

# NEW CHAPTER, NEW OPPORTUNITIES

ANNUAL REPORT 2021



MOOREAST

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

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

The contact person for the Sponsor is Mr. Chia Beng Kwan, Registered Professional, W Capital Markets Pte. Ltd., 65 Chulia Street, #43-01 OCBC Centre, Singapore 049513, telephone (65) 6513 3541.

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## CORPORATE PROFILE

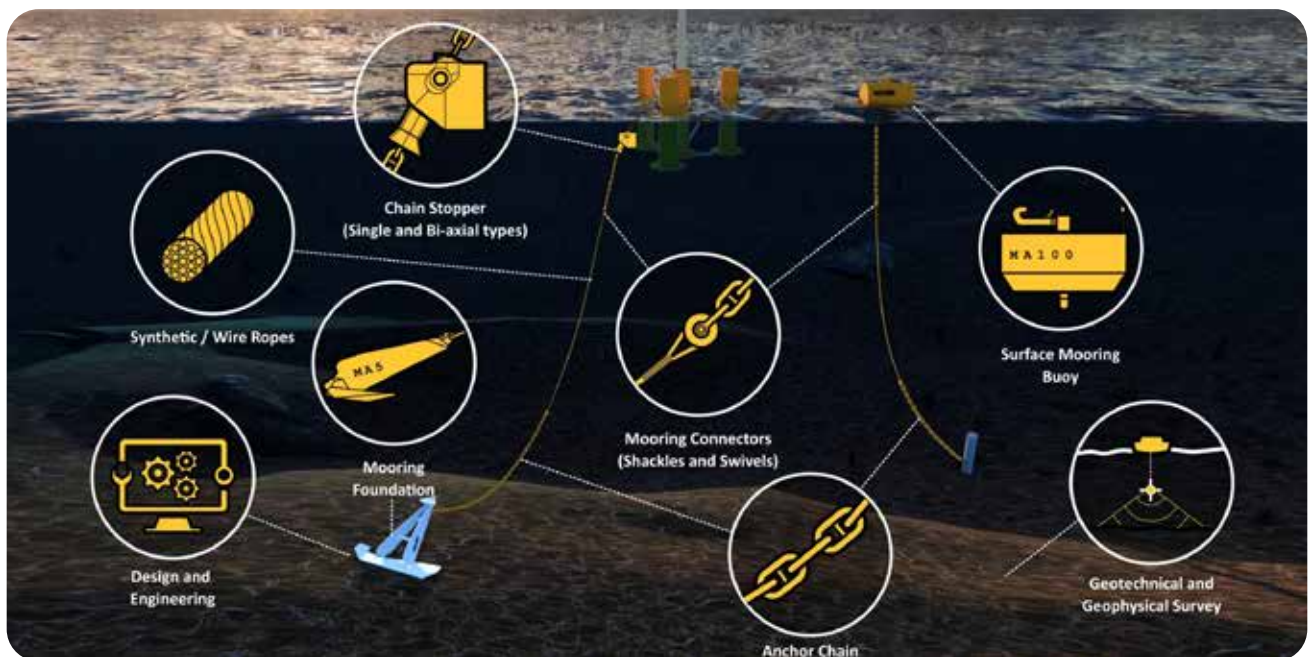
Listed on the SGX Catalist Board since November 2021, Mooreast is a total mooring solutions specialist, serving mainly the offshore oil & gas (“O&G”), marine and offshore renewable energy industries, with operations primarily in Singapore, and through its wholly-owned subsidiary, Mooreast Europe, a European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

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

## OUR PRODUCTS AND SERVICES

### Total Mooring Solutions

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



### Renewable Energy

Amid concerns of climate change, Mooreast is serving the renewable energy sector through the provision of design, engineering, fabrication, supply mobilisation and logistics, 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

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



## Rigging & Heavy Lifting

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



## Marine Supplies & Services

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



## OUR NEW FACILITY (51 SHIPYARD ROAD)

### OUR NEW FACILITY

Mooreast completed the acquisition of 51 Shipyard Road in July 2021 and completed the relocation of our existing operations at 14 Benoi Road to 51 Shipyard Road in October 2021; an upgraded water-

front facility in Singapore that will more than double our capacity. 51 Shipyard Road marks an important development in our strategic shift towards serving the offshore renewable energy sector.



With a usable floor space of 323,000 sqft, 51 Shipyard Road features three main buildings which are used for components fabrication, warehousing and office functions. The establishment of the yard also enabled Mooreast to set up our new Yard business segment – which offers on-board fabrication, repairs and testing of components for marine vessels that dock at the waterfront of the yard.

The facility will more than double our capacity and utilisation, and serves as the foundation to develop new products and services that are suited for the offshore renewable energy sector.

## DEAR SHAREHOLDERS,

On behalf of the Board of Directors (the “**Board**”) of Mooreast Holdings Ltd. (“**Mooreast**” or the “**Group**”) I am pleased to present our maiden annual report for the financial year ended 31 December 2021 (“**FY2021**”), having successfully completed an initial public offering (“**IPO**”) and a listing on the SGX Catalist Board on 24 November 2021.

FY2021 was a year of great significance which culminated in Mooreast obtaining a listed status and capital market platform to pursue the next chapter of becoming a leading provider of mooring and rigging solutions for the floating renewable energy sector.

Indeed, the floating wind energy market – which we intend to focus on – has already experienced commercialisation in various markets. Climate change and the global emphasis on sustainability have galvanised governments and corporations to convert plans to reality. Hence, Mooreast’s own IPO will prepare us well for these global trends.

During the year under review, three important developments leading up to the IPO are of particular significance.

### 51 Shipyard Road

On 13 October 2021, we relocated our yard and headquarters to 51 Shipyard Road. With usable floor space of 323,000 sqft – more than double that of our previous facility at 14 Benoi Sector – we now have ample room for future expansion. Indeed, we have begun adding new machinery and equipment to enhance our load-out capabilities and capacities and improve our production efficiency.

Shortly after moving in, we began to utilise the facility’s waterfront berth to establish our new Yard division. This division offers onboard fabrication, repairs and testing components for marine vessels that dock at 51 Shipyard Road. Already, we are seeing a healthy demand, and we plan to set up long-term partnerships to continue growing revenue contribution from this segment in FY2022.

The facility is not merely an enlarged workspace. Indeed, we intend to introduce sustainable practices internally even as we focus increasingly on renewable energy activities.

### Expanding our Product Portfolio

The new yard will support our efforts to expand our product portfolio to provide equipment as well

as total solutions for offshore renewable projects. These include our in-house designed 30-tonne MA9 anchor which is capable of withstanding typhoon-like conditions, making it the ideal subsea foundation for projects looking to deploy their platforms further out at sea.

Another unique product is MoorFloat, a modular platform that is easy to assemble and transport, and is catered towards floating solar farms. Solar farm developers will be able to assemble the MoorFloat with commonly available tools and require much fewer mooring lines compared to conventional systems. These products reflect Mooreast’s drive to constantly add value to our customers. Indeed, we expect to roll out more innovative products in the coming year.

We have also strengthened our geotechnical engineering as well as research and development capabilities. We see such specialised engineering as a key differentiator for our positioning as a total mooring and rigging solutions specialist. We are recruiting more engineers and professionals to derive greater insight into the environmental conditions for each project, allowing us to diversify our services, and better customise solutions for each project.

### EDB Investments

We are also pleased to have received S\$10 million in investment funding from EDB Investments Pte Ltd (“**EDBI**”), the investment arm of Singapore’s Economic Development Board. This substantial funding underscores the market potential of the renewable energy market, as well as Mooreast’s ability to capture growing market share.

Having EDBI as our first strategic investor will allow us to tap into the credibility and network of EDBI to support our efforts to secure projects and partnerships in the international market, and serves as an important platform for Mooreast in our journey to becoming a leader in total mooring solutions for offshore renewable energy projects.

### FY2021 Financial Performance

The COVID-19 pandemic continued to make its presence felt during the year in review. Due to economic uncertainty and supply chain disruptions, several projects in our Mooring division, our main revenue contributor, experienced delays. This resulted in revenue for FY2021 declining 28% to S\$14.2 million from S\$19.7 million.

The decline was offset by improved performance by our Marine Supplies and Services and Rigging and Heavy Lifting divisions, as well as maiden revenue contribution from our newly established Yard division, highlighting the resilience in Mooreast's diversification strategy.

In line with the lower top line, gross profit for FY2021 declined 23% to S\$6.0 million from S\$7.8 million in FY2020. The lower top line, combined with the one-off IPO expenses of S\$1.3 million, resulted in a net loss of S\$2.3 million for FY2021. Excluding the non-recurring listing expenses, our net loss would have been S\$1.0 million.

### Initial Public Offering

On 24 November 2021, Mooreast marked a major milestone when it began trading on the Catalist Board of the SGX.

We raised total gross proceeds of approximately S\$8.5 million through the public offer of 800,000 Offer Shares at S\$0.22 each and placement of 38,050,000 Placement Shares at S\$0.22 each. These funds, combined with the pre-IPO investment from EDBI, will go towards developing the facilities and capacity of 51 Shipyard Road, scaling up operations, developing and growing its renewable energy division, expanding and diversifying our product and service offerings, exploring merger and acquisition opportunities as well as provide for general corporate and working capital purposes.

The Group's balance sheet has strengthened substantially over FY2021, as our cash and bank balances increased by S\$17.0 million mainly due to our recent IPO and EDBI's investment, while the acquisition of the 51 Shipyard Road site resulted in an increase of S\$30.4 million in right-of-use assets. The robust balance sheet further adds resilience to our operations, and will also fund our expansion plans.

### The Road Ahead

Despite the challenges faced due to the pandemic, we are seeing several silver linings on the horizon. In line with the global shift towards renewable energy, we will continue to focus our efforts to grow our Renewable Energy division by securing commercial offshore projects and developing new products for the industry.

Mooreast will continue to implement growth strategies to increase the Group's revenue streams, improve operational efficiency, as well as pave the way for our ambition as a leading mooring specialist in the offshore renewable sector. We are also on the lookout for the right partners to diversify our services and capabilities and provide synergy to the business.

We remain cautiously optimistic of our financial performance for FY2022 in view of the absence of one-off IPO expenses, as well as the recovery in business activity. The recent conflict in Europe has resulted in a spike in oil prices, and Mooreast is closely monitoring the situation for potential impacts on our business.

### Appreciation

I would like to congratulate our CEO, Executive Director and Deputy Chairman, Mr Sim Koon Lam, and his team on the successful listing, as they work to transform Mooreast's business to better serve the offshore renewable energy sector.

I would like to extend my appreciation to our customers and business partners for their support during these challenging times.

Mooreast's successful IPO would not have been possible without the active support of the Singapore Exchange itself as well as the many people who worked arduously in the months leading up to the first day of trading. In this regard, I would like to express my gratitude to the management team, employees, key professionals and many others who have contributed to making our public listing a success. I also welcome my fellow independent directors, Ms Constance Lee and Mr Zulkifly Bin Zakaria to the Board. I am confident their counsel and guidance will bring Mooreast to greater heights.

Most importantly, thank you, our shareholders, for your confidence in our long-term vision. We are on the path to an exciting journey ahead, and we remain committed to delivering greater value in the years ahead.

