

## **MOOREAST HOLDINGS LTD.**

(Company Registration No.: 202120164D)

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### **RESPONSES TO RELEVANT QUESTIONS RECEIVED FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE) (“SIAS”)**

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The Board of Directors (“**Board**”) of Mooreast Holdings Ltd. (“**Mooreast**” or the “**Company**”), and together with its subsidiaries, the “**Group**”) refers to the questions from Securities Investors Association (Singapore) (“**SIAS**”) in relation to the Company’s FY2024 Annual Report. The Company did not receive any substantive questions from Shareholders.

Please refer to the Appendix A as attached hereto for the list of questions received from SIAS, and the Board and Management’s responses to these questions.

BY ORDER OF THE BOARD  
**MOOREAST HOLDINGS LTD.**

Mr Sim Koon Lam  
Executive Director  
23 April 2025

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*This announcement has been reviewed by the Company’s sponsor, UOB Kay Hian Private Limited (the “Sponsor”).*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (“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 Lance Tan, Senior Vice President, 8 Anthony Road, #01-01, Singapore 229957, Telephone: (65) 6590 6881.*

**APPENDIX A  
RESPONSES TO QUESTIONS FROM SIAS**

**Q1.** The group reported a 25% increase in net loss, from \$(1.85) million to \$(2.31) million for the financial year ended 31 December 2024, despite generating a gross profit of \$9.97 million.



**FINANCIAL HIGHLIGHTS**



*(Adapted from company annual report)*

**(i) Can the new CEO share his views on the industry and outline his strategic priorities for FY2025 aimed at turning around the group's performance?**

Please refer to the Group's announcement dated 23 April 2025. Mooreast is actively pursuing new projects in both Europe and Asia, many of which are at least 500 megawatts each in capacity. Approximately 5.5GW of floating wind capacity is expected to reach Final Investment Decisions (FID) from 2026 onwards.

Mr. Eirik Ellingsen, who was appointed as CEO on 1 January 2025, has been working closely with Mr. Sim Koon Lam, the founder, Executive Director and Deputy Chairman, on business development strategies amid an increase in commercialisation of floating wind energy projects worldwide.

Mr. Ellingsen has been actively engaging players involved in floating wind energy projects in Europe and North Asia, and participated in the WindEurope conference in Copenhagen, Denmark, earlier this month.

He intends to leverage Mooreast's global footprint and unique position as one of just three ultra-high power anchor designer manufacturers in the world to tap into more opportunities in floating offshore renewables and the conventional energy space.

His deep experience and strong network in the offshore wind industry will help Mooreast to create new partnerships that will help us to expand our services and products, making the Group even more competitive in the renewables sector.

To further support this strategy, we opened new offices in Taiwan and Malaysia in June and July 2024, respectively. Combined with our existing presence in Singapore, the Netherlands, and Scotland, our global footprint positions us at the forefront of key floating offshore wind developments.

A recent boost in Oil & Gas and Maritime activity is also driving demand for our Mooring and Yard services in Singapore. This upswing in activity has already led to a strong order book by the end of 2024, putting us in a good place for stronger financial performance moving forward.

Reflecting this, the Group recently completed a project in Thailand, which is expected to generate revenue of approximately S\$8.8 million. Accordingly, the Group expects revenue in 1H2025 to exceed the S\$13.7 million recorded in 1H2024.

The Group is committed to pushing innovation, expanding into new areas, and keeping operations running at a high standard across both renewable and conventional energy sectors.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group	
	Note	2024 \$	2023 \$
<b>Revenue</b>	4	25,074,494	28,705,704
Cost of sales		(15,101,939)	(18,253,402)
<b>Gross profit</b>		9,972,555	10,452,302
<b>Other items of income</b>			
Interest income		623,064	637,280
Other income	5	2,085,718	640,954
<b>Other items of expense</b>			
Marketing and distribution		(834,303)	(729,500)
Administrative expenses		(9,062,825)	(8,859,021)
Interest expenses		(2,292,019)	(2,256,158)
Research and development expenses		(302,881)	(84,225)
Other expenses	5	(2,256,528)	(1,488,762)
<b>Loss before tax</b>	6	(2,067,219)	(1,687,130)
Income tax expense	9	(239,791)	(160,043)
<b>Loss net of tax</b>		(2,307,010)	(1,847,173)

