

**AMOS GROUP LIMITED**  
(the "**Company**")  
(Company Registration No. 201004068M)  
(Incorporated in the Republic of Singapore)

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**RESPONSES TO QUERIES RAISED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (SGX-ST) ON 23 DECEMBER 2022 WITH RESPECT TO THE COMPANY'S ANNOUNCEMENT ON 11 NOVEMBER 2022 ON ITS ANNOUNCEMENT IN RELATION TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 IN RESPECT OF THE FINANCIAL YEAR ENDING 31 MARCH 2023.**

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The Board of Directors ("**Board**") of AMOS Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to provide the following additional information in response to the queries raised by the SGX-ST on 23 December 2022 with respect to the Company's announcement on 11 November 2022 on its announcement in relation to the Company's unaudited interim financial statements for the financial period ended 30 September 2022 in respect of the financial year ending 31 March 2023 :

**Query 1**

Given the Group's significant short term liabilities of S\$36,923,000 and cash and bank balance (less restricted cash) of only S\$4,987,000 and noting that the Group incurred losses of S\$6,891,000 in the 6 months ended 30 September 2022, please disclose the Board's assessment on

- (i) whether the Group's current assets are adequate to meet its short term liabilities of S\$36,923,000, including its bases of assessment; and
- (ii) how the Group intends to fulfil its significant payment obligations in the next 12 months. Where the Company has worked out debt repayment plans to fulfil its debt obligations, please disclose if the Company is on track to fulfilling these obligations

**Response**

- (i) Beginning in September 2022, the Company's cash flow has gradually improved due to the elimination several recurring costs. Efforts to reduce costs have been successful in improving EBITDA and cash flow. Trade receivables that were overdue have also decreased despite consistent sales each month, leading to a reduction in short-term liabilities. As a result of the average reduction in monthly structural costs and better working capital management, the Company expects its current assets to be sufficient to cover its short-term liabilities.
- (ii) With the above efforts, the Board of Directors (the "Board") is of the view that Company is on track to meet its payment obligations within the next 12 months.

**Query 2**

Please provide explanations for the increase of S\$3,818,000 in the Group's Trade payables from S\$13,166,000 as at 31 March 2022 to S\$16,984,000 as at 30 September 2022.

**Response**

The Company needed to re-stock on essential high-value wire ropes for the Energy segment from July to September 2022, with payment terms extended beyond September 2022.

**Query 3**

Please disclose:

- (i) aging of the Group's trade receivables;
- (ii) the Company's plans to recover the trade and other receivables;

- (iii) How long are the debts outstanding and in which period the sales were reported;
- (iv) What were the actions taken to recover the trade and other receivables; and
- (v) The Board's assessment of the recoverability of the remaining trade and other receivables.

**Response**

- (i) As at 30 Sep 2022

<b>Aging</b>	<b>S\$'000</b>	<b>%</b>
Not past due	8,015	32.0%
Past due 1-30 Days	4,113	16.4%
Past due 31-90 Days	5,728	22.9%
Past due more than 90 Days	7,191	28.7%
<b>Total</b>	<b>25,047</b>	<b>100.0%</b>

- (ii) The Company is actively pursuing all overdue trade receivables. For customers who are delinquent in their payments, demand letters are issued in accordance with Company policies.
- (iii) 32% of the trade receivables are not yet due. Another 39% of the trade receivables are less than 90 days overdue. The rest 29% are more than 90 days overdue. Sales for these were mostly reported in the last 6 months.
- (iv) As mentioned above, the Company is actively pursuing all overdue trade receivables. For customers who are delinquent in their payments, demand letters are issued in accordance with Company policies.
- (v) The Company's Board is confident that appropriate measures are in place to recover trade receivables, and that credit risks are being adequately monitored and managed.

**Query 4**

Please disclose a breakdown of other payables amounting to S\$7,327,000 as at 30 September 2022. Please disclose the nature of these other payables and whether the counterparties are related parties.

**Response**

The nature of other payables are as follows and there are no balances owing to related parties.

<b>Other Payables</b>	<b>S\$'000</b>
Payable to third parties	2,614
Service Rebate	1,253
Accrued operating expenses	1,387
Accrued cost of sales	1,013
Accrued interest	36
GST payables	54
Provision for unutilized leave	970
<b>Total</b>	<b>7,327</b>

**By Order of the Board**

Kyle Arnold Shaw, Jr.  
Executive Chairman  
5 January 2023