

MOOREAST HOLDINGS LTD.

Registration No: 202120164D Incorporated in Singapore

Unaudited Financial Statements and Dividend Announcement For the Six Months and Full Year ended 31 December 2022

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, capitalized 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 ended 31 December 2022 (“**2HFY2022**”), six-months ended 31 December 2021 (“**2HFY2021**”), twelve-months ended 31 December 2022 (“**FY2022**”), and twelve-months ended 31 December 2021 (“**FY2021**”).

	Note	2HFY2022 S\$'000 Unaudited	2HFY2021 S\$'000 Unaudited	Change %	FY2022 S\$'000 Unaudited	FY2021 S\$'000 Audited	Change %
Revenue	4	14,800	7,009	111	27,838	14,200	96
Cost of sales		(8,270)	(4,018)	106	(16,974)	(8,186)	107
Gross profit		6,530	2,991	118	10,864	6,014	81
Other items of income							
Interest income	5	164	36	nm	492	36	nm
Other income	5	508	382	33	2,705	925	192
Other items of expense							
Marketing and distribution		(315)	(101)	nm	(504)	(195)	158
Administrative expenses**		(4,319)	(4,236)	2	(7,785)	(6,816)	14
Research and development expenses		(291)	–	nm	(858)	–	nm
Interest expenses	5	(811)	(931)	(13)	(1,773)	(965)	84
Other expenses	5	(536)	(798)	(33)	(1,144)	(1,108)	3
Profit/(loss) before tax	5	930	(2,657)	nm	1,997	(2,109)	nm
Income tax expense	7	(429)	(31)	1,284	(624)	(187)	234
Profit/(loss) after tax		501	(2,688)	nm	1,373	(2,296)	nm
Other comprehensive income: Items that may be reclassified subsequently to profit or loss							
Foreign currency translation		15	36	(58)	69	40	73
Total comprehensive income/(loss) for the financial year attributable to shareholders of the Company		516	(2,652)	nm	1,442	(2,256)	nm

Nm=not meaningful

** Included in administrative expense is a one-off IPO expense of S\$810K and S\$1,271K for the 2HFY2021 and FY2021 results, respectively. Excluding the one-off IPO expenses incurred during the year, loss for the 2HFY2021 and FY2021 would have been S\$1,878K and S\$1,025K respectively.

B. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		31 December 2022 S\$'000	31 December 2021 S\$'000	31 December 2022 S\$'000	31 December 2021 S\$'000
		Unaudited	Audited	Unaudited	Audited
Assets					
Non-current assets					
Plant and equipment	9	4,985	4,691	–	–
Right-of-use assets	10	31,659	33,099	–	–
Investment in subsidiaries		–	–	10,587	10,587
Trade and other receivables	11	2,555	5,193	–	–
		39,199	42,983	10,587	10,587
Current assets					
Inventories	12	6,265	8,609	–	–
Trade and other receivables	11	6,641	3,428	1,578	44
Contract assets		2,018	51	–	–
Prepaid operating expenses		1,638	794	26	27
Cash and bank balances	13	19,105	20,307	14,961	18,132
		35,667	33,189	16,565	18,203
Total assets		74,866	76,172	27,152	28,790
Current liabilities					
Trade and other payables	14	5,663	4,647	134	1,694
Amount due to a director	15	–	2,000	–	–
Contract liabilities		309	1,373	–	–
Lease liabilities	10	884	713	–	–
Loans and borrowings	15	1,060	1,172	–	–
Income tax payable		1,053	355	–	–
		8,969	10,260	134	1,694
Net current assets		26,698	22,929	16,431	16,509
Non-current liabilities					
Lease liabilities	10	9,965	10,675	–	–
Loans and borrowings	15	25,259	26,153	–	–
Convertible notes	16	4,768	4,592	4,768	4,592
Provision for reinstatement cost	17	2,095	2,000	–	–
Deferred tax liabilities	18	581	705	–	–
		42,668	44,125	4,768	4,592
Total liabilities		51,637	54,385	4,902	6,286
Net assets		23,229	21,787	22,250	22,504

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

	Note	Group		Company	
		31 December 2022 S\$'000 Unaudited	31 December 2021 S\$'000 Audited	31 December 2022 S\$'000 Unaudited	31 December 2021 S\$'000 Audited
Equity attributable to Shareholders of the Company					
Share capital	19	23,636	23,636	23,636	23,636
Capital reserve		(9,587)	(9,587)	–	–
Retained earnings / (accumulated losses)		8,645	7,272	(1,793)	(1,539)
Other reserve	16	407	407	407	407
Foreign currency translation reserve		128	59	–	–
Total equity		23,229	21,787	22,250	22,504
Total equity and liabilities		74,866	76,172	27,152	28,790

C. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital S\$'000	Capital reserve S\$'000	Retained earnings S\$'000	Other reserve S\$'000	Foreign currency translation reserve S\$'000	Total equity S\$'000
Group						
As at 1 January 2021	1,000	–	24,568	–	19	25,587
Loss net of tax	–	–	(2,296)	–	–	(2,296)
Foreign currency translation	–	–	–	–	40	40
Total comprehensive loss for the year	–	–	(2,296)	–	40	(2,256)
Issue of ordinary shares	23,202	–	–	–	–	23,202
Issue of convertible note	–	–	–	407	–	407
Declared dividend (Note 8)	–	–	(15,000)	–	–	(15,000)
Share issue expenses	(566)	–	–	–	–	(566)
Restructuring	–	(9,587)	–	–	–	(9,587)
As at 31 December 2021	23,636	(9,587)	7,272	407	59	21,787
As at 1 January 2022	23,636	(9,587)	7,272	407	59	21,787
Profit net of tax	–	–	1,373	–	–	1,373
Foreign currency translation	–	–	–	–	69	69
Total comprehensive income for the year	–	–	1,373	–	69	1,442
As at 31 December 2022	23,636	(9,587)	8,645	407	128	23,229

