

**AMOS GROUP LIMITED**

(Company Registration Number: 201004068M)

**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MARCH 2022**
**A CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	Group		Incr/ (decr) %	Group		Incr/ (decr) %
		2nd Half Year Ended 31/03/2022 S\$'000	31/03/2021 S\$'000		12 Months Ended 31/03/2022 S\$'000	31/03/2021 S\$'000	
<b>Revenue</b>	4	<b>49,982</b>	<b>50,904</b>	(1.8)	<b>99,349</b>	<b>108,521</b>	(8.5)
Cost of sales		(41,141)	(42,797)	(3.9)	(79,492)	(89,599)	(11.3)
<b>Gross profit</b>		<b>8,841</b>	<b>8,107</b>	9.1	<b>19,857</b>	<b>18,922</b>	4.9
Distribution costs		(5,096)	(4,589)	11.0	(9,756)	(8,680)	12.4
Administrative expenses		(11,533)	(11,725)	(1.6)	(22,684)	(22,498)	0.8
Other operating income		1,363	1,351	0.9	2,665	1,806	47.6
Other operating expenses		(1,470)	(4,130)	(64.4)	(2,781)	(8,172)	(66.0)
Finance cost		(556)	(780)	(28.7)	(1,270)	(1,633)	(22.2)
<b>Loss before income tax</b>	6	<b>(8,451)</b>	<b>(11,766)</b>	(28.2)	<b>(13,969)</b>	<b>(20,255)</b>	(31.0)
Income tax credit (expense)	7	(16)	(370)	(95.7)	30	(414)	NM
<b>Loss for the period/year</b>		<b>(8,467)</b>	<b>(12,136)</b>	(30.2)	<b>(13,939)</b>	<b>(20,669)</b>	(32.6)
<b><u>Other comprehensive income</u></b>							
<u>Items that will not be reclassified to profit or loss:</u>							
Revaluation of Property, plant and equipment		632	-	NM	6,844	-	NM
<u>Items that are or may be reclassified subsequently to profit or loss:</u>							
Translation gain arising on consolidation		176	65	170.8	215	273	(21.2)
<b>Other comprehensive income for the period/year, net of tax</b>		<b>808</b>	<b>65</b>	NM	<b>7,059</b>	<b>273</b>	NM
<b>Total comprehensive loss for the period/year</b>		<b>(7,659)</b>	<b>(12,071)</b>	(36.6)	<b>(6,880)</b>	<b>(20,396)</b>	(66.3)
Loss attributable to:							
Owners of the Company		(8,459)	(12,085)	(30.0)	(13,863)	(20,583)	(32.6)
Non-controlling interests		(8)	(51)	(84.3)	(76)	(86)	(11.6)
<b>Loss for the period/year</b>		<b>(8,467)</b>	<b>(12,136)</b>	(30.2)	<b>(13,939)</b>	<b>(20,669)</b>	(32.6)
Total comprehensive loss attributable to:							
Owners of the Company		(7,653)	(12,021)	(36.3)	(6,804)	(20,308)	(66.5)
Non-controlling interests		(6)	(50)	(88.0)	(76)	(88)	(13.6)
<b>Total comprehensive loss for the period/year</b>		<b>(7,659)</b>	<b>(12,071)</b>	(36.6)	<b>(6,880)</b>	<b>(20,396)</b>	(66.3)
Gross profit margin		17.7%	15.9%	11.1	20.0%	17.4%	14.6
Net loss margin		-16.9%	-23.8%	(28.9)	-14.0%	-19.0%	(26.3)
EBITDA <sup>(1)</sup> (S\$'000)		(3,268)	(2,056)	58.9	(3,667)	(1,270)	188.7
EBITDA margin		-6.5%	-4.0%	61.9	-3.7%	-1.2%	215.4

<sup>(1)</sup> : Denotes earnings before finance cost, taxes, other operating (expenses) income, provision for inventory adjustment to market price, depreciation and amortisation

NM: Not meaningful

**B CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

	Note	Group		Company	
		31/03/2022	31/03/2021	31/03/2022	31/03/2021
		S\$'000	S\$'000	S\$'000	S\$'000
<b><u>ASSETS</u></b>					
<b>Current assets</b>					
Cash and bank balances		7,278	10,137	1,246	229
Trade receivables		25,002	26,405	2,830	2,683
Contract assets		2,627	2,228	1,628	1,095
Other receivables		3,545	4,499	762	296
Income tax receivables		-	40	-	-
Inventories		35,464	41,404	-	-
Total current assets		<u>73,916</u>	<u>84,713</u>	<u>6,466</u>	<u>4,303</u>
<b>Non-current assets</b>					
Property, plant and equipment ("PPE")	11	67,409	66,603	30	58
Right of use assets		6,584	7,927	94	8
Intangible assets	10	2,961	3,802	2,961	3,775
Goodwill		238	-	-	-
Deferred tax assets		19	20	-	-
Subsidiary		-	-	169,885	161,173
Associates		42	42	-	-
Total non-current assets		<u>77,253</u>	<u>78,394</u>	<u>172,970</u>	<u>165,014</u>
<b>Total assets</b>		<u>151,169</u>	<u>163,107</u>	<u>179,436</u>	<u>169,317</u>
<b><u>LIABILITIES AND EQUITY</u></b>					
<b>Current liabilities</b>					
Trade payables		13,166	16,179	-	-
Contract liabilities		1,447	3,351	-	-
Other payables		6,973	10,470	2,017	2,724
Provision		-	408	-	-
Current portion of bank borrowings	12	11,321	30,259	-	-
Current portion of lease liabilities	12	2,899	3,052	1,169	1,497
Income tax payable		13	6	-	-
Total current liabilities		<u>35,819</u>	<u>63,725</u>	<u>3,186</u>	<u>4,221</u>
<b>Non-current liabilities</b>					
Bank borrowings	12	12,278	-	-	-
Lease liabilities	12	5,532	8,108	381	1,452
Deferred tax liabilities		-	61	-	-
Total non-current liabilities		<u>17,810</u>	<u>8,169</u>	<u>381</u>	<u>1,452</u>
<b>Total liabilities</b>		<u>53,629</u>	<u>71,894</u>	<u>3,567</u>	<u>5,673</u>
<b>Net assets</b>		<u>97,540</u>	<u>91,213</u>	<u>175,869</u>	<u>163,644</u>

