 16 and Note 19 of Section E – Notes to the Condensed Interim Consolidated Financial Statements.

There are no treasury shares or subsidiary holdings as at 30 June 2022 and 31 December 2021.

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

Please refer to Note 19 of Section E - Notes to the Condensed Interim Consolidated Financial Statements

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

Not applicable



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

Not applicable

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

The condensed consolidated statement of financial position of Mooreast Holdings Ltd. and its subsidiaries as at 30 June 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period ended 30 June 2022 and certain explanatory notes have not been audited nor reviewed.

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

Not applicable.

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

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

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

Not applicable.

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

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

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

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

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

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

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

	Group		Company	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Net asset value (S\$'000)	22,713	21,787	22,187	22,504
Number of ordinary shares in issue ('000)	259,000	259,000	259,000	259,000
<b>Net asset value per ordinary share (cents)</b>	<b>8.8</b>	<b>8.4</b>	<b>8.6</b>	<b>8.7</b>

8

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

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

**A. Consolidated Statement of Comprehensive Income**

**(1H2022 vs 1H2021)**

**(1) Revenue:**

Segments	1H2022 S\$'000	1H2021 S\$'000	Increase/ (Decrease) S\$'000	Increase/ (Decrease) %
Mooring	7,795	3,990	3,805	95
Rigging and Heavy Lifting	1,956	1,826	130	7
Marine Supplies and Services	1,159	1,200	(41)	(3)
Renewable Energy	31	175	(144)	(82)
Yard	2,097	–	2,097	nm
<b>Total</b>	<b>13,038</b>	<b>7,191</b>	<b>5,847</b>	<b>81</b>

Nm=not meaningful

Total revenue increased by S\$5.8 million or 81% from S\$7.2 million in 1H2021 to S\$13.0 million in 1H2022. The increase was mainly due to higher revenue contributions from the Mooring, Rigging and Heavy Lifting and Yard divisions. The increase was partially offset by lower revenue contributions from our Marine Supplies and Services as well as the Renewable Energy divisions.

Revenue from our Mooring Division was S\$7.8 million in 1H2022, a significant improvement of S\$3.8 million despite the uncertainty in market conditions, compared to S\$4.0 million recorded in 1H2021. This was contributed by the higher revenue from sales of mooring equipment and fabricated goods (S\$3.6 million) and rental of equipment (S\$0.4 million). The increase in revenue from sales of mooring equipment was mainly due to the completion of higher-value projects during 1H2022 as well as more contracts secured, including design of equipment packaging and, supply of anchor chains, chain chasers, high holding power anchors and anchor shackles.

Our new Yard Division, which was established following the relocation of the new premise at 51 Shipyard Road in October 2021, contributed S\$2.1 million in revenue for 1H2022.

Revenue from the Rigging and Heavy Lifting Division in 1H2022 increased slightly by S\$0.1 million compared to 1H2021 mainly due to new customers secured, and better sales as the Group increased its range of products during the period.

Revenue from Renewable Energy Division was lower compared to 1H2021 due to a decline in contracts secured on rental of mooring systems for renewable projects during the period.

Revenue from the Marine Supplies and Services Division decreased in 1H2022 compared to 1H2021 mainly due to the slowdown in business activities.

**(2) Cost of Sales:**

In line with the increase in revenue, cost of sales increased by S\$4.5 million or 109% from S\$4.2 million in 1H2021 to S\$8.7 million in 1H2022. The increase was mainly attributed to higher third-party cost of goods purchased and higher cost of fabrication.

**(3) Gross Profit:**

In line with revenue, gross profit increased by S\$1.3 million or 43% from S\$3 million in 1H2021 to S\$4.3 million in 1H2022. Overall gross profit margin decreased from 42% in 1H2021 to 33% in 1H2022, mainly due to higher third-party cost of goods, increased cost of fabrication, and lower selling price set as a result of intense price competition in the Marine Supplies and Services Division.

