

AMOS GROUP LIMITED

(Company Registration Number: 201004068M)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MARCH 2023
A CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group 2nd Half Year Ended			Group 12 Months Ended		
		31/03/2023	31/03/2022	Incr/ (decr)	31/03/2023	31/03/2022	Incr/ (decr)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	4	50,854	49,981	1.7	99,380	99,349	0.0
Cost of sales		(39,032)	(41,141)	(5.1)	(77,853)	(79,492)	(2.1)
Gross profit		11,822	8,840	33.7	21,527	19,857	8.4
Distribution costs		(4,430)	(5,055)	(12.4)	(9,536)	(9,715)	(1.8)
Administrative expenses		(10,136)	(11,573)	(12.4)	(20,801)	(22,724)	(8.5)
Other operating income		520	558	(6.8)	909	1,753	(48.1)
(Reversal)/impairment loss on trade receivables		(145)	(107)	35.5	(132)	909	NM
Other operating expenses		(1,762)	(1,467)	20.1	(2,417)	(2,778)	(13.0)
Finance cost		(755)	(556)	35.8	(1,373)	(1,270)	8.1
Loss before income tax	6	(4,886)	(9,360)	(47.8)	(11,823)	(13,968)	(15.4)
Income tax credit (expense)	7	(191)	(15)	NM	(143)	31	NM
Loss for the period/year		(5,077)	(9,375)	(45.8)	(11,966)	(13,937)	(14.1)
<u>Other comprehensive income</u>							
<i>Items that will not be reclassified to profit or loss:</i>							
Revaluation of Property, plant and equipment		4,457	632	605.2	4,457	6,844	(34.9)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>							
Translation gain arising on consolidation		361	168	114.9	35	206	(83.0)
Other comprehensive income for the period/year, net of tax		4,818	800	502.3	4,492	7,050	(36.3)
Total comprehensive loss for the period/year		(259)	(8,575)	(97.0)	(7,474)	(6,887)	8.5
Loss attributable to:							
Owners of the Company		(5,077)	(7,274)	(30.2)	(11,966)	(13,862)	(13.7)
Non-controlling interests		-	(7)	(100.0)	-	(76)	(100.0)
Loss for the period/year		(5,077)	(7,281)	(30.3)	(11,966)	(13,938)	(14.1)
Total comprehensive loss attributable to:							
Owners of the Company		(258)	(6,468)	(96.0)	(7,474)	(6,806)	9.8
Non-controlling interests		-	(13)	(100.0)	-	(82)	(100.0)
Total comprehensive loss for the period/year		(258)	(6,481)	(96.0)	(7,474)	(6,888)	8.5
Gross profit margin		23.2%	17.7%	31.4	21.7%	20.0%	8.4
Net loss margin		-10.0%	-18.8%	(46.8)	-12.0%	-14.0%	(14.2)
EBITDA ⁽¹⁾ (S\$'000)		1,034	(3,268)	NM	(877)	(3,666)	(76.1)
EBITDA margin		2.0%	-6.5%	NM	-0.9%	-3.7%	(76.1)

⁽¹⁾ : 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	
		31/03/2023	31/03/2022	31/03/2023	31/03/2022
		S\$'000	S\$'000	S\$'000	S\$'000
<u>ASSETS</u>					
Current assets					
Cash and bank balances		6,847	7,278	67	1,246
Trade receivables		23,313	25,002	5,373	2,830
Contract assets		2,599	2,627	1,393	1,628
Other receivables		3,706	3,545	322	336
Inventories		32,156	35,461	-	-
Total current assets		68,621	73,913	7,155	6,040
Non-current assets					
Property, plant and equipment ("PPE")	11	65,393	67,409	8	30
Right of use assets ("ROU")		5,504	6,584	53	94
Intangible assets	10	2,239	2,961	2,239	2,961
Deferred tax assets		90	19	-	-
Subsidiary		-	-	175,040	170,311
Associates		42	42	-	-
Total non-current assets		73,268	77,015	177,340	173,396
Total assets		141,889	150,928	184,496	179,436
<u>LIABILITIES AND EQUITY</u>					
Current liabilities					
Trade payables		13,895	13,166	-	-
Contract liabilities		801	1,447	-	-
Other payables		7,446	6,974	3,400	2,017
Current portion of bank borrowings	12	6,702	8,523	-	-
Current portion of lease liabilities	12	1,220	2,898	371	1,169
Income tax payable		172	13	-	-
Total current liabilities		30,236	33,021	3,771	3,186
Non-current liabilities					
Bank borrowings	12	12,899	15,076	-	-
Lease liabilities	12	4,906	5,532	10	381
Total non-current liabilities		17,805	20,608	10	381
Total liabilities		48,041	53,629	3,781	3,567
Net assets		93,848	97,299	180,714	175,869

B CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (continued)

	Note	Group		Company	
		31/03/2023 S\$'000	31/03/2022 S\$'000	31/03/2023 S\$'000	31/03/2022 S\$'000
Capital, reserves and non-controlling interests					
Share capital	13	183,253	179,230	183,253	179,230
Accumulated losses		(102,458)	(90,491)	(2,538)	(3,361)
Translation reserve		1,154	1,119	-	-
Other reserve		11,899	7,441	-	-
Equity attributable to owners of the Company		93,848	97,299	180,715	175,869
Non-controlling interests		-	-	-	-
Total equity		93,848	97,299	180,715	175,869
Total liabilities and equity		141,889	150,928	184,496	179,436

C CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Group	
	2nd Half Year Ended		12 Months Ended	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Loss before income tax	(4,886)	(9,360)	(11,823)	(13,969)
Adjustments for :				
Interest expense	755	556	1,373	1,270
Interest income	(8)	(2)	(9)	(4)
Depreciation of property, plant and equipment	2,675	3,258	5,647	6,432
Depreciation - right of use assets	685	854	1,460	1,669
Amortization of intangible assets	418	408	826	815
(Reversal) / Impairment loss on trade receivables	145	107	132	(909)
Doubtful trade receivables recovered	(222)	(80)	(307)	(289)
Trade receivables written off / (written back)	32	50	48	73
Other receivables written off	-	(42)	-	(20)
(Gain) Loss on disposal of plant and equipment	(13)	18	(130)	(177)
Loss on modification of ROU	-	4	-	13
Loss on disposal of club membership	-	-	-	27
Trade payables written off	(7)	(89)	(9)	(668)
Net foreign exchange loss- unrealized	(250)	320	(333)	250
Operating cash flows before movements in working capital	(676)	(3,998)	(3,125)	(5,487)
Trade receivables	1,256	(268)	1,472	2,541
Other receivables and prepayments	517	673	(324)	843
Contract assets	(1,390)	640	5	(390)
Inventories	2,934	2,895	2,919	4,987
Trade payables	(2,227)	1,112	2,240	(2,872)
Other payables	1,364	(964)	1,647	(3,092)
Contract liabilities	(1,304)	(244)	(619)	(1,883)
Bank bills payable	-	-	(862)	-
Cash (used in) / generated from operations	474	(154)	3,353	(5,353)
Interest received	8	2	9	4
Income tax paid	(16)	(48)	(76)	8
Net cash (used in) / generated from operating activities	466	(200)	3,285	(5,341)

C CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Group 2nd Half Year Ended		Group 12 Months Ended	
	31/03/2023 S\$'000	31/03/2022 S\$'000	31/03/2023 S\$'000	31/03/2022 S\$'000
Investing activities				
Proceeds from disposal of plant and equipment	287	322	527	874
Purchase of plant and equipment	(271)	(176)	(530)	(495)
Additions to intangible asset	(21)	-	(105)	(1)
Fixed deposits placement	-	-	-	48
Net cash (used in) / generated from investing activities	(5)	146	(108)	426
Financing activities				
Interest paid for other borrowings	(739)	(635)	(1,316)	(1,261)
Repayment of obligations under lease liabilities	(1,089)	(1,714)	(2,444)	(3,140)
Drawdown of bank loans	-	-	-	1,178
Repayment of bank loans	(1,856)	(4,396)	(3,767)	(4,869)
Proceeds from rights issue (Note 13 & 22)	4,167	-	4,167	13,149
Payment of share issue expenses	(143)	-	(143)	(175)
Restricted cash at bank	57	(770)	685	(759)
Net cash (used in) / generated from financing activities	397	(7,515)	(2,818)	4,123
Net increase / (decrease) in cash and cash equivalents	860	(7,784)	359	(792)
Effect of exchange rate changes on cash and cash equivalents	(80)	(11)	(106)	18
Cash and cash equivalents at beginning of the period	4,978	13,300	5,505	6,278
Cash and cash equivalents at end of the period	5,758	5,505	5,758	5,504
Cash and cash equivalents comprise the following:				
Cash and bank balances	6,847	7,278	6,847	7,278
Fixed deposit	(10)	(10)	(10)	(11)
Restricted cash at bank	(1,078)	(1,763)	(1,078)	(1,763)
	5,758	5,505	5,758	5,504