**B CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (continued)**

	Note	Group		Company	
		31/03/2022	31/03/2021	31/03/2022	31/03/2021
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Capital, reserves and non-controlling interests</b>					
Share capital	13	179,230	166,256	179,230	166,256
Accumulated losses		(90,261)	(76,398)	(3,361)	(2,612)
Translation reserve		1,129	914	-	-
Other reserve		7,442	598	-	-
Equity attributable to owners of the Company		<u>97,540</u>	<u>91,370</u>	<u>175,869</u>	<u>163,644</u>
Non-controlling interests		-	(157)	-	-
<b>Total equity</b>		<u>97,540</u>	<u>91,213</u>	<u>175,869</u>	<u>163,644</u>
<b>Total liabilities and equity</b>		<u>151,169</u>	<u>163,107</u>	<u>179,436</u>	<u>169,317</u>

**C CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	Group		Group	
	2nd Half Year Ended		12 Months Ended	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>				
Loss before income tax	(8,451)	(11,766)	(13,969)	(20,255)
Adjustments for :				
Interest expense	556	780	1,270	1,633
Interest income	(2)	(13)	(4)	(21)
Depreciation of property, plant and equipment	3,258	3,415	6,432	6,803
Depreciation - right of use assets	854	1,132	1,669	2,288
Amortization of intangible assets	408	397	815	688
(Reversal) / Impairment loss on trade receivables	(1,017)	605	(909)	1,094
Doubtful trade receivables recovered	(80)	(422)	(289)	(549)
Trade receivables written off / (written back)	50	(6)	73	(6)
Other receivables written off	(42)	(1,589)	(20)	(1,558)
(Gain) Loss on disposal of plant and equipment	18	(31)	(177)	(29)
Impairment of assets held for sales	-	(7)	-	952
Loss on modification of ROU	4	179	13	179
Loss on disposal of club membership	-	-	27	-
Trade payables written off	(89)	-	(668)	-
Net foreign exchange loss- unrealized	320	279	250	231
Inventory adjustment to market price	-	1,207	-	1,207
Operating cash flows before movements in working capital	(4,213)	(5,840)	(5,487)	(7,343)
Trade receivables	(268)	62	2,541	4,873
Other receivables and prepayments	673	(1,202)	843	(373)
Contract assets	640	2,248	(390)	1,818
Inventories	2,895	5,861	4,987	10,358
Trade payables	1,112	(4,131)	(2,872)	(10,482)
Other payables	(964)	2,490	(3,092)	2,462
Contract liabilities	(244)	3,021	(1,883)	14
Cash (used in) / generated from operations	(369)	2,509	(5,353)	1,327
Interest received	2	13	4	21
Income tax paid	(48)	(16)	8	(165)
Net cash (used in) / generated from operating activities	(415)	2,506	(5,341)	1,183

**C CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**

	Group		Group	
	2nd Half Year Ended 31/03/2022	31/03/2021	12 Months Ended 31/03/2022	31/03/2021
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Investing activities</b>				
Proceeds from disposal of plant and equipment	322	219	874	523
Purchase of plant and equipment	(176)	(939)	(495)	(1,875)
Proceed of sales of asset classified as held for sale	-	2,384	-	2,384
Additions to intangible asset	-	(205)	(1)	(261)
Additions to assets-held-for-sales	-	(13)	-	(13)
Fixed deposits placement	-	(10)	48	-
Net cash generated from investing activities	<u>146</u>	<u>1,436</u>	<u>426</u>	<u>758</u>
<b>Financing activities</b>				
Interest paid for other borrowings	(635)	(796)	(1,261)	(1,540)
Repayment of obligations under lease liabilities	(1,714)	(2,112)	(3,140)	(3,192)
Drawdown of bank loans	-	-	1,178	-
Repayment of bank loans	(4,396)	(3,865)	(4,869)	(5,514)
Proceeds from rights issue (Note 13 & 22)	-	-	13,149	-
Payment of share issue expenses	-	-	(175)	-
Restricted cash at bank	(770)	265	(759)	681
Net cash (used in) / generated from financing activities	<u>(7,515)</u>	<u>(6,508)</u>	<u>4,123</u>	<u>(9,565)</u>
Net decrease in cash and cash equivalents	(7,784)	(2,566)	(792)	(7,624)
Effect of exchange rate changes on cash and cash equivalents	(11)	9	18	(76)
Cash and cash equivalents at beginning of the period	13,300	8,835	6,278	13,978
Cash and cash equivalents at end of the period	<u>5,505</u>	<u>6,278</u>	<u>5,504</u>	<u>6,278</u>
Cash and cash equivalents comprise the following:				
Cash and bank balances	7,278	10,137	7,278	10,137
Fixed deposit	(10)	(58)	(11)	(58)
Restricted cash at bank	(1,763)	(1,004)	(1,763)	(1,004)
Bank overdraft	-	(2,797)	-	(2,797)
	<u>5,505</u>	<u>6,278</u>	<u>5,504</u>	<u>6,278</u>