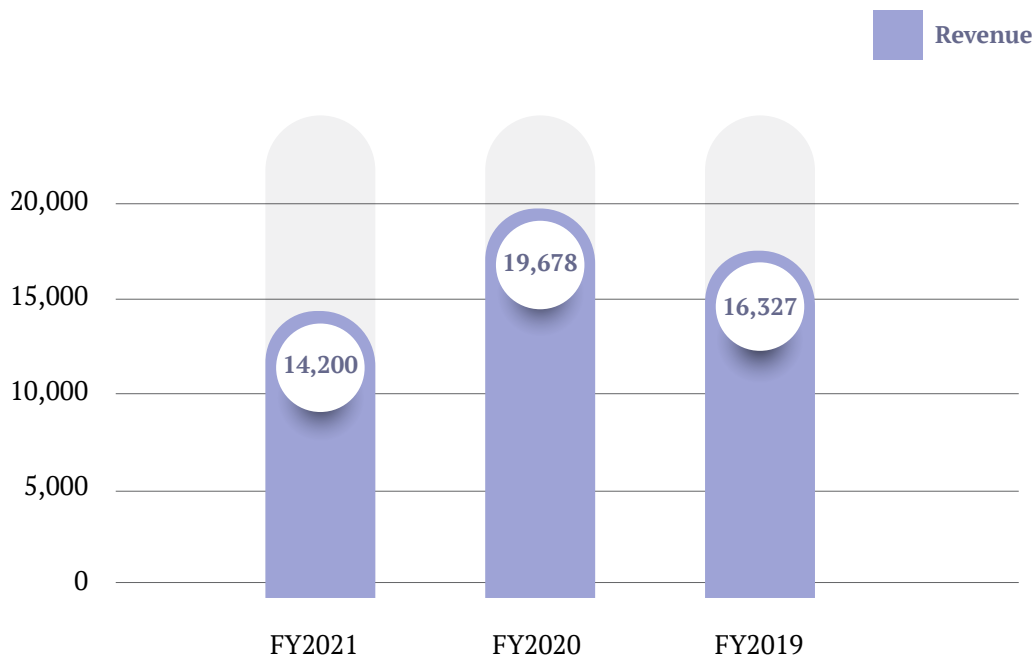
### Mr Joseph Ong

*Non-Executive Chairman and Lead Independent Director*

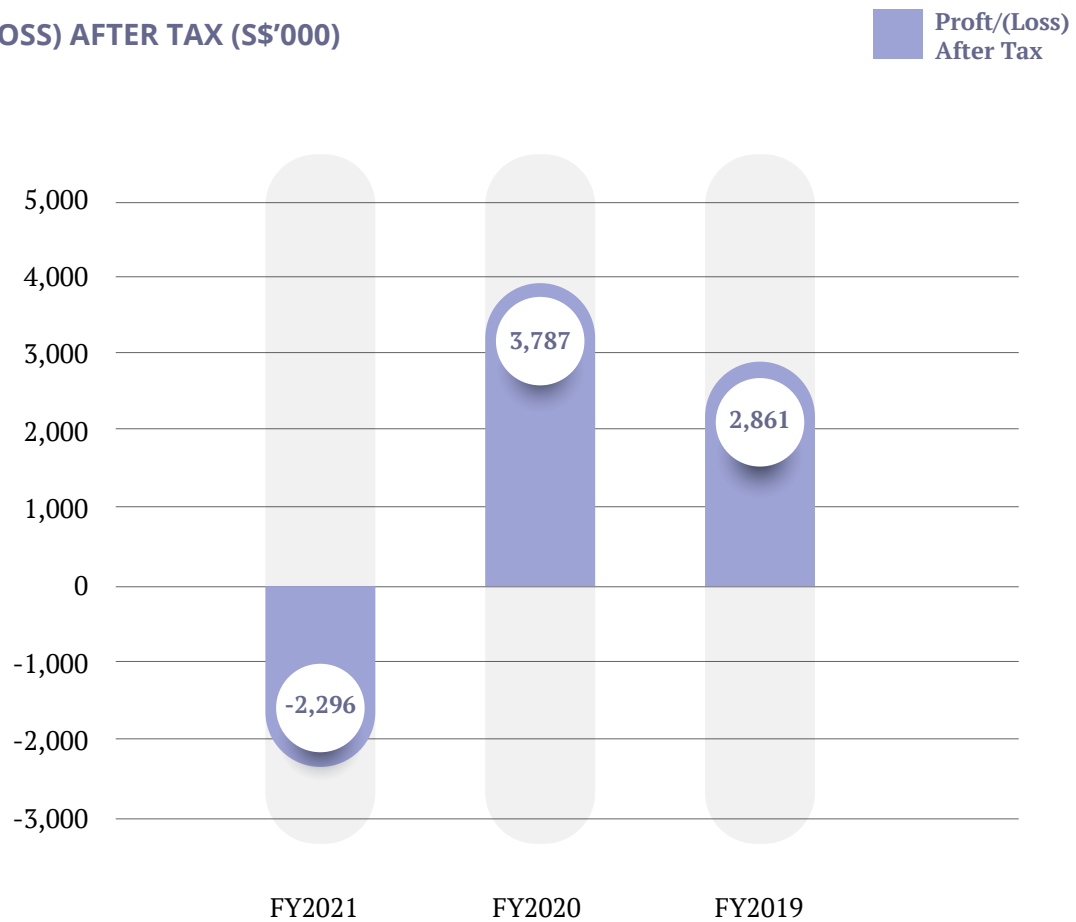
14 April 2022



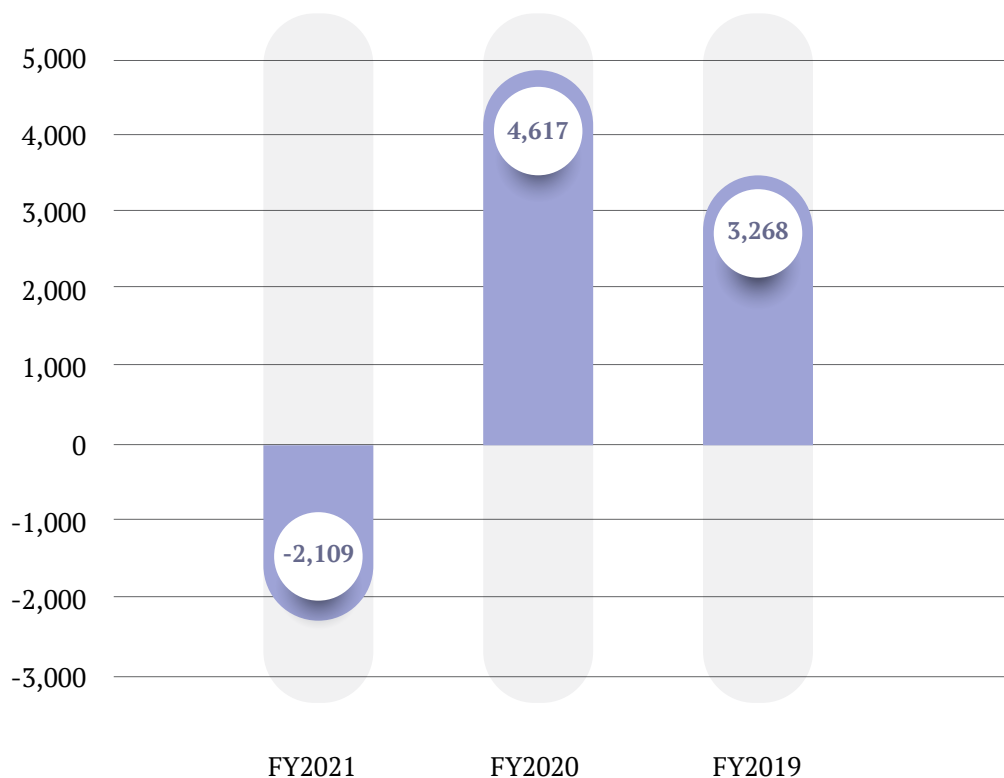
REVENUE



PROFIT/(LOSS) AFTER TAX (S\$'000)



## PROFIT/(LOSS) BEFORE TAX (S\$'000)

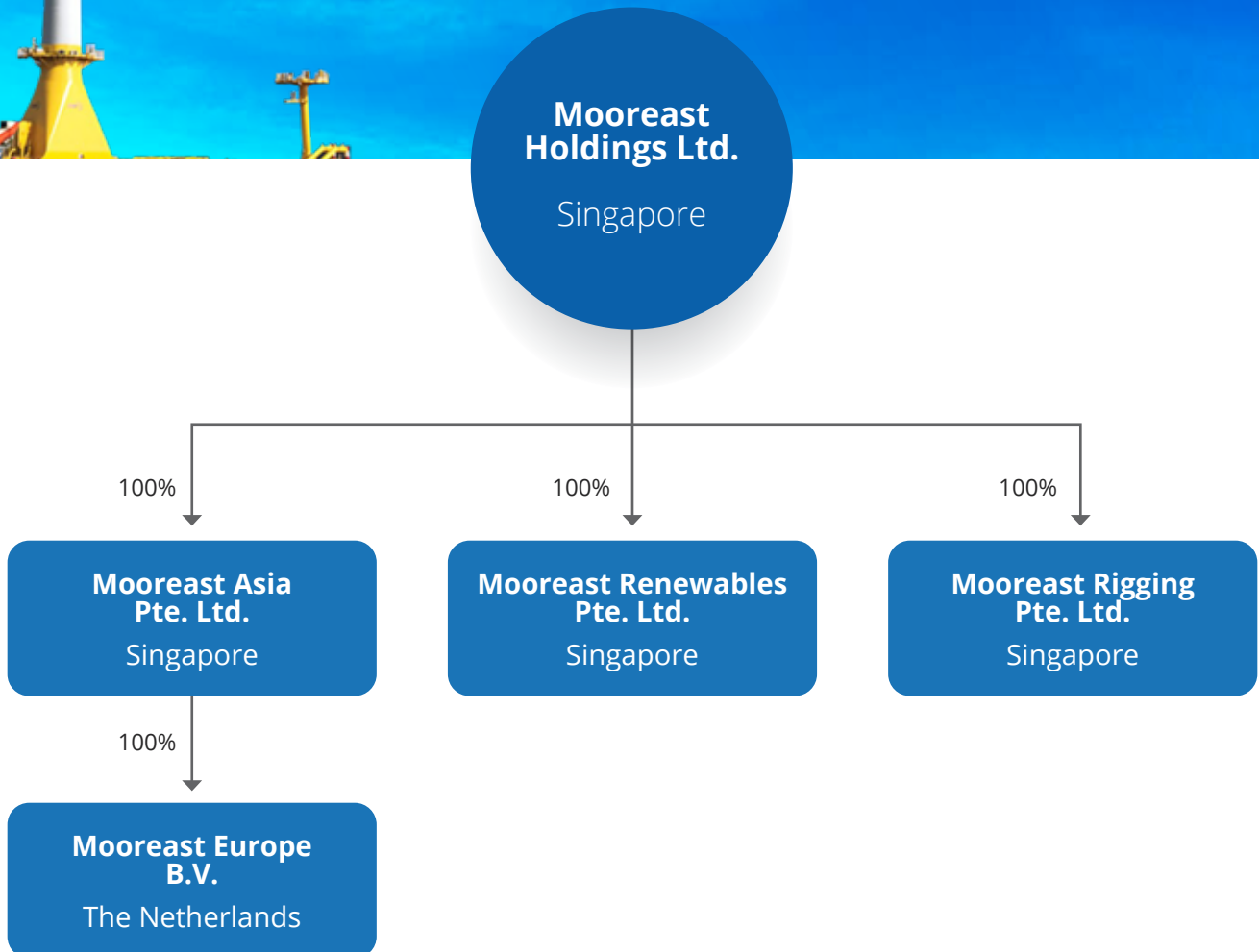
 Profit/(Loss)  
Before Tax


	FY2021 S\$'000	FY2020 S\$'000	FY2019 S\$'000
<b>Income</b>			
Revenue	14,200	19,678	16,327
Profit/(Loss) Before Tax	(2,109)	4,617	3,268
Profit/(Loss) After Tax	(2,296)	3,787	2,861
<b>Financial Position</b>			
Total Assets	76,171	34,040	28,450
Total Liabilities	54,385	8,453	5,097
Total Equity	21,787	25,587	23,353
<b>Selected Ratio</b>			
	Cents	Cents	Cents
Net Assets Per Ordinary Share	8.4	9.9	9.0
Basic Earnings/(loss) per share *	(7)	11	8

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

**CORPORATE STRUCTURE**

The structure of our Company and our subsidiaries at the date of this Annual Report is as follows:



**Mr Ong Yong Loke Joseph (“Joseph Ong”)**

*Non-Executive Chairman and Lead Independent Director*

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

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

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

**Mr Sim Koon Lam**

*Executive Director, CEO and Deputy Chairman*

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

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

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



**Mrs Elaine Sim***Executive Director*

Mrs Elaine Sim joined Mooreast in 2010, and was appointed as Executive Director on 3 March 2022.

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

As the management representative of the Group, Mrs Sim works together with Mooreast's ISO committee to ensure the Group meets the standards for quality management and safety. Mooreast currently holds the ISO 9001, ISO14001, ISO45001 and ISO/TS 29001 certification.

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

**Mr Zulkifly Bin Zakaria***Independent Director*

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

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

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

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



**Ms Lee Sok Koon (“Constance Lee”)***Independent Director*

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

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

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

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



**Mr Roderick Ruinen**

*Technical Director & Managing Director of Mooreast Europe*

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

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

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

**Mr Balakrishna Menon (“Balu”)**

*Engineering Director*

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

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

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

**Mr Lieu Chin Leong (“Kenny Lieu”)**

*Chief Financial Officer (“CFO”)*

Mr Lieu has more than 35 years of experience in managing all aspects of accounting and finance functions as well as general management and strategic planning across diverse industries covering marine, oil & gas, utilities, renewable energy and real estate in Singapore, Vietnam and the Middle East.

Before joining Mooreast in 2021, Mr. Lieu’s last role was with the Sembcorp Industries Limited group of companies, serving as the Vice-President (Finance) for Renewables Energy Division (2019 to 2020) and Vice-President (Finance) for the Urban Division (2014 to 2019) in Singapore and Vietnam. Prior to that, he held various senior positions in finance and accounting including serving as the Financial Controller for Falcon Energy Limited and CFO of Emirates-Sembcorp Water & Power Co, PJSC (based in Fujairah, UAE).

Mr Lieu is a registered professional Accountant and holds memberships with Singapore, United Kingdom and Australia professional accountancy bodies. He also holds a Master of Business Administration from Imperial College, United Kingdom and graduated with a Bachelor of Business Administration from the National University of Singapore.

**Mr Jaymes Sim***Head Commercial*

Jaymes joined Mooreast in 2011 and is responsible for overseeing the sales and marketing function of the Group. Over the years, he has assisted in expanding the Group's commercial activities and increasing the range of solutions offered. Jaymes is now taking the lead as the Group's head of commercial and is directly contributing to the efforts in growing the Group's Renewable Energy business.

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

**Ms Low Wei Yee***Financial Controller*

Ms Low has more than 10 years of accounting and auditing experience across various industries such as healthcare, manufacturing and e-commerce as well as the public sector.

Prior to joining our Group, she was a Financial Planning and Analysis Manager at Giti Tire Pte Ltd. From 2011 to 2021, she was an auditor with BDO LLP and then Ernst & Young LLP.

Ms Low graduated with a Bachelor of Business (majoring in Accounting and Finance) from the University of Technology, Sydney in 2009. Ms Low is also a registered professional Accountant and holds memberships with Singapore and Australia professional accountancy bodies.



**BOARD OF DIRECTORS**

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

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

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

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

**Mrs. Elaine Sim**  
*(Executive Director) – appointed 3 March 2022*

**AUDIT & RISK COMMITTEE**

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

**Mr. Ong Yong Loke Joseph**

**Mr. Zulkifly Bin Zakaria**

**NOMINATING COMMITTEE**

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

**Mr. Sim Koon Lam**

**Ms. Lee Sok Koon**

**Mr. Zulkifly Bin Zakaria**

**REMUNERATION COMMITTEE**

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

**Mr. Ong Yong Loke Joseph**

**Ms. Lee Sok Koon**

**COMPANY SECRETARY**

**Ms. Yap Peck Khim** *(member of ISCA)*

**COMPANY REGISTRATION NUMBER**

**202120164D**

**REGISTERED OFFICE****51 Shipyard Road**

Mooreast Offshore Base  
Singapore 628139

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**Fax** : +65 6542 0207

**Website** : <https://mooreast.com>

**SPONSOR****W Capital Markets Pte. Ltd.**

65 Chulia Street  
#43-01 OCBC Centre  
Singapore 049513

**AUDITOR****Ernst & Young LLP**

One Raffles Quay  
Level 18 North Tower  
Singapore 048583

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

Since financial year ended 31 December 2021

**SHARE REGISTRAR AND SHARE TRANSFER  
OFFICE****Boardroom Corporate & Advisory Services  
Pte. Ltd.**

1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
Singapore 098632

**INVESTOR RELATIONS****WeR1 Consultants Pte Ltd**

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#02-01 One Raffles Place Mall  
Singapore 048616  
Tel: +65 6721 7161

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

This report describes the Group’s corporate governance structures and practices that were adopted and in place since its listing on the Catalist platform of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 24 November 2021 (“**IPO**”), with specific reference made to the principles of the revised Code of Corporate Governance 2018 (the “**Code**”).

The Board is pleased to confirm that since the Company’s IPO up to the date of this report, the Company has adhered to the principles and provisions as set out in the Code. Where there are deviations from the recommendations of the Code, reasons and explanations in relation to the Company’s practices are provided, where appropriate.

## BOARD MATTERS

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### The Board’s Conduct of Affairs

#### **Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.**

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

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

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

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

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

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

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

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

Below are some of the trainings attended by our Directors in FY2021:-

Name of Director	Training Attended
Ong Yong Loke Joseph	LED 1, 2, 3, 4, 5, 6, 7, 8
Zulkifly Bin Zakaria	LED 1, 2, 3, 4, 5, 6, 7, 8
Sim Koon Lam	LED 1, 2, 3, 4, 5, 6, 7, 8
Mrs Elaine Sim	LED 1, 2, 3, 4, 5, 6, 7, 8

*LED: Listed Entity Director Essentials conducted by Singapore Institute of Directors*

Ms Lee Sok Koon ("**Constance Lee**") sits on several public-listed entities in Singapore and possesses the required experience to effectively discharge her duties as director. As such, she is not required to attend the mandatory training as prescribed in the Catalist Rules. However, she attended the SID Board Risk Committee Essentials training on 22 July 2021 as a panel speaker.

The external auditors had briefed the Audit & Risk Committee and the Board on the developments in financial reporting and governance standards. The Chief Executive Officer also updated the Board on business and strategic developments pertaining to the Group's business.

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

The matters requiring the Board's approval include:

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

- The determination of any interim and final dividends;
- Convening of shareholders' meetings;
- Material acquisition/investment, divestment or capital expenditure;
- Considering sustainability issues such as environmental and social factors as part of its strategic formulation; and
- Corporate or financial restructuring.

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

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

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

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

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

The number of Board and Board Committees meetings held since the Company's IPO in November 2021 up to the date of this report and the attendance of Directors during these meetings are as follows:

	Board	Audit & Risk Committee	Nominating Committee	Remuneration Committee
<b>No. of meetings held</b>	2	2	1	1
<b>No. of meetings attended by the Directors</b>				
Sim Koon Lam	2	N.A.	1	N.A.
Constance Lee	2	2	1	1
Ong Yong Loke Joseph	2	2	1	1
Zulkifly Bin Zakaria	2	2	1	1
Mrs Elaine Sim (appointed as Executive Director with effect from 3 March 2022)	N.A.	N.A.	N.A.	N.A.