**(4) Other Income:**

Other income increased from S\$0.6 million in 1H2021 to S\$2.3 million in 1H2022. This was due to higher gain from sales of plant and equipment and government grants for research & development, job support scheme and MAS grant for Equity Market Singapore in respect of the IPO expenses.

**(5) Administrative Expenses:**

	<b>1H2022</b> <b>S\$'000</b>	<b>1H2021</b> <b>S\$'000</b>	<b>Increase/ (Decrease)</b> <b>S\$'000</b>	<b>Increase/ (Decrease)</b> <b>%</b>
Staff related costs	2,197	1,409	788	56
Depreciation	745	385	360	94
IPO expenses	–	461	(461)	(100)
Upkeep of premises	125	69	56	81
Other administrative costs	526	256	270	105
<b>Total</b>	<b>3,593</b>	<b>2,580</b>	<b>1,013</b>	<b>39</b>

Administrative expenses increased by S\$1.0 million or 39% mainly due to an increase in staff-related cost, depreciation expenses, upkeep of premises cost as well as other administrative costs, partially offset by the decrease in IPO expenses following the Company's listing on the Catalist Board on 22 November 2021.

The increase in staff-related costs was mainly due to recruitment of more professional and executives for our corporate function to support the Group's business growth. The increase in depreciation expenses was due to higher right-of-use assets as at 1H2022 as compared to 1H2021.

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

Other administrative cost increased mainly due to the Directors' fee and remuneration and relocation cost relating to the new premise at 51 Shipyard Road.

**(6) Interest expense:**

Increase in interest expense of S\$0.9 million was due to the interest expenses on the commercial property loan to finance the acquisition of the leasehold property at 51 Shipyard Road, convertible note, shareholder loan and lease liabilities. There was no interest expense incurred on the commercial property loan and convertible note for 1H2021 as they only commenced in the second half of FY2021.

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

**(7) Other Expenses:**

Other expenses increased from S\$0.3 million in 1H2021 to S\$0.6 million in 1H2022 mainly due to an increase in professional fees and property taxes attributable to the new property at 51 Shipyard Road acquired in July 2021 incurred in 1H2022. The increase is partially offset by the decrease in donations contributed in 1H2022.

## **B. Consolidated Statement of Financial Position as at 30 June 2022**

### **(1) Non-Current Assets:**

Non-current assets decreased to S\$39.8 million as at 30 June 2022 from S\$43.0 million as at 31 December 2021, mainly due to a decrease in right-of-use asset and trade and other receivables of S\$0.6 million and S\$2.9 million respectively. The decrease was partially offset by the increase in plant and equipment of S\$0.3 million.

The decrease in right-of-use asset was mainly due to depreciation of right-of-use assets of S\$0.8 million and partially offset by additions of S\$0.2 million during the period. The decrease in trade and other receivables was mainly due to the partial settlement of a non-current outstanding balance by a debtor during 1H2022. The increase in plant and equipment was mainly due to the acquisition of rental equipment, workshop and office equipment amounting to an aggregate of S\$1.7 million, and partially offset by the disposal of rental equipment with a net book value of S\$0.7 million and depreciation of S\$0.7 million during the period.

### **(2) Current Assets:**

Current assets increased to S\$37.4 million as at 30 June 2022 compared to S\$33.2 million as at 31 December 2021. The increase was mainly due to the increase in cash and bank balances of S\$2.9 million, contract asset of S\$1.8 million and trade and other receivables of S\$1.5 million, partially offset by the decrease in inventories of S\$2.0 million.

Cash and bank balances increased from S\$20.3 million as at 31 December 2021 to S\$23.2 million as at 30 June 2022 due mainly to net cash generated from operating activities of S\$3.6 million, proceeds from the disposal of plant and equipment of S\$2.1 million and partially offset by the purchase of property, plant and equipment of S\$1.7 million and net cash used in financing activities of S\$1.3 million.

