



**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 2021**

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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 a European sales office in Rotterdam, the Netherlands.

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 2021 (“**2HFY2021**”), six-months ended 31 December 2020 (“**2HFY2020**”), twelve-months ended 31 December 2021 (“**FY2021**”), and twelve-months ended 31 December 2020 (“**FY2020**”).

	Note	2HFY2021 S\$'000 Unaudited	2HFY2020 S\$'000 Unaudited	Change %	FY2021 S\$'000 Unaudited	FY2020 S\$'000 Audited	Change %
<b>Revenue</b>	4	7,009	10,352	(32)	14,200	19,678	(28)
Cost of sales		(4,018)	(6,233)	(36)	(8,186)	(11,894)	(31)
<b>Gross profit</b>		2,991	4,119	(27)	6,014	7,784	(23)
<b>Other items of income</b>							
Interest income	5	36	–*	nm	36	2	1,700
Other income	5	382	871	(56)	925	1,441	(36)
<b>Other items of expense</b>							
Marketing and distribution		(101)	(80)	26	(195)	(217)	(10)
Administrative expenses**		(4,236)	(2,404)	76	(6,816)	(4,000)	70
Interest expenses	5	(931)	(27)	3,348	(964)	(57)	1,591
Other expenses		(798)	(657)	21	(1,108)	(337)	229
(Loss)/profit before tax	5	(2,657)	1,822	nm	(2,108)	4,616	nm
Income tax expense	7	(31)	(374)	(92)	(187)	(829)	(77)
<b>(Loss)/profit after tax</b>		(2,688)	1,448	nm	(2,295)	3,787	nm
<b>Other comprehensive income:</b>							
<b>Items that may be reclassified subsequently to profit or loss</b>							
Foreign currency translation		36	(19)	nm	39	(53)	nm
<b>Total comprehensive (loss)/income for the financial year attributable to owner of the Company</b>		(2,652)	1,429	nm	(2,256)	3,734	nm

\* Below S\$1,000

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\$1,024K respectively.

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

	Note	Group		Company	
		31 December 2021 S\$'000 Unaudited	31 December 2020 S\$'000 Audited	31 December 2021 S\$'000 Unaudited	31 December 2020* S\$'000 Audited
<b>Assets</b>					
<b>Non-current assets</b>					
Plant and equipment	9	4,691	4,294	–	–
Right-of-use assets	10	33,099	2,702	–	–
Investment in subsidiaries		–	–	10,587	–
Trade and other receivables	11	5,193	5,965	–	–
		42,983	12,961	10,587	–
<b>Current assets</b>					
Inventories	12	8,609	7,445	–	–
Trade and other receivables	11	3,428	9,347	44	–
Contract assets		51	61	–	–
Prepaid operating expenses		794	886	27	–
Cash and bank balances	13	20,307	3,340	18,132	–
		33,189	21,079	18,203	–
<b>Total assets</b>		76,172	34,040	28,790	–
<b>Current liabilities</b>					
Trade and other payables	14	4,647	4,295	1,694	–
Amount due to director	15	2,000	–	–	–
Contract liabilities		1,373	547	–	–
Lease liabilities	10	713	635	–	–
Shareholder loan	16	6	–	–	–
Loan and borrowing	16	1,166	–	–	–
Income tax payables		355	974	–	–
		10,260	6,451	1,694	–
<b>Net current assets</b>		22,929	14,628	16,509	–
<b>Non-current liabilities</b>					
Lease liabilities	10	10,675	1,238	–	–
Shareholder loan	16	13,000	–	–	–
Loan and borrowing	16	13,153	–	–	–
Convertible note	17	4,592	–	4,592	–
Provision for reinstatement cost	18	2,000	–	–	–
Deferred tax liabilities	19	705	764	–	–
		44,125	2,002	4,592	–
<b>Total liabilities</b>		54,385	8,453	6,286	–
<b>Net assets</b>		21,787	25,587	22,504	–

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

	Note	Group		Company	
		31 December 2021 S\$'000 Unaudited	31 December 2020 S\$'000 Audited	31 December 2021 S\$'000 Unaudited	31 December 2020* S\$'000 Audited
<b>Capital and reserves</b>					
Share capital	20	23,636	1,000	23,636	–
Capital reserve		(9,587)	–	–	–
Retained earnings		7,273	24,568	(1,539)	–
Other reserve	17	407	–	407	–
Foreign currency translation reserve		58	19	–	–
<b>Total equity</b>		<b>21,787</b>	<b>25,587</b>	<b>22,504</b>	<b>–</b>
<b>Total equity and liabilities</b>		<b>76,172</b>	<b>34,040</b>	<b>28,790</b>	<b>–</b>

\*The Company was incorporated on 8 June 2021.