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

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

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

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

### Board Composition and Guidance

#### **Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.**

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

The Board comprises the following members:

Name	Position
Ong Yong Loke Joseph	Non-Executive Chairman and Lead Independent Director
Sim Koon Lam	Executive Director, CEO and Deputy Chairman
Mrs Elaine Sim (appointed as Executive Director with effect from 3 March 2022)	Executive Director
Constance Lee	Independent Non-Executive Director
Zulkifly Bin Zakaria	Independent Non-Executive Director

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

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

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

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

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

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

C - Chairman

M - Member

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

The Board recognizes that diversity of the Board is essential to contribute to sustainable development and growth of the Group. While the Company does not have a written Board Diversity policy at present, it will consider Board candidates from diverse background with appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as gender and age. The NC will review the composition of the Board as part of its annual evaluation of the Board's performance and effectiveness.

The Board currently comprises business leaders and professionals with financial, risk management and business management qualifications and backgrounds. The Board has two female members, and directors with ages ranging from 60 to more than 70 years old. The members of the Board with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction. Further information on the individual directors' background, experience and skills can be found in the 'Board of Directors' section in this report.

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

The Board believes that a well-balanced Board with appropriate diversity will contribute positively in overseeing the operations of the Group and will continue to move towards implementing a board diversity policy in FY2022.

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

### **Chairman and Chief Executive Officer**

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

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

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

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

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

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

- (a) Leading the Board to ensure it is effective in its role;
- (b) Setting directions and agendas for the Company and scheduling of meetings to enable the Board to perform its duties responsibly;
- (c) Ensuring the proper conduct of meetings and accurate documentation of the proceedings;
- (d) Ensuring the smooth and timely flow of information between the Board and Management;
- (e) Ensuring compliance with internal policies and guidelines of the Company and high standards of corporate governance;
- (f) Ensuring effective communication with shareholders through investors' relationship channels and timely announcements of Company's development; and
- (g) Encouraging constructive relations between the Board and Management as well as between all Directors.

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

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

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

### Board Membership

#### **Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

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

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

The NC held one meeting since the Company's IPO up to the date of this report. The NC Chairman reports formally to the Board on its proceedings after the meeting on all matters within its duties and responsibilities.

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

- (a) making recommendations to the Board on relevant matters relating to:
  - the review of Board succession plans for the Directors and key management personnel; and
  - the review of training and professional development programmes for our Directors, in particular, ensuring that new Directors are aware of their duties and obligations;
- (b) identifying suitable candidates, reviewing, making recommendations and approving nominations for the positions of Director or alternate Director (whether appointment or re-appointment) and membership of Board committees (including the ARC, the RC and NC), as well as appraising the qualifications and experience of any proposed new appointments to the Board and recommending to the Board whether the nomination should be supported;
- (c) ensuring that the Board and Board Committees comprise Directors who, as a group, provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid group-think and foster constructive debate;
- (d) reviewing and determining on an annual basis, and as and when circumstances require, if a Director is independent, taking into account the circumstances set forth in the Code, the Practice Guidance to the Code, the Catalyst Rules and any other salient factors;



- (e) reviewing other directorships held by each Director and deciding if the Director is able to and has been adequately carrying out his/her duties as a Director, taking into account the Director's number of directorships and other principal commitments and establish guidelines on what a reasonable and maximum number of such directorships and principal commitments for each director (or type of director) should be;
- (f) reviewing and recommending the appointment of executive officers (Directors and Key Management Personnel); and
- (g) reviewing and approving the employment of persons related to the Directors and/or substantial shareholders and the proposed terms of their employment.

A summary of the activities carried out by the NC since the Company's IPO to the date of this report is set out below:

- reviewed the size and composition of the Board, taking into account, aspects of board diversity;
- reviewed the training and professional development programmes for the Directors;
- reviewed the directorships and principal commitments of each Director to assess if they have impinged on the Director's abilities to discharge his/her duties;
- reviewed and determined the independence of independent directors;
- reviewed and recommended the nomination for appointment and re-appointment of Directors;
- reviewed and decided on the maximum number of listed company board representations a Director should hold and the principal commitments of Directors; and
- reviewed the terms of reference ("**TOR**") of the NC to ensure alignment with the Code.

#### Process for selection and appointment of new Directors

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

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

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

#### Process for re-appointment of directors

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

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

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

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

The Board recognises that the Independent Non-Executive Directors may over time develop significant insights in the Group's businesses and operations, and can continue to provide noteworthy and valuable contribution to the Board. The independence of the Independent Non-Executive Directors must be based on the substance of their professionalism, integrity, objectivity and not merely based on the number of years which they have served on the Board. As such, the Board has not set a term of office for each of its Independent Non-Executive Directors so as to be able to retain the services of the Directors as necessary.

The NC has recommended to the Board as a guide that Independent Non-Executive Directors should limit their board representations in other listed companies to five, including that of the Company, so that they may have adequate time to carry out their duties as a Director of the Company and contribute to the performance of the Board and the Company. For the period under review, no Director has exceeded such limit. The NC has reviewed and is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group, notwithstanding that some of the Directors have other board representations or principal commitments.

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

Name of Director	Appointment	Date of Initial Appointment	Date of Last Re-election	Present Directorship in other Listed Companies
Sim Koon Lam	Executive Director, CEO and Deputy Chairman	8 June 2021	N.A.	-
Constance Lee	Independent Director	28 October 2021	N.A.	- Japan Foods Holding Ltd. - SBS Transit Ltd - Lum Chang Holdings Limited
Ong Yong Loke Joseph	Non-Executive Chairman and Lead Independent Director	28 October 2021	N.A.	- Tan Chong International Limited - Tyre Pacific (HK) Limited
Zulkifly Bin Zakaria	Independent Director	28 October 2021	N.A.	- Hiap Huat Holdings Berhad - Sunview Group Berhad
Mrs Elaine Sim (appointed as Executive Director with effect from 3 March 2022)	Executive Director	3 March 2022	N.A.	-

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

## Board Performance

### Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board will put in place a formal system for evaluating Board performance and assessing the effectiveness of the Board and Board Committees. This annual evaluation exercise provides an opportunity to obtain constructive feedback from each Director on whether the Board's procedures and processes enable Directors to discharge their duties effectively and to propose changes which may be made to enhance Board's effectiveness as a whole.

The evaluation of Board's performance as a whole deals with matters on Board structure, composition, information, procedures, accountability, risk management and internal controls and standards of conduct. The Board Committees' evaluation deals with the efficiency and effectiveness of each Board Committee in assisting the Board. The assessment utilises a confidential questionnaire which would be completed by members of the Board and each Board Committee.

As the Company was newly listed on November 2021, the first evaluation of the Board and Board Committees will be conducted for FY2022.

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

## REMUNERATION MATTERS

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### Procedures for Developing Remuneration Policies

**Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.**

The RC comprises 3 Independent Non-Executive Directors.

Chairman : Mr Zulkifly Bin Zakaria  
Member : Ms Constance Lee  
Member : Mr Ong Yong Loke Joseph

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

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

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

- (a) reviewing and recommending to the Board, for endorsement:
  - a comprehensive remuneration policy, and general framework and guidelines for remuneration for the Board, the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the Company ("**Key Management Personnel**"); and
  - the specific remuneration packages for each of the Directors and Key Management Personnel;
- (b) ensuring the remuneration policies and systems of the Group, as approved by the Board, support the Group's objectives and strategies, and are consistently administered and being adhered to within the Group;
- (c) considering all aspects of remuneration (including but not limited to, Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments) and termination terms, to ensure they are fair and that the level and structure of remuneration are appropriate and proportionate to the sustained performance and value creation of the Group, taking into account the strategic objectives;
- (d) in the case of service contracts, reviewing the obligations arising in the event of termination of an Executive Director or Key Management Personnel's service contract, to ensure that such service contracts contain fair and reasonable termination clauses;
- (e) reviewing the terms of performance-related remuneration scheme or incentive schemes (if any) and determining the eligibility criteria of the employees who can participate in such scheme;
- (f) proposing, for adoption by the Board, measurable, appropriate and meaningful performance targets for assessing the performance of the Key Management Personnel, individual Directors and of the Board as a whole; and

- (g) conducting an annual review of the remuneration, bonuses, pay increase and/or promotions of employees who are related to the Directors and/or Substantial Shareholders.

A summary of the activities carried out by the RC since the Company's IPO to the date of this report is set out below:

- i) Reviewed and recommended to the Board the remuneration package of the executive officers (Directors and Key Management Personnel);
- ii) Reviewed and recommended to the Board the Directors' fee for the financial period ended 31 December 2021 and ending 31 December 2022; and
- iii) Reviewed the terms of reference of the RC to ensure alignment with the Code.

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

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

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

The RC may from time to time when it is appropriate, refer to market reports on average remuneration or seek external expert or independent professional advice in framing the Group's remuneration policy. Since the Company's IPO up to the date of this report, the RC has not sought external advice nor appointed remuneration consultants in considering the remuneration of Directors and Key Management Personnel.

### Level and Mix of Remuneration

**Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the Company.**

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

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

### Fixed and Variable Components

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

### Long-term Incentive Scheme

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

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

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

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

No member of the RC is involved in deliberating and deciding in respect of any remuneration, compensation or any form of benefits to be granted to him/her. The Board concurred with the RC that the proposed fees for financial period ended 31 December 2021 and ending 31 December 2022 are appropriate and not excessive, taking into consideration the level of contributions by the Independent Non-Executive Directors and factors such as effort and time spent for serving on the Board and Board Committees as well as the responsibilities and obligations of the Directors.

**Disclosure on Remuneration**

**Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

**Remuneration of Directors and CEO of the Company**

A breakdown, showing the level and mix of each individual director's and CEO's remuneration paid for the financial period ended 31 December 2021, is as follows:-

Remuneration Band	Fee <sup>(1)</sup> (%)	Salary & fixed allowance (%)	Bonus & incentives (%)	Other Benefits (%)	Total (%)
<b><u>S\$250,001 to S\$500,000</u></b>					
None	-	-	-	-	-
<b><u>S\$250,000 and below</u></b>					
Sim Koon Lam	-	79.8%	6.6%	13.6%	100.0%
Elaine Sim <sup>(2)</sup>	-	91.3%	8.1%	0.6%	100.0%
Ong Yong Loke Joseph	100.0%	-	-	-	100.0%
Zulkifly Bin Zakaria	100.0%	-	-	-	100.0%
Constance Lee	100.0%	-	-	-	100.0%

(1) Directors' fees are payable after approval by shareholders in the 2022 AGM

(2) Appointed on 3 March 2022

The Board believes that it is for the benefit of the Company that the actual remuneration of the Directors and CEO be kept confidential, due to the sensitive nature of such information.

**Remuneration of Key Management Personnel of the Group**

The remuneration policy for Key Management Personnel takes into consideration the responsibility and performance of individual personnel. The following table below sets out the remuneration of the Key Management Personnel (who are not directors and CEO of the Company) for the financial period ended 31 December 2021.

Remuneration Band	Number of Key Management personnel
S\$250,000 and below	5

In considering the disclosure of remuneration of the Key Management Personnel, the Company has regarded the industry conditions in which the Group operates as well as the confidential nature of such remuneration. The Company believes that full detailed disclosure of the remuneration of each Key Management Personnel on a name basis as recommended by the Code would be prejudicial to the Company's interests and hamper its ability to retain and nurture the Company's talent pool. The aggregate remuneration of the top 5 Key Management Personnel (who are not directors or the CEO) for FY2021 is S\$593,172.

While the Code recommends that the Company should fully disclose the remuneration of each individual Director and the CEO on a named basis, after careful consideration, the Board is of the view that such disclosure would not be in the best interests of the Company or its Shareholders, and that the details disclosed in the table above provides an appropriate balance between detailed disclosure and confidentiality in the sensitive area of remuneration. In arriving at its decision, the Board took into consideration the competitive business environment in which the Group operates, and the negative impact such disclosure may have on the Group.

Save as disclosed above, there are no employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company and whose remuneration exceeds S\$100,000.

## ACCOUNTABILITY AND AUDIT

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### Risk Management and Internal Controls

**Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its stakeholders.**

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

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

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

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

For FY2021, the Board had received assurance from CEO and the CFO that:-

- The financial records of the Group have been properly maintained and the financial statements for FY2021 give a true and fair view of the Group's operations and finances; and
- The internal controls systems (including financial, operational, compliance and information technology controls) and risk management systems in place within the Group are adequate and effective.



Based on the Risk Management framework and internal controls established and maintained in the Group, work performed by the internal auditors, the statutory audit undertaken by the external auditors, and the written representation from the CEO and the CFO providing assurance on the Group's risk management and internal control systems and that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, the Board, with the concurrence of the ARC, is satisfied that the Group's risk management and internal control framework and systems were adequate and effective for the financial period ended 31 December 2021 to address financial, operational, compliance and information technology risks.

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

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

### **Audit & Risk Committee**

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

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

Chairman : Ms Constance Lee  
Member : Mr Ong Yong Loke Joseph  
Member : Mr Zulkifly Bin Zakaria

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

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

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

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

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

- (a) assisting the Board in fulfilling its responsibility for overseeing the integrity of the Company's system of accounting and financial report and in maintaining a high standard of transparency and reliability in its corporate disclosures;

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

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

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

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

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

### **Whistle Blowing Channels**

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

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

There were no reported incidents pertaining to whistle blowing during FY2021.

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

### **Internal Audit**

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

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

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

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

A summary of the activities carried out by the ARC since the Company's IPO to the date of this report is set out below:

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

- iv) Reviewed the adequacy of the resources, experience of the external auditors and of the audit engagement partner assigned to the audit. The ARC is satisfied that the external auditors are able to meet their audit obligations;
- v) The ARC met with the internal auditors and the external auditors, without the presence of Management;
- vi) The external auditors updated the ARC on changes and updates to the accounting standards, and other issues which might have a direct impact on the financial statements of the Group; and
- vii) reviewed the terms of reference of the ARC to ensure alignment with the Code.

A breakdown of the audit and non-audit fee charged to the Group by the external auditor, Ernst & Young Singapore ("EY") for FY2021 is set out below:-

Service category	Fees Paid/Payable (S\$)
Audit Services	134,000
Non-Audit Services	-
<b>Total Fees</b>	<b>134,000</b>

EY confirmed that the firm has remained as an independent public accountants within the meaning of Rule 12 of the Companies Act 1967 of Singapore and the Accountants (Public Accountants) Rules for the audit of the Group for FY2021.

## SHAREHOLDER RIGHTS AND ENGAGEMENT

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### Shareholder Rights and Conduct of General Meetings

**Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

### Shareholders Rights

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

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

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

### Conduct of General Meetings

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

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

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

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

In view of the COVID-19 situation, the Company will be conducting the 2022 AGM via electronic means and therefore, alternative arrangements will be made to take into account the online nature of the annual general meeting, further information of which is set out in the notice of the AGM dated 14 April 2022.

As shareholders are unable to attend the meeting in person, shareholders will appoint the Chairman of the meeting as proxy to vote on their behalf at the AGM and submit questions relating to the business of the meeting in advance. Please refer to the notice of the AGM dated 14 April 2022 for further information.

Substantial and relevant comments or queries from shareholders relating to the agenda of the AGM together with responses from the Board and the Management will be prepared by the Company.

The minutes of all general meetings will be posted on the Company's corporate website as soon as practicable. The minutes include relevant comments and questions received from shareholders, together with responses from the Board and the Management, as well as details of the proceedings.

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

The Company does not have a fixed dividend policy at present. The frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, projected capital requirements for business growth and other factors as the Board may deem appropriate. In view that the Company is newly listed and taking into consideration the current market condition, the Board has decided not to recommend a dividend for the financial period ended 31 December 2021.

### Engagement with Shareholders

**Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.**

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

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

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

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

### Engagement with Stakeholders

**Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.**

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

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

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

## OTHER CORPORATE GOVERNANCE MATTERS

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### DEALING IN SECURITIES

(Rule 1204(19) of the Catalist Rules)

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

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

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

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

The Company has complied with the Code for the financial period ended 31 December 2021.

