

# MOOREAST HOLDINGS LTD.

(Company Registration No.: 202120164D)

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## PROPOSED ACQUISITION OF PROPERTY LOCATED AT LOT 4022P AND LOT 4097V OF MUKIM 7 AT 60 SHIPYARD CRESCENT, SINGAPORE 627735

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### 1 INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Mooreast Holdings Ltd. (the “**Company**”) is pleased to announce that Mooreast Asia Pte. Ltd. (the “**Purchaser**”), a wholly-owned subsidiary of the Company, has received, and accepted, an offer from Seatrium New Energy Limited (the “**Vendor**”) to purchase the property located on Lot 4022P (measuring 93,902.6 square meters) and Lot 4097V (measuring 5,015.8 square meters) of Mukim 7 at 60 Shipyard Crescent, Singapore 627735 (the “**Property**”), including all the existing plant, equipment and machineries located thereon (the “**P&M**”) on the terms and conditions set out in an option to purchase granted by the Vendor to the Purchaser on 10 June 2024 (the “**OTP**”) (the “**Proposed Acquisition**”). The Proposed Acquisition is to be completed by way of an assignment of the lease of the Property and subject to the approval of JTC Corporation, the lessor of the Property. The Property is located near the Purchaser’s existing facility located on Lot 192V, 193P and 288L of Mukim 7 at 51 Shipyard Road, Singapore 628139, which measures 30,691 square meters.

### 2 DETAILS OF THE PROPOSED ACQUISITION

#### 2.1 Information on the Vendor, the Property and the P&M

The Vendor is a wholly owned subsidiary of Seatrium Limited (formerly Sembcorp Marine Ltd and renamed Seatrium Limited following its merger with Keppel Offshore & Marine Limited) (collectively, the “**Vendor Group**”). The Vendor Group is headquartered in Singapore, and is a leading provider of engineering solutions to the global offshore, marine and energy industries.

The Property is a leasehold industrial land, which is currently used by the Vendor, and has a leasehold tenure expiring on 19 August 2030.

The P&M comprise the Vendor’s existing plant, equipment and machinery which are used in connection with the Vendor’s business of the design and construction of rigs, floaters, offshore platforms and specialised vessels at the Property.

#### 2.2 Salient Terms of the Proposed Acquisition

##### 2.2.1 Purchase Price

The consideration for the Property is S\$13,500,000 (“**Purchase Price**”) which shall be satisfied by the Purchaser in cash in the following manner:

- (a) 1% of the Purchase Price (the “**Option Fee**”) payable on the date of the grant of the OTP.
- (b) 9% of the Purchase Price (together with the Option Fee, the “**Deposit**”) payable upon the date of the Purchaser’s exercise of the OTP.
- (c) 90% of the Purchase Price (the “**Balance Purchase Price**”) payable within five (5) Business Days from the date of completion of the sale and purchase of the Property and the P&M.

The Purchase Price was arrived at pursuant to arm’s length negotiations between the Vendor and the Purchaser on a willing-buyer, willing-seller basis, after taking into account prevailing market conditions, the valuation of the Property conducted by the independent valuer appointed by the

Purchaser of S\$13,500,000 based on the current open market value of the Property as at 23 December 2023, and the rationale for the Proposed Acquisition (as disclosed in Paragraph 3 below).

No separate valuation was conducted on the P&M for the purposes of the Proposed Acquisition as it was not commercially cost efficient to do so.

As at the date of this announcement, the Purchaser has paid a total amount of S\$1,350,000 as the Deposit, which will be held by the Vendor's solicitors as stakeholders pending Completion. The Deposit collectively represents 10% of the Purchase Price.

The Purchase Price is intended to be funded by internal resources.

### 2.2.2 Conditions Precedent

The Proposed Acquisition is conditional upon, *inter alia*, the following conditions having been fulfilled (or waived) on or before the Long Stop Date (as defined in Paragraph 2.2.3 below) (the "**Conditions Precedent**"):

- (a) The Vendor and the Purchaser having obtained the written approval (the "**JTC Approval**") from Jurong Town Corporation ("**JTC**") for the Vendor to sell and the Purchaser to purchase the Property and subject to such terms and conditions imposed by JTC and acceptable to the Vendor (if imposed on the Vendor and acting reasonably) and the Purchaser (if imposed on the Purchaser and acting reasonably) (the "**JTC Conditions**").
- (b) The Vendor and the Purchaser having obtained the written confirmation from JTC that JTC has no objection to the execution of the Deed of Assignment / Instrument of Transfer (as the case may be) from the Vendor to the Purchaser for the Property, or such other confirmation of similar nature (the "**JTC Confirmation**").