**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
<b>Group</b>						
<b>As at 1 January 2020</b>	1,000	–	22,281	–	72	23,353
Profit net of tax	–	–	3,787	–	–	3,787
Foreign currency translation	–	–	–	–	(53)	(53)
Total comprehensive income for the financial year	–	–	3,787	–	(53)	3,734
Dividend paid	–	–	(1,500)	–	–	(1,500)
<b>As at 31 December 2020</b>	<b>1,000</b>	<b>–</b>	<b>24,568</b>	<b>–</b>	<b>19</b>	<b>25,587</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 (Note 8)	–	–	(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>

	Share capital S\$'000	Retained earnings S\$'000	Other reserve S\$'000	Total equity S\$'000
<b>Company</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>

\* Below S\$1,000

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

	<b>FY2021 Unaudited S\$'000</b>	<b>FY2020 Audited S\$'000</b>
<b>Operating activities</b>		
(Loss)/profit before tax	(2,108)	4,616
<u>Adjustments for:</u>		
Depreciation of plant and equipment	1,197	1,215
Depreciation of right-of-use assets	1,317	711
Gain on disposal of right-of-use assets	(15)	–
Gain on disposal of plant and equipment	(31)	(540)
IPO expenses	1,271	–
Interest income	(36)	(2)
Interest expense	585	16
Interest expense on lease liabilities	265	41
Interest expense on convertible note	114	–
Unrealised foreign exchange loss/(gain)	258	(139)
Reversal of allowance for inventories obsolescence	(14)	(3)
Bad debts written off	6	–
Allowance for expected credit losses	211	160
<b>Operating cash flow before changes in working capital</b>	<b>3,020</b>	<b>6,075</b>
<u>Changes in working capital:</u>		
Increase in inventories	(1,150)	(2,373)
Decrease/(increase) in contract assets, trade and other receivables	5,654	(3,669)
Decrease/(increase) in prepaid operating expenses	92	(698)
Increase in contract liabilities, trade and other payables	1,212	1,651
Restricted cash	(39)	(24)
<b>Cash flow from operations</b>	<b>8,789</b>	<b>962</b>
Interest paid	(7)	(16)
Income tax paid	(865)	(315)
<b>Net cash flow generated from operating activities</b>	<b>7,917</b>	<b>631</b>
<b>Investing activities</b>		
Purchase of plant and equipment	(1,912)	(517)
Purchase of right-of-use assets	(19,504)	–
Proceeds from disposal of plant and equipment	349	1,101
Interest received	36	2
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(21,031)</b>	<b>586</b>

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

	<b>FY2021 Unaudited S\$'000</b>	<b>FY2020 Audited S\$'000</b>
<b>Financing activities</b>		
Interest paid on lease liabilities	(265)	(41)
Repayment on lease liabilities	(680)	(653)
Proceeds from loan and borrowing	14,800	–
Interest paid on loan and borrowing	(84)	–
Repayment on loan and borrowing	(481)	–
IPO expenses paid	(1,837)	–
Proceeds from issuance of convertible note	5,000	–
Proceeds from issuance of ordinary shares*	13,547	–
Dividend paid**	–	(1,500)
<b>Net cash flows generated from/(used in) financing activities</b>	<b>30,000</b>	<b>(2,194)</b>
Net increase/(decrease) in cash and cash equivalents	16,886	(977)
Effect of exchange rate changes on cash and cash equivalents	42	(26)
Cash and cash equivalents at 1 January	3,316	4,319
Cash and cash equivalent at 31 December	20,244	3,316

\*Breakdown of the proceed from issuance of ordinary shares consists of issuance of shares pursuant to Initial Public Offering of \$8,547k (see Note 20) and issuance of convertible note of \$5 million.

\*\*Declared dividend of \$15 million has been converted to Shareholder Loan of \$13 million (see Note 16) with the remaining \$2 million to be paid.



## 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 2021 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 2021 are as follows:

<b>Name of subsidiaries</b>	<b>Principal activities</b>	<b>Country of incorporation</b>
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 and twelve-months ended 31 December 2021 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) 16 on COVID-19 related rent concessions beyond 30 June 2021</i>	1 April 2021
<i>Amendments to SFRS(I) 1-16: Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
<i>Amendments to SFRS(I) 1-37: Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
<i>Amendments to SFRS(I) 3: Reference to Conceptual Framework</i>	1 January 2022
<i>Annual Improvements to SFRS(I)s 2018-2020</i>	1 January 2022
<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

## 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 2020.

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.

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

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

#### (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.

#### (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.

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*

	6 months period ended		12 months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Sale of goods	3,031	8,068	7,922	14,954
Rental of equipment	2,875	2,005	4,826	4,184
Services rendered	1,103	279	1,452	540
	7,009	10,352	14,200	19,678

##### **Timing of transfer of goods or services**

At a point in time	3,031	8,068	7,922	14,954
Over time	3,978	2,284	6,278	4,724
	7,009	10,352	14,200	19,678

#### 5. (Loss)/profit before tax

	6 months period ended		12 months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Interest income</b>				
Interest income from:				
current account	36	—*	36	2
<b>Other income</b>				
Gain on disposal of right-of-use assets	15	—	15	—
Gain on disposal of plant and equipment	31	333	31	540
Gain on foreign exchange	—	—	64	35
Sales of scrap metal	164	35	180	69
Government grants	102	424	306	719
Reversal of allowance for inventories obsolescence	—	3	14	3
Others	70	76	315	75
	382	871	925	1,441
<b>Interest expenses</b>				
Interest expenses on:				
- lease liabilities	238	18	265	41
- loan and borrowing	84	—	84	—
- convertible note	114	—	114	—
- significant financing component from contract with customers	488	—	488	—
- others	7	9	13	16
	931	27	964	57

5. **(Loss)/profit before tax (cont'd)**

	6 months period ended		12 months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Inventories recognised as an expense in cost of sales	2,353	5,408	5,617	10,044
Legal and professional fees	221	25	236	35
IPO expenses	810	–	1,271	–
Net foreign exchange loss/(gain)	37	419	(64)	(35)
Staff costs	1,763	1,725	3,172	2,712
Transport expenses	76	47	149	139
Depreciation of plant and equipment	648	567	1,197	1,215
Depreciation of right-of-use assets	966	399	1,317	711
Reversal of allowance for inventories obsolescence	–	(3)	(14)	(3)
Allowance for expected credit losses	140	160	211	160
Bad debts written off	6	–	6	–

\* Below S\$1,000

6. **Earnings per share**

	6 months period ended		12 months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Basic earnings per share (cents)	(5)	2	(7)
Weighted-average number of ordinary shares ('000)	58,837	58,837*	34,122	34,122*
Diluted earnings per share (cents)	(5)	–	(7)	–
Weighted-average number of ordinary shares ('000)	76,319	–	51,604	–

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. Diluted earnings per share is the same as basic earnings per share as the effect of conversion is anti-dilutive.