	Share capital S\$'000	Retained earnings S\$'000	Other reserve S\$'000	Total equity S\$'000
Company				
As at 8 June 2021 (date of incorporation)	–*	–	–	–*
Total comprehensive loss 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)
As at 31 December 2021	23,636	(1,539)	407	22,504
As at 1 January 2022	23,636	(1,539)	407	22,504
Total comprehensive income for the year	–	(254)	–	(254)
As at 31 December 2022	23,636	(1,793)	407	22,250

* Below S\$1,000

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	FY2022 Unaudited S\$'000	FY2021 Audited S\$'000
Group		
Operating activities:		
Profit/(loss) before tax	1,997	(2,109)
<u>Adjustments for:</u>		
Depreciation of plant and equipment	1,549	1,197
Depreciation of right-of-use assets	1,714	1,317
Gain on disposal of right-of-use assets	–	(15)
Gain on disposal of plant and equipment	(1,331)	(31)
IPO expenses	–	1,271
Interest income	(492)	(36)
Interest expense	665	586
Interest expense on lease liabilities	482	265
Interest expense on convertible note	626	114
Unrealised foreign exchange loss	68	258
Reversal of allowance for inventories obsolescence	(14)	(14)
Bad debts written off	–	6
Allowance for expected credit losses	38	211
Operating cash flows before changes in working capital	5,302	3,020
<u>Changes in working capital:</u>		
Decrease/(increase) in inventories	2,358	(1,150)
(Increase)/decrease in contract assets, trade and other receivables	(2,303)	5,654
(Increase)/decrease in prepaid operating expenses	(853)	92
(Decrease)/increase in contract liabilities, trade and other payables	(103)	1,212
Restricted cash	(68)	(39)
Cash flows from operations	4,333	8,789
Interest paid	(1)	(7)
Income tax paid	(50)	(865)
Net cash flows generated from operating activities	4,282	7,917
Investing activities		
Purchase of plant and equipment	(2,623)	(1,912)
Purchase of right-of-use assets	–	(19,504)
Proceeds from disposal of plant and equipment	2,111	349
Interest received	160	36
Net cash flows used in investing activities	(352)	(21,031)

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

	FY2022 Unaudited S\$'000	FY2021 Audited S\$'000
Financing activities		
Interest paid on lease liabilities	(482)	(265)
Repayment on lease liabilities	(804)	(680)
Proceeds from loan and borrowing	–	14,800
Interest paid on loan and borrowing	(349)	(84)
Repayment on loan and borrowing	(1,083)	(481)
IPO expenses paid	–	(1,837)
Amount due to director	(2,000)	–
Proceeds from issuance of convertible notes	–	5,000
Interest paid on convertible notes	(450)	–
Proceeds from issuance of ordinary shares	–	13,547
Net cash flows (used in)/generated from financing activities	(5,168)	30,000
Net (decrease)/increase in cash and cash equivalents	(1,238)	16,886
Effect of exchange rate changes on cash and cash equivalents	(32)	42
Cash and cash equivalents at 1 January	20,244	3,316
Cash and cash equivalent at 31 December	18,974	20,244

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 year ended 31 December 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 31 December 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 Rigging Pte. Ltd.	Provision of mooring components to the marine industry	Singapore
Mooreast Renewables Pte. Ltd.	Provision of engineering, design and consultancy services	Singapore
Mooreast Europe B.V.	Sales and marketing to customers in Europe	The Netherlands
Mooreast UK Co Limited	Provision of mooring solutions for the Floating Renewable Energy Industry	United Kingdom

2. Basis of preparation

The condensed interim consolidated financial statements for the six-months ended and twelve-months ended 31 December 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 dollars, which is the Company's functional currency. The financial information has been rounded to the nearest thousand, unless otherwise stated.

2. Basis of preparation (cont'd)

2.1 New and amended Standards adopted by the Group

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

2.2 Standards issued but not yet effective

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

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

2.3 Use of estimates and judgements

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2021.

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. For the purpose of determining whether inventories are stated at the lower of cost and net realizable value, management's estimates of the net realisable value of the inventories at the end of the reporting period are based primarily on the latest selling prices and the market conditions.

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

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

3. Seasonal operations

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

4. Revenue

Disaggregation of revenue

	6 months ended		12 months ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
Sale of goods	7,478	3,031	15,905	7,922
Rental of equipment	5,525	2,875	7,893	4,826
Services rendered	1,797	1,103	4,040	1,452
	14,800	7,009	27,838	14,200
Timing of transfer of goods or services				
At a point in time	3,694	3,031	12,121	7,922
Over time	11,106	3,978	15,717	6,278
	14,800	7,009	27,838	14,200

5. Profit/(loss) before tax

	6 months ended		12 months ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
Interest income				
Interest income from:				
current account	164	36	492	36
Other income				
Gain on disposal of right-of-use assets	–	15	–	15
Gain on disposal of plant and equipment	–	31	1,331	31
Gain on foreign exchange	–	–	–	64
Sales of scrap metal	119	164	202	180
Government grants	376	102	1,139	306
Reversal of allowance for inventories obsolescence	8	–	14	14
Others	5	70	19	315
	508	382	2,705	925
Interest expenses				
Interest expenses on:				
- lease liabilities	238	238	482	265
- loan and borrowing	303	84	424	91
- convertible note	78	114	626	114
- significant financing component from contract with customers	144	488	144	488
- others	48	7	97	7
	811	931	1,773	965
Other expenses				
Legal and other professional fees	251	406	473	586
Allowance for expected credit losses	38	140	38	211
Property tax	220	144	502	144
Donations	10	19	10	67
Bad debts written off	–	6	–	6
Others	17	83	121	94
	536	798	1,144	1,108