### INTERESTED PERSON TRANSACTIONS

(Rule 907 of the Catalist Rule)

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

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

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

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



**USE OF IPO PROCEEDS**

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

<b>Use of net proceeds</b>	<b>Amount allocated S\$'000</b>	<b>Amount reallocation S\$'000</b>	<b>Amount utilized as at date of this annual report S\$'000</b>	<b>Balance as at the date of this annual report S\$'000</b>
Develop and grow our Renewable Division	500	-	(15)	485
Development of facilities and capacity of 51 Shipyard Road and scale up of operations	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)	(251) <sup>(1)</sup>	959
IPO expenses pursuant to listing	1,804	33	(1,837)	-
<b>Gross proceeds from the Invitation</b>	<b>8,547</b>	<b>-</b>	<b>(2,201)</b>	<b>6,346</b>

**Note:**

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

The balance IPO proceeds (including S\$10 million investment from EDBI), is currently placed in fixed deposit and pending deployment.

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

**NON-SPONSOR FEES**

(Rule 1204(21) of the Catalist Rule)

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

Save for the fees paid to the Sponsor in relation to the IPO, there were no non-sponsor fees paid to the Sponsor subsequent to the Company's listing on the Catalist of the SGX-ST in FY2021.

**APPOINTMENT OF AUDITORS**

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

**ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION**

Pursuant to Rule 720(5) of the SGX-ST Catalist Rules, the information as set out in Appendix 7F to the SGX-ST Catalist Rules relating to Mr Sim Koon Lam, Ms Lee Sok Koon and Mrs Elaine Sim, being the Directors who are retiring in according with the Company's Constitution at the forthcoming AGM, is set out below:

<b>Name of Director</b>	<b>Mr Sim Koon Lam</b>	<b>Ms Lee Sok Koon</b>	<b>Mrs Elaine Sim</b>
Date of Appointment	8 June 2021	28 October 2021	3 March 2022
Date of last re-appointment (if applicable)	N.A.	N.A.	N.A.
Age	64	69	49
Country of principal Residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The NC has recommended and the Board has agreed for Mr Sim Koon Lam to retire and seek re-election at the forthcoming AGM.	The NC has recommended and the Board has agreed for Ms Lee Sok Koon to retire and seek re-election at the forthcoming AGM.	The NC has recommended and the Board has agreed for Mrs Elaine Sim to retire and seek re-election at the forthcoming AGM.
Whether appointment is executive, and if so, the area of responsibility	Executive  Mr. Sim is responsible for overseeing the overall business operations and provides leadership to drive the growth of the Group's business in Singapore & other regional markets.	Non-executive  Ms Lee Sok Koon is the Chairman of the Audit and Risk Committee. Ms Lee is also a member of the Nominating Committee and Remuneration Committee.	Executive  Mrs Elaine Sim is responsible for overseeing the commercial, human resource, administration & information technology functions of the Group. She assumes the role of CEO, when Mr. Sim is on leave or away on business matters.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director, CEO and Deputy Chairman	Independent Non-executive Director. Chairman of Audit and Risk Committee	Executive Director
Professional Qualifications	Advanced Executive Course conducted by Wharton School of the University of Pennsylvania, USA (part of Scale-Up SG Executive Program)	Bachelor of Accountancy (Second Class Honours), National University of Singapore (formerly University of Singapore)  Member of the Institute of Singapore Chartered Accountants  Member of the Singapore Institute of Directors	Advanced Diploma in Administrative Management, Thames Business School  Bachelor of Arts in Business Administration, University of Portsmouth.

Name of Director	Mr Sim Koon Lam	Ms Lee Sok Koon	Mrs Elaine Sim
Working experience and occupation(s) during the past 10 years	Executive Director, CEO and Deputy Chairman, Mooreast Holdings Ltd. (2021- Present)  Director, Mooreast Asia Pte Ltd (2010-2021)	Please refer to the Board of Directors section in the Company's 2021 Annual Report	Executive Director, Mooreast Holdings Ltd. (2022 - Present)  General Manager, Mooreast Asia Pte. Ltd. (2010 - 2022)
Shareholding interest in the listed issuer and its subsidiaries	Feng Tai Investment Pte. Ltd. holds approximately 73.6% of the issued capital of the Company.  Mr Sim Koon Lam holds 60% of the issued capital of Feng Tai Investment Pte. Ltd.. By virtue of Section 4 of the SFA, Mr Sim Koon Lam is deemed to be interested in the shares held by Feng Tai Investment Pte. Ltd..	Nil	Feng Tai Investment Pte. Ltd. holds approximately 73.6% of the issued capital of the Company.  Mrs Elaine Sim holds 40% of the issued capital of Feng Tai Investment Pte. Ltd.. By virtue of Section 4 of the SFA, Mrs Elaine Sim is deemed to be interested in the shares held by Feng Tai Investment Pte. Ltd..
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Spouse of Mrs Elaine Sim, Executive Director of the Company.  Mr Sim Koon Lam is deemed interested in the shares held by Feng Tai Investments Pte Ltd, the controlling shareholder of the Company.	Nil	Spouse of Mr Sim Koon Lam, Executive Director, CEO and Deputy Chairman of the Company.  Mrs Elaine Sim is deemed interested in the shares held by Feng Tai Investments Pte Ltd, the controlling shareholder of the Company.
Conflict of interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720 <sup>(1)</sup> has been submitted to the listed issuer	Yes	Yes	Yes

Name of Director	Mr Sim Koon Lam	Ms Lee Sok Koon	Mrs Elaine Sim
Other Principal Commitments including Directorships • Past (for the last 5 years) • Present	<p><b><u>Directorships (past)</u></b> Taihon Pte. Ltd.</p> <p><b><u>Directorships (present)</u></b> Mooreast Asia Pte. Ltd. Mooreast Renewables Pte. Ltd. Mooreast Rigging Pte. Ltd. Sheeny Pte Ltd Sim Kwang Wah Trading Pte. Ltd. Feng Tai Investment Pte. Ltd.</p>	<p><b><u>Directorships (past)</u></b> Singapore Arts School Ltd. Invictus Group Pte. Ltd.</p> <p><b><u>Directorships (present)</u></b> Japan Foods Holding Ltd. SBS Transit Ltd NUS America Foundation, Inc Lum Chang Holdings Limited</p>	<p><b><u>Directorships (past)</u></b> Nil</p> <p><b><u>Directorships (present)</u></b> Feng Tai Investment Pte. Ltd. Mooreast Rigging Pte. Ltd. Sheeny Pte Ltd</p>
<b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</b>			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No

Name of Director	Mr Sim Koon Lam	Ms Lee Sok Koon	Mrs Elaine Sim
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No

Name of Director	Mr Sim Koon Lam	Ms Lee Sok Koon	Mrs Elaine Sim
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-  i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or  ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No  No	No  No	No  No

Name of Director	Mr Sim Koon Lam	Ms Lee Sok Koon	Mrs Elaine Sim
<p>iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
<p><b>Any prior experience as a director of a listed Company?</b></p> <p><i>If yes, please provide details of prior experience.</i></p> <p><i>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</i></p>	<p>Yes</p> <p>Mr Sim Koon Lam is currently a director of Mooreast Holdings Ltd.</p>	<p>Yes</p> <p>Ms Lee Sok Koon is currently a director of Mooreast Holdings Ltd, Japan Foods Holding Ltd, SBS Transit Ltd and Lum Chang Holdings Limited.</p>	<p>Yes</p> <p>Mrs Elaine Sim is currently a director of Mooreast Holdings Ltd.</p>

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Mooreast Holdings Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2021.

### Opinion of the directors

In the opinion of the directors,

- (i) the accompanying statements of financial position, consolidated statement of comprehensive income, statements of changes in equity and consolidated cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of the financial performance, changes in equity of the Group and of the Company and cash flows of the Group for the year ended on that date, and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

### Directors

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

Ong Yong Loke Joseph	(Appointed on 28 October 2021)
Sim Koon Lam	(Appointed on 8 June 2021)
Mrs Elaine Sim	(Appointed on 3 March 2022)
Lee Sok Koon	(Appointed on 28 October 2021)
Zulkifly Bin Zakaria	(Appointed on 28 October 2021)

### Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

### Directors' interests in shares and debentures

The following director, who held office at the end of the financial year, had, according to the register of director's shareholdings required to be kept under Section 164 of the Singapore Companies Act, 1967, an interest in shares of the Company and its related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director	Direct Interest		Deemed Interest	
	As at 8.6.2021 or date of appointment, if later	At end of the financial year	As at 8.6.2021 or date of appointment, if later	At end of the financial year
Sim Koon Lam	–	–	1	190,634,061



There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2022.

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

### **Mooreast Performance Share Plan**

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

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

### **Mooreast Share Option Scheme**

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

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

### **Audit Committee**

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

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditors' evaluation of the adequacy and effectiveness of the Group's system of internal controls and the assistance given by management to the external and internal auditors;
- Reviewed findings and recommendations of the internal and external auditors relating to the internal control systems of the Group and management responses and actions to correct any deficiencies;
- Reviewed the half-yearly and annual financial statements, results of the audit and the auditors' report on the annual financial statements of the Group and the Company before their submission to the board of directors;
- Reviewed the adequacy and effectiveness of the Group's material internal controls, relating to financial, operational, compliance and information technology controls and risk management;
- Met with the internal and external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

- Reviewed the independence and objectivity of the external auditor and the nature and extent of non-audit services provided by the external auditor;
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and results of the audit;
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

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

The AC convened two meetings during the year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

### **Auditor**

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the Board of Directors,

Sim Koon Lam  
Director

Lee Sok Koon  
Director

Singapore  
25 March 2022

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Mooreast Holdings Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and Company as at 31 December 2021, the statements of changes in equity of the Group and Company, and consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position, the statement of comprehensive income and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of higher significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

#### *Fair value of convertible notes*

The Group issued two series of unsecured convertible notes during the year. The first series of convertible note has been converted to shares on 22 November 2021. For the second series of convertible notes issued, it contains certain conversion features which provides the holder with three options to (i) automatically convert the notes to equity at a fixed price upon transfer to the Mainboard of the Singapore Exchange; (ii) voluntarily convert the notes into equity at a fixed price if the transfer does not happen within 42 months, extendible up to 48 months, from date of offering document on 17 November 2021; or (iii) for the notes to be repaid in cash at any time on or after maturity at a 20% premium.

These conversion and redemption features require that the convertible notes to be classified as a compound financial instrument, with equity component and embedded derivative to be accounted for separately from the underlying host debt component.

Accounting separately for the components identified is complex and requires the use of valuation methodologies that rely upon observable and unobservable inputs and assumptions. The fair value of the second series of convertible note was determined by an independent external valuer engaged by management, where significant judgement is involved in determining the discount rate used in the valuation. This results in estimation uncertainty for the amounts recognised in the financial statements. For these reasons, we consider the initial recognition and measurement for the convertible notes to be a key audit matter.

Our audit procedures included, amongst others, reviewing the convertible notes agreements to identify key terms and features of the convertible notes. We assessed the requirements of SFRS(I) 9 Financial Instruments to consider whether the convertible note was appropriately recognised as a compound financial instrument. We evaluated the qualifications and competence of the external valuer. We involved our internal valuation specialist in reviewing the reasonableness of the valuation method used to determine the value of each component of the convertible notes, the key inputs into the valuation model, and the resulting valuation amounts recognised by management. In addition, we also reviewed the adequacy of disclosures set out in Note 18 to the consolidated financial statements.

#### *Recoverability of trade receivables*

As at 31 December 2021, the carrying amount of the Group's trade receivables, net of allowance for expected credit losses ("ECL") of \$300,000 amounted to \$5,190,525, which represented 7% of its total assets.

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

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

**Other information**

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of management and directors for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

To the members of Mooreast Holdings Ltd.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of higher significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ng Boon Heng.

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants

Singapore  
25 March 2022

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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For the financial year ended 31 December 2021

		Group	
	Note	2021 \$	2020 \$
<b>Revenue</b>	4	14,199,984	19,678,088
Cost of sales		(8,186,406)	(11,894,428)
<b>Gross profit</b>		6,013,578	7,783,660
<b>Other items of income</b>			
Interest income		36,401	2,524
Other income	5	924,807	1,440,563
<b>Other items of expense</b>			
Marketing and distribution		(195,202)	(216,654)
Administrative expenses		(6,816,076)	(4,000,213)
Interest expenses		(964,764)	(56,930)
Other expenses	5	(1,107,785)	(336,441)
<b>(Loss)/profit before tax</b>	6	(2,109,041)	4,616,509
Income tax expense	9	(187,316)	(829,196)
<b>(Loss)/profit net of tax</b>		(2,296,357)	3,787,313
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation		39,752	(52,895)
<b>Total comprehensive income for the financial year attributable to Shareholders of the Company</b>		(2,256,605)	3,734,418
<b>Earnings per share attributable to ordinary equity holders</b>			
Basic and diluted (cents)	8	(7)	11

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

As at 31 December 2021

	Note	Group		Company	
		2021 \$	2020 \$	2021 \$	2020 \$
<b>Assets</b>					
<b>Non-current assets</b>					
Right-of-use assets	16	33,098,422	2,701,456	-	-
Plant and equipment	10	4,691,206	4,294,401	-	-
Investment in subsidiaries	11	-	-	10,587,175	-
Trade and other receivables	12	5,192,486	5,965,155	-	-
		<u>42,982,114</u>	<u>12,961,012</u>	<u>10,587,175</u>	<u>-</u>
<b>Current assets</b>					
Inventories	13	8,609,437	7,445,495	-	-
Trade and other receivables	12	3,428,178	9,346,510	44,572	-
Contract assets	4	50,778	60,934	-	-
Prepaid operating expenses		794,059	886,045	26,584	-
Cash and bank balances	14	20,306,748	3,340,164	18,131,857	-
		<u>33,189,200</u>	<u>21,079,148</u>	<u>18,203,013</u>	<u>-</u>
<b>Total assets</b>		<u><u>76,171,314</u></u>	<u><u>34,040,160</u></u>	<u><u>28,790,188</u></u>	<u><u>-</u></u>
<b>Current liabilities</b>					
Trade and other payables	15	4,647,508	4,294,688	1,693,908	-
Amount due to a director	15	2,000,000	-	-	-
Contract liabilities	4	1,373,229	546,853	-	-
Lease liabilities	16	712,508	634,925	-	-
Income tax payable		355,368	974,130	-	-
Loans and borrowings	17	1,172,341	-	-	-
		<u>10,260,954</u>	<u>6,450,596</u>	<u>1,693,908</u>	<u>-</u>
<b>Net current assets</b>		<u><u>22,928,246</u></u>	<u><u>14,628,552</u></u>	<u><u>16,509,105</u></u>	<u><u>-</u></u>
<b>Non-current liabilities</b>					
Lease liabilities	16	10,674,567	1,238,168	-	-
Deferred tax liabilities	19	704,626	764,222	-	-
Provision for reinstatement	21	2,000,000	-	-	-
Convertible notes	18	4,592,041	-	4,592,041	-
Loans and borrowings	17	26,152,543	-	-	-
		<u>44,123,777</u>	<u>2,002,390</u>	<u>4,592,041</u>	<u>-</u>
<b>Total liabilities</b>		<u><u>54,384,731</u></u>	<u><u>8,452,986</u></u>	<u><u>6,285,949</u></u>	<u><u>-</u></u>
<b>Net assets</b>		<u><u>21,786,583</u></u>	<u><u>25,587,174</u></u>	<u><u>22,504,239</u></u>	<u><u>-</u></u>