\*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 and 12-month period ended 31 December 2021.

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:

	6 months period ended		12 months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current income tax:</b>				
- Current year	70	320	267	779
- (Over)/under provision in respect of prior year	(21)	84	(21)	84
	49	404	246	863

7. **Income tax expense (cont'd)**

	<b>6 months period ended</b>		<b>12 months period ended</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Deferred tax:</b>				
- Origination and reversal of temporary differences	(57)	(30)	(98)	(63)
- Under provision in respect of prior year	39	-	39	29
	(18)	(30)	(59)	(34)
Income tax expense recognised in profit or loss	31	374	187	829

8. **Dividend**

	<b>6 months period ended</b>		<b>12 months period ended</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Interim tax exempt (1-tier) dividend				
Rate per share (S\$)	15	-	15	1.50
Total dividend (S\$'000)	15,000	-	15,000	1,500

This relates to the dividend declared by Mooreast Asia Pte. Ltd. prior to the Group's restructuring for the purpose of the Company's listing. The dividend remains unpaid as at year end and S\$13 million has been converted to loan from shareholder (see Note 16).

9. Plant and equipment

Group	Motor vehicles S\$'000	Furniture and fittings S\$'000	Workshop and office equipment S\$'000	Computers and software S\$'000	Renovation S\$'000	Rental equipment S\$'000	Total S\$'000
<b>Cost:</b>							
At 1 January 2020	339	26	2,908	367	1,128	9,206	13,974
Additions	–	–	33	23	24	437	517
Disposals	–	–	(98)	–	–	(1,067)	(1,165)
At 31 December 2020 and 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	566	71	2,353	341	583	8,959	12,873
<b>Accumulated depreciation:</b>							
At 1 January 2020	271	26	2,012	274	1,103	4,735	8,421
Depreciation charge for the year	28	–*	145	46	27	969	1,215
Disposal	–	–	(98)	–	–	(506)	(604)
At 31 December 2020 and 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	323	18	1,555	270	54	5,962	8,182
<b>Net carrying amount:</b>							
At 31 December 2020	40	–*	784	70	22	3,378	4,294
At 31 December 2021	243	53	798	71	529	2,997	4,691

\* Below S\$1,000

## 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:

	Leasehold properties	Motor vehicles	Workshop and office equipment	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>				
<b>As at 1 January 2020</b>	729	65	867	1,661
Additions	1,752	–	–	1,752
Depreciation	(627)	(16)	(68)	(711)
<b>As at 31 December 2020</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

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

	31 December 2021	31 December 2020
	S\$'000	S\$'000
<b>Group</b>		
<b>As at 1 January</b>	1,873	774
Accretion of interest	265	41
Additions	11,582	1,752
Disposal	(1,387)	–
Payments	(945)	(694)
<b>As at 31 December</b>	11,388	1,873
Current	713	635
Non-current	10,675	1,238
<b>As at 31 December</b>	11,388	1,873

## 11. Trade and other receivables

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Trade receivables	2,330	2,690	–	–
Other receivables	2,863	3,275	–	–
	5,193	5,965	–	–
<b>Current assets</b>				
Trade receivables	2,861	5,531	–	–
Deposits	12	2,035	11	–
GST receivables	238	1,366	–	–
Other receivables	317	415	33	–
	3,428	9,347	44	–
<b>Total trade and other receivables</b>	8,621	15,312	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.

### Other receivables

Included in other receivables in 2020 was compensation due from a customer for the premature termination of a contractual agreement.

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

	31 December 2021	31 December 2020
	SS'000	SS'000
United States Dollars	7,156	9,866
Euro	5	230

## 12. Inventories

	31 December 2021	31 December 2020
	SS'000	SS'000
<b>Group</b>		
Raw material, at cost	2,725	2,461
Work-in-progress, at cost	43	30
Finished goods, at cost	5,625	5,081
Consumables, at cost	317	59
	8,710	7,631
Less: Allowance for inventories obsolescence	(101)	(186)
	8,609	7,445

## 13. Cash and bank balances

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	SS'000	SS'000	SS'000	SS'000
Cash at banks	20,307	3,334	18,132	–
Cash on hand	–*	6	–	–
	20,307	3,340	18,132	–
Less: Restricted cash	(63)	(24)	–	–
Cash and cash equivalents	20,244	3,316	18,132	–

\* Below S\$1,000

Restricted cash of S\$62,709 as at 31 December 2021 represents cash at bank that has been set aside, at the subsidiary level, as performance guarantee for ongoing contracts.