5. Profit/(loss) before tax (cont'd)

Group	6 months ended		12 months ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Inventories recognised as an expense in cost of sales	4,945	2,353	10,946	5,617
IPO expenses	–	810	–	1,271
Staff costs	2,552	1,763	5,107	3,172
Transport expenses	291	76	441	149
Depreciation of plant and equipment	834	648	1,549	1,197
Depreciation of right-of-use assets	872	966	1,714	1,317
Loss on disposal of plant and equipment	32	–	–	–
Reversal of allowance for inventories obsolescence	(8)	–	(14)	(14)

6. Earnings per share

Group	6 months ended		12 months ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	Basic earnings per share (cents)	0.19	(5)	0.53
Weighted-average number of ordinary shares ('000)	259,000	58,837	259,000	34,122
Diluted earnings per share (cents)	0.18	(5)	0.50	(7)
Weighted-average number of ordinary shares ('000)	276,483	76,319	276,483	51,604

The earnings per share is computed by dividing the profit after tax attributable to shareholders of the Company against the weighted average number of shares, taking into account the share split for the respective reporting periods. In prior year, diluted earnings per share is the same as basic earnings per share as the effect of conversion is anti-dilutive.

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:

Group	6 months ended		12 months ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax:				
- Current year	612	70	808	267
- Over provision in respect of prior year	(60)	(21)	(60)	(21)
	552	49	748	246
Deferred tax:				
- Origination and reversal of temporary differences	(123)	(57)	(124)	(98)
- Under provision in respect of prior year	–	39	–	39
	(123)	(18)	(124)	(59)
Income tax expense recognised in profit or loss	429	31	624	187

8. Dividend

	6 months ended		12 months ended	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
Group				
Interim tax exempt (1-tier) dividend				
Rate per share (S\$)	–	15	–	15
Total dividend (S\$'000)	–	15,000	–	15,000

9. Plant and equipment

Group	Motor vehicles	Furniture and fittings	Workshop and office equipment	Computers and software	Renovation	Rental equipment	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Cost:							
At 1 January 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	193	–	813	247	167	1,203	2,623
Disposals	(237)	–	–	–	–	(2,161)	(2,398)
At 31 December 2022	522	71	3,166	588	750	8,001	13,098
Accumulated depreciation:							
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 year	52	20	238	84	181	974	1,549
Disposal	(237)	–	–	–	–	(1,381)	(1,618)
At 31 December 2022	138	38	1,793	354	235	5,555	8,113
Net carrying amount:							
At 31 December 2021	243	53	798	71	529	2,997	4,691
At 31 December 2022	384	33	1,373	234	515	2,446	4,985

10. 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:

Group	Leasehold properties	Motor vehicles	Workshop and office equipment	Software	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 January 2021	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)
As at 31 December 2021	29,773	33	3,293	–	33,099
Lease modification	17	–	–	–	17
Additions	217	–	–	40	257
Depreciation	(1,467)	(17)	(219)	(11)	(1,714)
As at 31 December 2022	28,540	16	3,074	29	31,659

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

Group	31 December 2022	31 December 2021
	S\$'000	S\$'000
As at 1 January	11,388	1,873
Accretion of interest	482	265
Lease modification	17	–
Additions	248	11,582
Disposal	–	(1,387)
Payments	(1,286)	(945)
As at 31 December	10,849	11,388
Current	884	713
Non-current	9,965	10,675
As at 31 December	10,849	11,388

11. Trade and other receivables

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Trade receivables	2,555	2,330	–	–
Other receivables	–	2,863	–	–
	2,555	5,193	–	–
Current assets				
Trade receivables	6,079	2,861	–	–
Deposits	99	12	11	11
GST receivables	74	238	–	33
Other receivables	389	317	76	–
Amount due from subsidiaries	–	–	1,491	–
	6,641	3,428	1,578	44
Total trade and other receivables	9,196	8,621	1,578	44

11. 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 at 31 December is as follow:

	31 December 2022	31 December 2021
	S\$'000	S\$'000
United States Dollars	5,760	7,156

12. Inventories

	31 December 2022	31 December 2021
	S\$'000	S\$'000
Group		
Raw material, at cost	2,001	2,725
Work-in-progress, at cost	91	43
Finished goods, at cost	4,179	5,625
Consumables, at cost	81	317
	<hr/>	<hr/>
	6,352	8,710
Less: Allowance for inventories obsolescence	(87)	(101)
	<hr/>	<hr/>
	6,265	8,609

13. Cash and bank balances

	Group		Company	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at banks	19,104	20,307	14,961	18,132
Cash on hand	1	-*	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	19,105	20,307	14,961	18,132
Less: Restricted cash	(131)	(63)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Cash and cash equivalents	18,974	20,244	14,961	18,132

* Below S\$1,000

Restricted cash of S\$130,575 as at 31 December 2022 (31 December 2021: S\$62,709) 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 follow:

	31 December 2022	31 December 2021
	S\$'000	S\$'000
United States Dollars	1,808	1,083

14. Trade and other payables

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	SS'000	SS'000	SS'000	SS'000
Trade payables	3,598	3,471	–	–
Other payables:				
Sundry payables	344	545	7	8
Accruals	1,713	631	120	102
GST payables	8	–	7	–
Amount due to a subsidiary	–	–	–	1,584
Total trade and other payables	5,663	4,647	134	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 as at 31 December are as follow:

	31 December 2022	31 December 2021
	SS'000	SS'000
United States Dollars	1,839	2,079
Euro	252	359
GBP	278	–

15. Loans and borrowings

	31 December 2022	31 December 2021
	SS'000	SS'000
Group		
Current		
Commercial property loan (secured)	977	1,166
Shareholder loan (unsecured)	83	6
	1,060	1,172
Non-current		
Commercial property loan (secured)	12,259	13,153
Shareholder loan (unsecured)	13,000	13,000
	25,259	26,153
Total loans and borrowings	26,319	27,325

15. Loans and borrowings (cont'd)

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 which has been fully paid in FY2022. and the remaining S\$13,000,000 has been converted to an interest-bearing loan due to the sole shareholder (“**Shareholder Loan**”). The Shareholder Loan is for a term of 5 years and repayment of the Shareholder Loan is subject to the Audit Committee’s approval. The interest rate payable on the Shareholder Loan for each 6-month 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.

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 shares of the Company two business days prior to the listing date. The conversion was completed on 22 November 2021.

(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:

	31 December 2022	31 December 2021
	S\$'000	S\$'000
Group and Company		
Equity component		
As at 1 January	407	–
Issuance of convertible note	–	407
As at 31 December	<u>407</u>	<u>407</u>
Liability component		
As at 1 January	4,592	–
Issuance of convertible note	–	4,525
Interest expense	626	67
Payments	(450)	–
As at 31 December	<u>4,768</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 of 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 a third party contractor.

18. Deferred tax liabilities

Deferred tax liabilities relate to the following:

	31 December 2022	31 December 2021
	S\$'000	S\$'000
Group		
Differences in depreciation for tax purposes	581	705

19. Share capital

	Group and Company	
	No. of shares	Amount S\$'000
<i>Issued and fully paid ordinary shares:</i>		
As at 31 December 2021, 1 January 2022 and 31 December 2022	259,000,000	23,636

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

The number of Shares that may be issued on the conversion of the outstanding Convertible Note as at 31 December 2022 and 31 December 2021 is as follows:

	Group and Company	
	No. of shares	Amount S\$'000
As at 31 December 2022		
New shares to be issued on conversion of outstanding Convertible Note of S\$5 million at the conversion price of S\$0.286	17,483	5,000
As at 31 December 2021		
New shares to be issued on conversion of outstanding Convertible Note of S\$5 million at the conversion price of S\$0.286	17,483	5,000

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

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.

- **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)

Group	Mooring	Rigging and Heavy Lifting	Marine Supplies and Services	Renewable Energy	Yard	Corporate	Elimination	Per consolidated financial statements
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
For the six-months ended 31 December 2022								
Revenue from external customers	4,939	1,795	1,421	1,728	4,917	–	–	14,800
Intersegment revenue	1,399	–	–	–	–	–	(1,399)	–
Total revenue	<u>6,338</u>	<u>1,795</u>	<u>1,421</u>	<u>1,728</u>	<u>4,917</u>	<u>–</u>	<u>(1,399)</u>	<u>14,800</u>
Results:								
Depreciation	(780)	(99)	(34)	(30)	(483)	(280)	–	(1,706)
Interest income	25	2	–	–	–	163	(26)	164
Interest expense	(399)	(43)	(42)	(42)	(405)	94	26	(811)
Segment profit	<u>291</u>	<u>(288)</u>	<u>(34)</u>	<u>472</u>	<u>638</u>	<u>(136)</u>	<u>(13)</u>	<u>930</u>

20. Operating segments (cont'd)

Group	Mooring	Rigging and Heavy Lifting	Marine Supplies and Services	Renewable Energy	Yard	Corporate	Elimination	Per consolidated financial statements
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
For the six-months ended 31 December 2021								
Revenue from external customers	3,805	1,368	1,081	152	603	–	–	7,009
Intersegment revenue	88	–	–	–	–	–	(88)	–
Total revenue	<u>3,893</u>	<u>1,368</u>	<u>1,081</u>	<u>152</u>	<u>603</u>	<u>–</u>	<u>(88)</u>	<u>7,009</u>
Results:								
Depreciation	(545)	(66)	(11)	(53)	(94)	(845)	–	(1,614)
Interest income	–	–	–	–	–	86	(50)	36
Interest expense	–	–	–	–	–	(981)	50	(931)
Segment profit	<u>2,215</u>	<u>385</u>	<u>191</u>	<u>86</u>	<u>248</u>	<u>(5,732)</u>	<u>(50)</u>	<u>(2,657)</u>

20. Operating segments (cont'd)

	Mooring	Rigging and Heavy Lifting	Marine Supplies and Services	Renewable Energy	Yard	Corporate	Elimination	Per consolidated financial statements
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group								
For the twelve-months ended 31 December 2022								
Revenue from external customers	12,733	3,752	2,579	1,760	7,014	–	–	27,838
Intersegment revenue	1,760	–	–	–	–	–	(1,760)	–
Total revenue	14,493	3,752	2,579	1,760	7,014	–	(1,760)	27,838
Results:								
Depreciation	(1,585)	(197)	(69)	(69)	(836)	(507)	–	(3,263)
Interest income	345	3	–	–	–	197	(53)	492
Interest expense	(402)	(43)	(42)	(44)	(436)	(859)	53	(1,773)
Segment profit	4,716	7	(15)	13	752	(3,459)	(17)	1,997
<u>As at 31 December 2022</u>								
Segment assets:	15,605	3,958	1,347	1,592	4,670	51,071	(3,377)	74,866
Segment liabilities (exclude tax payables and deferred tax liabilities):	2,544	509	165	495	3,110	47,496	(4,316)	50,003