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



As at 31 December 2021

	Note	Group		Company	
		2021 \$	2020 \$	2021 \$	2020 \$
<b>Equity attributable to Shareholders of the Company</b>					
Share capital	20	23,635,984	1,000,000	23,635,984	-
Capital reserve	20	(9,587,174)	-	-	-
Other reserve	18	407,204	-	407,204	-
Retained earnings/(accumulated losses)		7,272,003	24,568,360	(1,538,949)	-
Foreign currency translation reserve		58,566	18,814	-	-
<b>Total equity</b>		<b>21,786,583</b>	<b>25,587,174</b>	<b>22,504,239</b>	<b>-</b>
<b>Total equity and liabilities</b>		<b>76,171,314</b>	<b>34,040,160</b>	<b>28,790,188</b>	<b>-</b>

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

# STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Share capital \$	Capital reserve <sup>(1)</sup> \$	Other reserve \$	Retained earnings/ (accumulated losses) \$	Foreign currency translation reserve \$	Total equity \$
	(Note 20)					
<b>Group</b>						
<b>2021</b>						
Opening balance at 1 January 2021	1,000,000	-	-	24,568,360	18,814	25,587,174
Loss net of tax	-	-	-	(2,296,357)	-	(2,296,357)
Foreign currency translation	-	-	-	-	39,752	39,752
Total comprehensive income for the financial year	-	-	-	(2,296,357)	39,752	(2,256,605)
Issuance of ordinary shares	23,202,153	-	-	-	-	23,202,153
Issuance of convertible notes (Note 18)	-	-	407,204	-	-	407,204
Dividends on ordinary shares (Note 22)	-	-	-	(15,000,000)	-	(15,000,000)
Share issuance expenses (Note 20)	(566,169)	-	-	-	-	(566,169)
Restructuring exercise (Note 20)	-	(9,587,174)	-	-	-	(9,587,174)
Closing balance at 31 December 2021	23,635,984	(9,587,174)	407,204	7,272,003	58,566	21,786,583
<b>2020</b>						
Opening balance at 1 January 2020	1,000,000	-	-	22,281,047	71,709	23,352,756
Profit net of tax	-	-	-	3,787,313	-	3,787,313
Foreign currency translation	-	-	-	-	(52,895)	(52,895)
Total comprehensive income for the financial year	-	-	-	3,787,313	(52,895)	3,734,418
Dividends on ordinary shares (Note 22)	-	-	-	(1,500,000)	-	(1,500,000)
Closing balance at 31 December 2020	1,000,000	-	-	24,568,360	18,814	25,587,174

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

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

# STATEMENT OF CHANGES IN EQUITY

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For the financial year ended 31 December 2021

	Share capital \$	Accumulated losses \$	Other reserve \$	Total equity \$
(Note 20)				
<b>Company</b>				
Opening balance as at 8 June 2021 (date of incorporation)	1	-	-	1
Total comprehensive income for the financial year	-	(1,538,949)	-	(1,538,949)
Issuance of convertible notes (Note 18)	-	-	407,204	407,204
Issuance of new shares (Note 20)	24,202,152	-	-	24,202,152
Share issuance expenses (Note 20)	(566,169)	-	-	(566,169)
Closing balance at 31 December 2021	23,635,984	(1,538,949)	407,204	22,504,239

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

# CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2021

	2021 \$	2020 \$
<b>Operating activities:</b>		
(Loss)/profit before tax	(2,109,041)	4,616,509
<u>Adjustments for:</u>		
Depreciation of plant and equipment	1,197,743	1,214,855
Depreciation of right-of-use assets	1,317,367	711,479
Gain on disposal of right-of-use assets	(15,130)	-
Gain on disposal of plant and equipment	(31,280)	(539,549)
Initial Public Offering ("IPO") expenses	1,270,973	-
Interest income	(36,401)	(2,524)
Interest expense	585,891	16,423
Interest expense on lease liabilities	264,801	40,507
Interest expense on convertible notes	114,072	-
Unrealised foreign exchange loss/(gain)	258,671	(138,798)
Reversal of allowance for inventories obsolescence	(13,993)	(3,229)
Bad debts written off	5,885	-
Allowance for expected credit losses	211,441	160,000
<b>Operating cash flows before changes in working capital</b>	<b>3,020,999</b>	<b>6,075,673</b>
<u>Changes in working capital</u>		
Increase in inventories	(1,149,949)	(2,373,308)
Decrease/(increase) in trade and other receivables	5,653,950	(3,668,810)
Decrease/(increase) in prepaid operating expenses	91,986	(698,099)
Increase in trade and other payables	1,213,615	1,650,736
Restricted cash (Note 14)	(38,845)	(23,864)
<b>Cash flows from operations</b>	<b>8,791,756</b>	<b>962,328</b>
Interest paid	(7,629)	(16,423)
Income tax paid	(865,674)	(314,565)
<b>Net cash flows generated from operating activities</b>	<b>7,918,453</b>	<b>631,340</b>
<b>Investing activities</b>		
Purchase of plant and equipment	(1,912,559)	(517,152)
Purchase of right-of-use assets	(19,504,400)	-
Proceeds from disposal of plant and equipment	349,291	1,100,796
Interest received	36,401	2,524
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(21,031,267)</b>	<b>586,168</b>
<b>Financing activities</b>		
Interest paid on lease liabilities	(264,801)	(40,507)
Repayment of lease liabilities	(680,821)	(653,590)
Proceeds from loans and borrowings	14,800,000	-
Interest paid on loans and borrowings	(84,476)	-
Repayment of loans and borrowings	(481,188)	-
IPO expenses paid	(1,837,142)	-
Proceeds from issuance of convertible note	5,000,000	-
Proceeds from issuance of ordinary share	13,547,000	-
Dividends paid	-	(1,500,000)
<b>Net cash flows generated from/(used in) financing activities</b>	<b>29,998,572</b>	<b>(2,194,097)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>16,885,758</b>	<b>(976,589)</b>
Effect of exchange rate changes on cash and cash equivalents	41,981	(25,780)
Cash and cash equivalents at 1 January	3,316,300	4,318,669
<b>Cash and cash equivalents at 31 December (Note 14)</b>	<b>20,244,039</b>	<b>3,316,300</b>

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

## 1. Corporate information

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

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

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

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

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

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

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

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

### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

### 2.3 Standards issued but not yet effective

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

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to SFRS(I) 16 on <i>COVID-19 related rent concessions</i> beyond 30 June 2021	1 April 2021
Amendments to SFRS(I) 1-16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to SFRS(I) 3: <i>Reference to Conceptual Framework</i>	1 January 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.3 *Standards issued but not yet effective (cont'd)*

Description	<i>Effective for annual periods beginning on or after</i>
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1 on <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

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

### 2.4 *Basis of consolidation and business combinations*

#### (a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

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

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

## 2. Summary of significant accounting policies (cont'd)

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

#### *(a) Basis of consolidation (cont'd)*

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

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

#### *(b) Business combinations and goodwill*

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

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

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

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

## 2. Summary of significant accounting policies (cont'd)

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

#### *(b) Business combinations and goodwill (cont'd)*

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

### 2.5 *Foreign currency*

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

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

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet are recognised in the profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss on disposal of the foreign operation.



## 2. Summary of significant accounting policies (cont'd)

### 2.5 Foreign currency (cont'd)

#### (b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

### 2.6 Plant and equipment

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

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

Motor vehicles	- 6 years
Furniture and fittings	- 3 years
Workshop and office equipment	- 3 to 20 years
Computers and software	- 3 years
Renovation	- 3 to 10 years
Rental equipment	- 3 to 10 years

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

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

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

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

### 2.7 Leases

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

## 2. Summary of significant accounting policies (cont'd)

### 2.7 Leases (cont'd)

#### *Group as a lessee*

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

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

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

Leasehold property	-	22 years
Motor vehicles	-	5 years
Workshop equipment	-	3 to 20 years

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

#### (ii) *Lease liabilities*

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

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

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

## 2. Summary of significant accounting policies (cont'd)

### 2.7 Leases (cont'd)

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

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

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

#### *Group as a lessor*

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

### 2.8 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

## 2. Summary of significant accounting policies (cont'd)

### 2.9 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

### 2.10 *Financial instruments*

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

#### (a) **Financial assets**

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

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss.

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

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

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date (i.e., the date that the Group commits to purchase or sell the asset).

## 2. Summary of significant accounting policies (cont'd)

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

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

##### **Subsequent measurement**

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

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

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

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

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

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

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

The Group's financial assets at amortised cost includes trade and other receivables and cash and cash equivalents.

##### **Derecognition**

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

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

## 2. Summary of significant accounting policies (cont'd)

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

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

##### **Derecognition (cont'd)**

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

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### (b) **Financial liabilities**

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

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

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

The Group's financial liabilities include trade and other payables, amount due to a subsidiary, amount due to a director, convertible notes, lease liabilities, shareholder loan and loans and borrowings.

##### **Subsequent measurement**

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

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

##### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SFRS(I) 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

## 2. Summary of significant accounting policies (cont'd)

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

#### (b) **Financial liabilities (cont'd)**

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

###### *Financial liabilities at fair value through profit or loss (cont'd)*

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in SFRS(I) 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

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

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

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

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

##### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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

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

### 2.11 *Convertible notes*

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

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

## 2. Summary of significant accounting policies (cont'd)

### 2.11 *Convertible notes (cont'd)*

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

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

### 2.12 *Impairment of financial assets*

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

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

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

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

### 2.13 *Cash and bank balances*

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

### 2.14 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for with purchase cost on a first-in-first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



## 2. Summary of significant accounting policies (cont'd)

### 2.15 Provisions

#### General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### Provision for reinstatement

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

### 2.16 Employee benefits

#### (a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore company in the Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

#### (b) Employee leave entitlement

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

### 2.17 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

## 2. Summary of significant accounting policies (cont'd)

### 2.17 *Revenue recognition (cont'd)*

#### (a) **Sales of goods**

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

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

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

#### (c) **Rental income**

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

### 2.18 *Interest income*

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

### 2.19 *Taxes*

#### (a) **Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### (b) **Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

## 2. Summary of significant accounting policies (cont'd)

### 2.19 Taxes (cont'd)

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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

#### (c) Sales tax

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

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

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

## 2. Summary of significant accounting policies (cont'd)

### 2.20 *Government grants*

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

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

### 2.21 *Share capital and share issue expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

### 2.22 *Earnings per share*

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

### 2.23 *Borrowing costs*

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

### 2.24 *Contingencies*

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

## 2. Summary of significant accounting policies (cont'd)

### 2.25 *Related parties*

A related party is defined as follows:

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

## 3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of the revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

### 3.1 *Judgements made in applying accounting policies*

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

### 3. Significant accounting judgements and estimates

#### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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

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

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

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

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

When value in use calculations are undertaken, management must estimate the expected future cash flows from the subsidiaries using suitable discount rates to calculate the present value of those cash flows. The carrying amount of the Company's investments in subsidiaries at the reporting date are disclosed in Note 11.

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

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The carrying amount of the Group's trade and other receivables and information about the ECL are disclosed in Note 12 and Note 28(a).

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

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

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

The Group carries out inventories review on a product-by-product basis to determine the allowance for slow-moving and inventories obsolescence and whether inventories are stated at the lower of cost and net realisable value. For the purpose of determining whether inventories are stated at the lower of cost and net realisable value, management's estimates of the net realisable value of the inventories at the end of the reporting period are based primarily on the latest selling prices and the market conditions. The carrying amount of the Group's inventories stated at net realisable value at the end of the reporting period is disclosed in Note 13.

##### (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 to borrow over a similar term, and with a 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 adjustments 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.

**4. Revenue****a) Disaggregation of revenue**

	Group	
	2021	2020
	\$	\$
Sale of goods	7,921,682	14,953,980
Rental of equipment	4,826,110	4,183,885
Services rendered	1,452,192	540,223
	<u>14,199,984</u>	<u>19,678,088</u>

**Timing of transfer of goods or services**

At a point in time	7,921,682	14,953,980
Over time	6,278,302	4,724,108
	<u>14,199,984</u>	<u>19,678,088</u>

**(b) Contract assets and liabilities**

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

	Group		
	31 December	1 January	
	2021	2020	2020
	\$	\$	\$
Receivables from contracts with customers	5,190,525	8,220,778	6,779,913
Contract assets	50,778	60,934	–
Contract liabilities	<u>1,373,229</u>	<u>546,853</u>	<u>1,151,982</u>

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

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

Significant changes in contract liabilities are explained as follows:

	Group	
	2021	2020
	\$	\$
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	<u>157,138</u>	<u>970,915</u>



## 5. Other income/(expenses)

	Group	
	2021	2020
	\$	\$
Gain on disposal of right-of-use assets	15,130	–
Gain on disposal of plant and equipment	31,280	539,549
Gain on foreign exchange	63,530	35,260
Sales of scrap metal	180,331	69,221
Government grants	553,679	718,574
Reversal of allowance for inventories obsolescence	13,993	3,229
Others	66,864	74,730
<b>Other income</b>	<b>924,807</b>	<b>1,440,563</b>
Legal and other professional fees	(585,974)	(123,578)
Allowance for expected credit losses (Note 12)	(211,441)	(160,000)
Property tax	(143,806)	–
Donations	(67,092)	(9,021)
Bad debts written off	(5,885)	–
Others	(93,587)	(43,842)
<b>Other expenses</b>	<b>(1,107,785)</b>	<b>(336,441)</b>

Government grants mainly relate to cash grants received from the government in Singapore to help businesses deal with the impact from COVID-19.

## 6. (Loss)/profit before tax

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

	Group	
	2021	2020
	\$	\$
Inventories recognised as an expense in cost of sales (Note 13)	5,617,250	10,044,272
IPO expenses	1,270,973	–
Staff costs (Note 7)	2,766,317	2,712,339
Transport expenses	149,392	138,710
Depreciation of plant and equipment (Note 10)	1,197,743	1,214,855
Depreciation of right-of-use assets (Note 16)	1,317,367	711,479
Reversal of allowance for inventories obsolescence (Note 13)	(13,993)	(3,229)
Interest expenses:		
- Lease liabilities (Note 16)	264,801	40,507
- Loans and borrowings (Note 17)	90,548	–
- Convertible notes (Note 18)	114,072	–
- Significant financing component from contract with customers	487,714	–

## 7. Staff costs

	Group	
	2021	2020
	\$	\$
Salaries and bonuses	2,499,194	2,448,580
CPF contributions	267,123	263,759
	<u>2,766,317</u>	<u>2,712,339</u>

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

## 8. Earnings per share

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

As there were no share options and warrants granted, the basic and diluted earnings per share are the same.

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

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

	2021	2020
	\$'000	\$'000
(Loss)/profit for the financial year attributable to ordinary equity holders for basic and diluted earnings	<u>(2,296,357)</u>	<u>3,787,313</u>
	No. of shares	No. of shares
Weighted average number of ordinary shares for basic EPS	<u>34,122,019</u>	<u>34,122,019*</u>

\* 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 weighted-average number of ordinary shares for the 12-month period ended 31 December 2021.