(Source: company annual report; emphasis added)

- (ii) **Despite a gross profit of \$9.97 million, the group reported a net loss of \$(2.31) million. Can management provide clarity on the effectiveness of its cost management? What were the reasons administrative expenses, and “legal and other professional fees” and “bad debts written off” in other expenses were higher?**

While the Group recorded a gross profit of \$9.97 million, the net loss of \$2.31 million was primarily attributable to higher administrative and other operating expenses incurred to support the Group's expansion efforts during the period.

The increase in administrative expenses was largely driven by higher staff costs as our headcount increased from 96 in 2023 to 109 in 2024 to support business expansion globally. Additionally, legal and other professional fees rose as a result of engaging a professional firm to assist with the Group's business re-positioning efforts.

While the Group incurred higher administrative and other operating expenses in FY2024 to support business expansion globally, such expenses are not expected to increase significantly in FY2025 given that the current staffing is sufficient to support operations and business development in the near term. Further, the fees for professional services rendered to support the Group's business repositioning efforts are not expected to recur in FY2025.

The increased bad debts written off were a result of a conservative approach to provisioning for legacy receivables, which were assessed as uncollectible following a thorough review. This measure was taken to ensure our balance sheet accurately reflects the financial position of the Group.

Management is actively reviewing and implementing cost control measures to improve overall cost efficiency and profitability moving forward.

Despite the losses, the group continued its expansion and acquired a 98,919 sqm facility at 60 Shipyard Crescent, citing anticipated demand. However, the chairman noted that high operational costs in Singapore, the group's base, remain a challenge.

- (iii) **What was the utilisation rate of the existing facility at 51 Shipyard Road during FY2024? Were there sustained capacity constraints that justified the acquisition of the new site??**

During FY2024, the utilisation rate of the existing facility at 51 Shipyard Road was approximately 70–80%, indicating a high level of operational capacity. The facility experienced capacity constraints, particularly during peak project periods, which limited the Group's ability to scale operations efficiently.

The acquisition of the new site is a strategic decision to address these constraints, support future growth, and enhance operational flexibility to accommodate increasing demand and larger-scale projects.

It is also a key piece in our strategy to position ourselves as a key player in the global emerging floating renewable market. The additional facility at 60 Shipyard Crescent will allow us to produce enough subsea foundations to support between 1.5 – 2GW of floating offshore wind energy per annum, a significant increase from 0.5GW currently.

The higher capacity will provide floating wind farm developers the assurance that we can support their large-scale projects, in turn allowing us to secure these opportunities.

(iv) **What is the expected annual fixed cost impact—including depreciation and maintenance—arising from the acquisition of 60 Shipyard Crescent?**

Based on prevailing cost structures and current assumptions concerning the land's remaining lease tenure, the asset's useful life, projected maintenance requirements, depreciation and maintenance, the Group estimates an annual fixed cost of S\$8.0 million.

The Group will continue to monitor and manage these costs to ensure operational efficiency and cost-effectiveness as part of our broader strategic expansion.

**Q2.** The company announced that it has entered into a convertible loan agreement totalling \$20 million with SG-RT Fund, a sub-fund of CEC-SG VCC.

(i) **How was SG-RT Fund identified as a strategic capital partner?**

SG-RT Fund was identified as a strategic capital partner following a series of comprehensive meetings and a thorough evaluation process. The Group assessed potential investors based on their alignment with our long-term growth strategy, industry expertise, and their ability to contribute not only capital but also strategic value.

(ii) **What level of due diligence was conducted prior to entering into the convertible loan agreement? How did the board determine that the terms are fair and in the best interests of all shareholders?**

Prior to entering into the convertible loan agreement, the Group conducted a thorough due diligence exercise, which encompassed financial, legal, and commercial assessments of the proposed terms, as well as a review of the counterparty's background, track record, and strategic fit.

With the support of external advisors, the Board carefully evaluated the terms of the agreement, taking into account prevailing market conditions, the Group's funding needs, and long-term value creation potential. Following thorough deliberation, the Board determined that the terms were fair, commercially prudent, and in the best interests of the Company and its shareholders.