**13. 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 at 31 December are as follow:

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>SS'000</b>	<b>SS'000</b>
United States Dollars	1,083	1,565
Euro	21	84

**14. Trade and other payables**

	<b>Group</b>		<b>Company</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>
Trade payables	3,471	3,059	–	–
Other payables:				
Sundry payables	545	410	8	–
Accruals	631	652	102	–
Government grant	–	174	–	–
Amount due to a subsidiary	–	–	1,584	–
Total trade and other payables	4,647	4,295	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:

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>SS'000</b>	<b>SS'000</b>
United States Dollars	2,079	2,580
Euro	359	199

**15. Amount due to a director**

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

16. **Loan and borrowing**

	31 December 2021	31 December 2020
	S\$'000	S\$'000
<b>Group</b>		
<b>Current</b>		
Commercial property loan (secured)	1,166	–
Shareholder loan	6	–
	<hr/>	<hr/>
	1,172	–
<b>Non-current</b>		
Commercial property loan (secured)	13,153	–
Shareholder loan	13,000	–
	<hr/>	<hr/>
	26,153	–
	<hr/>	<hr/>
Total loan and borrowing	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 15) and the remaining S\$13,000,000 is to be converted to an interest-bearing loan due to the sole shareholder (“**Shareholder Loan**”). The interest rate payable on the Shareholder Loan for each 6-month interest rate period (such period an “**Interest Rate Period**”) is a percentage equal to 0.1% above (a) in respect of the first Interest Rate Period, the 6-month Compounded Singapore Overnight Rate Average (“**Compounded SORA**”); and (b) in respect of each other successive Interest Rate Period, the Compounded SORA published on the business day immediately following the last day of the previous Interest Rate Period.

Please refer to the Company’s Offer Document for further details on this Shareholder Loan.

17. **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.

**17. 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

Please refer to the Company’s Offer Document for further details on the Convertible Note.

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:

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>S\$’000</b>	<b>S\$’000</b>
<b>Group and Company</b>		
<b>Equity component</b>		
As at 1 January	–	–
Issuance of convertible note	407	–
As at 31 December	<u>407</u>	<u>–</u>
<b>Liability component</b>		
As at 1 January	–	–
Issuance of convertible note	4,525	–
Interest expense	67	–
As at 31 December	<u>4,592</u>	<u>–</u>

**18. 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.

**19. Deferred tax liabilities**

Deferred tax liabilities relate to the following:

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Group</b>		
Differences in depreciation for tax purposes	705	764

**20. Share capital**

	<b>Group</b>		<b>Company</b>	
	<b>No. of shares</b>	<b>Amount S\$'000</b>	<b>No. of shares</b>	<b>Amount S\$'000</b>
<i>Issued and fully paid ordinary shares:</i>				
<b>As at 1 January 2021</b>	1,000,000	1,000	–	–
Issuance of shares at date of incorporation of the Company <sup>(a)</sup>	1	– (a)	1	– (a)
Restructuring exercise <sup>(b)</sup>	(990,001)	9,587	9,999	10,587
Share split <sup>(c)</sup>	190,624,061	–	190,624,061	–
Issuance of shares <sup>(d)</sup>	29,515,939	5,068	29,515,939	5,068
	220,150,000	15,655	220,150,000	15,655
Issuance of shares pursuant to Initial Public Offering <sup>(e)</sup>	38,850,000	8,547	38,850,000	8,547
Share issue expenses	–	(566)	–	(566)
<b>As at 31 December 2021</b>	259,000,000	23,636	259,000,000	23,636

- (a) The Company was incorporated on 8 June 2021 with a paid-up capital of S\$1.00 comprising one share, which was held by Feng Tai Investment Pte. Ltd., a company incorporated in Singapore.
- (b) On 28 October 2021, the Company entered into a restructuring agreement with Mr Sim Koon Lam, who was the sole shareholder of Mooreast Asia Pte. Ltd., to acquire entire issued and paid-up capital of Mooreast Asia Pte. Ltd. for an aggregate consideration of S\$10,587,174 by issue and allotment of an aggregate of 9,999 new fully paid-up shares to Mr Sim Koon Lam.
- (c) On 16 November 2021, pursuant to the sub-division of each of the shares, 10,000 shares in the capital of the Company were split into 190,634,061 shares, resulting in increase of 190,624,061 shares.
- (d) Under the terms of the Convertible Note Agreement, the first series of EDBI Convertible Notes with principal amount equivalent to S\$5,000,000 was converted to 29,515,939 new shares at a price per share calculated based on the issue price less a discount rate of 23% on 22 November 2021. The fair value of the shares issued was determined at S\$5,067,978.
- (e) Pursuant to Initial Public Offering exercise on 24 November 2021, the Company issued 38,850,000 ordinary shares at \$0.22 each.

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.