20. Operating segments (cont'd)

Group	Mooring	Rigging and Heavy Lifting	Marine Supplies and Services	Renewable Energy	Yard	Corporate	Elimination	Per consolidated financial statements
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
For the twelve-months ended 31 December 2021								
Revenue from external customers	7,795	3,194	2,281	328	602	–	–	14,200
Intersegment revenue	423	–	–	–	–	–	(423)	–
Total revenue	<u>8,218</u>	<u>3,194</u>	<u>2,281</u>	<u>328</u>	<u>602</u>	<u>–</u>	<u>(423)</u>	<u>14,200</u>
Results:								
Depreciation	(1,003)	(121)	(12)	(53)	(94)	(1,231)	–	(2,514)
Interest income	–	–	–	–	–	86	(50)	36
Interest expense	–	–	–	–	–	(1,015)	50	(965)
Segment profit	<u>4,342</u>	<u>786</u>	<u>508</u>	<u>262</u>	<u>247</u>	<u>(8,205)</u>	<u>(49)</u>	<u>(2,109)</u>
<u>As at 31 December 2021</u>								
Segment assets:	<u>50,630</u>	<u>3,224</u>	<u>954</u>	<u>–</u>	<u>13</u>	<u>21,351</u>	<u>–</u>	<u>76,172</u>
Segment liabilities (exclude tax payables and deferred tax liabilities):	<u>4,936</u>	<u>653</u>	<u>375</u>	<u>–</u>	<u>–</u>	<u>47,361</u>	<u>–</u>	<u>53,325</u>

21. Related parties transactions

There are no related party transactions apart from those disclosed elsewhere in the financial statements for FY2022.

22. Key management personnel compensation

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

Key management personnel compensation comprises:

Group	For the 6 months ended 31 December		For the 12 months ended 31 December	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
Key management personnel remuneration:				
- Salaries and bonuses	762,756	378,681	1,324,118	653,007
- CPF contributions	119,660	72,177	152,023	38,213
- Salaries and bonus paid to a spouse of a director	-	70,000	-	130,000
- CPF contributions paid to a spouse of a director	-	7,820	-	13,940

Comprises amounts paid to:**Group**

Directors' of the Company:

- Salaries and bonuses	336,657	91,667	615,353	151,667
- CPF contributions	14,552	5,873	26,121	9,113

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:

	31 December 2022 \$'000	31 December 2021 \$'000
Not later than one year	81	301
Later than one year but not later than five years	23	68
	104	369

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.

- 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 31 December 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 and full year ended 31 December 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	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Net asset value (S\$'000)	23,229	21,787	22,250	22,504
Number of ordinary shares in issue ('000)	259,000	259,000	259,000	259,000
Net asset value per ordinary share (cents)	9.0	8.4	8.6	8.7

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

(FY2022 vs FY2021)

(1) Revenue:

Segments	FY2022 S\$'000	FY2021 S\$'000	Increase/ (Decrease) S\$'000	Increase/ (Decrease) %
Mooring	12,733	7,795	4,938	63
Rigging and Heavy Lifting	3,752	3,194	558	17
Marine Supplies and Services	2,579	2,281	298	13
Renewable Energy	1,760	328	1,432	437
Yard	7,014	602	6,412	1,065
Total	27,838	14,200	13,638	96

Total revenue increased by S\$13.6 million or 96% from S\$14.2 million in FY2021 to S\$27.8 million in FY2022. The increase was mainly due to higher revenue contributions from all business segments, amid recovery from earlier disruptions due to the COVID-19 pandemic.

Revenue from Mooring Division showed a significant improvement from S\$7.8 million in FY2021 to S\$12.7 million in FY2022 despite a challenging operating environment and economic uncertainty. This was attributed to higher sales of mooring equipment and fabricated goods by S\$5.9 million, completion of higher value projects, as well as new contracts secured, including design of equipment packaging, and supply of anchor chains, chain chasers, high holding power anchors, anchor shackles and chain stoppers.

Revenue from the Rigging and Heavy Lifting Division, and Marine Supplies and Services Division increased by S\$0.6 million and S\$0.3 million, respectively, as compared to FY2021 mainly due to new customers secured, and better sales as the Group increased its range of products during the period.

Revenue from the Renewable Energy Division was mainly derived from a new project to deliver mooring solutions (comprising 15 midwater arch buoys) to an offshore wind farm in Japan during the year.

Our Yard Division, which was established following the relocation of the new premise at 51 Shipyard Road in October 2021, recorded its first full-year revenue of S\$7.0 million in FY2022, compared to S\$0.6 million in FY2021. Over the past year, Mooreast has accelerated business momentum in this segment by enhancing its waterfront berth and aggressively marketing its new position as a shipyard offering a full suite of afloat services such as inspection and testing services, afloat repairs and mobilisation and demobilisation. Together with a competitive price and an experienced team, Mooreast has established a strong reputation amongst our customers, who in turn revisit our quay for new projects.

(2) Cost of Sales:

In line with the increase in revenue, cost of sales increased by S\$8.8 million or 107% from S\$8.2 million in FY2021 to S\$17.0 million in FY2022. The increase was also attributed to higher costs related to fabrication and third-party goods purchased.