**D CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

	Share capital	Accumulated losses	Translation reserve	Other reserves	Attributable to owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>							
At 1 April 2021	166,256	(76,398)	914	598	91,370	(157)	91,213
Total comprehensive income for the period							
Loss for the period	-	(13,863)	-	-	(13,863)	(76)	(13,939)
Revaluation of PPE	-	-	-	6,844	6,844	-	6,844
Other comprehensive income for the period	-	-	215	-	215	-	215
Total	-	(13,863)	215	6,844	(6,804)	(76)	(6,880)
Transactions with owners, recognized directly in equity							
Issuance of shares	13,149	-	-	-	13,149	-	13,149
Share issuance expenses	(175)	-	-	-	(175)	-	(175)
Effects of change in a non-controlling interest	-	-	-	-	-	233	233
Total	12,974	-	-	-	12,974	233	13,207
At 31 March 2022	179,230	(90,261)	1,129	7,442	97,540	-	97,540
At 1 April 2020	166,256	(55,815)	639	598	111,678	(69)	111,609
Total comprehensive income for the period							
Loss for the period	-	(20,583)	-	-	(20,583)	(86)	(20,669)
Other comprehensive income for the period	-	-	275	-	275	(2)	273
Total	-	(20,583)	275	-	(20,308)	(88)	(20,396)
At 31 March 2021	166,256	(76,398)	914	598	91,370	(157)	91,213
<b>Company</b>							
At 1 April 2021	166,256	(2,612)	-	-	163,644	-	163,644
Loss for the period, representing total comprehensive income for the period	-	(749)	-	-	(749)	-	(749)
Transactions with owners, recognised directly in equity							
Issuance of shares	13,149	-	-	-	13,149	-	13,149
Share issuance expenses	(175)	-	-	-	(175)	-	(175)
Total	12,974	-	-	-	12,974	-	12,974
At 31 March 2022	179,230	(3,361)	-	-	175,869	-	175,869
At 1 April 2020	166,256	(1,685)	-	-	164,571	-	164,571
Loss for the period, representing total comprehensive income for the period	-	(927)	-	-	(927)	-	(927)
At 30 March 2021	166,256	(2,612)	-	-	163,644	-	163,644

## **E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

### **1 Corporate information**

AMOS Group Limited ('the Company') is incorporated in Singapore. The address of the Company's registered office is 156 Gul Circle, Singapore 629613. The Company is listed on the Singapore Exchange.

The principal activity of the Company and its subsidiaries (collectively, the Group) is supply of products, services, and solutions to marine and energy customers from its 10 fulfilment centers spanning Asia, the Middle East, and Europe.

### **2 Basis of Preparation**

The condensed interim financial statements for the financial year ended 31 March 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

#### **2.1 New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### **2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are:

##### **a) Impairment assessment of non-financial assets**

The carrying amounts of the Group's non-financial assets (including PPE, ROU assets, and intangible assets), other than inventories, contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amounts of the cash generating units used in assessing for impairment are determined from value in use calculations. The key assumptions used for the value in use calculations are those regarding the discount rates and growth rates. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the cash generating units. The growth rates are based on industry growth forecasts.

The Company prepared cash flow forecasts for the subsidiaries derived from the most recent financial budgets approved by management for the next five years and estimated cash flows for the following five years. Value in use as at 31 March 2022 was determined similarly to the 31 March 2021 impairment assessment using the same key assumptions as follows, which the management has deemed still relevant: The pre-tax rate used to discount the cash flows are 12.5% and 9.0% for Energy and Marine Supply CGU respectively.

The estimated recoverable amount of Energy and Marine Supply CGU exceeded its carrying amount.

## **E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)**

### **2.2 Use of judgements and estimates (continued)**

b) Measurement of expected credit loss (ECL) allowance for trade receivables and contract assets

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

The Group segments its trade receivables based on the risk profile of their clients which include the industries and/ or country that their customers operate. The Group used data that is determined to be predictive of the risk of loss (including but not limited to industry-specific probability risk of default, financial information and available public information of their customers and past experience of the customers' repayment patterns) to determine the applicable credit loss rates to trade receivables.

In determining the expected credit losses for their trade receivables, the Group used the following bases:

- Trade receivables that have been outstanding beyond the expected range of past due days and for which there is no reasonable expectation of recovery are deemed to be credit-impaired. These trade receivables are fully provided.
- The expected credit losses for non-credit impaired trade receivables are estimated using either (i) a probability of default rate (derived from a credit ratings agency), which takes into consideration the industry and country where the customer operates in, or (ii) the past historical experience of collections from the customers.

### **3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.



**E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)****4. Segment and revenue information**

The Group is organised into the following main business segments:

Energy Segment : Supply and manufacture rigging, lifting equipment and provision of related services and products for the global energy industry; and

Marine Segment : Provides supplies and services and general merchandise for the marine industry.

All operating segments' operating results are reviewed regularly by the Group's CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

**4.1 Reportable segments****12 Months Ended 31 March 2022**

	<b>Energy</b> S\$'000	<b>Marine</b> S\$'000	<b>Others</b> S\$'000	<b>Total</b> S\$'000
<b>Revenue</b>				
Sales	54,766	44,814	-	99,580
Inter-segment sales	(158)	(73)	-	(231)
Sales to external customers	54,608	44,741	-	99,349
<b>Profit/(Loss) from operations</b>				
Segment results	1,260	(13,789)	(199)	(12,728)
Restructuring cost	31	(2)	-	29
Interest expense	(678)	(590)	(2)	(1,270)
Income tax credit (expense)	42	(12)	-	30
Loss for the period				<u>(13,939)</u>
<b>Assets</b>				
Segment assets	65,475	83,987	1,707	151,169
<b>Liabilities</b>				
Segment liabilities	22,080	31,053	496	53,629
<b>Other information</b>				
Gain on disposal of PPE	185	(8)	-	177
Trade receivables written off	(24)	(49)	-	(73)
Reversal of impairment loss on trade receivables	550	359	-	909
Foreign exchange gain (loss)	(196)	(469)	(5)	(670)
Allocable depreciation and amortization	(3,579)	(5,270)	(67)	(8,916)
Allocable additions to non-current assets	1,515	386	126	2,027