## 21. 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.

21. Operating segments (cont'd)

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

21. 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 31 December 2020</b>							
Revenue from external customers	6,260	1,505	853	1,734	–	–	10,352
Intersegment revenue	1,037	–	–	–	–	(1,037)	–
Total revenue	7,297	1,505	853	1,734	–	(1,037)	10,352
Results:							
Depreciation	(462)	(55)	–	–	(449)	–	(966)
Interest income	–	–	–	–	–*	–	–*
Interest expense	–	–	–	–	(27)	–	(27)
Segment profit	4,237	367	221	330	(2,296)	(1,037)	1,822

\* Below S\$1,000



21. Operating segments (cont'd)

	Mooring	Rigging and Heavy Lifting	Marine Supplies and Services	Renewable Energy	Yard	Corporate	Elimination	Per consolidated financial statements
	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000
<b>For the twelve-months period ended 31 December 2021</b>								
Revenue from external customers	7,795	3,194	2,281	328	602	–	–	14,200
Intersegment revenue	423	–	–	–	–	–	(423)	–
Total revenue	8,218	3,194	2,281	328	602	–	(423)	14,200
Results:								
Depreciation	(1,003)	(121)	(12)	(53)	(94)	(1,231)	–	(2,514)
Interest income	–	–	–	–	–	86	(50)	36
Interest expense	–	–	–	–	–	(1,014)	50	(964)
Segment profit	4,342	786	508	262	247	(8,204)	(49)	(2,108)
<b>As at 31 December 2021</b>								
Segment assets:	50,630	3,224	954	–	13	21,351	–	76,172
Segment liabilities (exclude tax payables and deferred tax liabilities):	4,936	653	375	–	–	47,361	–	53,325

21. Operating segments (cont'd)

	Mooring	Rigging and Heavy Lifting	Marine Supplies and Services	Renewable Energy	Corporate	Elimination	Per consolidated financial statements
	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000
<b>For the twelve-months period ended 31 December 2020</b>							
Revenue from external customers	14,190	2,701	1,019	1,768	–	–	19,678
Intersegment revenue	1,743	–	–	–	–	(1,743)	–
Total revenue	15,933	2,701	1,019	1,768	–	(1,743)	19,678
Results:							
Depreciation	(1,002)	(110)	–	–	(814)	–	(1,926)
Interest income	–	–	–	–	2	–	2
Interest expense	–	–	–	–	(57)	–	(57)
Segment profit	6,731	635	245	173	(3,168)	–	4,616
<b><u>As at 31 December 2020</u></b>							
Segment assets:	22,547	2,906	751	90	7,746	–	34,040
Segment liabilities (exclude tax payables and deferred tax liabilities):	3,251	435	250	40	2,739	–	6,715

## 22. 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>For the six-month period ended 31 December</b>		<b>For the twelve-month period ended 31 December</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Key management personnel remuneration:				
- Salaries and bonuses	80,000	60,000	140,000	120,000
- CPF contributions	5,873	3,240	9,113	6,480
- Salaries and bonus paid to a spouse of a director	60,000	60,000	120,000	120,000
- CPF contributions paid to a spouse of a director	6,120	3,240	12,240	6,480

## 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 16 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 17 and Note 20 of Section E – Notes to the Condensed Interim Consolidated Financial Statements.

There are no treasury shares or subsidiary holdings as at 31 December 2021 and 31 December 2020.

- 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 20 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 2021 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 2021 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 2021	31 December 2020	31 December 2021	31 December 2020
Net asset value (S\$'000)	21,787	25,587	22,504	–
Number of ordinary shares in issue ('000) <sup>(1)</sup>	259,000	259,000	259,000	–
<b>Net asset value per ordinary share (cents)</b>	<b>8.4</b>	<b>9.9</b>	<b>8.7</b>	<b>–</b>

*Note*

*(1) For comparison purposes, the calculation for the net asset value per ordinary share for the respective financial years is based on the post-IPO share capital of 259,000,000 shares in issue.*

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**

**(FY2021 vs FY2020)**

**(1) Revenue:**

Segments	FY2021 S\$'000	FY2020 S\$'000	Increase/ (Decrease) S\$'000	Increase/ (Decrease) %
Mooring	7,795	14,190	(6,395)	(45)
Rigging and Heavy Lifting	3,194	2,701	493	18
Marine Supplies and Services	2,281	1,019	1,262	124
Renewable Energy	328	1,768	(1,440)	(81)
Yard	602	–	602	nm
<b>Total</b>	<b>14,200</b>	<b>19,678</b>	<b>(5,478)</b>	<b>(28)</b>

Total revenue decreased by S\$5.5 million or 28% from S\$19.7 million in FY2020 to S\$14.2 million in FY2021. The decrease was mainly due to the lower revenue contribution from the Group's Mooring Division which decreased to S\$7.8 million in FY2021 compared to S\$14.2 million in FY2020, mainly due to lower sale of fabricated goods, attributed to a slowdown in the number of projects as a result of the uncertainties brought about by the COVID-19 pandemic.

Revenue from the Renewable Energy Division was derived from the rental of mooring systems to a renewable project in Taiwan which commenced in April 2021. This was lower compared to FY2020 as the revenue in FY2020 was due to the one-off sale of anchors to a new customer for one of its offshore wind turbine projects in Senegal in FY2020.

The decline in revenue was offset by better performance from our Rigging and Heavy Lifting, Marine Supplies and Services and our new Yard Divisions. Our new Yard Division contributed S\$0.6 million in revenue for FY2021, while the Rigging and Heavy Lifting Division and Marine Supplies and Services Division showed improved revenue contributions for FY2021 at S\$3.2 million (compared to S\$2.7million in FY2020) and S\$2.3 million (compared to S\$1.0 million in FY2020) respectively.

Rigging and Heavy Lifting Division performance improved mainly due to new customers secured, and increase in product range offered in FY2021 compared to FY2020, while the Marine Supplies and Services Division, which commenced in July 2020, recorded better improvement due to full a year contribution in FY2021.

**(2) Cost of Sales:**

Cost of sales decreased by S\$3.7 million or 31% from S\$11.9 million in FY2020 to S\$8.2 million in FY2021. The decline was mainly attributed to lower third-party cost of goods purchased and lower cost of fabrication. This decrease was in tandem with the decrease in revenue.