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
Group							
At 1 April 2022	179,230	(90,491)	1,119	7,441	97,299	-	97,299
Total comprehensive income for the period							
Loss for the period	-	(11,966)	-	-	(11,966)	-	(11,966)
Revaluation of PPE	-	-	-	4,457	4,457	-	4,457
Other comprehensive income for the period	-	-	35	-	35	-	35
Total	-	(11,966)	35	4,457	(7,474)	-	(7,474)
Transactions with owners, recognized directly in equity							
Issuance of shares	4,166	-	-	-	4,166	-	4,166
Share issuance expenses	(143)	-	-	-	(143)	-	(143)
Effect on exchange impact	-	-	-	-	-	-	-
Total	4,023	-	-	-	4,023	-	4,023
At 31 March 2023	183,252	(102,458)	1,155	11,898	93,847	-	93,847
	(1)	-	1	(1)	(1)		
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	-	(13,862)	-	-	(13,862)	(76)	(13,938)
Revaluation of PPE	-	-	-	6,843	6,843	-	6,843
Other comprehensive income for the period	-	-	213	-	213	(6)	207
Total	-	(13,862)	213	6,843	(6,806)	(82)	(6,888)
Transactions with owners, recognised directly in equity							
Issuance of shares	13,149	-	-	-	13,149	-	13,149
Payment of share issue expenses	(175)	-	-	-	(175)	-	(175)
Contribution from a non-controlling interest	-	(231)	(8)	-	(239)	239	-
Total	12,974	(231)	(8)	-	12,735	239	12,974
At 31 March 2022	179,230	(90,491)	1,119	7,441	97,299	-	97,299
Company							
At 1 April 2022	179,230	(3,361)	-	-	175,869	-	175,869
Loss for the period, representing total comprehensive income for the period	-	823	-	-	823	-	823
Transactions with owners, recognised directly in equity							
Issuance of shares	4,167	-	-	-	4,167	-	4,167
Share issuance expenses	(143)	-	-	-	(143)	-	(143)
Total	4,024	-	-	-	4,024	-	4,024
At 31 March 2023	183,253	(2,538)	-	-	180,715	-	180,715
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

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 six-months and financial year ended 31 March 2023 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 2022.

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 2023 was determined similarly to the 31 March 2022 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 9.6% 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 Chairman (acting CEO and 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 2023**

	Energy S\$'000	Marine S\$'000	Others S\$'000	Total S\$'000
Revenue				
Sales	53,580	46,118	-	99,698
Inter-segment sales	(185)	(133)	-	(318)
Sales to external customers	53,395	45,985	-	99,380
Profit/(Loss) from operations				
Segment results	330	(10,398)	874	(9,194)
Restructuring cost	(8)	-	-	(8)
Interest expense	(1,575)	(996)	(50)	(2,621)
Income tax credit (expense)	(210)	67	-	(143)
Loss for the period				<u>(11,966)</u>
Assets				
Segment assets	57,024	82,180	2,686	141,889
Liabilities				
Segment liabilities	19,474	39,090	(10,522)	48,041
Other information				
Gain on disposal of PPE	131	(1)	-	130
Trade receivables written off	-	(48)	-	(48)
Reversal of impairment loss on trade receivables	(123)	(9)	-	(132)
Allocable depreciation and amortization	(3,071)	(3,971)	(890)	(7,933)
Allocable additions to non-current assets	412	301	-	713

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)**4.1 Reportable segments (continued)****12 Months Ended 31 March 2022**