(3) Gross Profit:

In line with the increase in revenue, gross profit increased by S\$4.9 million or 81% from S\$6.0 million in FY2021 to S\$10.9 million in FY2022. Overall gross profit margin decreased from 42% in FY2021 to 39% in FY2022, mainly due to higher third-party cost of goods, increased cost of fabrication, and lower selling prices in the Marine Supplies and Services Division amid intense competition.

(4) Interest Income:

Interest income increased from S\$0.04 million in FY2021 to S\$0.5 million in FY2022. This was due to the placement of fixed deposits from the proceeds of the Convertible Note in FY2022.

(5) Other Income:

Other income increased from S\$0.9 million in FY2021 to S\$2.7 million in FY2022. This was due to higher gain from the sale of plant and equipment, government grants for research & development, job support scheme and a grant from Monetary Authority of Singapore (MAS) for Equity Market Singapore to offset IPO listing expenses incurred.

(6) Marketing and Distribution Expenses:

Marketing and distribution expenses increased from S\$0.2 million in FY2021 to S\$0.5 million in FY2022. This was mainly due to a pick-up in renewable energy opportunities developing globally and the Company extensively positioning itself across key markets which resulted in higher marketing expenses incurred.

(7) Administrative Expenses:

	FY2022 S\$'000	FY2021 S\$'000	Increase/ (Decrease) S\$'000	Increase/ (Decrease) %
Staff related costs	5,107	3,172	1,935	61
Depreciation	2,067	1,231	836	68
IPO expenses	–	1,271	(1,271)	nm
Upkeep of premises	183	503	(320)	(64)
Other administrative costs	428	639	(211)	(33)
Total	7,785	6,816	969	14

Administrative expenses increased by S\$1.0 million or 14% from S\$6.8 million in FY2021 to S\$7.8 million in FY2022 mainly due to higher staff-related costs and depreciation expenses, partially offset by lower upkeep of premises cost, as well as the absence of one-off IPO expenses and other administrative costs.

The increase in staff-related costs was mainly due to the recruitment of more technical professionals and executives to support the Group's growth. The increase in depreciation expenses was due to addition of plant and equipment of S\$2.6 million and addition of right-of-use assets during the year.

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 was lower mainly due to the absence of one-off relocation costs relating to our new premise at 51 Shipyard Road and write off of plant and equipment in FY2021.

(8) Research and Development Expenses:

For FY2022, we incurred S\$0.9 million of research and development expenses pertaining to the tank test at the National Maritime Research Institute, Japan for PV floaters and basin tests of semi-submersible floaters.

(9) Interest Expenses:

The increase in interest expense of S\$0.8 million was attributable to interest expenses on the commercial property loan to finance the acquisition of the leasehold property at 51 Shipyard Road, and convertible note, shareholder loan and lease liabilities. Interest expense for the convertible note and shareholder loan only commenced in the second half of FY2021. The increase was partially offset by the decrease in interest expenses on customer financing, due to repayment of long-term trade receivables from customers.

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

(10) Other Expenses:

Other expenses increased from S\$1.11 million in FY2021 to S\$1.14 million in FY2022 due mainly to an increase in property taxes attributable to the new property at 51 Shipyard Road acquired in FY2021, partially offset by the decrease in donations, as well as legal and other professional fees related to the Company's listing on the Catalist Board on 22 November 2021.

(2HFY2022 vs 2HFY2021)

(1) Revenue:

Segments	2HFY2022 S\$'000	2HFY2021 S\$'000	Increase/ (Decrease) S\$'000	Increase/ (Decrease) %
Mooring	4,939	3,805	1,134	30
Rigging and Heavy Lifting	1,795	1,368	427	31
Marine Supplies and Services	1,421	1,081	340	31
Renewable Energy	1,728	152	1,576	1,037
Yard	4,917	603	4,314	715
Total	14,800	7,009	7,791	111

Total revenue increased by S\$7.8 million or 111% from S\$7.0 million in 2HFY2021 to S\$14.8 million in 2HFY2022. The increase was mainly due to higher revenue contributions from all business segments.

Revenue from Mooring Division showed a significant improvement from S\$3.8 million in 2HFY2021 to S\$4.9 million in 2HFY2022 despite a challenging operating environment and economic uncertainty. This was contributed by the higher sales of mooring equipment and fabricated goods by S\$1.7 million, completion of higher-value projects, as well as new contracts secured.

Revenue from the Rigging and Heavy Lifting Division, and Marine Supplies and Services Division increased slightly by S\$0.4 million and S\$0.3 million, respectively as compared to 2HFY2021 mainly due to new customers secured, and improved sales as the Group increased its product range during the period.

Revenue from the Renewable Energy Division was mainly derived from a new project to deliver mooring solutions (comprising 15 midwater arch buoys) to an offshore wind farm in Japan during the year.

The Yard Division contributed S\$4.9 million in revenue in 2HFY2022, as business momentum continue to gain as we fortified our capabilities in this segment and established a name within the sector-

(2) Cost of Sales:

In line with the increase in revenue, cost of sales increased by S\$4.3 million or 106% from S\$4.0 million in 2HFY2021 to S\$8.3 million in 2HFY2022.

(3) Gross Profit:

Due to the increase in revenue, gross profit increased correspondingly by S\$3.5 million or 118% from S\$3.0 million in 2HFY2021 to S\$6.5 million in 2HFY2022. Overall gross profit margin remained relatively stable at 44% compared to 43% in 2HFY2021.

(4) Interest Income:

Interest income increased from S\$0.04 million in FY2021 to S\$0.2 million in FY2022. This was due to the placement of fixed deposits from the proceeds of the Convertible Note in the bank in FY2022.