**(3) Gross Profit:**

Due to the decrease in revenue, gross profit decreased correspondingly by S\$1.8 million or 23% from S\$7.8 million in FY2020 to S\$6.0 million in FY2021. Overall gross profit margin remained relatively stable at 42% compared to 40% in FY2020.

**(4) Other Income:**

Other income decreased from S\$1.4 million in FY2020 to S\$0.9 million in FY2021. This was due to lower government grants received under Job Support Scheme and lower gain from sale of plant and equipment.

**(5) Administrative Expenses:**

	<b>FY2021</b> <b>S\$'000</b>	<b>FY2020</b> <b>S\$'000</b>	<b>Increase/ (Decrease)</b> <b>S\$'000</b>	<b>Increase/ (Decrease)</b> <b>%</b>
Staff related costs	3,172	2,712	460	17
Depreciation	1,231	814	417	51
IPO expenses	1,271	–	1,271	nm
Upkeep of premises	503	24	479	1,996
Other administrative costs	639	450	189	42
<b>Total</b>	<b>6,816</b>	<b>4,000</b>	<b>2,816</b>	<b>70</b>

Nm=not meaningful

Administrative expenses increased by S\$2.8 million or 70% from S\$4.0 million in FY2020 to S\$6.8 million in FY2021 mainly due to an increase in staff related costs, depreciation expenses, upkeep of premises as well as other administrative costs. There was also a one-off IPO expenses of S\$1.3 million in relation to the Company's listing on the Catalist Board.

The increase in staff related costs was mainly due to recruitment of more professionals and executives for our corporate functions since the second half of FY2020 to support the Group's business growth. The increase in depreciation expenses was due to higher right-of-use assets acquired 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 higher mainly due to the relocation costs and security fees relating to our new premise at 51 Shipyard Road and out-of-pocket expenses for our IPO exercise.

**(6) Interest Expenses:**

Increase in interest expense of S\$0.9 million was due to the interest expenses on the new commercial property loan to finance the acquisition of the leasehold property at 51 Shipyard Road, convertible note, shareholder loan, and the interest expenses recognized on providing financing to contract customers.

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

**(7) Other Expenses:**

Other expenses increased from S\$0.3 million in FY2020 to S\$1.1 million in FY2021 due mainly to an increase in professional and legal fees for, among others, the EDBI Convertible Note Agreement as well as the acquisition of 51 Shipyard Road as well as an increase in property tax (for 51 Shipyard Road) as well as settlement costs of S\$0.2 million incurred in FY2021 due to dispute with one of our customers in Netherlands regarding the quantity of chains to be delivered. We entered into a settlement agreement with the customer and the matter has been amicably concluded.

**(2HFY2021 vs 2HFY2020)**

**(1) Revenue:**

Segments	2HFY2021 S\$'000	2HFY2020 S\$'000	Increase/ (Decrease) S\$'000	Increase/ (Decrease) %
Mooring	3,805	6,260	(2,455)	(39)
Rigging and Heavy Lifting	1,368	1,505	(137)	(9)
Marine Supplies and Services	1,081	853	228	27
Renewable Energy	152	1,734	(1,582)	(91)
Yard	603	–	603	100
<b>Total</b>	<b>7,009</b>	<b>10,352</b>	<b>(3,343)</b>	<b>(32)</b>

Total revenue decreased by S\$3.3 million or 32% from S\$10.4 million in 2HFY2020 to S\$7.0 million in 2HFY2021, mainly due to the lower revenue contribution from the Mooring Division and the Renewable Energy Division, as the prolonged COVID-19 situation increases economic uncertainty and caused projects to be delayed. The decrease was partially offset by better performance from our Marine Supplies and Services Division and the new Yard Division.

Revenue from our Mooring Division was S\$3.8 million in 2HFY2021, a significant decline of S\$2.5 million, compared to S\$6.3 million recorded in 2HFY2020. The decrease was mainly due to lower sale of fabricated goods, attributed to the weaker global market recovery as a result of the prolonged COVID-19 pandemic.

Revenue from Renewable Energy Division was lower compared to 2HFY2020 due to the absence of a one-off sale of anchors to a new customer for one of its offshore wind turbine projects in Senegal in 2HFY2020.

Revenue from the Rigging and Heavy Lifting Division in 2HFY2021 declined by S\$0.1 million compared to 2HFY2020 mainly due to the slowdown in business activities as COVID cases spiked with the emergence of the new COVID-19 Omicron variant in last quarter of FY2021.

Revenue from the Marine Supplies and Services Division increased in 2HFY2021 compared to 2HFY2020 as 2HFY2021 represented a full 6-month contribution compared to 2HFY2020 (the Marine Supplies and Services Division commenced business activities in July 2020).

Following the relocation of the new premise at 51 Shipyard Road in October 2021, we leveraged on the facilities at the new premises and our new Yard Division contributed \$0.6 million in revenue for 2HFY2021.

**(2) Cost of Sales:**

In line with the decline in revenue, cost of sales decreased by S\$2.2 million or 36% from S\$6.2 million in 2HFY2020 to S\$4.0 million in 2HFY2021. The decline was mainly attributed to lower third-party cost of goods purchased and lower cost of fabrication.