Contract assets mainly relate to the anchor chain that was delivered to a customer but not yet billed as at 30 June 2022. Trade and other receivables increased from S\$3.4 million as at 31 December 2021 to S\$4.9 million as at 30 June 2022 which was in line with the increase in revenue during the period.

Inventories, which comprise mainly raw materials and finished goods, amounted to approximately S\$6.6 million as at 30 June 2022 compared to S\$8.6 million as at 31 December 2021. Finished goods as at 31 December 2021 included anchor chains that were built but not delivered to the customer due to a delay in the customer's project. A portion of these anchor chains was delivered to the customer in 1H2022, resulting in a decrease in finished goods as at 30 June 2022.

### **(3) Current Liabilities:**

Current liabilities increased to S\$10.9 million as at 30 June 2022 from S\$10.3 million as at 31 December 2021 mainly due to:

- (i) increase in trade and other payables of S\$1.6 million due to increase in purchases from suppliers during the period;
- (ii) increase in income tax payables of S\$0.1 million due to higher taxable profit in 1H2022; and
- (iii) increase in lease liabilities recognized in relation to the lease of workers' dormitory and software of S\$0.1 million.

The increase is partially offset by the decrease in contract liabilities of S\$1.2 million due to progressive recognition of revenue as we performed our obligations under the contracts with our customers.

**(4) Non-Current Liabilities:**

Non-current liabilities were S\$43.6 million as at 30 June 2022, compared to S\$44.1 million as at 31 December 2021. The decrease was mainly contributed by:

- (i) repayment of loan and borrowings of S\$0.6 million; and
- (ii) repayment of lease liabilities of S\$0.4 million.

The decrease was partially offset by:

- (i) increase in lease liabilities in relation to the lease of workers' dormitory and software of S\$0.1 million in March and April 2022; and
- (ii) increase in convertible note as a result of recognition of accrued interest of S\$0.3 million.

**C. Consolidated Statement of Cash Flows (1H2022)**

- (1) In 1H2022, we generated net cash before changes in working capital of S\$1.9 million. Net cash generated from changes in working capital amounted to S\$1.8 million due mainly to a decrease in inventories of S\$2.0 million and increase in contract liabilities, trade and other payables of S\$0.1 million. These were partially offset by the increase in contract assets, trade and other receivables of S\$0.1 million, increase in contract liabilities, trade and other payables of S\$0.1 million and restricted cash of S\$0.1 million.
- (2) Net cash generated from investing activities in 1H2022 amounted to S\$0.4 million. This was mainly due to proceeds from the disposal of plant and equipment of S\$2.1 million, partially offset by the purchase of plant and equipment of S\$1.7 million.
- (3) Net cash used in financing activities in 1H2022 amounted to S\$1.3 million. This was mainly due to repayment and interest paid on lease liabilities as well as loan and borrowings of S\$0.6 million and S\$0.7 million respectively.

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

There is no forecast or prospect statement which has been previously disclosed.

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

Despite the challenges of the COVID-19 pandemic and the recent uncertainties arising from the Russia-Ukraine conflict, the Group's 1H2022 financial performance has improved compared to 1H2021. The growth strategies as outlined in the announcement dated 30 May 2022 have also begun to bear fruit. These strategies include:

- i. Expanding our portfolio of mooring and rigging solutions to better support our Renewable Energy Division;
- ii. Establishing collaborations with international companies involved in the sector; and
- iii. Enhancing capabilities within our newly established Yard Division at 51 Shipyard Road

On the Renewable Energy front, the Group has made several significant developments. The Group incorporated Mooreast UK Co Limited on 4 July 2022, as part of the strategy to capture fresh opportunities in Europe, such as electrification of offshore platforms via renewable sources of energy, as well as the launch of several major floating renewable energy projects within the region.