**E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**4.1 Reportable segments (continued)**

**12 Months Ended 31 March 2021**

	<b>Energy</b> S\$'000	<b>Marine</b> S\$'000	<b>Others</b> S\$'000	<b>Total</b> S\$'000
<b>Revenue</b>				
Sales	52,476	56,612	-	109,088
Inter-segment sales	(327)	(240)	-	(567)
Sales to external customers	52,149	56,372	-	108,521
<b>Loss from operations</b>				
Segment results	(7,361)	(9,626)	(457)	(17,444)
Restructuring cost	(899)	(279)	-	(1,178)
Interest expense	(933)	(699)	(1)	(1,633)
Income tax credit (expense)	(217)	(197)	-	(414)
Loss for the period				<u>(20,669)</u>
<b>Assets</b>				
Segment assets	75,168	87,348	591	163,107
<b>Liabilities</b>				
Segment liabilities	30,265	41,381	248	71,894
<b>Other information</b>				
Impairment of assets held for sales	(952)	-	-	(952)
Gain/(Loss) on disposal of PPE	57	(27)	(1)	29
Trade receivables written off	(1)	7	-	6
Impairment loss on trade receivables	(504)	(590)	-	(1,094)
Foreign exchange loss	(1,169)	(368)	(73)	(1,610)
Inventory adjustment to market price	(961)	(246)	-	(1,207)
Allocable depreciation and amortization	(4,115)	(5,557)	(107)	(9,779)
Allocable additions to non-current assets	4,738	1,685	3	6,426

**E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**4.2 Disaggregation of Revenue**

	<b>The Group</b>		
	<b>12 Months Ended 31 March 2022</b>		
	<b>Energy</b>	<b>Marine</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000
<b>Revenue</b>			
Sales of goods revenue recognized at a point in time	46,229	44,741	90,970
Service revenue recognized at a point in time	4,159	-	4,159
Rental revenue recognized over time	4,220	-	4,220
	<u>54,608</u>	<u>44,741</u>	<u>99,349</u>
<b>Geographical Information</b>			
Singapore	22,045	32,625	54,670
Azerbaijan	2,492	-	2,492
South Korea	665	5,916	6,581
United Kingdom	13,824	-	13,824
United Arab Emirates	6,658	-	6,658
China	4,075	6,200	10,275
Asia <sup>(1)</sup>	4,849	-	4,849
	<u>54,608</u>	<u>44,741</u>	<u>99,349</u>

	<b>The Group</b>		
	<b>12 Months Ended 31 March 2021</b>		
	<b>Energy</b>	<b>Marine</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000
<b>Revenue</b>			
Sales of goods revenue recognized at a point in time	43,372	56,372	99,744
Service revenue recognized at a point in time	4,680	-	4,680
Rental revenue recognized over time	4,097	-	4,097
	<u>52,149</u>	<u>56,372</u>	<u>108,521</u>
<b>Geographical Information</b>			
Singapore	21,337	45,149	66,486
Azerbaijan	2,726	-	2,726
South Korea	1,725	4,399	6,124
United Kingdom	11,407	-	11,407
United Arab Emirates	5,709	-	5,709
China	3,903	6,824	10,727
Asia <sup>(1)</sup>	5,342	-	5,342
	<u>52,149</u>	<u>56,372</u>	<u>108,521</u>

<sup>(1)</sup> Revenue from countries in "Asia" includes revenue generated from countries that individually account for less than 10% of the Group's revenue.

**4.3 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by business or geographical segments.**

The Group typically experiences a fluctuation in revenue contribution from each customer in each financial year due to the project based nature of our business and industry, whereby our customers' projects typically differ in their scope and size, and their occurrence is irregular, resulting in the supply of different products to them on an irregular basis.

**4.4 A breakdown of sales**

	<b>Group</b>		
	<b>FY2022</b>	<b>FY2021</b>	<b>Incr/</b>
	S\$'000	S\$'000	(decr)
			%
(a) Sales reported for the first half year	49,367	57,617	(14.3)
(b) Operating loss after tax reported for the first half year	(5,472)	(8,533)	(35.9)
(c) Sales reported for the second half year	49,982	50,904	(1.8)
(d) Operating loss after tax reported for the second half year	(8,467)	(12,136)	(30.2)

**E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)****5. Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 March 2022 and 31 March 2021:

	<b>The Group</b>		<b>The Company</b>	
	<b>31-Mar-22</b>	<b>31-Mar-21</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Financial assets at amortised cost</b>				
Trade receivables	25,002	26,405	2,830	2,683
Other receivables (excludes prepayments and GST recoverable)	1,613	2,390	472	16
Cash and cash equivalents	7,278	10,137	1,246	229
	<u>33,893</u>	<u>38,932</u>	<u>4,548</u>	<u>2,928</u>
<b>Financial liabilities at amortised cost</b>				
Bank overdraft	-	2,798	-	-
Secured bank loans	23,599	27,461	-	-
Lease liabilities	8,431	11,160	1,550	2,949
Trade payables	13,166	16,179	-	-
Other payables	6,973	10,470	2,017	-
	<u>52,169</u>	<u>68,068</u>	<u>3,567</u>	<u>2,949</u>

**6. Loss before taxation****6.1 Significant items**

	<b>Group</b>		<b>Group</b>	
	<b>6 Months Ended</b>		<b>12 Months Ended</b>	
	<b>31-Mar-22</b>	<b>31-Mar-21</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Restructuring cost	(33)	607	(29)	1,178
Amortization of intangible assets	408	397	815	688
Depreciation of PPE	3,258	3,415	6,432	6,803
Depreciation - Right of use assets	854	1,132	1,669	2,288
Foreign exchange loss	496	1,129	670	1,609
Impairment of trade receivables	(1,017)	605	(909)	1,094
Interest expense	556	780	1,270	1,633
Impairment of assets held for sales	-	(7)	-	952
Inventory adjustment to market price	-	1,207	-	1,207
Trade payable written off	(89)	-	(668)	-

**6.2 Related party transactions**

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

**7. Taxation**

The Group calculates the period income tax credit (expense) using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax credit (expense) in the condensed interim consolidated statement of profit or loss are:

	<b>Group</b>		<b>Group</b>	
	<b>6 Months Ended</b>		<b>12 Months Ended</b>	
	<b>31-Mar-22</b>	<b>31-Mar-21</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Current income tax expense	(16)	(370)	(31)	(414)
Deferred income tax expense relating to origination and reversal of temporary differences	-	-	61	-
	<u>(16)</u>	<u>(370)</u>	<u>30</u>	<u>(414)</u>

**8. Dividends**

No dividend has been declared as the Group has incurred a loss for the FY2022 ended 31 March 2022.