## 9. Income tax expense

### Major components of income tax expense

The major components of income tax expense for the financial years ended 31 December 2021 and 2020 are:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	\$	\$
Current income tax:		
- Current year	267,386	778,928
- (Over)/under provision in respect of prior year	(20,474)	84,354
	<u>246,912</u>	<u>863,282</u>
Deferred tax:		
- Origination and reversal of temporary differences	(98,096)	(62,775)
- Under provision in respect of prior year	38,500	28,689
	<u>(59,596)</u>	<u>(34,086)</u>
Income tax expense recognised in profit or loss	<u>187,316</u>	<u>829,196</u>

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

A reconciliation between tax expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the financial years ended 31 December 2021 and 2020 are as follows:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	\$	\$
(Loss)/profit before tax	<u>(2,109,041)</u>	<u>4,616,509</u>
Tax at statutory rate of 17% (2020: 17%)	(358,537)	784,806
Non-deductible expenses	459,984	49,033
Income not subject to tax	(58,200)	(99,955)
Effect of partial tax exemption and tax relief	(18,312)	(17,425)
Under provision in respect of previous year	18,026	113,043
Utilisation of previously unrecognised tax assets	-	(79,081)
Effect of higher tax rate in Netherlands	98,413	25,306
Others	45,942	53,469
Income tax expense recognised in profit or loss	<u>187,316</u>	<u>829,196</u>

As at 31 December 2021, the Group has unutilised tax losses of approximately \$995,000 (2020: \$412,000) available for offset against future taxable profits, for which no deferred tax asset is recognised due to uncertainly of its recoverability. The use of these tax losses is subject to agreement of the tax authority and compliance with the relevant provisions of the Netherlands Corporate Income Tax Act.

## 10. Plant and equipment

	Motor vehicles \$	Furniture and fittings \$	Workshop and office equipment \$	Computers and software \$	Renovation \$	Rental equipment \$	Total \$
<b>Group</b>							
<b>Cost:</b>							
At 1 January 2020	339,683	25,645	2,908,076	366,827	1,128,002	9,206,169	13,974,402
Additions	-	-	32,608	23,129	24,370	437,045	517,152
Disposals	-	-	(97,686)	-	-	(1,067,077)	(1,164,763)
At 31 December 2020 and 1 January 2021	339,683	25,645	2,842,998	389,956	1,152,372	8,576,137	13,326,791
Additions	226,500	60,866	172,420	48,992	861,928	541,853	1,912,559
Disposals	-	(14,485)	(662,021)	(97,418)	(1,431,153)	(158,893)	(2,363,970)
At 31 December 2021	566,183	72,026	2,353,397	341,530	583,147	8,959,097	12,875,380
<b>Accumulated depreciation:</b>							
At 1 January 2020	271,173	25,556	2,011,726	274,323	1,103,290	4,734,983	8,421,051
Charge for the financial year	28,059	62	145,316	46,028	26,742	968,648	1,214,855
Disposals	-	-	(97,681)	-	-	(505,835)	(603,516)
At 31 December 2020 and 1 January 2021	299,232	25,618	2,059,361	320,351	1,130,032	5,197,796	9,032,390
Charge for the financial year	24,155	7,337	151,194	47,076	63,792	904,189	1,197,743
Disposals	-	(14,479)	(654,892)	(96,725)	(1,140,287)	(139,576)	(2,045,959)
At 31 December 2021	323,387	18,476	1,555,663	270,702	53,537	5,962,409	8,184,174
<b>Net carrying amount:</b>							
At 31 December 2021	242,796	53,550	797,734	70,828	529,610	2,996,688	4,691,206
At 31 December 2020	40,451	27	783,637	69,605	22,340	3,378,341	4,294,401

## 11. Investment in subsidiaries

	Company	
	2021 \$	2020 \$
Unquoted shares, at cost	10,587,175	-

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

Details of the subsidiaries at 31 December are as follows:

Name of subsidiaries (Country of incorporation)	Principal activities (Place of business)	Cost		Percentage of equity held by the Group	
		2021 \$	2020 \$	2021 %	2020 %
Mooreast Asia Pte Ltd (Singapore, incorporated on 16 March 2010) <sup>(4)</sup>	Provision of mooring systems and mooring system components and related services (Singapore)	10,587,174	– <sup>(3)</sup>	100	100
Mooreast Rigging Pte. Ltd (Singapore, incorporated on 14 July 2016) <sup>(2), (4)</sup>	Building of ships & other ocean-going vessels including selling of marine equipment and accessories (Singapore)	– <sup>(1)</sup>	250,000	100	100
Mooreast Renewables Pte Ltd (Singapore, incorporated on 10 September 2018) <sup>(2), (4)</sup>	Engineering design & consultancy services in energy management & clean energy systems (Singapore)	– <sup>(1)</sup>	10,000	100	100
<i>Held through Mooreast Asia Pte Ltd:</i>					
Mooreast Europe B.V (The Netherlands, incorporated on 29 August 2014) <sup>(5)</sup>	Consultancy services in and trading of marine related equipment and accessories (Europe)	16,587	16,587	100	100

(1) Amount less than \$1

(2) Previously held through Mooreast Asia Pte. Ltd., prior to restructuring of the Group for the purpose of listing on the Catalist Board

(3) Mooreast Asia Pte. Ltd. was previously the holding company, prior to restructuring of the Group for the purpose of listing on the Catalist Board

(4) Audited by Ernst & Young LLP, Singapore

(5) Audited by Ernst & Young LLP, Singapore for the purpose of group consolidation

## 12. Trade and other receivables

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Non-current assets</b>				
Trade receivables	2,329,903	2,689,758	-	-
Other receivables	2,862,583	3,275,397	-	-
	5,192,486	5,965,155	-	-
<b>Current assets</b>				
Trade receivables	2,860,622	5,531,020	-	-
Deposits	11,648	2,034,470	11,348	-
GST receivables	271,248	1,366,250	32,780	-
Other receivables	284,660	414,770	444	-
	3,428,178	9,346,510	44,572	-
Total trade and other receivables	8,620,664	15,311,665	44,572	-
Add: Cash and cash equivalents (Note 14)	20,244,039	3,316,300	18,131,857	-
Less: GST receivables	(271,248)	(1,366,250)	(32,780)	-
Total financial assets carried at amortised cost	28,593,455	17,261,715	18,143,649	-

### Trade receivables

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

### Other receivables

Included in other receivables is compensation of \$3,121,027 (2020: \$3,488,010) due from a customer for the premature termination of a contractual agreement.

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

	Group	
	2021	2020
	\$	\$
United States Dollars	7,155,741	9,865,779
Euro	4,820	229,628

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

### ECL of trade and other receivables

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

	Group	
	2021	2020
	\$	\$
Movement in allowance accounts:		
At 1 January	160,000	370,744
Addition:		
- Trade receivables	140,000	160,000
- Other receivables	71,441	-
Write off	-	(370,744)
At 31 December	371,441	160,000

## 13. Inventories

	Group	
	2021	2020
	\$	\$
Raw materials, at cost	2,725,198	2,461,350
Work-in-progress, at cost	42,893	29,688
Finished goods, at cost	5,624,565	5,081,141
Consumables, at cost	317,490	59,552
	8,710,146	7,631,731
Less: Allowance for inventories obsolescence	(100,709)	(186,236)
	8,609,437	7,445,495
Movement in allowance account:		
At 1 January	186,236	189,465
Reversal of allowance for inventories obsolescence	(13,993)	(3,229)
Inventories written off	(71,534)	-
At 31 December	100,709	186,236
<b>Statement of comprehensive income:</b>		
Inventories recognised as an expense in cost of sales	5,617,250	10,044,272

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

## 14. Cash and bank balances

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Cash at bank	20,306,542	3,334,555	18,131,857	-
Cash on hand	206	5,609	-	-
	20,306,748	3,340,164	18,131,857	-
Less: Restricted cash	(62,709)	(23,864)	-	-
Cash and cash equivalents	20,244,039	3,316,300	18,131,857	-

Restricted cash of \$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 follows:

	Group	
	2021	2020
	\$	\$
United States Dollars	1,083,087	1,564,667
Euro	21,124	83,924

## 15. Trade and other payables

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Trade payables	3,471,534	3,058,590	-	-
Other payables:				
Sundry payables	545,310	410,383	7,890	-
Accruals	630,664	652,056	102,150	-
Government grant	-	173,659	-	-
Amount due to a subsidiary	-	-	1,583,868	-
Total trade and other payables	4,647,508	4,294,688	1,693,908	-
Add: Amount due to a director	2,000,000	-	-	-
Add: Lease liabilities (Note 16)	11,387,075	1,873,093	-	-
Add: Loans and borrowings (Note 17)	27,324,884	-	-	-
Add: Convertible notes (Note 18)	4,592,041	-	4,592,041	-
Less: Government grant	-	(173,659)	-	-
Total financial liabilities carried at amortised cost	49,951,508	5,994,122	6,285,949	-



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

### Trade payables

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

Trade and other payables denominated in foreign currencies other than the respective functional currencies of the Group and its subsidiaries as at 31 December are as follow:

	Group	
	2021	2020
	\$	\$
United States Dollars	2,078,659	2,579,813
Euro	358,735	199,457

### Amount due to a director and amount due to a subsidiary

Amount due to a director and a subsidiary are unsecured, non-trade in nature, non-interest bearing and are repayable on demand.

## 16. Leases

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

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

	Leasehold property	Motor vehicles	Workshop equipment	Total
	\$	\$	\$	\$
<b>Group</b>				
<b>As at 1 January 2020</b>	729,017	64,635	867,148	1,660,800
Additions	1,752,135	-	-	1,752,135
Depreciation	(626,993)	(16,477)	(68,009)	(711,479)
<b>As at 31 December 2020 and 1 January 2021</b>	1,854,159	48,158	799,139	2,701,456
Additions	30,466,024	-	2,620,173	33,086,197
Depreciation	(1,174,705)	(16,477)	(126,185)	(1,317,367)
Disposal	(1,371,864)	-	-	(1,371,864)
<b>As at 31 December 2021</b>	29,773,614	31,681	3,293,127	33,098,422

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

## 16. Leases (cont'd)

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

	2021 \$	2020 \$
<b>Group</b>		
<b>As at 1 January</b>	1,873,093	774,548
Accretion of interest	264,801	40,507
Additions	11,581,797	1,752,135
Disposal	(1,386,994)	-
Payments	(945,622)	(694,097)
<b>As at 31 December</b>	<u>11,387,075</u>	<u>1,873,093</u>
Current	712,508	634,925
Non-current	10,674,567	1,238,168
	<u>11,387,075</u>	<u>1,873,093</u>

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

The following are the amounts recognised in profit or loss:

	2021 \$	2020 \$
Depreciation of right-of-use assets	1,317,367	711,479
Interest expense on leases liabilities	264,801	40,507
<b>Total amount recognised in profit or loss</b>	<u>1,582,168</u>	<u>751,986</u>

The Group had total cash outflows for leases of \$945,622 (2020: \$694,097) in 2021.

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

	1 January \$	Cash flows \$	Non-cash changes				31 December \$
			Accretion of interests \$	Addition \$	Disposal \$	Others \$	
<b>Group</b>							
<b>2021</b>							
<b>Lease liabilities</b>							
Current	634,925	(945,622)	264,801	671,300	(157,992)	245,096	712,508
Non-current	1,238,168	-	-	10,910,497	(1,229,002)	(245,096)	10,674,567
	<u>1,873,093</u>	<u>(945,622)</u>	<u>264,801</u>	<u>11,581,797</u>	<u>(1,386,994)</u>	<u>-</u>	<u>11,387,075</u>

## 16. Leases (cont'd)

	Non-cash changes					31 December
	1 January	Cash flows	Accretion of interests	Lease Modification	Others	
	\$	\$	\$	\$	\$	\$
<b>Group</b>						
<b>2020</b>						
<b>Lease liabilities</b>						
Current	681,659	(694,097)	40,507	-	606,856	634,925
Non-current	92,889	-	-	1,752,135*	(606,856)	1,238,168
	774,548	(694,097)	40,507	1,752,135	-	1,873,093

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

\* In prior year, the Group entered into an agreement to extend the contractual lease term.

## 17. Loans and borrowings

	Group	
	2021	2020
	\$	\$
<b>Current</b>		
Commercial property loan (secured)	1,166,269	-
Shareholder loan	6,072	-
	1,172,341	-
<b>Non-current</b>		
Commercial property loan (secured)	13,152,543	-
Shareholder loan	13,000,000	-
	26,152,543	-
Total loans and borrowings	27,324,884	-

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

### Commercial property loan (secured)

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

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

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

### Shareholder loan

On 28 October 2021, the then shareholder approved an interim dividend pay-out of \$15,000,000 of which \$2,000,000 is shown as amount due to a director (Note 15) and the remaining \$13,000,000 has been converted to an interest-bearing loan due to the sole shareholder ("Shareholder loan"). The interest rate payable on the Shareholder loan for each 6-month interest rate period (such period an "Interest Rate Period") is a percentage equal to 0.1% above (a) in respect of the first Interest Rate Period, the 6-month Compounded Singapore Overnight Rate Average ("Compounded SORA"); and (b) in respect of each successive Interest Rate Period, the Compounded SORA published on the business day immediately following the last day of the previous Interest Rate Period.

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

	1 January	Cash flows	Non-cash changes			31 December
			Interest	Addition	Others	
	\$	\$	\$	\$	\$	\$
<b>Group</b>						
<b>2021</b>						
<b>Commercial property loan (secured)</b>						
Current	-	(565,664)	84,476	1,063,232	584,225	1,166,269
Non-current	-	-	-	13,736,768	(584,225)	13,152,543
	-	(565,664)	84,476	14,800,000	-	14,318,812
<b>Shareholder loan</b>						
Current	-	-	6,072	-	-	6,072
Non-current	-	-	-	13,000,000	-	13,000,000
	-	-	6,072	13,000,000	-	13,006,072
<b>Total loans and borrowings</b>	-	(565,664)	90,548	27,800,000	-	27,324,884

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

## 18. Convertible notes

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

### (a) CN1

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

## 18. Convertible notes (cont'd)

### (b) CN2

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

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

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

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

The movement of the convertible notes was as follows:

	Group and Company	
	2021	2020
	\$	\$
<b>Equity component</b>		
As at 1 January	-	-
Issuance of convertible notes	407,204	-
As at 31 December	407,204	-
<b>Liability component</b>		
As at 1 January	-	-
Issuance of convertible notes	4,477,969	-
Interest expense	114,072	-
As at 31 December	4,592,041	-

## 19. Deferred tax liabilities

Deferred tax as at 31 December relates to the following:

	Group			
	Consolidated balance sheet		Consolidated statement of comprehensive income	
	2021	2020	2021	2020
	\$	\$	\$	\$
Deferred tax liabilities:				
Differences in depreciation for tax purposes	723,865	764,222	(40,357)	(34,086)
Provisions	(9,444)	-	(9,444)	-
Allowance for expected credit losses of financial assets	(42,575)	-	(42,575)	-
Unremitted foreign income	32,780	-	32,780	-
	<u>704,626</u>	<u>764,222</u>		
Deferred tax expense			<u>(59,596)</u>	<u>(34,086)</u>

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

	Group	
	2021	2020
	\$	\$
At 1 January	764,222	798,308
Reversal to consolidated statement of comprehensive income	(59,596)	(34,086)
At 31 December	<u>704,626</u>	<u>764,222</u>

## 20. Share capital

	Group		Company	
	No. of shares	Amount (\$)	No. of shares	Amount (\$)
<b>Issued and fully paid ordinary shares:</b>				
<b>As at 1 January 2021*</b>	1,000,000	1,000,000	-	-
Issuance of shares at date of incorporation of the Company <sup>(a)</sup>	1	1	1	1
Restructuring exercise	(990,001)	9,587,174 <sup>(c)</sup>	9,999	10,587,174 <sup>(b)</sup>
Share split <sup>(d)</sup>	190,624,061	-	190,624,061	-
Issuance of shares <sup>(e)</sup>	29,515,939	5,067,978	29,515,939	5,067,978
	<u>220,150,000</u>	<u>15,655,153</u>	<u>220,150,000</u>	<u>15,655,153</u>
Issuance of shares pursuant to Initial Public Offering <sup>(f)</sup>	38,850,000	8,547,000	38,850,000	8,547,000
Share issuance expenses	-	(566,169)	-	(566,169)
<b>As at 31 December 2021</b>	<u>259,000,000</u>	<u>23,635,984</u>	<u>259,000,000</u>	<u>23,635,984</u>

## 20. Share capital (cont'd)

\* Represents the share capital of Mooreast Asia Pte. Ltd. prior to the restructuring of the Group for the purpose of listing on the Catalist Board.