(5) Other Income:

Other income increased from S\$0.4 million in 2HFY2021 to S\$0.5 million in 2HFY2022. This was due to higher gain from sales of plant and equipment and government grants for research & development, job support scheme and an MAS grant for Equity Market Singapore to offset IPO listing expenses incurred.

(6) Marketing and distribution expenses:

Marketing and distribution expenses increased from S\$0.1 million in FY2021 to S\$0.3 million in FY2022. This was mainly due to a pick-up in renewable energy opportunities developing globally and the Company extensively positioning itself across key markets which resulted in higher marketing expenses incurred.

(7) Administrative Expenses:

	2HFY2022 S\$'000	2HFY2021 S\$'000	Increase/ (Decrease) S\$'000	Increase/ (Decrease) %
Staff related costs	2,552	1,763	789	45
Depreciation	1,322	845	477	56
IPO expenses	–	810	(810)	nm
Upkeep of premises	58	434	(376)	(87)
Other administrative costs	387	384	3	–
Total	4,319	4,236	83	2

Administrative expenses slightly increased by S\$0.1 million or 2% from S\$4.2 million in 2HFY2021 to S\$4.3 million in 2HFY2022 mainly due to higher staff-related costs and depreciation expenses, partially offset by the decrease in upkeep of premises cost, the absence of one-off IPO expenses and other administrative costs.

The increase in staff-related costs was mainly due to recruitment of more technical professionals and executives to support the Group's growth. The increase in depreciation expenses was due to addition of plant and equipment during the year.

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.

(8) Research and development expense:

For 2HFY2022, we incurred S\$0.3 million of research and development expenses pertaining to basin tests of semi-submersible floaters.

(9) Interest expense:

The decrease in interest expense of S\$0.1 million was attributable to interest expenses on a significant financing component from contracts with customers due to the repayment of long-term trade receivables from customers. The decrease was partially offset by the increase in interest expenses on the commercial property loan to finance the acquisition of the leasehold property at 51 Shipyard Road and shareholder loan, both of which commenced in 2HFY2021.

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

(10) Other Expenses:

Other expenses decreased from S\$0.80 million in 2HFY2021 to S\$0.54 million in 2HFY2022 due to a decrease in donations, as well as the absence of one-off legal and professional fees incurred for the Company's listing on the Catalist Board on 22 November 2021. The decrease was partially offset by the increase in property taxes attributable to the new property at 51 Shipyard Road acquired in FY2021.

B. Consolidated Statement of Financial Position as at 31 December 2022

(1) Non-Current Assets:

Non-current assets decreased to S\$39.2 million as at 31 December 2022 from S\$43.0 million as at 31 December 2021, mainly due to a decrease in right-of-use assets and trade and other receivables of S\$1.4 million and S\$2.6 million respectively, partially offset by an increase of S\$0.3 million in plant and equipment.

The decrease in right-of-use assets was mainly due to a depreciation charge of S\$1.7 million during the year. The decrease in trade and other receivables was mainly due to repayment from customers during the year.

The increase in plant and equipment was mainly due to the acquisition of plant and equipment of S\$2.6 million. The increase was partially offset by the disposal of plant and equipment with net book value of S\$0.8 million, as well as the depreciation of plant and equipment of S\$1.5 million during the year.

(2) Current Assets:

Current assets increased to S\$35.7 million as at 31 December 2022 compared to S\$33.2 million as at 31 December 2021. The increase was mainly due to an increase in trade and other receivables of S\$3.2 million and contract assets of S\$2.0 million, partially offset by a decrease in inventories of S\$2.3 million and cash and bank balances of S\$1.2 million.

The increase in trade and other receivables was mainly attributed to the completion of higher value project in December 2022, leading to billings being completed in the same month. Contract assets mainly relate to the delivery of an anchor chain to a customer whom we had not yet billed as at 31 December 2022.

Inventories, comprising mainly raw materials and finished goods, amounted to approximately S\$6.3 million as at 31 December 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 their project. A portion of these anchor chains was delivered to the customer during the year, resulting in a decrease in finished goods as at 31 December 2022.

Cash and bank balances decreased from S\$20.3 million as at 31 December 2021 to S\$19.1 million as at 31 December 2022. Please refer to Section C. Consolidation Statement of Cash Flows (FY2022) for details.

(3) Current Liabilities:

Current liabilities decreased to S\$9.0 million as at 31 December 2022 from S\$10.3 million as at 31 December 2021 mainly due to:

- (i) payment due to a director of S\$2.0 million during the year; and
- (ii) decrease in contract liabilities of S\$1.0 million primarily due to revenue recognition for contract liabilities recorded as at 31 December 2021.

The decrease is partially offset by:

- (i) increase in accruals from S\$0.6 million as at 31 December 2021 to S\$1.7 million as at 31 December 2022 due to work performed by a subcontractor for a project completed in December 2022 but not yet invoiced; and
- (ii) increase in income tax payables mainly due to higher taxable income in FY2022.

The Group's working capital improved from S\$22.9 million as at 31 December 2021 to S\$26.7 million as at 31 December 2022.