Separately, the group previously received a total of \$10 million in investment funding from EDB Investments Pte Ltd (EDBI) via convertible notes. The first series of \$5 million was converted into 29,515,939 shares on 22 November 2021. These shares were subsequently sold by EDBI to AGP Continuation Growth Fund in an off-market transaction on 24 April 2024 for \$3.4 million.

The second series of EDBI's convertible note, with \$5 million in principal, matures on 22 November 2026. It carries a conversion price of \$0.286 per share, and if redeemed, would be payable at 120% of principal plus accrued interest, with an interest rate of 9% p.a.

**(iii) Based on the coupon rate, redemption terms, and maturity profile, what is the estimated total repayment obligation if the second EDBI convertible note is redeemed at maturity?**

Based on the agreed interest rate, redemption terms, and maturity profile of the second EDBI convertible note, the estimated total repayment obligation, in the event the note is fully redeemed at maturity, is approximately S\$6.9 million.

**(iv) Given the rising financing costs and maturity of existing notes in 2026, has the board conducted a stress test of the group's liquidity and solvency under downside scenarios?**

The Board conducted a comprehensive and rigorous stress test, which is meticulously designed to evaluate the Group's capacity to fulfil its financial obligations under various scenarios. The Board is confident the Group remains sufficiently resilient and strategically positioned to mitigate any potential liquidity or solvency risks.

**Q3.** On 27 January 2025, the company announced the resignation of the chief financial officer, Mr Siu Yeung Sau "for personal reason" with effect from 17 February 2025. Mr Siu Yeung Sau was appointed to the role on 1 October 2024.

The prior CFO, Mr Lieu Chin Leong, was appointed on 15 December 2021 and the company announced his resignation on 29 April 2022, with effective date of 6 May 2022.

The company also had two financial controllers resign in the past 3 years with relatively short tenures:

- Ms Yat Wan Thiam who was appointed on 15 February 2021 and resigned with effect from 31 March 2022
- Ms Low Wei Yee who was appointed on 3 March 2022 and resigned with effect from 12 March 2024

## Company Announcements

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MOOREAST HOLDINGS LTD. ✕

Date & Time	Issuer Name	Security Name	Title	Category
27 Jan 2025 05:53 PM	MOOREAST HOLDINGS LTD.	MOOREAST HOLDINGS LTD.	<a href="#">Change - Announcement of Cessation::Resignation of Chief Financial Officer</a>	Announcement of Cessation
21 Nov 2024 06:38 PM	MOOREAST HOLDINGS LTD.	MOOREAST HOLDINGS LTD.	<a href="#">Change - Announcement of Cessation::Cessation as Chief Executive Officer</a>	Announcement of Cessation
21 Dec 2023 06:01 PM	MOOREAST HOLDINGS LTD.	MOOREAST HOLDINGS LTD.	<a href="#">Change - Announcement of Cessation::Resignation of Financial Controller</a>	Announcement of Cessation
29 Apr 2022 08:12 PM	MOOREAST HOLDINGS LTD.	MOOREAST HOLDINGS LTD.	<a href="#">Change - Announcement of Cessation::Resignation of Chief Financial Officer</a>	Announcement of Cessation
02 Mar 2022 06:55 PM	MOOREAST HOLDINGS LTD.	MOOREAST HOLDINGS LTD.	<a href="#">Change - Announcement of Cessation::Resignation of Financial Controller</a>	Announcement of Cessation

Showing 1 to 5 of 5 records.

(Source: <https://www.sgx.com/securities/company-announcements?value=MOOREAST%20HOLDINGS%20LTD.&type=company&ANNC=ANN C04>) p

This pattern suggests a high turnover of key financial personnel over the last three years.

- (i) **Has the board/audit committee formally reviewed the reasons behind the high turnover of CFOs and financial controllers over the past three years? If so, what were its key findings and what actions were taken to address any underlying issues?**

A formal review was recently conducted to address the turnover in financial personnel. The Board and senior management team have taken note of the key findings of the review, and will implement mentorship programs for senior finance leaders, and strengthen the onboarding and integration procedures for new hires.