- (a) The Company was incorporated on 8 June 2021 with a paid-up capital of \$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 \$10,587,174 by issue and allotment of an aggregate of 9,999 new fully paid-up shares to Mr Sim Koon Lam.
- (c) This pertains to the difference between the aggregate consideration of \$10,587,174 mentioned in Note (b) above, and the opening balance as at 1 January 2021.
- (d) On 16 November 2021, pursuant to the sub-division of each of the shares, 10,000 shares in the capital of the Company were spilt into 190,634,061 shares, resulting in increase of 190,624,061 shares.
- (e) Under the terms of the Convertible Note Agreement, the first series of EDBI Convertible Notes with principal amount equivalent to \$5,000,000 was converted to 29,515,939 new shares at a price per share calculated based on the issue price less discount rate of 23% on 22 November 2021. The fair value of the shares issued was determined at \$5,067,978.
- (f) 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. Provision for reinstatement

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

## 22. Dividends

The following exempt (one-tier) dividends were declared and paid by the Group:

	Group	
	2021	2020
	\$	\$
Dividends on ordinary shares		
- interim exempt (one-tier) dividends for \$15.00 per share (2020: \$1.50 per share)	15,000,000	1,500,000

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. \$2,000,000 of the dividend remains unpaid as at year end (Note 15), whereas \$13,000,000 has been converted to shareholder loan (Note 17).

## 23. Related parties transactions

### (a) Sales and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2021	2020
	\$	\$
IPO expenses paid on behalf by a subsidiary (Note 6)	1,270,973	-

### (b) Compensation of key management personnel:

Key management personnel refers to one of the directors (2020: sole director) of the Company and his spouse.

	Group	
	2021	2020
	\$	\$
Key management personnel remuneration:		
- Salaries and bonuses	151,667	120,000
- CPF contributions	9,113	6,480
- Salaries and bonus paid to a spouse of a director	130,000	120,000
- CPF contributions paid to a spouse of a director	13,940	6,480

## 24. Commitments

### Operating lease commitments - as lessor

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

	Group	
	2021	2020
	\$	\$
Not later than one year	301,442	1,542,824
Later than one year but not later than five years	67,785	-
	369,227	1,542,824



## 25. Contingencies

### Guarantee

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Banker's guarantee	533,574	457,513

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

## 26. Segment information

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

- i) The mooring division is the provision of design, engineering, fabrication, supply 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.
- ii) The rigging and heavy lifting division is the 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.
- iii) The marine supplies and services division is the provision of mooring component products, such as synthetic ropes, shackles, chains, anchors and deck equipment, to the marine industry.
- iv) The renewable energy division is the 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.
- v) The yard division is the 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.
- vi) The corporate level is involved in group-level corporate services and treasury functions.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

## 26. Segment information (cont'd)

	Mooring \$	Rigging and heavy lifting \$	Marine supplies and services \$	Renewable energy \$	Yard \$	Corporate \$	Elimination \$	Per consolidated financial statements \$
<b>For year ended 31 December 2021</b>								
Revenue from external customers	7,794,590	3,193,707	2,280,826	328,415	602,446	-	-	14,199,984
Intersegment revenue	422,731	-	-	-	-	-	(422,731)	-
Total revenue	8,217,321	3,193,707	2,280,826	328,415	602,446	-	(422,731)	14,199,984
Results:								
Depreciation	(1,003,303)	(121,353)	(11,887)	(53,366)	(94,311)	(1,230,890)	-	(2,515,110)
Interest income	-	-	-	-	-	86,171	(49,770)	36,401
Interest expense	-	-	-	-	-	(1,014,576)	49,812	(964,764)
Segment profit/(loss)	4,342,000	785,755	506,896	262,399	248,099	(8,205,432)	(48,758)	(2,109,041)
Segment assets:	50,629,195	3,223,855	953,945	-	13,396	21,350,923	-	76,171,314
Segment liabilities (exclude tax payables and deferred tax liabilities):	4,936,517	653,290	375,377	-	-	47,359,553	-	53,324,737

26. Segment information (cont'd)

	Mooring \$	Rigging and heavy lifting \$	Marine supplies and services \$	Renewable energy \$	Corporate \$	Elimination \$	Per consolidated financial statements \$
<b>For year ended 31 December 2020</b>							
Revenue from external customers	14,190,293	2,700,548	1,019,088	1,768,159	-	-	19,678,088
Intersegment revenue	1,743,213	-	-	-	-	(1,743,213)	-
Total revenue	15,933,506	2,700,548	1,019,088	1,768,159	-	(1,743,213)	19,678,088
Results:							
Depreciation	(1,002,344)	(110,340)	-	-	(813,650)	-	(1,926,334)
Interest income	-	-	-	-	2,524	-	2,524
Interest expense	-	-	-	-	(56,930)	-	(56,930)
Segment profit/(loss)	6,731,003	635,176	244,842	172,638	(3,167,150)	-	4,616,509
Segment assets:	22,547,180	2,906,455	750,846	89,611	7,746,068	-	34,040,160
Segment liabilities (exclude tax payables and deferred tax liabilities):	3,250,524	434,943	249,565	40,242	2,739,360	-	6,714,634

## 26. Segment information (cont'd)

### Geographical information

	Group			
	Revenue		Non-current assets	
	2021	2020	2021	2020
	\$	\$	\$	\$
Singapore	6,685,849	3,329,457	37,789,628	6,995,857
Europe	40,433	10,747,877	-	-
Asia Pacific (excluding Singapore)	6,735,827	2,911,224	-	-
Middle East	737,875	2,436,874	-	-
America	-	252,656	-	-
	14,199,984	19,678,088	37,789,628	6,995,857

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

## 27. Fair value of financial instruments

### (a) *Fair value hierarchy*

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

- Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables, amount due to a subsidiary, and amount due to a director are reasonable approximation of fair values, due to their short-term nature.

## 28. Financial risk management objectives and policies

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

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

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

### (a) Credit risk

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

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

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

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

Additionally, the Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- There is a disappearance of an active market for that financial asset because of financial difficulty.

**28. Financial risk management objectives and policies (cont'd)****(a) Credit risk (cont'd)**

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

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

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

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

Group	Gross carrying amount \$	Loss allowance provision \$	Carrying amount \$
<b>2021</b>			
Current	49,446	-	49,446
Past due:			
- 1 to 30 days	1,101,930	-	1,101,930
- 31 to 60 days	767,047	-	767,047
- 61 to 90 days	166,636	-	166,636
- More than 90 days	3,405,466	(300,000)	3,105,466
	5,490,525	(300,000)	5,190,525
<b>2020</b>			
Current	2,491,056	-	2,491,056
Past due:			
- 1 to 30 days	1,680,249	-	1,680,249
- 31 to 60 days	178,601	-	178,601
- 61 to 90 days	209,999	-	209,999
- More than 90 days	3,820,873	(160,000)	3,660,873
	8,380,778	(160,000)	8,220,778

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

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

#### Concentration of credit risk

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

	2021		Group		2020	
	\$	%	\$	%	\$	%
<b>By country</b>						
Singapore	1,279,649	25	1,286,876	16		
Europe	390,834	8	3,072,669	37		
Asia Pacific (excluding Singapore)	3,282,796	63	3,354,137	41		
Middle East	4,819	–	286,816	3		
America	232,427	4	220,280	3		
	<u>5,190,525</u>	<u>100</u>	<u>8,220,778</u>	<u>100</u>		

At the end of the reporting period, 60% (2020: 39%) of the Group's trade receivables were due from 1 (2020: 1) major customer located in Asia Pacific.

### (b) Liquidity risk

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

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

**28. Financial risk management objectives and policies (cont'd)****(b) Liquidity risk (cont'd)**Analysis of financial instruments by remaining contractual maturities

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

	<b>One year or less \$</b>	<b>One to five years \$</b>	<b>Total \$</b>
<b>2021</b>			
<b>Group</b>			
<b>Financial assets:</b>			
Trade and other receivables, excluding GST receivables (Note 12)	3,156,930	5,192,486	8,349,416
Cash and cash equivalents (Note 14)	20,244,039	-	20,244,039
Total undiscounted financial assets	<u>23,400,969</u>	<u>5,192,486</u>	<u>28,593,455</u>
<b>Financial liabilities:</b>			
Trade and other payables (Note 15)	4,647,508	-	4,647,508
Amount due to a director (Note 15)	2,000,000	-	2,000,000
Lease liabilities (Note 16)	1,185,831	15,596,056	16,781,887
Shareholder loan (Note 17)	6,072	13,000,000	13,006,072
Loans and borrowings (Note 17)	1,335,891	14,027,699	15,363,590
Convertible notes (Note 18)	450,000	7,800,000	8,250,000
Total undiscounted financial liabilities	<u>9,625,302</u>	<u>50,423,755</u>	<u>60,049,057</u>
Total net undiscounted financial assets/(liabilities)	<u>13,775,667</u>	<u>(45,231,269)</u>	<u>(31,455,602)</u>



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

(b) Liquidity risk (cont'd)

	One year or less \$	One to five years \$	Total \$
<b>2020</b>			
<b>Group</b>			
<b>Financial assets:</b>			
Trade and other receivables, excluding GST receivables (Note 12)	7,980,260	5,965,155	13,945,415
Cash and cash equivalents (Note 14)	3,316,300	-	3,316,300
Total undiscounted financial assets	<u>11,296,560</u>	<u>5,965,155</u>	<u>17,261,715</u>
<b>Financial liabilities:</b>			
Trade and other payables, excluding government grant (Note 15)	4,121,029	-	4,121,029
Lease liabilities (Note 16)	683,495	1,276,135	1,959,630
Total undiscounted financial liabilities	<u>4,804,524</u>	<u>1,276,135</u>	<u>6,080,659</u>
Total net undiscounted financial assets	<u>6,492,036</u>	<u>4,689,020</u>	<u>11,181,056</u>
<b>2021</b>			
<b>Company</b>			
<b>Financial assets:</b>			
Trade and other receivables, excluding GST receivables (Note 12)	11,792	-	11,792
Cash and cash equivalents (Note 14)	18,131,857	-	18,131,857
Total undiscounted financial assets	<u>18,143,649</u>	<u>-</u>	<u>18,143,649</u>
<b>Financial liabilities:</b>			
Trade and other payables (Note 15)	1,693,908	-	1,693,908
Convertible notes (Note 18)	450,000	7,800,000	8,250,000
Total undiscounted financial liabilities	<u>2,143,908</u>	<u>7,800,000</u>	<u>9,943,908</u>
Total net undiscounted financial assets/(liabilities)	<u>15,999,741</u>	<u>(7,800,000)</u>	<u>8,199,741</u>

**28. Financial risk management objectives and policies (cont'd)****(c) Foreign currency risk**

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

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

	<b>Group</b>	
	<b>(Loss)/profit net of tax</b>	
	<b>Increase/(Decrease)</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
USD/SGD - strengthened 2% (2020: 4%)	(112,126)	306,457
- weakened 2% (2020: 4%)	112,126	(306,457)
EUR/SGD - strengthened 3% (2020: 3%)	(8,707)	2,751
- weakened 3% (2020: 3%)	8,707	(2,751)

**(d) Interest rate risk**

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

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 50 (2020: Nil) basis points lower/higher with all other variables held constant, the Group's loss before tax would have been \$74,000 (2020: Nil) lower/higher, arising mainly as a result of lower/higher interest expense on floating rate borrowings.

**29. Capital management**

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholder, return capital to shareholder or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2021 and 31 December 2020.

**30. Authorisation of financial statements**

The financial statements of the Group for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 25 March 2022.

## SHARE CAPITAL

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

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	76	17.08	75,900	0.03
1,001 - 10,000	179	40.22	791,500	0.31
10,001 - 1,000,000	180	40.45	16,667,200	6.43
1,000,001 and above	10	2.25	241,465,400	93.23
<b>TOTAL</b>	<b>445</b>	<b>100.00</b>	<b>259,000,000</b>	<b>100.00</b>

## SHAREHOLDING HELD BY THE PUBLIC

Based on the information available to the Company as at 16 March 2022, approximately **15%** of the issued ordinary shares of the Company is held in the hands of the public as defined in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**Rules of Catalist**"). Accordingly, Rule 723 of the Catalist Rules is complied with.

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	FENG TAI INVESTMENT PTE. LTD.	190,634,061	73.60
2	EDB INVESTMENTS PTE LTD	29,515,939	11.40
3	HSBC (SINGAPORE) NOMINEES PTE LTD	6,800,000	2.63
4	DBS NOMINEES (PRIVATE) LIMITED	3,477,300	1.34
5	ICH CAPITAL PTE LTD	2,536,100	0.98
6	CHEN XIONGZHAO	1,900,000	0.73
7	CHUA GUEK LIANG	1,900,000	0.73
8	YOHANES CHANDRA EKAJAYA	1,900,000	0.73
9	CITIBANK NOMINEES SINGAPORE PTE LTD	1,546,000	0.60
10	BPSS NOMINEES SINGAPORE (PTE.) LTD.	1,256,000	0.48
11	RAFFLES NOMINEES (PTE.) LIMITED	808,800	0.31
12	CHONG HUAI SENG	467,900	0.18
13	SUNIL KUMAR	433,000	0.17
14	IFAST FINANCIAL PTE. LTD.	431,900	0.17
15	LEOW SIEW CHOO	424,900	0.16
16	LOH TEE YANG	402,000	0.16
17	CHOO MAY LING SERENE (ZHU MEILING)	350,000	0.14
18	LEE PENG SHARMAYNE MRS.SHARMAYNE SHUM	350,000	0.14
19	TAN SWEE MIANG	310,000	0.12
20	TING SIAN TENG ELGIN	300,000	0.12
		<b>245,743,900</b>	<b>94.89</b>

As at 16 March 2022

## SUBSTANTIAL SHAREHOLDERS AS AT 16 MARCH 2022

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

\*Percentage is calculated based on the total number of issued ordinary shares as at 16 March 2022

**Note:**

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

**NOTICE IS HEREBY GIVEN** that the 1st Annual General Meeting (“**AGM**”) of the Company will be convened and held by way of electronic means on Friday, 29 April 2022 at 10.00 a.m. to transact the following business:

### ORDINARY BUSINESS

- |  |                     |
|--|---------------------|
| 1. To receive and adopt the Directors’ Statement and Audited Financial Statements of the Company for the financial period from 8 June 2021 to 31 December 2021 together with the Auditors’ Report thereon. | <b>Resolution 1</b> |
| 2. To re-elect the following Directors who retire by rotation in accordance with the Constitution of the Company and who, being eligible, offer themselves for re-election:                                |                     |
| (a) Mr Sim Koon Lam [Regulation 94]  | <b>Resolution 2</b> |
| (b) Ms Lee Sok Koon [Regulation 94]  | <b>Resolution 3</b> |
| (c) Mrs Elaine Sim [Regulation 100]  | <b>Resolution 4</b> |
| 3. To approve the Directors’ fees of SGD19,800 for the financial period ended 31 December 2021.  | <b>Resolution 5</b> |
| 4. To approve the Directors’ fees of SGD110,000 for the financial year ending 31 December 2022.  | <b>Resolution 6</b> |
| 5. To re-appoint Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration.  | <b>Resolution 7</b> |

### SPECIAL BUSINESS

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

- |   |                     |
|---|---------------------|
| 6. <b>Authority to allot and issue shares</b>   | <b>Resolution 8</b> |
| <p>That pursuant to Section 161 of the Companies Act 1967 of Singapore (“<b>Companies Act</b>”) and Rule 806 of the Singapore Exchange Securities Trading Limited (the “<b>SGX-ST</b>”) Listing Manual Section B: Rules of Catalist (“<b>Catalist Rules</b>”), authority be and is hereby given to the Directors of the Company to allot and issue shares and/or convertible securities in the capital of the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit provided that:</p> <p>(i) the aggregate number of shares and/or convertible securities to be issued pursuant to this resolution must not be more than one hundred per cent (100%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares and/or convertible securities to be issued other than on a <i>pro-rata</i> basis to existing shareholders of the Company must not be more than fifty per cent (50%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (ii) below);</p> |                     |

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

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

- (iii) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), the Companies Act and the Company's Constitution; and
- (iv) unless revoked or varied by the Company in a general meeting, the authority conferred by this resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

7. **Grant awards and to allot and issue shares in accordance with Mooreast Performance Share Plan**

**Resolution 9**

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

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

8. **Grant Options and to allot and issue shares in accordance with Mooreast Share Option Scheme** **Resolution 10**

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

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

**BY ORDER OF THE BOARD**

Yap Peck Khim  
Company Secretary

Date: 14 April 2022

**EXPLANATORY NOTES**

**Resolution 3**

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

**Resolution 8**

Resolution 8 is to empower the Directors of the Company from the date of this AGM until the date of the next AGM, to allot and issue shares and convertible securities in the Company. The number of shares and convertible securities, which the Directors may allot and issue under this Resolution shall not exceed hundred per cent (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) at the time of passing this Resolution. For allotment and issue of shares and convertible securities other than on a *pro-rata* basis to all shareholders of the Company, the aggregate number of shares and convertible securities to be allotted and issued shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any). This authority will, unless revoked or varied at a general meeting, expire at the next AGM, or by the date by which the next AGM is required by law to be held, whichever is earlier.