	Energy S\$'000	Marine S\$'000	Others S\$'000	Total S\$'000
Revenue				
Sales	54,766	44,814	-	99,580
Inter-segment sales	(158)	(73)	-	(231)
Sales to external customers	54,608	44,741	-	99,349
Profit/(Loss) from operations				
Segment results	1,291	(13,790)	(199)	(12,699)
Restructuring cost	-	-	-	-
Interest expense	(678)	(590)	(2)	(1,270)
Income tax credit (expense)	42	(12)	-	30
Loss for the period				<u>(13,940)</u>
Assets				
Segment assets	65,447	83,773	1,707	150,928
Liabilities				
Segment liabilities	22,080	31,053	496	53,629
Other information				
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
Allocable depreciation and amortization	(3,579)	(5,270)	(67)	(8,916)
Allocable additions to non-current assets	512	291	126	929

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

4.2 Disaggregation of Revenue

	The Group		
	12 Months Ended 31 March 2023		
	Energy	Marine	Total
	S\$'000	S\$'000	S\$'000
Revenue			
Sales of goods revenue recognized at a point in time	46,294	45,985	92,279
Service revenue recognized at a point in time	2,966	-	2,966
Rental revenue recognized over time	4,135	-	4,135
	53,395	45,985	99,380
Geographical Information			
Singapore	23,620	36,024	59,644
Azerbaijan	2,633	-	2,633
South Korea	596	3,683	4,278
United Kingdom	10,642	-	10,642
United Arab Emirates	6,502	-	6,502
China	2,632	6,146	8,779
Asia ⁽¹⁾	6,769	132	6,901
	53,395	45,985	99,380

	The Group		
	12 Months Ended 31 March 2022		
	Energy	Marine	Total
	S\$'000	S\$'000	S\$'000
Revenue			
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
	54,608	44,741	99,349
Geographical Information			
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 (1)	4,849	-	4,849
	54,608	44,741	99,349

⁽¹⁾ 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

	Group		
	FY2023	FY2022	Incr/
	S\$'000	S\$'000	(decr)
			%
(a) Sales reported for the first half year	48,526	49,368	(1.7)
(b) Operating loss after tax reported for the first half year	(6,889)	(4,563)	51.0
(c) Sales reported for the second half year	50,854	49,981	1.7
(d) Operating loss after tax reported for the second half year	(5,077)	(9,375)	(45.8)

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 2023 and 31 March 2022:

	The Group		The Company	
	31-Mar-23 S\$'000	31-Mar-22 S\$'000	31-Mar-23 S\$'000	31-Mar-22 S\$'000
Financial assets at amortised cost				
Trade receivables	23,313	25,002	5,373	2,830
Other receivables (excludes prepayments and GST recoverable)	1,262	1,613	39	46
Cash and cash equivalents	6,847	7,278	67	1,246
	<u>31,422</u>	<u>33,893</u>	<u>5,479</u>	<u>4,122</u>
Financial liabilities at amortised cost				
Secured bank loans	19,601	23,599	-	-
Lease liabilities	6,126	8,430	381	1,550
Trade payables	13,895	13,166	-	-
Other payables	7,659	5,827	880	1,878
	<u>47,281</u>	<u>51,022</u>	<u>1,261</u>	<u>3,428</u>

6. Loss before taxation

6.1 Significant items

	Group 6 Months Ended		Group 12 Months Ended	
	31-Mar-23 S\$'000	31-Mar-22 S\$'000	31-Mar-23 S\$'000	31-Mar-22 S\$'000
Restructuring cost	-	(33)	8	(29)
Amortization of intangible assets	418	408	826	815
Depreciation of PPE	2,675	3,258	5,647	6,432
Depreciation - Right of use assets	685	854	1,460	1,669
Foreign exchange loss	1,581	496	1,869	670
Impairment of trade receivables	145	107	132	(909)
Interest expense	754	556	1,373	1,270
Trade payable written off	(7)	(89)	(9)	(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:

	Group 6 Months Ended		Group 12 Months Ended	
	31-Mar-23 S\$'000	31-Mar-22 S\$'000	31-Mar-23 S\$'000	31-Mar-22 S\$'000
Current income tax expense	(191)	(15)	(143)	(31)
Deferred income tax expense relating to origination and reversal of temporary differences	-	-	-	61
	<u>(191)</u>	<u>(15)</u>	<u>(143)</u>	<u>30</u>

8. Dividends

No dividend has been declared as the Group has incurred a loss for the financial year ended 31 March 2023.