**(3) Gross Profit:**

Due to the decrease in revenue, gross profit decreased correspondingly by S\$1.1 million or 27% from S\$4.1 million in 2HFY2020 to S\$3.0 million in 2HFY2021. Overall gross profit margin was at 43% compared to 40% in FY2020.

**(4) Other Income:**

Other income decreased from S\$0.9 million in 2HFY2020 to S\$0.4 million in 2HFY2021. This was due to lower government grants received under Job Support Scheme and lower gain from sale of plant and equipment in 2HFY2020. The decrease was alleviated by the increase in sales of scrap metal.



**(5) Administrative Expenses:**

	<b>2HFY2021</b> <b>S\$'000</b>	<b>2HFY2020</b> <b>S\$'000</b>	<b>Increase/ (Decrease)</b> <b>S\$'000</b>	<b>Increase/ (Decrease)</b> <b>%</b>
Staff related costs	1,763	1,725	38	2
Depreciation	845	449	396	88
IPO expenses	810	–	810	nm
Upkeep of premises	434	7	427	6,100
Relocation costs	66	–	66	nm
Other administrative costs	318	223	95	43
<b>Total</b>	<b>4,236</b>	<b>2,404</b>	<b>1,832</b>	<b>76</b>

Nm=not meaningful

Administrative expenses increased by S\$1.8 million or 76% mainly due to an increase in depreciation expenses, IPO related expenses in relation to the Company's listing on the Catalist Board, upkeep of premises expenses as well as other administrative expenses.

The increase in depreciation expenses was due to higher right-of-use assets acquired during 2HFY2021 and was in relation to the acquisition of the property at 51 Shipyard Road.

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 higher mainly due to the relocation costs and security fees relating to our new premise at 51 Shipyard Road and out-of-pocket expenses for our IPO exercise.

**(6) Interest expense:**

Increase in interest expense of S\$0.9 million was due to the interest expenses on the new commercial property loan to finance the acquisition of the leasehold property at 51 Shipyard Road, convertible note, shareholder loan, and the interest expenses recognized on providing financing to contract customers.

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

**(7) Other Expenses:**

Other expenses increased from S\$0.7 million in 2HFY2020 to S\$0.8 million in 2HFY2021 mainly due to an increase in professional and legal fees and property taxes and settlement costs incurred in 2HFY2021. Settlement costs incurred was due to dispute with one of our customers in Netherlands regarding the quantity of chains to be delivered. We entered into a settlement agreement with the customer and the matter has been amicably concluded, partially offset by a decrease in net foreign exchange loss of S\$0.4 million (due to the depreciation of S\$ against the US\$ during 2HFY2021).

The increase in professional and legal fees was mainly in relation to the issuance of the EDBI Convertible Notes as well as the acquisition of 51 Shipyard Road. The increase in property tax was also attributable to the new property at 51 Shipyard Road acquired in July 2021.

## **B. Consolidated Statement of Financial Position as at 31 December 2021**

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

Non-current assets increased to S\$43.0 million as at 31 December 2021 from S\$13.0 million as at 31 December 2020, mainly due to an increase in plant and equipment and right-of-use assets of S\$0.4 million and S\$30.4 million respectively.

The increase in plant and equipment was mainly due to the acquisition of plant and equipment of S\$1.9 million. The increase was offset by the disposal of plant and equipment with net book value of S\$0.3 million as a result of relocation, as well as the depreciation of plant and equipment of S\$1.2 million during the year.

The increase in right-of-use assets was mainly due to:

- (i) acquisition of a leasehold property of S\$19.2 million of which S\$14.8 million was financed by a commercial property loan;
- (ii) lease of 51 Shipyard Road amounting to S\$9.2 million;
- (iii) JTC land reinstatement cost of S\$2 million; and
- (iv) acquisition of workshop and office equipment of S\$2.6 million, which was financed by hire purchase facility.

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

Current assets increased to S\$33.2 million as at 31 December 2021 compared to S\$21.1 million as at 31 December 2020. The increase was mainly due to the increase in cash and bank balances of S\$17.0 million and inventories of S\$1.2 million, partially offset by decrease in trade and other receivables of S\$5.9 million.

Cash and bank balances increased from S\$3.3 million as at 31 December 2020 to S\$20.3 million as at 31 December 2021 due mainly to proceeds from the IPO and the EDBI Convertible Notes as well as net cash generated from operating activities.

Inventories, which comprise mainly raw materials and finished goods, amounted to approximately S\$8.6 million as at 31 December 2021 compared to S\$7.4 million as at 31 December 2020. Finished goods as at 31 December 2021 included an amount of approximately S\$1.7 million for anchor chains built but not delivered to the customer due to a delay in the customer's project.

Trade and other receivables decreased from S\$9.3 million as at 31 December 2020 to S\$3.4 million as at 31 December 2021 due to better collection of trade and other receivables as compared to the previous year.

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

Current liabilities increased to S\$10.3 million as at 31 December 2021 from S\$6.5 million as at 31 December 2020 mainly due to:

- (i) increase in lease liabilities recognized in relation to the lease of workshop and office equipment of S\$0.1 million;
- (ii) the drawdown of commercial property loan to finance the acquisition of leasehold property at 51 Shipyard Road of S\$1.2 million;
- (iii) amount due to director of S\$2.0 million in relation to the dividends declared in FY2021 prior to the Company's IPO; and
- (iv) increase in contract liabilities of S\$0.8 million mainly due to advance payment from a customer for a fabrication job that commenced in September 2021.