**Resolution 9**

Resolution 9 is to empower the Directors to grant awards and to allot and issue shares pursuant to the Performance Share Plan. The grant of awards under the Performance Share Plan will be made in accordance with the provisions of the Performance Share Plan. The aggregate number of shares which may be issued pursuant to the Performance Share Plan and the Share Option Scheme shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) from time to time.

**Resolution 10**

Resolution 10 is to empower the Directors to offer and grant options, and to allot and issue shares pursuant to the Share Option Scheme. The grant of options under the Scheme will be made in accordance with the provisions of the Share Option Scheme. The aggregate number of shares which may be issued pursuant to the Performance Share Plan and Share Option Scheme shall not exceed fifteen per cent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) from time to time.

**NOTES**

- 1) The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Notice will be published on the Company's website at the URL <https://mooreast.com/investor-relations/sgx-announcements/>. This Notice will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- 2) The AGM will be held by way of electronic means and a member will be able to watch the proceedings of the AGM through a "live" webcast via your mobile phone, tablet or computer or listen to these proceedings through a "live" audio feed. In order to do so, a member who wishes to watch the "live" webcast or listen to the "live" audio feed must pre-register by 10.00 a.m. on Tuesday, 26 April 2022, at the URL <https://bit.ly/MOOREAST2022AGM>. Following authentication of your status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the AGM by 12.00 p.m. on Thursday, 28 April 2022.

Members may also submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM, in the following manner by 10.00 a.m. on Friday, 22 April 2022:

- (a) via the pre-registration website at the URL <https://bit.ly/MOOREAST2022AGM>;
- (b) in hard copy by sending personally or by post and lodging the same at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or
- (c) by email to Boardroom Corporate & Advisory Services Pte Ltd at [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com).

The Company will address substantial questions relevant to the resolutions to be tabled for approval at the AGM as received from Shareholders by way of an announcement to be released on SGXNet and on the Company's website by 10.00 a.m. on Sunday, 24 April 2022.

- 3) Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) **must appoint the Chairman of the Meeting as his/her/its proxy** to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM may be accessed at the Company's website at the URL <https://mooreast.com/investor-relations/sgx-announcements/> and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

Supplementary Retirement Scheme ("SRS") investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective SRS Operators to submit their votes by 5.00 p.m. on Wednesday, 20 April 2022.

- 4) The Chairman of the Meeting, as proxy, need not be a member of the Company.
- 5) The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
  - (a) if submitted by hand or by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or
  - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com),in either case, not less than **72 hours** before the time for holding the AGM.

A member who wishes to submit an instrument of proxy must complete and sign the proxy form, before submitting it by hand or by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**In view of the current Covid-situation, members are strongly encouraged to submit completed proxy forms electronically via email.**



- 6) The Company shall be entitled to, and will, treat any valid instrument appointing the Chairman of the Meeting as proxy which was delivered by a member to the Company by 10.00 a.m. on Tuesday, 26 April 2022 as a valid instrument appointing the Chairman of the Meeting as the member's proxy to attend, speak and vote at the AGM if:
  - (a) the member had indicated how he/she/it wished to vote for or vote against or abstain from voting on each resolution; and
  - (b) the member has not withdrawn the appointment.
- 7) A member may withdraw an instrument appointing the Chairman of the Meeting or other person(s) as proxy(ies) by sending an email to the Company's Share Registrar at [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com) to notify the Company of the withdrawal, at least **72 hours** before the time for holding the AGM.
- 8) The instrument appointing the Chairman of the Meeting as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.
- 9) The Annual Report for the financial period ended 31 December 2021 ("**2021 Annual Report**") may be accessed at the Company's website at the URL <https://mooreast.com/investor-relations/annual-reports/> or on the SGX website at the URL <https://sgx.com/securities/company-announcements>.

#### PERSONAL DATA PRIVACY

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

# MOOREAST HOLDINGS LTD.

Registration No. 202120164D  
(Incorporated in Singapore)

## ANNUAL GENERAL MEETING PROXY FORM

### IMPORTANT

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Annual General Meeting are set out in the Notice of Annual General Meeting dated 14 April 2022. This announcement may also be accessed at the URL: <https://mooreast.com/investor-relations/sgx-announcements/>
2. A member will not be able to attend the Annual General Meeting in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the Annual General Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. A relevant intermediary may appoint the Chairman of the meeting to attend the Annual General Meeting and vote (please see Note 7 for the definition of "relevant intermediary").
4. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may inform their SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy.
5. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

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

of \_\_\_\_\_

being a member/members of Mooreast Holdings Ltd. (the "**Company**") hereby appoint the **Chairman** of the 1st Annual General Meeting of the Company (the "**Annual General Meeting**"), as my/our proxy to attend, speak and to vote for me/us on my/our behalf, at the Annual General Meeting to be held by way of electronic means on Friday, 29 April 2022 at 10.00 a.m. and at any adjournment thereof.

(Voting will be conducted by poll. If you wish to appoint the Chairman of the Meeting as your proxy to cast all your votes for or against a resolution to be proposed at the AGM please indicate with a "✓" in the space provided under "For" or "Against". If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution to be proposed at the AGM, please indicate with a "✓" in the space provided under "Abstain". Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to vote "For" or "Against" or to abstain from voting. In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid.)

No.	Resolutions	For	Against	Abstain
<b>ORDINARY BUSINESS</b>				
1.	To receive and adopt the Directors' Statement, Audited Financial Statements and Auditor's Report			
2.	To re-elect Mr Sim Koon Lam as Director			
3.	To re-elect Ms Lee Sok Koon as Director			
4.	To re-elect Mrs Elaine Sim as Director			
5.	To approve the Directors' fees for the financial period ended 31 December 2021			
6.	To approve the Directors' fees for the financial year ending 31 December 2022			
7.	To re-appoint Ernst & Young LLP as Auditors			
<b>SPECIAL BUSINESS</b>				
8.	To authorise the Directors to allot and issue new shares			
9.	To authorise the Directors to grant awards and issue shares in accordance with the Mooreast Performance Share Plan			
10.	To authorise the Directors to grant options and issue shares in accordance with the Mooreast Share Option Scheme			

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

Total number of Shares held

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

**IMPORTANT: PLEASE READ NOTES**

## NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act 1967 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) **must appoint the Chairman of the Meeting as his/her/its proxy** to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting. The accompanying proxy form for the Annual General Meeting may be accessed at the Company's website and will also be made available on the SGX website.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective SRS Operators to submit their votes by 5.00 p.m. on Wednesday, 20 April 2022.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
  - (a) if submitted by hand or by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or
  - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com), in either case, not less than **72 hours** before the time for holding the Annual General Meeting.

A member who wishes to submit an instrument of proxy must complete and sign the proxy form, before submitting it by hand or by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**In view of the current COVID-19 situation, members are strongly encouraged to submit completed proxy forms electronically via email.**

5. Where an instrument appointing the Chairman of the Meeting as proxy is sent by hand or by post, it must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

Where an instrument appointing the Chairman of the Meeting as proxy is submitted by email, it must be authorised in the following manner:

- (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
  - (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.
6. A member may withdraw an instrument appointing the Chairman of the Meeting by sending an email to the Company's Share Registrar at [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com) to notify the Company of the withdrawal, at least **72 hours** before the time for holding the Annual General Meeting.
  7. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint the Chairman of the Meeting to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by each member.

**"relevant intermediary"** means:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as the proxy. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as the proxy lodged if such members are not shown to have shares entered against their names in the Depository Register at least 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

## Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 April 2022.

## 1. INTRODUCTION

The Board of Directors of Mooreast Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to:

- (a) the COVID-19 (Temporary Measures) Act 2020 which enables the Minister for Law by order to prescribe alternative arrangements for listed companies in Singapore to, *inter alia*, conduct general meetings, either wholly or partly, by electronic communication, video conferencing, tele-conferencing or other electronic means;
- (b) the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “**Order**”) which sets out the alternative arrangements in respect of, *inter alia*, general meetings of companies; and
- (c) the latest joint statement by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and Singapore Exchange Regulation (“**SGX RegCo**”) on 1 October 2020 as well as the latest news release issued by the SGX RegCo on 4 February 2022 which provide additional guidance on the conduct of general meetings amid the evolving COVID-19 situation.

## 2. DATE OF ANNUAL GENERAL MEETING

The Company is pleased to announce that pursuant to the Order, the 1st Annual General Meeting will be convened and held by way of electronic means on **Friday, 29 April 2022 at 10.00 a.m.** (the “**AGM**”) to transact the business set out in the Notice of the AGM made available on the Company’s website and SGXNet on 14 April 2022.

Our Chairman, Mr Ong Yong Loke Joseph, will conduct the proceedings of the AGM.

## 3. NOTICE OF AGM AND PROXY FORM

The Notice of the AGM and proxy form will be sent to shareholders via post and by electronic means via publication on our corporate website and will also be made available on the SGX website.

## 4. NO ATTENDANCE AT AGM

Due to the current COVID-19 restriction orders in Singapore, Shareholders (including a relevant intermediary) will not be allowed to attend the AGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the AGM by (a) watching the AGM proceedings via “live” webcast or listening to the AGM proceedings via “live” audio feed, (b) submitting questions in advance of the AGM, and/or (c) voting by proxy at the AGM. Please see paragraph 5 below for these alternative arrangements.

## 5. ALTERNATIVE ARRANGEMENTS

The following are the alternative arrangements which have been put in place for the AGM:

### (a) "Live" webcast and "live" audio feed

The Company's Chairman, Mr Ong Yong Loke Joseph, will conduct the proceedings of the AGM by way of electronic means. Shareholders (including a relevant intermediary) will be able to watch these proceedings through a "live" webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed. In order to do so, Shareholders must follow these steps:

- (i) Shareholders who wish to watch the "live" webcast or listen to the "live" audio feed must pre-register by 10.00 a.m. on Tuesday, 26 April 2022, at the URL <https://bit.ly/MOOREAST2022AGM>.

Following authentication of shareholders status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the AGM by 12.00 p.m. on Thursday, 28 April 2022.

- (ii) Shareholders who do not receive an email by 12.00 p.m. on Thursday, 28 April 2022, but who have registered by the deadline, should contact the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, by telephone at 6536 5355 during Monday to Friday, from 9.00 a.m. to 5.00 p.m. (excluding Public Holiday) or by email to [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com).
- (iii) Investors other than CPF / SRS Investors who hold shares through relevant intermediaries as defined in Section 181(1C) of the Companies Act and wish to participate in the AGM should approach their relevant intermediaries as soon as possible so that the necessary arrangements can be made by the relevant intermediaries for their participation in the AGM.

### (b) Submission of questions in advance

Shareholders (including a relevant intermediary) who pre-register to watch the "live" webcast or listen to the "live" audio feed may also submit questions related to the resolutions to be tabled for approval at the AGM:

- (i) All questions must be submitted by 10.00 a.m. on Friday, 22 April 2022:
  - via the pre-registration website at the URL <https://bit.ly/MOOREAST2022AGM>;
  - in hard copy by sending personally or by post and lodging the same at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or
  - by email to Boardroom Corporate & Advisory Services Pte Ltd at [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com).

The Company will address substantial questions relevant to the resolutions to be tabled for approval at the AGM as received from Shareholders by way of an announcement released on SGXNet and on the Company's website by 10.00 a.m. on Sunday, 24 April 2022.

- (ii) The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGXNet and the Company's website.
- (iii) Please note that Shareholders will not be able to ask questions at the AGM "live" during the webcast and the audio feed, and therefore it is important for Shareholders to pre-register their participation in order to be able to submit their questions in advance of the AGM.
- (iv) Investors other than CPF / SRS Investors who hold shares through relevant intermediaries as defined in Section 181(1C) of the Companies Act can submit their questions in relation to any resolution set out in the Notice of AGM through their relevant intermediaries so that necessary arrangements can be made by the relevant intermediaries to submit the questions to the Company.

**(c) Proxy voting**

Shareholders (including a relevant intermediary) will not be able to vote online on the resolutions to be tabled for approval at the AGM. Instead, if Shareholders (whether individual or corporate) wish to exercise their votes, they must submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf:

- (i) Shareholders (whether individual or corporate) appointing the Chairman of the Meeting as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.
- (ii) The proxy form can be submitted to the Company in hard copy form or by email:
  - if in hard copy by hand or by post, the proxy form must be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or
  - if submitted via email, the proxy form must be received by the Company's Share Registrar at [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com),

in either case, by 10.00 a.m. on Tuesday, 26 April 2022

- (iii) investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act (including SRS investors) and who wish to exercise their votes by appointing the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including their respective SRS Approved Banks) to submit their voting instructions by 5.00 p.m. on Wednesday, 20 April 2022 in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by 10.00 a.m. on Tuesday, 26 April 2022.
- (iv) A member may withdraw an instrument appointing the Chairman of the Meeting by sending an email to the Company's Share Registrar at [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com) to notify the Company of the withdrawal, by by 10.00 a.m. on Tuesday, 26 April 2022.

## 6. FURTHER INFORMATION

For further information on the conduct of the AGM and the alternative arrangements, shareholders can refer to the Company's website at the following URLs:

- <https://bit.ly/MOOREAST2022AGM>
- <https://mooreast.com/investor-relations/sgx-announcements/>

## 7. IMPORTANT REMINDER:

**Due to the constantly evolving COVID-19 situation in Singapore, we may be required to change our arrangements for the AGM at short notice. Shareholders should check the above URLs and SGXNet for updates on the AGM.**

The Company would like to thank all shareholders for their patience and co-operation in enabling the Company to hold the AGM with the optimum safe distancing measures amidst the COVID-19 pandemic.

## BY ORDER OF THE BOARD

Sim Koon Lam  
CEO and Deputy Chairman  
14 April 2022

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

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

*The contact person for the Sponsor is Mr Chia Beng Kwan, Registered Professional, W Capital Markets Pte Ltd, at 65 Chulia Street #43-01 OCBC Centre, Singapore 049513, telephone (65) 6513 3541.*

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