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

9. Net Asset Value

	The Group		The Company	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
	S\$'000	S\$'000	S\$'000	S\$'000
Net asset value attributable to shareholders of the Company (S\$)	93,848	97,299	180,715	175,869
Number of ordinary shares ('000) *	208,331	178,569	208,331	178,569
Net asset value per ordinary share (cents)	45.05	54.62	86.74	98.49

*On 27 January 2023, the Company issued and allotted 29,761,576 Rights Shares at an issue price of S\$0.14, on the basis of one (1) Rights Shares for every six (6) existing ordinary shares in the capital of the Company. For details of share capital change, please refer Note 13.

10. Intangible assets

	The Group		
	Trademark	Software Implementation	Total
	S\$'000	S\$'000	S\$'000
At 31 March 2022			
Cost	485	4,076	4,561
Accumulated amortization	-	(1,600)	(1,600)
Net Book Value	485	2,476	2,961
At 31 March 2023			
Opening net book amount	485	2,476	2,961
Additions	1	104	105
Amortisation Charges	-	(826)	(826)
Net Book Value	486	1,754	2,240
The Company			
Trademark			
Software Implementation			
Total			
	S\$'000	S\$'000	S\$'000
At 31 March 2022			
Cost	485	4,076	4,561
Accumulated amortization	-	(1,600)	(1,600)
Net Book Value	485	2,476	2,961
At 31 March 2023			
Opening net book amount	485	2,476	2,961
Additions	1	104	105
Amortisation Charges	-	(826)	(826)
Net Book Value	486	1,754	2,240

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 2023, the Group acquired assets amounting to S\$271,306 (31 March 2022: \$176,254) and proceeds from disposed of assets amounting to \$287,481 (31 March 2022,: \$322,882).

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. Bank Borrowings and Lease Liabilities

Amount repayable in one year or less, or on demand

	31/03/2023		31/03/2022	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	6,702	-	1,467	-
Short term loans	327	-	7,056	-
Lease liabilities	893	849	1,138	1,760
Overdrafts	-	-	-	-
	<u>7,922</u>	<u>849</u>	<u>9,661</u>	<u>1,760</u>
	-	-	-	-

Amount repayable after one year

	31/03/2023		31/03/2022	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	12,899	-	10,995	-
Short term loans	957	-	4,081	-
Lease liabilities	3,949	1,590	327	5,205
	<u>17,805</u>	<u>1,590</u>	<u>15,403</u>	<u>5,205</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 had technically breached a specific bank loan covenant as at 31 March 2023. The Group had obtained a waiver of loan covenant compliance from the bank on S\$14.2 million loan facilities which have 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-23		31-Mar-22	
	Number of shares '000	Amount S\$'000	Number of shares '000	Amount S\$'000
Issued and paid up shares at the beginning of period	178,569	179,230	2,597,374	166,256
Issue of ordinary shares by virtue of rights issue *	29,762	4,023	974,015	12,974
	208,331	183,253	3,571,389	179,230
Share consolidation **	0	-	(3,392,820)	-
Issued and paid up shares at the end of period	208,331	183,253	178,569	179,230

The Company did not hold any treasury shares as at 31 March 2023.

The Company's subsidiaries do not hold any shares in the Company as at 31 March 2023 and 31 March 2022.

* 29,761,576 Rights shares have been allotted and issued on 27 January 2023 at an issue price of S\$0.14 for each Rights Share, on the basis of one (1) Rights Shares for every six (6) existing ordinary shares in the capital of the Company. For the detail of use of proceeds, please refer to Note 22.

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

	31/03/2023	31/03/2022
The total number of issued shares excluding treasury shares. ('000)	208,331	178,569

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 2023, 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 2023 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 2023 and certain explanatory notes have not been audited or reviewed the Company auditors.

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			12 months Ended		
	31/03/2023	31/03/2022	Incr/ (decr)	31/03/2023	31/03/2022	Incr/ (decr)
	2H FY2023	2H FY2022	%	FY2023	FY2022	%
Energy	28,209	28,651	(1.5)	53,395	54,608	(2.2)
Marine	22,646	21,330	6.2	45,986	44,741	2.8
Total	<u>50,854</u>	<u>49,981</u>	1.7	<u>99,380</u>	<u>99,349</u>	0.0

FY2023 vs FY2022

For 12 months ended 31 March 2023 ("FY2023"), the Group's revenue was S\$99.4 million, representing as constant sales compared to S\$99.3 million for the corresponding period ended 31 March 2022 ("FY2022"). The revenues segmented by business shows the Energy business contributed revenue of S\$53.4 million decreasing 2.2% compared to FY2022. The Marine business contributed revenue of S\$46.0 million which was 2.8% increase compared to FY2022. In FY2023, the Energy and Marine business segments contributed 53.7% and 46.3% to the Group's total revenue respectively.