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

Non-current liabilities were S\$44.1 million as at 31 December 2021, compared to S\$2.0 million as at 31 December 2020. The increase is mainly contributed by:-

- (i) the non-current portion of the commercial property loan amounting S\$13.2 million to finance the acquisition of leasehold property at 51 Shipyard Road;
- (ii) issuance of convertible note of S\$4.6 million;
- (iii) shareholder's loan of S\$13.0 million in relation to the dividends declared in FY2021 prior to the Company's IPO; and
- (iv) increase in lease liabilities for rights-of-use assets of S\$9.4 million and provision for reinstatement cost of S\$2 million in respect to the new leasehold property at 51 Shipyard Road.

**C. Consolidated Statement of Cash Flows (FY2021)**

- (1) In FY2021, we generated net cash before changes in working capital of S\$3.0 million. Net cash generated from changes in working capital amounted to S\$5.8 million due mainly to a decrease in contract assets, trade and other receivables of S\$5.7 million as well as an increase in contract liabilities, trade and other payables of S\$1.2 million. These were partially offset by the increase in inventories of S\$1.1 million. The Group also paid income tax of S\$0.9 million.
- (2) Net cash used in investing activities in FY2021 amounted to S\$21.0 million. This was due mainly to acquisition of property, plant and equipment and right-of-use assets of S\$21.4 million in relation to our new premises at 51 Shipyard Road, partially offset by proceeds from disposal of plant and equipment of S\$0.3 million.
- (3) Net cash generated from financing activities in FY2021 amounted to S\$30.0 million. This was due mainly to:
  - (i) proceeds from loan and borrowing of S\$14.8 million for the acquisition of 51 Shipyard Road;
  - (ii) proceed from the second series of the EDBI Convertible Notes of S\$5.0 million; and
  - (iii) proceeds from the IPO and the first series of the EDBI Convertible Notes of S\$13.5 million.

The increase was partially offset by IPO expenses incurred amounting to S\$1.8 million as well as repayment and interest paid on lease liabilities of S\$0.9 million.

**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 remains cautiously optimistic on the outlook for the next 12 months, amid the rise in oil prices as well as increasing awareness and commercialisation of floating offshore renewable projects. The pandemic continues to provide business uncertainty and disruptions in many countries, and the Group is closely monitoring the situation and taking the necessary precautions and measures in the light of the evolving conditions.

Despite the challenging environment, the Group continues to focus its efforts to implement business strategies utilising the proceeds raised the IPO and EDBI Convertible Notes. These include:

- (i) Develop and grow our Renewable Energy Division by leveraging on our existing capabilities in providing total mooring solutions;

- (ii) Expand and upgrade our facility at 51 Shipyard Road.
- (iii) Expanding and diversifying our products and service offerings and capabilities through, inter alia, investments, mergers and acquisitions, joint ventures and/or strategic collaborations.

**11 Dividend Information**

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

An interim ordinary dividend has been declared in FY2021. Please refer to the section entitled “Dividend Policy” of the Offer Document for further details.

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

S\$15 per share.

**(ii) Previous corresponding period**

S\$1.50 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).**

Tax exempt.

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

As set-out in the Offer Document, the interim dividend of S\$15,000,000 was approved, of which S\$2,000,000 shall be settled in cash (subject to internal operating cash resources and approval by Audit Committee) and S\$13,000,000 to be converted to interest bearing loan due to the then sole shareholder, Mr Sim Koon Lam.

Please refer to the section entitled “Dividend Policy” of Offer Document for further details.

**(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.**

Not applicable.

**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.

**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 21 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**

	<b>FY2021</b> <b>S\$'000</b>	<b>FY2020</b> <b>S\$'000</b>	<b>Increase/ (Decrease)</b> <b>%</b>
Sales reported for first half year	7,191	9,326	(22.9)
Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year	393	2,339	(83.2)
Sales reported for second half year	7,009	10,352	(32.3)
Operating profit/(loss) after tax before deducting non-controlling interests reported for second half year	(2,688)	1,448	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:**

	<b>FY2021</b>	<b>FY2020</b>
(a) Ordinary	S\$15,000,000	S\$1,500,000
(b) Preference	Not applicable	Not applicable
(c) Total	\$15,000,000	S\$1,500,000

- 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
Elaine Sim	49	Spouse of Chief Executive Officer, who is also a director, and substantial shareholder	General Manager (HR, Admin & IT)	Not applicable

- 21 **Use of proceeds**

The gross proceeds of the Listing amounted to approximately S\$8.5 million (the “**Gross Proceeds**”). As at 31 December 2021, a total amount of approximately S\$2.1 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\$ 6.4 million is expected to be utilized as intended.

Use of net proceeds	Amount allocated S\$'000	Amount reallocation S\$'000	Amount utilised S\$'000	Balance as at the date of this announcement S\$'000
Develop and grow our Renewable Division	500	–	–	500
Development of facilities and capacity of 51 Shipyard Road and scale up of operations & invest in plant, machineries & equipment	4,000	–	(98)	3,902
To explore opportunities in M&A & strategic alliances	1,000	–	–	1,000
General corporate and working capital purposes	1,243	(33)	(184) <sup>(1)</sup>	1,026
IPO expenses pursuant to listing	1,804	33	(1,837)	–
<b>Gross proceeds from the Invitation</b>	<b>8,547</b>	<b>–</b>	<b>(2,119)</b>	<b>6,428</b>

**Note:**

- (1) Approximately S\$0.2 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  
25 February 2022