### 2.2.3 Long Stop Date

The JTC Approval and/or the JTC Confirmation must be obtained by the expiry of one (1) year from the date of the exercise of the Option by the Purchaser (or such other extended time as the parties may mutually agree) (the "**Long Stop Date**"), failing which, the Proposed Acquisition shall terminate and the following shall apply:

- (a) If the inability to obtain the JTC Approval and/or the JTC Confirmation is attributable to the Purchaser's default, the Deposit and all monies paid by the Purchaser to the Vendor under the OTP shall be forfeited and belong to the Vendor.
- (b) If the inability to obtain the JTC Approval and/or the JTC Confirmation is attributable to the Vendor's default, the Vendor shall forthwith (but shall not be later than seven (7) Business Days from the date of a notification from the Purchaser) refund to the Purchaser the Deposit and all monies paid by the Purchaser under the OTP, without interest, compensation or deduction.
- (c) If the inability to obtain the JTC Approval and/or the JTC Confirmation is due to reasons which are entirely beyond the control of the Vendor and the Purchaser and the parties hereto are unable to do anything whatsoever to either re-submit the application to JTC or to appeal to JTC for reconsideration, then the OTP may be rescinded at the option of either party and the Vendor shall forthwith (but shall not be later than seven (7) Business Days from the date of a notification from the Purchaser) refund to the Purchaser the Deposit and all monies paid by the Purchaser under the OTP, without interest, compensation or deduction.

If any of the terms and conditions of the JTC Approval which are imposed on the Vendor by JTC is not acceptable to the Vendor (acting reasonably), the Vendor shall be entitled to serve on the Purchaser a written notice to terminate the OTP (the "**Vendor Termination Notice**") and in the event of service by the Vendor of such Vendor Termination Notice, then the Vendor shall forthwith (but shall not be later than seven (7) Business Days from the date of a notification from the

Purchaser) refund to the Purchaser the Deposit and all monies paid by the Purchaser under the OTP, without interest, compensation or deduction.

If any of the terms and conditions of the JTC Approval which are imposed on the Purchaser by JTC (excluding the list of JTC Terms set out in Annexure 3 of the OTP) is not acceptable to the Purchaser (acting reasonably), the Purchaser shall be entitled to serve on the Vendor a written notice to terminate the OTP (the “**Purchaser Termination Notice**”) and in the event of service by the Purchaser of such Purchaser Termination Notice, then the Vendor shall forthwith (but shall not be later than seven (7) Business Days from the date of a notification from the Purchaser) refund to the Purchaser the Deposit and all monies paid by the Purchaser under the OTP, without interest, compensation or deduction.

Unless the scenario outlined in the second sub-paragraph or the third sub-paragraph of this Paragraph 2.2.3 applies, the Vendor and the Purchaser shall be required to submit to JTC the requisite letter of acceptance of the JTC Approval together with all documents or information as may be required by JTC in accordance with the timeline set out in the OTP.

The Vendor and the Purchaser shall jointly bear all costs, fees, expenses and goods and services tax (“**GST**”) thereon payable to JTC in connection with obtaining the JTC Approval and the JTC Confirmation or otherwise in connection with the transaction herein including but not limited to the payment of sale/assignment levy and upfront land premium, if any.

#### **2.2.4 Legal Requisitions**

Where the Company’s solicitors do not receive satisfactory replies to requisitions and applications on the Property from the usual government departments, the Company may elect to rescind the purchase and abort the Proposed Acquisition.

#### **2.2.5 Environmental Site Assessment (“ESA”)**

Prior to completion, if JTC shall require an Environmental Site Assessment (“**ESA**”) to be carried out, the Vendor shall at its own cost and expense take steps to carry out the ESA and where decontamination is required by JTC as a result of such ESA, then the Vendor shall carry out such decontamination to the satisfaction of JTC.

#### **2.2.6 Completion**

Subject to the parties obtaining the JTC Approval and the JTC Confirmation, the sale and purchase of the Property and the P&M shall be completed and the balance of the Purchase Price together with GST thereon shall be paid by the expiry of fifteen (15) weeks from the date of the OTP or eight (8) weeks from the date of the Vendor’s receipt of the JTC Approval, whichever is later (the “**Completion Date**”).

At the Completion Date, the Property shall be delivered to the Purchaser with vacant possession. The P&M shall be deemed delivered to the Purchaser if left at the Property on the Completion Date. Title to, and risk of damage in, the Property and the P&M shall pass from the Vendor to the Purchaser on the Completion Date.

#### **2.2.7 Representations and Warranties**

The OTP contains customary representations and warranties for transactions of this nature as agreed between the parties, including but not limited to the power and authority of the parties to enter into the transactions contemplated thereunder and the Vendor’s unencumbered title to the Property and the P&M.

### **3 RATIONALE FOR THE PROPOSED ACQUISITION**

The Company intends to use the Property to carry out fabrication of high-value sub-sea foundations and serve as a logistics hub to handle holding, staging and assembly of equipment and blocks. This will streamline operations and enhance efficiency, enabling the Company and its subsidiaries

(the “Group”) to manage and execute larger-scale projects. The Property’s 865-metre water frontage will further strengthen the Group’s yard division. It will be able to accommodate specialist vessels for mobilisation and demobilisation for both onshore and offshore projects globally.

The expansion is a major part of the Group’s strategy to increase its capacity to meet anticipated demand in the emerging floating offshore renewable market.