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. Net Asset Value

	The Group		The Company	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	S\$'000	S\$'000	S\$'000	S\$'000
Net asset value attributable to shareholders of the Company (S\$)	97,540	91,370	175,869	163,644
Number of ordinary shares ('000) *	178,569	2,597,374	178,569	2,597,374
Net asset value per ordinary share (cents)	54.62	3.52	98.49	6.30

\*On 1 June 2021, the Company issued and allotted 974,015,343 Rights Shares at an issue price of S\$0.0135, on the basis of three (3) Rights Shares for every eight (8) existing ordinary shares in the capital of the Company. On 11 August 2021, the Company then consolidated every twenty (20) existing ordinary shares into one (1) consolidated ordinary share. For details of share capital change, please refer Note 13.

Assuming the Share Consolidation is completed on 31 March 2021, the Net Asset Value per Share will be as follows:

	The Group		The Company	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	S\$'000	S\$'000	S\$'000	S\$'000
Number of ordinary shares ('000)	178,569	129,869	178,569	129,869
Net asset value per ordinary share (cents)	54.62	70.36	98.49	126.01

10. Intangible assets

	The Group				
	<u>Club Membership</u>	<u>Customer relationship</u>	<u>Trademark</u>	<u>Software Implementation</u>	<u>Total</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 31 March 2021</b>					
Cost	27	5,875	484	4,076	10,462
Accumulated amortization	-	(2,522)	-	(785)	(3,307)
Impairment	-	(3,353)	-	-	(3,353)
Net Book Value	27	-	484	3,291	3,802
<b>At 31 March 2022</b>					
Opening net book amount	27	-	484	3,291	3,802
Additions	-	-	1	-	1
Disposed	(27)	-	-	-	(27)
Amortisation Charges	-	-	-	(815)	(815)
Net Book Value	-	-	485	2,476	2,961

	The Company		
	<u>Trademark</u>	<u>Software Implementation</u>	<u>Total</u>
	S\$'000	S\$'000	S\$'000
<b>At 31 March 2021</b>			
Cost	484	4,076	4,560
Accumulated amortization	-	(785)	(785)
Impairment	-	-	-
Net Book Value	484	3,291	3,775
<b>At 31 March 2022</b>			
Opening net book amount	484	3,291	3,775
Additions	1	-	1
Amortisation Charges	-	(815)	(815)
Net Book Value	485	2,476	2,961

## E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 10.1 Trademarks

The Company owns the "AMOS" and "ALCONA" trademark. The Company has the exclusive right to use the trademark worldwide. This right can be renewed for a further period of 10 years upon expiry.

### 11 Property, plant and equipment

During the six months ended 31 March 2022, the Group acquired assets amounting to \$176,254 (31 March 2021: \$939,409) and proceeds from disposed of assets amounting to \$322,882 (31 March 2021: \$218,098).

#### 11.1 Revaluation of property, plant and equipment – Leasehold/Freehold land and buildings

Leasehold/Freehold land and buildings are measured at their revalued amounts, less accumulated depreciation and impairment losses recognized after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the building at the end of the reporting period.

Any revaluation surplus is recognized in other comprehensive income and accumulated in equity under the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss, in which case the increase is recognized in profit or loss. A revaluation deficit is recognized in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

### 12. Borrowings

#### Amount repayable in one year or less, or on demand

	31/03/2022		31/03/2021	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	1,293	-	18,009	-
Short term loans	10,028	-	9,453	-
Lease liabilities	1,138	1,761	1,519	1,533
Overdrafts	-	-	2,797	-
	<u>12,459</u>	<u>1,761</u>	<u>31,778</u>	<u>1,533</u>

#### Amount repayable after one year

	31/03/2022		31/03/2021	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	11,169	-	-	-
Short term loans	1,109	-	-	-
Lease liabilities	327	5,205	1,462	6,646
	<u>12,605</u>	<u>5,205</u>	<u>1,462</u>	<u>6,646</u>

#### Details of any collaterals

Certain bank borrowings are secured by a legal mortgage over the Group's freehold & leasehold land and buildings, a floating charge over certain inventories of the Group.

Certain lease liabilities are secured by charges over the leased assets.

Some bank facilities are expected to meet specified covenant requirements, which are monitored on a regular basis and regularly reported to management to ensure compliance with the agreement. The Group discovered that it had technically breached a specific bank loan covenant as at 31 March 2022.

On 31 March 2022, the Group has obtained a waiver of loan covenant compliance from the bank on those \$12.3 million loan facilities which have a final maturity date in November 2029.

**E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**13. Share Capital**

	The Group and the Company			
	31-Mar-22		31-Mar-21	
	Number of shares  '000	Amount  S\$'000	Number of shares  '000	Amount  S\$'000
Issued and paid up shares at the beginning of period	2,597,374	166,256	2,597,374	166,256
Issue of ordinary shares by virtue of rights issue *	974,015	12,974	-	-
	<u>3,571,389</u>	<u>179,230</u>	<u>2,597,374</u>	<u>166,256</u>
Share consolidation **	(3,392,820)	-	-	-
Issued and paid up shares at the end of period	<u>178,569</u>	<u>179,230</u>	<u>2,597,374</u>	<u>166,256</u>

The Company did not hold any treasury shares as at 31 March 2022.

The Company's subsidiaries do not hold any shares in the Company as at 31 March 2022 and 31 March 2021.

\* 974,015,343 Rights shares have been allotted and issued on 1 June 2021 at an issue price of S\$0.0135 for each Rights Share, on the basis of three (3) Rights Shares for every eight (8) existing ordinary shares in the capital of the Company. For the detail of use of proceeds, please refer to Note 22.

\*\* On 11 August 2021, the Company consolidated every twenty (20) existing ordinary shares into one (1) consolidated ordinary share.

