



Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Email: admin@sias.org.sg
www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Mooreast Holdings Ltd.

Stock code: 1V3

Meeting details:

Date: 25 Apr 2025

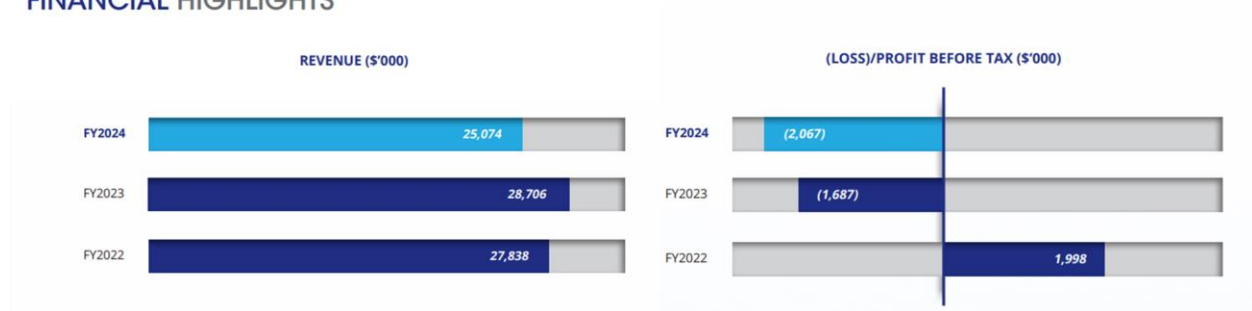
Time: 9.30 a.m.

Venue: 51 Shipyard Road Singapore 628139

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?

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 \$	Group 2023 \$
Revenue	4	25,074,494	28,705,704
Cost of sales		(15,101,939)	(18,253,402)
Gross profit		9,972,555	10,452,302
Other items of income			
Interest income		623,064	637,280
Other income	5	2,085,718	640,954
Other items of expense			
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)
Loss before tax	6	(2,067,219)	(1,687,130)
Income tax expense	9	(239,791)	(160,043)
Loss net of tax		(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?**

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

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?**
- (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?**

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.

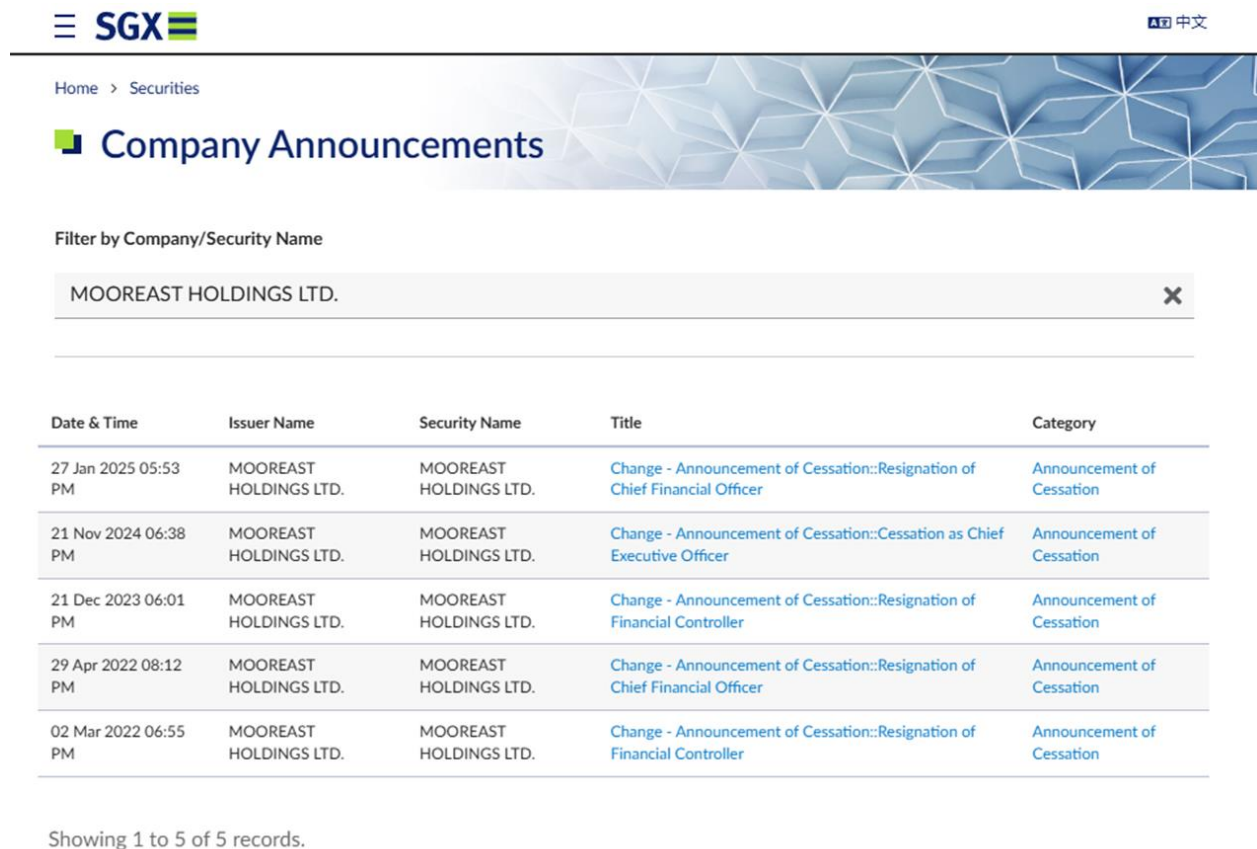
- (iii) **Based on the coupon rate, redemption terms, and maturity profile, what is the estimated total repayment obligation if the second EDBI convertible note is redeemed at maturity?**
- (iv) **Given the rising financing costs and maturity of existing notes in 2026, has the board conducted a stress test of the group's liquidity and solvency under downside scenarios?**

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



The screenshot shows the SGX website interface for Company Announcements. It includes a search filter for 'MOOREAST HOLDINGS LTD.' and a table of five records. The records detail the resignation of the Chief Financial Officer and the cessation of two Financial Controllers.

Date & Time	Issuer Name	Security Name	Title	Category
27 Jan 2025 05:53 PM	MOOREAST HOLDINGS LTD.	MOOREAST HOLDINGS LTD.	Change - Announcement of Cessation::Resignation of Chief Financial Officer	Announcement of Cessation
21 Nov 2024 06:38 PM	MOOREAST HOLDINGS LTD.	MOOREAST HOLDINGS LTD.	Change - Announcement of Cessation::Cessation as Chief Executive Officer	Announcement of Cessation
21 Dec 2023 06:01 PM	MOOREAST HOLDINGS LTD.	MOOREAST HOLDINGS LTD.	Change - Announcement of Cessation::Resignation of Financial Controller	Announcement of Cessation
29 Apr 2022 08:12 PM	MOOREAST HOLDINGS LTD.	MOOREAST HOLDINGS LTD.	Change - Announcement of Cessation::Resignation of Chief Financial Officer	Announcement of Cessation
02 Mar 2022 06:55 PM	MOOREAST HOLDINGS LTD.	MOOREAST HOLDINGS LTD.	Change - Announcement of Cessation::Resignation of Financial Controller	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=ANNC04>)

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?**

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

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