Securities Investors Association (Singapore)
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Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Mooreast Holdings Ltd.

Stock code: 1V3

Meeting details:
Date: 29 April 2022
Time: 10.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. The company was successfully listed on the SGX Catalist Board on 24 November 2021. The group is a Total Mooring Solutions specialist, serving mainly the offshore oil and gas, marine and offshore renewable energy industries. The group's operations are primarily in Singapore and it maintains a European sales office in Rotterdam, the Netherlands.

Revenue for the financial year ended 31 December 2021 decreased by 28% to $14.2 million.

Due to economic uncertainty and supply chain disruptions, several projects in the main Mooring division were delayed. Net loss for the group was $(2.3) million for FY2021, after the group reported profits of $3.8 million in FY2020 and $2.9 million in FY2019 before the IPO.

(i) The company had reported that excluding the one-off listing expenses, net loss of $(2.3) million would have been $(1.0) million. **Can management help shareholders to better understand the listing cost by providing a breakdown of the $1.3 million listing expenses?**

(ii) **Would management consider disclosing the order book on a regular basis to help shareholders better understand the progress of the group?**

(iii) **How much visibility does the group have on customers' demand, including the delayed projects? What are the efforts by management to follow-up on the delayed projects and to acquire new customers or new projects?**

(iv) **What was the expected utilisation rate of the newly established Yard division? What is the expected gestation period before the new division can achieve breakeven?**

Q2. In the prospectus, the group listed the following four prospects:

- Increasing global demand for renewable energy and offshore wind energy
- Increasing demand for offshore wind industry in Asia and in the UK
- Increasing demand for solar energy in Southeast Asia
- Recovery of O&G industry

As shown in Note 26 (page 96 – Segment information), the renewable energy segment covers the design, engineering, fabrication, supply and installation and commissioning services for mooring systems and mooring system components for floating wind turbine projects, offshore solar photovoltaic projects and tidal turbine projects in Asia and Europe.

Revenue from renewable energy for FY2021 was just $328,415 or just 2.3% of total revenue. In the previous year, revenue from the renewable energy segment was boosted by the one-off sale of anchors to a new customer for their offshore wind turbine projects in Senegal.

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(i) **What is the group's competitive advantage or expertise in offshore solar, tidal turbine and floating wind turbine projects, especially since there are no such projects deployed in or by Singapore?**

(ii) **For the benefit of shareholders, can management elaborate further on the group's track record in renewable energy? What are the successful projects that the group has participated in?**

(iii) **Is the renewable energy segment a nascent focus for the group? How does the group acquire new customers in the segment?**

(iv) **How is the group marketing MoorFloat? What is the size of the total addressable market of MoorFloat?**

Q3. Note 26 (page 96 – Segment information; reproduced below) shows the breakdown of the group performance by operating segments, with all 5 operating segments showing segment profits even as the group reported a loss for the year of $(2.11) million.

26. Segment information (cont'd)

	Mooring $	Rigging and heavy lifting $	Marine supplies and services $	Renewable energy $	Yard $	Corporate $	Elimination $	Per consolidated financial statements $
For year ended 31 December 2021								
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

(Source: company annual report; emphasis added)

(i) **Can management provide shareholders better clarity on the $(8.2) million segment loss and the $47.4 million segment liabilities under "Corporate"?**

(ii) **Would the audit committee (a) review the appropriateness of the "Corporate" cost attribution and (b) oversee a reallocation of the costs to the operating segments?** This would provide better clarity to management in their decision making on resource allocation and segment performance assessment.

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^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)