**13.1 To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	31/03/2022	31/03/2021
The total number of issued shares excluding treasury shares.	178,569,456	2,597,374,250

**13.2 A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

**13.3 A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on**

As at 31 March 2022, there were no sales, transfers, cancellation and / or use of subsidiary holdings.

## F OTHER INFORMATION

### 14. Review

The condensed interim consolidated statements of financial position of AMOS Group Limited and its subsidiaries as at 31 March 2022 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month and full year ended 31 March 2022 and certain explanatory notes have not been audited or reviewed.

### 15. Review of the Group's performance

#### 15.1 Review of condensed interim consolidated statement of profit or loss and other comprehensive income

##### Revenue (S\$'000)

	2nd Half Year Ended		Incr/ (decr) %	12 months Ended		Incr/ (decr) %
	31/03/2022 2H FY2022	31/03/2021 2H FY2021		31/03/2022 FY2022	31/03/2021 FY2021	
Energy	28,651	29,814	(3.9)	54,608	52,149	4.7
Marine	21,330	21,090	1.1	44,741	56,372	(20.6)
Total	<u>49,981</u>	<u>50,904</u>	(1.8)	<u>99,349</u>	<u>108,521</u>	(8.5)

##### FY2022 vs FY2021

For 12 months ended 31 March 2022 ("FY2022"), the Group's revenue was S\$99.4 million, representing a decrease of S\$9.2 million or 8.5% compared to S\$108.5 million for the corresponding period ended 31 March 2021 ("FY2021"). The revenues segmented by business shows the Energy business contributed revenue of S\$54.6 million increasing 4.7% compared to FY2021. The Marine business contributed revenue of S\$44.7 million which was 20.6% lower compared to FY2021. In FY2022, the Energy and Marine business segments contributed 55.0% and 45.0% to the Group's total revenue respectively.

##### 2H FY2022 vs 2H FY2021

For second half year ended 31 March 2022 ("2H FY2022"), the Group's revenue was S\$50.0 million, representing a decrease of S\$0.9 million or 1.8% compared to S\$50.9 million for the corresponding period ended 31 March 2021 ("2H FY2021"). The revenues segmented by business shows the Energy business contributed revenue of S\$28.7 million which was 3.9% lower compared to 2H FY2021. The Marine business contributed revenue of S\$21.3 million increasing 1.1% lower compared to 2H FY2021. In 1H FY2022, the Energy and Marine business segments contributed 57.3% and 42.7% to the Group's total revenue respectively.

##### Gross Profit

##### FY2022 vs FY2021

The Group reported gross profit of S\$19.9 million in FY2022, representing a 4.9% or S\$1.0 million increase compared to a gross profit of S\$18.9 million in FY2021. However, in spite of the Revenue decline profitability actually improved with the Gross Profit margin expanding to 20.0% compared to 17.4% in FY2021.

The gross profit for FY2021 was determined after an inventory impairment adjustment of S\$1.2 million. Excluding these inventory impairment adjustments, gross profit for FY2021 would have been S\$20.1 million for a 18.5% gross profit margin. Therefore, the gross profit margin improved in FY2022 compared to FY2021 both before and after the inventory impairment adjustments.

##### 2H FY2022 vs 2H FY2021

The Group reported gross profit of S\$8.8 million in 2H FY2022, representing a 9.1% or S\$0.7 million increase compared to a gross profit of S\$8.1 million in 2H FY2021. Excluding the one-off inventory adjustments, gross profit margin for 2H FY2021 would have been 18.3% at S\$9.3 million.



**F OTHER INFORMATION (continued)**

**15. Review of the Group's performance (continued)**

**Distribution costs**

FY2022 vs FY2021

Distribution costs increased by 12.4% to S\$9.8 million in FY2022 compared to S\$8.7 million in FY2021 due largely to the group received COVID 19 government grants of S\$0.7 million in FY2021.

2H FY2022 vs 2H FY2021

Distribution costs increased by 11.0% to S\$5.1 million in 2H FY2022 compared to S\$4.6 million in 2H FY2021 due largely to the group received COVID 19 government grants of S\$0.3 million in 2H FY2021.

**Administrative expenses**

FY2022 vs FY2021

Administrative expenses in FY2022 did not vary significant from FY2021.

2H FY2022 vs 2H FY2021

Administrative expenses in 2H FY2022 did not vary significant from 2H FY2021.

**Other operating income**

FY2021 vs FY2020

Other operating income in FY2022 increase by 47.6% to S\$2.7 million in FY2022 compared to S\$1.8 million in FY2021.

Other operating income represents rental income, interest income, sundry income, government grants, trade payables written back and recovery of bad debts. The increase in FY2022 is mainly due to reduction in trade debt receivables impairment provision of S\$0.9 million due to a changed in provisioning matrix.

2H FY2022 vs 2H FY2021

Other operating income in 2H FY2022 did not vary significant from 2H FY2021.

**Other operating expenses**

FY2022 vs FY2021

Other operating expenses decreased significantly by 66.0% to S\$2.8 million in FY2022 compared to the S\$8.2 million in FY2021.

The FY2022 operating expenses included: (i.) a non-recurring expense of S\$2.0 million, (ii.) S\$0.7 million foreign exchange loss from the depreciation of USD against SGD, and (iii.) trade receivable written off of S\$0.1 million.

The FY2021 operating expenses included: (i.) an impairment of S\$1.6 million on other receivables written off, (ii.) a non-recurring expenses of S\$1.8 million and restructuring cost of S\$1.2 million, (iii.) a S\$1.6 million foreign exchange loss from the depreciation of USD against SGD, (iv.) trade debt receivables impairment provision of S\$1.1 million, and (v.) impairment on assets held for sale of S\$1.0 million relating to Malaysian land disposal.

2H FY2022 vs 2H FY2021

Other operating expenses decreased significantly by 64.4% to S\$1.5 million in 2H FY2022 compared to the S\$4.1 million in 2H FY2021.

The 2H FY2022 operating expenses included: (i.) a non-recurring expense of S\$1.1 million, and (ii.) S\$0.5 million foreign exchange loss from the depreciation of USD against SGD.

