

Press Release

Mooreast's 1H2022 Net Profit Rises 122% to S\$0.9 Million on Revenue of S\$13.0 Million; Wins US\$2.6 Million Project For Japan's First Commercial Floating Wind Farm

- Improved performance in the Mooring division and contributions from the newly-established Yard division lifted 1H2022 Revenue to S\$13.0 million, an 81% increase year-on-year
- Net profit improved to S\$0.9 million in 1H2022 from S\$0.4 million a year ago
- On 11 August 2022, Mooreast secured a US\$2.6 million project to deliver 15 midwater arch buoys to a 16.8MW floating offshore wind farm in Japan – the first commercial-scale floating wind farm in Japan

S\$'000	1H2022	1H2021	Change %
Revenue	13,038	7,191	81
Gross Profit	4,334	3,022	43
Gross Profit margin (%)	33.2	42.0	(8.8) ppt*
Profit before Tax	1,068	548	95
Net Profit After Tax	872	392	122
Earnings Per Share (Singapore cents)	0.34	0.15 ¹	127

* ppt denotes percentage points

12 August 2022, Singapore – Mooreast Holdings Ltd. (“**Mooreast**” or the “**Group**”) announced today a 122% increase in net profit for the six months ended 30 June 2022 (“**1H2022**”) to S\$0.9 million on revenue of S\$13.0 million. The Company has successfully secured a US\$2.6 million project to deliver 15 units of midwater arch buoys to Asia’s first commercial-scale floating wind farm.

1H2022 Financial Performance

Mooreast said improved performance in its Mooring division and inaugural contribution from its newly-established Yard division lifted revenue to S\$13.0 million in 1H2022, an 81% increase from S\$7.2 million a year ago. However, this result is partially offset by lower revenue contribution from the Marine Supplies & Services and Renewable Energy divisions.

¹ As the Company was only incorporated on 8 June 2021, for the purpose of comparison, the basic earnings per share have been computed based on the weighted-average number of ordinary shares for the 6-month period ended 30 June 2022.

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Accordingly, gross profit amounted to S\$4.3 million in 1H2022, a 43% increase from S\$3.0 million a year ago. 1H2022 gross profit margin declined by 8.8% compared to 1H2021, mainly due to higher third-party cost of goods, increased cost of fabrication, and intense price competition within the Marine Supplies & Services division.

Net profit improved to S\$0.9 million in 1H2022 from S\$0.4 million a year ago.

Earnings per share increased to 0.34 Singapore cent per share from 0.15 Singapore cent per share in 1H2021 while net asset value per share stood at 8.8 Singapore cents as at 30 June 2022 compared to 8.4 cents as at 31 December 2021.

Japan's First Commercial Floating Wind Farm

On 11 August 2022, Mooreast secured a project to deliver 15 midwater arch buoys to a 16.8MW floating offshore wind farm in Japan – the first commercial-scale floating wind farm in Japan, located off the coast of Goto Islands, Nagasaki, southern Japan. The floating wind farm will be built by a consortium led by Toda Corporation. The project will commence in August 2022 and is expected to contribute positively to the result of FY2022 and FY2023.

The midwater arch buoys would be used to support large sub-sea electrical cables connecting the eight 2.1 MW wind turbines to the grid, allowing these cables to endure harsh weather conditions.

This is Mooreast's first commercial-scale floating renewable energy project since its IPO, and the Group expects more offshore wind projects to be launched in Japan as the Japanese government targets to boost its floating offshore wind capacity, as part of the nation's strategy to achieve carbon neutrality by 2050.

Commenting on the project win, Mr Sim Koon Lam, CEO of Mooreast, said, "Participating in Japan's first commercial-scale floating wind farm will be another milestone in Mooreast's strong track record. It is a significant step for the Group's transformation towards supporting the floating renewable sector, and we believe our expertise and deep domain knowledge will add value to these projects."

Outlook

On the outlook, the operating environment is expected to become increasingly challenging, as rising interest rates, manpower constraints and supply chain disruptions are set to increase operating costs. Reduced investments and financing in the Oil & Gas sector have also led to extended project timelines for the Group's Mooring and Rigging divisions.

Going forward, the Group will continue to focus on the growth strategies announced on 30 May 2022, which include its diversification towards the floating renewable energy sector, establishing collaborations with international companies, and upgrading the Group's facility.

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The Group recently incorporated Mooreast UK Co Limited as part of its strategy to capture opportunities in the European market.

The Group is also looking to strengthen its Yard division, by upgrading the waterfront berth at the Group's facility at 51 Shipyard Road. Mooreast served over 172 vessels across 1H2022 and expects business momentum to gain.

"The improvements to our financial performance have been an encouraging start to the year, and reflect the success of our growth strategies. Despite the challenges ahead, we intend to build upon the rising number of offshore renewable projects to build a healthy pipeline of projects," Mr Sim added.

*****End of Press Release*****

This press release 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 press release 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 press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

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Issued for and on behalf of Mooreast Holdings Ltd. by WeR1 Consultants Pte Ltd.

About Mooreast Holdings Ltd.

A leader in total mooring solutions, Mooreast offers design, engineering, fabrication, supply and logistics, installation and commissioning of mooring systems to the offshore oil & gas, marine and offshore renewable energy industries.

With close to three decades of experience, Mooreast is applying its track record 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.

For more information, please visit <https://mooreast.com/>

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