On 11 August 2022, the Group also secured a project worth approximately US\$2.6 million to deliver mooring solutions (comprising 15 midwater arch buoys) to the first commercial-scale floating offshore wind farm in Japan, located off the coast of Goto Islands, Nagasaki, southern Japan. The 16.8MW floating wind farm will be built by a consortium led by Toda Corporation. The project will commence in August 2022 and is expected to contribute positively to the result of FY2022 and FY2023. Going forward, the Group intends to build its pipeline of projects, as more renewable projects reach commercialisation in the medium to long-term.

As stated in the 30 May 2022 announcement, the Group also recently completed a tank test for its Moorfloat, a proprietary platform for developers to install offshore solar panels, and the Group aims to have a full-scale demonstration by end of 2022. Other upcoming products for the floating renewable sector include the Group's Dual Axis Chain Stopper, in-line tensioner, as well as its latest MA9P anchor models.

Meanwhile, the Yard division continues to see business momentum accelerate; during 1H2022, Mooreast served over 172 vessels. The Group will continue to strengthen this division by enhancing the waterfront berth at the Group's yard.

Mooreast remains cautiously optimistic, as the operating environment is expected to become increasingly challenging amid headwinds such as rising interest rates, manpower constraints and disruptions to business operations due to supply chain issues. The Group's Mooring and Rigging divisions have seen project timelines extended, as reduced investments and financing in the O&G sector have led to a slowdown in projects.

Going forward, the Group will continue to focus on its efforts to diversify its business towards the renewable sector in order to strengthen its business and maintain a healthy pipeline of projects in the coming months.

## **11 Dividend Information**

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

No dividend has been declared or recommended for 1H2022 (1H2021: Nil).

**(b) (i) Amount per share**

Not applicable.

**(ii) Previous corresponding period**

Not applicable.

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

Not applicable.

**(d) Date the dividend is payable**

Not applicable.

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

Not applicable.

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

No interim dividend has been declared or recommended for 1H2022 as the Group continues to operate prudently and intends to conserve cash.

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

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

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

Sim Koon Lam and Joseph Ong Yong Loke, being two directors of the Company, have confirmed on behalf of the Board that, to the best of their knowledge, nothing has come to their attention which may render the unaudited interim financial statements of the Company and the Group for 1H2022 to be false or misleading in any material aspect.

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

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

**16 Disclosure pursuant to Rule 706(A)**

There was no acquisition or sale of shares by the Company during 1H2022 which requires disclosure pursuant to Rule 706(A) of the Catalist Rules.

**17 Use of IPO proceeds**

The gross proceeds of the Listing amounted to approximately S\$8.5 million (the “**Gross Proceeds**”). As at 30 June 2022, a total amount of approximately S\$3.4 million out of the Gross Proceeds and had been utilized according to the allocation set out in the Offer Document and the remaining balance of S\$5.1 million is expected to be utilized as intended.

<b>Use of net proceeds</b>	<b>Amount allocated S\$'000</b>	<b>Amount reallocation S\$'000</b>	<b>Amount utilised S\$'000</b>	<b>Balance as at the date of this announcement S\$'000</b>
Develop and grow our Renewable Division	500	–	(331)	169
Development of facilities and capacity of 51 Shipyard Road and scale up of operations & invest in plant, machineries & equipment	4,000	–	(554)	3,446
To explore opportunities in M&A & strategic alliances	1,000	–	–	1,000
General corporate and working capital purposes	1,243	(33)	(716) <sup>(1)</sup>	494
IPO expenses pursuant to listing	1,804	33	(1,837)	–
<b>Gross proceeds from the Invitation</b>	<b>8,547</b>	<b>–</b>	<b>(3,438)</b>	<b>5,109</b>

**Note:**

(1) Approximately S\$0.7 million was utilised as working capital of the Company to pay its ongoing professional expenses, directors’ remuneration and other corporate and administrative expenses.

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

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

**BY ORDER OF THE BOARD**

Sim Koon Lam  
Chief Executive Officer  
12 August 2022