The 2H FY2021 operating expenses included: (i.) other receivables written off of S\$1.7 million, (ii.) a non-recurring expenses of S\$0.7 million and restructuring cost of S\$0.6 million, (iii.) a S\$0.5 million foreign exchange loss from the depreciation of USD against SGD, and (iv.) trade debt receivables impairment provision of S\$0.6 million.

## **F OTHER INFORMATION (continued)**

### **15. Review of the Group's performance (continued)**

#### **Finance cost**

##### FY2022 vs FY2021

The finance cost in FY2022 decreased by 22.2% as compared to FY2021 due to repayment of bank borrowings as well as lower interest rates.

##### 2H FY2022 vs 2H FY2021

The finance cost in 2H FY2022 decreased by 28.7% as compared to 2H FY2021 due to repayment of bank borrowings as well as lower interest rates.

#### **Loss for the period**

In FY2022, the Group reported a loss before income tax of S\$14.0 million, 31.0% lower than the S\$20.3 million in FY2021. The FY2022 income tax expense was a tax credit compared to the S\$0.4 million expense in FY2021. This FY2022 loss for the period was lower compared to FY2021 partially due to improved operating performance, a non-recurring expense and restructuring cost of S\$3.0 million plus the trade debt receivables impairment provision of S\$1.1 million plus the impairment of assets held for sale of S\$1.0 million in FY2021.

#### **Total Comprehensive Income for the period**

The total comprehensive loss for FY2022 was S\$6.9 million, an improvement of S\$13.4 million compared to FY2021. In FY2022, the Group recorded a total revaluation gain of S\$6.8 million from increase in the fair values of the buildings at 156 Gul Circle, Singapore 629613 and 51, Saenggoksandan 1-Ro Gangseo-gu Busan, South Korea 46729 following a valuation of the market value of the buildings.

### **15.2 Review of condensed interim statements of financial position**

#### **Current assets**

Current assets decreased 12.7% (or S\$10.8 million) from S\$84.7 million as at 31 March 2021 to S\$73.9 million as at 31 March 2022. The changes was mainly due to: (i.) a decrease in inventories by S\$5.9 million in which S\$4.9 million due to inventories sales during the normal course of business and S\$1.0 million due to transfer to PPE as rental assets, (ii.) a decrease in cash and cash equivalents of S\$2.9 million, and (ii.) a decrease in receivables of S\$1.4 million.

#### **Non-current assets**

Non-current assets decreased 1.5% (or by S\$1.1 million) from S\$78.4 million as at 31 March 2021 to S\$77.3 million as at 31 March 2022. The decrease was mainly due to the decrease in Right of Use assets of S\$1.3 million and Intangible assets of S\$0.8 million, offset by the increase in property, plant and equipment of S\$0.8 million. The increase in property, plant and equipment was mainly due to: (i.) revaluation of leasehold/freehold land & building of S\$6.8 million, (ii.) transfer of rental assets from inventories of S\$1.0 million, and (iii.) additional purchases of property, plant & equipment of S\$0.5 million, offset by (i.) depreciation of S\$6.4 million, and (ii.) disposal of S\$0.7 million.

#### **Current liabilities**

Current liabilities decreased 43.8% (or by S\$27.9 million) from S\$63.7 million as at 31 March 2021 to S\$35.8 million as at 31 March 2022. The decrease was mainly due to: (i.) a decrease in the current portion of bank borrowings of S\$18.9 million mainly due to S\$12.6 million being reclassified to non-current liabilities in FY2022, (ii.) a decrease in contract liabilities of S\$1.9 million, (iii.) a decrease in trade payables of S\$3.0 million, (iv.) a decrease in other payables of S\$3.5 million, and (v.) released from the provision of S\$0.4 million.

#### **Non-current liabilities**

Non-current liabilities increased 118.0% (or by S\$9.6 million) from S\$8.2 million as at 31 March 2021 to S\$17.8 million as at 31 March 2022. The increase was mainly due to classification of S\$12.3 million bank borrowings as non-current liabilities in FY2022.

#### **Capital, reserves and non-controlling interests**

Shareholders' equity increased 6.8% to S\$97.5 million in FY2022 from S\$91.4 million in FY2021, mainly due to rights issue of S\$13.1 million and increase in revaluation reserve of S\$6.8 million from the revaluation of leasehold/freehold land and building offset by loss of S\$13.9 million incurred in FY2022.

**F OTHER INFORMATION (continued)**

**15. Review of the Group's performance (continued)**

**15.3 Review of condensed interim consolidated statement of cash flows**

**FY2022 ended 31 March 2022**

**The Cash balance of S\$7.3 million as at 31 March 2022 decreased 28.2% (S\$2.8 million) compared to S\$10.1 million for FY2022.**

**Net cash (used in) / generated from operating activities**

Net cash used in operating activities was S\$5.3 million in FY2022, which was S\$6.4 million higher compared to S\$1.1 million net cash generated from operating activities for FY2021.

Operating cash outflow was S\$5.5 million to support operating activities in FY2022 before changes in working capital.

Net working capital inflow was S\$0.1 million in FY2022. This was mainly due to (i.) a decrease in inventories by S\$5.0 million resulting from sales during the normal course of business and efforts to reduce inventory, and (ii) a total decrease in trade receivables, other receivables and contract assets of S\$3.0 million due to aggressive collection efforts, offset by a net decrease in trade payables, other payables and contract liabilities of S\$7.8 million.

**Net cash generated from investing activities**

Net cash generated from investing activities amounted to S\$0.4 million in FY2022 mainly due to proceed from disposal of plant and equipment of S\$0.9 million, offset by the payment for purchase of plant and equipment of S\$0.5 million.

**Net cash generated from / (used in) financing activities**

Net cash generated from financing activities was S\$4.1 million in FY2022 mainly due to the net proceeds from the issuance of rights issue shares of S\$13.0 million plus the drawdown of bank loans of S\$1.2 million, offset by (i.) repayment of bank borrowings and related interest of S\$6.1 million plus leased liabilities and related interest of S\$3.1 million, and (ii.) increase in restricted cash balances of S\$0.8 million.