(4) Non-Current Liabilities:

Non-current liabilities decreased to S\$42.7 million as at 31 December 2022, compared to S\$44.1 million as at 31 December 2021. The decrease was mainly due to:-

- (i) decrease in commercial property loan of S\$0.9 million, mainly due to repayment of loan of S\$1.4 million during the year; and
- (ii) decrease in lease liabilities for rights-of-use assets of S\$0.7 million, mainly due to repayment of lease liabilities of S\$1.3 million during the year.
- (iii) decrease in deferred tax liabilities of S\$0.1 million

C. Consolidated Statement of Cash Flows (FY2022)

- (1) In FY2022, we generated net cash before changes in working capital of S\$5.3 million. Net cash used in working capital amounted to S\$1 million due mainly to an increase in contract assets, trade and other receivables of S\$2.3 million, increase in prepaid operating expenses of S\$0.9 million as well as a decrease in contract liabilities, trade and other payables of S\$0.1 million. These were partially offset by the decrease in inventories of S\$2.4 million. The Group also paid income tax of S\$0.05 million.
- (2) Net cash used in investing activities in FY2022 amounted to S\$0.4 million. This was due mainly to acquisition of property, plant and equipment of S\$2.6 million, partially offset by proceeds from disposal of plant and equipment of S\$2.1 million.
- (3) Net cash used in financing activities in FY2022 amounted to S\$5.2 million. This was due mainly to:
 - (i) repayment of amount due to a director of S\$2.0 million during the year;
 - (ii) repayment of lease liabilities for rights-of-use assets of S\$1.3 million during the year;
 - (iii) repayment of loans and borrowings of S\$1.4 million during the year; and
 - (iv) interest paid on convertible notes of S\$0.5 million during the year.

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

The Group's financial performance saw an improvement compared to FY2021 despite the challenging operating environment, underscoring its business resilience and strong execution ability. The Group remains cautiously optimistic, as business momentum continues to recover from the disruptions of the COVID-19 pandemic.

Mooreast continues to make progress in its growth strategies outlined in its announcement dated 30 May 2022. On 16 February 2023, the Group signed a collaboration agreement with non-profit organisation ETZ Ltd to explore establishing a manufacturing facility that is likely to be more than double the floor space and output of the Group's Singapore facility at 51 Shipyard Road. Located in Aberdeen, Scotland, the facility will be involved in the production of subsea foundations, as well as consolidation and assembly of mooring components and will serve as a cornerstone in the Group's efforts to serve the European floating renewable energy market.

Meanwhile, the Yard division has established itself as a strong service provider and is expected to increase its market share amid a consolidation of service providers within Singapore's marine and offshore sector. 51 Shipyard Road will continue to be enhanced, and the Group intends to widen its range of services, and continue to generate synergistic value with other business divisions.

Nonetheless, the Group is closely monitoring the impact of several headwinds such as rising economic uncertainty, the prolonged Russia-Ukraine conflict and inflationary pressures, which could pose challenges to the operating environment. The Group will focus its efforts on its diversification towards the renewable energy space, as well as strengthening and generating synergy within its business segments.

11 Dividend Information

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

No final dividend has been declared or recommended for FY2022.

(b) (i) Amount per share

Not applicable.

(ii) Previous corresponding period

S\$15 per share.

(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 final dividend has been declared or recommended for FY2022 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)

Not applicable for full year results announcement.

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 in FY2022 which requires disclosure pursuant to Rule 706(A) of the Catalist Rules.

Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR RESULTS ANNOUNCEMENT

16 Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Please refer to Note 20 of Section E – Notes to the Condensed Interim Consolidated Financial Statements

- 17 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to Note 8 of Section F – Other Information Required by the Catalist Rules

- 18 **A breakdown of sales**

	FY2022 S\$'000	FY2021 S\$'000	Increase/ (Decrease) %
Sales reported for first half year	13,038	7,191	81
Operating profit after tax before deducting non-controlling interests reported for first half year	871	392	122
Sales reported for second half year	14,800	7,009	111
Operating profit/(loss) after tax before deducting non-controlling interests reported for second half year	501	(2,688)	nm

- 19 **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

	FY2022	FY2021
(a) Ordinary	Not applicable	S\$15,000,000
(b) Preference	Not applicable	Not applicable
(c) Total	Not applicable	\$15,000,000

- 20 **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Jaymes Sim	37	Nephew of Sim Koon Lam (CEO, Executive Director and Deputy Chairman) and Ms Elaine Sim (Executive Director)	Head, Commercial from 3 March 2022. Mr Jaymes Sim is responsible for overseeing the sales and marketing function of the Group.	Not applicable

21 Use of proceeds

The gross proceeds of the Listing amounted to approximately S\$8.5 million (the “**Gross Proceeds**”). The Company has previously provided updates on the use of proceeds via financial statement announcement for the half year ended 30 June 2022 released on the SGXNET on 12 August 2022. As at 31 December 2022, a further S\$1.4 million out of the Gross Proceeds had been utilized. The Company has re-allocated approximately S\$1.5 million from the development of facilities and capacity of 51 Shipyard Road and scale up of operations & invest in plant, machineries & equipment, which remain unutilised, to general corporate and working capital purposes as the development of facilities and capacity of 51 Shipyard Road has been substantially completed.

Use of net proceeds	Amount allocated as per Offer Document S\$'000	Balance as at 12 Aug 2022	Amount reallocated S\$'000	Amount utilised S\$'000	Balance as at the date of this announcement S\$'000
Develop and grow our Renewable Division	500	169	–	–	169
Development of facilities and capacity of 51 Shipyard Road and scale up of operations & invest in plant, machineries & equipment	4,000	3,446	(1,500)	(374)	1,572
To explore opportunities in M&A & strategic alliances	1,000	1,000	–	–	1,000
General corporate and working capital purposes	1,243	494	1,500	(1,036) ⁽¹⁾	958
IPO expenses pursuant to listing	1,804	–	–	–	–
Gross proceeds from the Invitation	8,547	5,109	–	(1,410)	3,699

Note:

(1) Approximately S\$1.0 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
24 February 2023