The Board is of the view that the Proposed Acquisition is in line with the strategic plans of the Group, and believes that the Proposed Acquisition is in the commercial interest of the Group and its shareholders.

#### 4 RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF CATALIST RULES

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

<b>Rule 1006 of the Catalist Rules</b>	<b>Bases</b>	<b>Relative Figures (%)</b>
(a)	The net asset value of the assets to be disposed of, compared with the Group’s net asset value	N.A. <sup>(1)</sup>
(b)	The net profit attributable to the assets acquired or disposed of, compared with the Group’s net profits	N.A. <sup>(2)</sup>
(c)	The aggregate consideration for the consideration given, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares	47 <sup>(3)</sup>
(d)	The number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	N.A. <sup>(4)</sup>
(e)	The aggregate volume or the amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves	N.A. <sup>(5)</sup>

**Notes:**

- (1) Not applicable, as the Proposed Acquisition is in relation to the acquisition of assets.
- (2) Not applicable, as the Proposed Acquisition is not an acquisition of businesses that have past profit and loss contributions but comprises land, and specific plant, equipment and machinery, that are no longer required by the Vendor.
- (3) The Company’s market capitalisation of approximately S\$28.75 million is determined by multiplying the 259,000,000 ordinary shares of the Company in issue as at the date of this announcement by the volume weighted average price per share of S\$0.11 as at 13 June 2024 (being the last full market day preceding the date of the OTP on which the Company’s shares were traded).
- (4) Not applicable as the Purchase Price will be satisfied wholly in cash and no equity securities will be issued as part thereof.
- (5) Not applicable as the Proposed Acquisition is not a disposal of mineral, oil and gas assets.

As shown in the table above, as the relative figures computed on the bases set out in Rule 1006(a) to (e) of the Catalist Rules exceed 5% but do not exceed 75%, the Proposed Acquisition constitutes a disclosable transaction under Chapter 10 of the Catalist Rules. Accordingly, the approval of shareholders of the Company for the Proposed Acquisition will not be required.

## 5 FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

5.1 The Group intends to fund the Proposed Acquisition with internal funds. The proforma financial effects of the Proposed Acquisition on the Group are set out below. The proforma financials are theoretical in nature and only for illustrative purposes, they do not represent the actual financial position and/or results of the Group's operations after the completion of the Proposed Acquisition and are not indicative of the future financial position and earnings of the Group.

5.2 The following financial effects of the Proposed Acquisition are computed based on the Group's audited consolidated financial statements for the financial year ended 31 December 2023 ("FY2023") and the following bases and assumptions:

(a) Effect of the Proposed Acquisition on Net Tangible Asset ("NTA")

For the purpose of illustration and assuming that the Proposed Acquisition had been completed on 31 December 2023 being the end of the most recently audited completed financial year, and based on the Group's FY2023 audited consolidated financial statements, and the Purchase Price, the effect on the NTA per share of the Company as at 31 December 2023 would be as follows:

	Before completion of the Proposed Acquisition	After completion of the Proposed Acquisition
NTA (S\$)	21,343,467	21,343,467 <sup>(1)</sup>
Number of shares	259,000,000	259,000,000
NTA per share (Singapore cents)	8.2	8.2

**Note:**

(1) Exclude professional fees relating to the Proposed Acquisition which are expected to be immaterial.

(b) Effect of the Proposed Acquisition on Earnings Per Share ("EPS")

Assuming that the Proposed Acquisition had been completed on 31 December 2023 being the beginning of the most recently audited completed financial year, the effect on the EPS of the Company for FY2023 would be as follows:

	Before completion of the Proposed Acquisition	After completion of the Proposed Acquisition
Profit after tax (S\$)	(1,847,173)	(2,742,173) <sup>(1)</sup>
Weighted average number of shares	259,000,000	259,000,000
EPS (Singapore cents)	(0.71)	(1.05)

**Note:**

(1) Exclude professional fees relating to the Proposed Acquisition which are expected to be immaterial.

## **6 SERVICE CONTRACT**

No person will be appointed to the Board of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## **7 INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

To the best knowledge of the Directors, save as disclosed in this announcement, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholding interests in the Company (if any) nor are they related to the Vendor Group and the shareholders of the Vendor Group.

## **8 DOCUMENTS AVAILABLE FOR INSPECTION**

Shareholders should note that a copy of the OTP and the Independent Valuation Report will be available for inspection during normal business hours at the Company's registered office at 51 Shipyard Road, Mooreast Offshore Base, Singapore 628139 for a period of three (3) months from the date of this announcement.

## **9 DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## **10 CAUTIONARY STATEMENT**

Shareholders of the Company should note that there is no certainty or assurance that the Proposed Acquisition will be completed in the manner contemplated under the OTP. Accordingly, shareholders of the Company are advised to exercise caution when trading in the shares of the Company. The Company will make the necessary announcements when there are further material developments on the Proposed Acquisition. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

## **BY ORDER OF THE BOARD**

Sim Koon Lam  
Chief Executive Officer

18 June 2024

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, W Capital Markets Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). This announcement has not been examined or approved by the*

*SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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