**2H FY2022 ended 31 March 2022**

**Net cash (used in) / generated from operating activities**

In 2H FY2021, the Group incurred an operating cash outflow of S\$4.2 million before movements in working capital.

Net working capital inflow was S\$3.8 million in 2H FY2022. This was mainly due to (i.) a total decrease in trade receivables, other receivables and contract assets of S\$1.1 million due to aggressive collection efforts, and (ii.) a decrease in inventories by S\$2.9 million resulting from sales during the normal course of business and efforts to reduce inventory, offset by a net increase in trade payables, other payables and contract liabilities of S\$0.1 million.

**Net cash generated from investing activities**

Net cash inflow from investing activities amounted to S\$146 thousand in 2H FY2022 mainly due to proceeds from disposal of plant and equipment of S\$322 thousand, offset by payment for purchase of plant and equipment of S\$176 thousand.

**Net cash used in financing activities**

Net cash used in financing activities amounted to S\$7.5 million in 2H FY2022. The cash used is mainly for (i.) the repayment of bank borrowings and related interest of S\$5.0 million, (ii.) repayment of leased liabilities and related interest of S\$1.7 million, and (iii.) increase in restricted cash balances of S\$0.8 million.

**F OTHER INFORMATION (continued)**

**16. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

**17. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

During the last fiscal year 2022 (ending 31 March 2022) Covid was a significant negative influence on AMOS. First, Covid illness impacted many of our staff's individual and family lives. Second, Covid forced our staff to work from home with the attendant inefficiencies in providing services to our customers. Third, Covid restricted travel which hindered management oversight. Finally, Covid caused shortages of workers in most of our locations around the world.

Covid continues to impact AMOS operations but there are other recent macro events causing additional challenges into the new fiscal year 2023. First, the Chinese government lockdowns in its major cities have snarled supply chains and delayed product deliveries. Second, the Russian invasion of Ukraine and resultant fighting has muted economic activity and disrupted peaceful commerce. Third, actions by the US Federal Reserve to raise interest rates have roiled financial markets resulting in a loss of immense wealth. Lastly, the tense rhetoric between the China and Western governments has sapped away confidence in the global order.

All of these global challenges have directly impacted AMOS with rising inflation in energy costs, labor wages, and general product prices pushing up costs at AMOS. In spite of these inflationary macro-events, the Energy and Marine industries are active and need value-added products and services. The Energy and Marine industries are both highly profitable and this is the time for AMOS to seize the opportunity and ride on that wave of growth. AMOS is charting a course emphasizing sharper procurement of products and productivity improvements to better serve AMOS customers and grow sales.

The mission for AMOS is to be a respected company supplying products and services to the Marine and Energy industries with reasonable profitability and positive cash flow. AMOS has a long business history and is well known in the markets it serves. AMOS also has significant fixed assets, but the real value is the people who work at AMOS. AMOS staff supply thousands of products to hundreds of customers demanding service, quality, and competitive pricing. The AMOS strategy is to empower our loyal staff to seize the initiative in transforming AMOS into a profitable business with professionalism and integrity.

**F OTHER INFORMATION (continued)**

**18. Dividend**

**18(a) Any dividend declared for the current financial period reported on?**

Nil

**18(b) Any dividend declared for the corresponding period of the immediately preceding financial year?**

No

**18(c) Date payable**

Not applicable.

**18(d) Books closure date**

Not applicable.

**19. If no dividend has been declared/ recommended, a statement to that effect**

No dividend has been declared as the Group has incurred a loss in FY2022.

**20. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

Not applicable as no IPT mandate has been obtained.

**21. Confirmation that the issuer has procured undertakings from all its directors and executive officers**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**F OTHER INFORMATION (continued)**

22. Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.

The Company would like to update that for the period from 1 June 2021 to 31 March 2022, further funds from the Net Proceeds have been utilized and the details are as depicted in table below:

Proceeds from issuance of shares on 1 June 2021 (Note 13)

	S\$'000
Issuance of 974,015,343 new shares at 1.35 cents	13,149
Less: Listing expenses	(175)
Net proceeds	<u>12,974</u>

Table showing utilization of Net Proceeds

Use of Net Proceeds	Allocation of the Net Proceeds as set out in the circular on 23 March 2021		Net Proceeds utilized between 1 June to 31 March 2022	Balance of Net Proceeds as at 31 March 2022
	S\$'000	%		
(a) Development and Expansion of Alcona Product Line	3,094	23.8%	1,255	1,839
(b) Technology Initiative	2,595	20.0%	1,404	1,191
(c) Business Expansion	1,397	10.8%	810	587
(d) General Working Capital requirements of the Group	5,888	45.4%	8,283	(2,395)
	<u>12,974</u>	<u>100.0%</u>	<u>11,752</u>	<u>1,222</u>

Breakdown for working capital utilized between 1 June to 31 March 2022:

S\$'000

Upgrade of Group's existing facilities and purchase of equipment	-
Trade and other payables	8,283
Total	8,283

**Notes (as set out in the circular on 23 March 2021)**

The Company intends to utilise the Net Proceeds for the following purposes:

- (a) developing and expanding the Group's "Alcona" proprietary product line for the marine and energy sectors ("Alcona Product Line");
- (b) funding the Group's technology initiatives;
- (c) funding of the Group's expansion into new business sectors, including the renewables sector ("Business Expansion"); and
- (d) general working capital requirements of the Group, which includes funding the Group's procurement initiatives and vendor management processes and streamlining of the Group's operations.

**F OTHER INFORMATION (continued)**

**23. A breakdown of the annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

	<b>FY2022</b>	<b>FY2021</b>
Type of Dividend	-	-
Dividend per share	-	-
Annual Dividend (S\$'000)	-	-

**24. Disclosure of person occupying a managerial position in the issuer of any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13).**

NA

**BY ORDER OF THE BOARD**

**KYLE ARNOLD SHAW, JR**

Executive Chairman

Singapore

27 May 2022