2H FY2023 vs 2H FY2022

For second half year ended 31 March 2023 ("2H FY2023"), the Group's revenue was S\$50.9 million, representing increase of S\$0.9 million or 1.7% compared to S\$50.0 million for the corresponding period ended 31 March 2022 ("2H FY2022"). The revenues segmented by business shows the Energy business contributed revenue of S\$28.2 million which was 1.5% lower compared to 2H FY2022. The Marine business contributed revenue of S\$22.6 million increasing 6.2% compared to 2H FY2022. In 2H FY2023, the Energy and Marine business segments contributed 55.5% and 44.5% to the Group's total revenue respectively.

Gross Profit

FY2023 vs FY2022

The Group reported gross profit of S\$21.5 million in FY2023, representing a 8.4% or S\$1.6 million increase compared to a gross profit of S\$19.9 million in FY2022. With constant revenue, Gross Profit margin improved to 21.7% compared to 20.0% in FY2022.

2H FY2023 vs 2H FY2022

The Group reported gross profit was S\$11.8 million in 2H FY2023, representing a 33.7% or S\$3.0 million increase compared to a gross profit of S\$8.8 million in 2H FY2022.

F OTHER INFORMATION (continued)

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

Distribution costs

FY2023 vs FY2022

Distribution costs decreased by 1.8% to S\$9.5 million in FY2023 compared to S\$9.7 million in FY2022.

2H FY2023 vs 2H FY2022

Distribution costs decreased by 12.4% to S\$4.3 million in FY2023 compared to S\$5.0 million in FY2022 due to reduction in staff costs.

Administrative expenses

FY2023 vs FY2022

Administrative expenses decreased by 8.5% to S\$20.8 million in FY2023 compared to S\$22.7 million in FY2022 primarily due to reduction in staff costs, depreciation and professional & legal fee.

2H FY2023 vs 2H FY2022

Administrative expenses decreased by 12.4% to S\$10.1 million in FY2023 compared to S\$11.6 million in FY2022 due to reduction in (i) staff costs of S\$0.7 million, (ii) depreciation of S\$0.6 million and (iii) professional and legal fee of S\$0.2 million.

Other operating income

FY2023 vs FY2022

Other operating income in FY2023 decreased by 55.7% to S\$0.8 million in FY2023 compared to S\$1.7 million in FY2022. This was mainly due to reduction in trade payable written back by S\$0.7 million and sundry income of S\$0.2 million in FY2023.

Other operating income included rental income, interest income, sundry income, government grants, trade payables written back and recovery of bad debts.

2H FY2023 vs 2H FY2022

Other operating income decreased by 16.9% to S\$0.4 million in 2H FY2023 compared to S\$0.5 million in 2H FY2022.

Other operating expenses

FY2023 vs FY2022

Other operating expenses decreased by 13.0% to S\$2.4 million in FY2023 compared to the S\$2.8 million in FY2022.

The FY2023 operating expenses included: (i.) S\$1.9 million foreign exchange loss mainly from the depreciation of USD against SGD and other non-recurring expenses of S\$0.4 million.

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.

2H FY2023 vs 2H FY2022

Other operating expenses increased by 20.2% to S\$1.7 million in 2H FY2023 compared to the S\$1.5 million in 2H FY2022.

The 2H FY2023 operating expenses included: (i.) S\$1.6 million foreign exchange loss mainly from the depreciation of USD against SGD, and (ii) doubtful debt provision of S\$0.1 million.

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.

F OTHER INFORMATION (continued)

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

Finance cost

FY2023 vs FY2022

Finance cost in FY2023 increased by 8.1% as compared to FY2022 due to substantially higher interest rates despite reduced bank borrowings.

2H FY2023 vs 2H FY2022

The finance cost increased 2H FY2023 by 35.6% as compared to 2H FY2022 due to steep escalation in interest rates which was compensated partly by reduced bank borrowings.

Loss for the period

In FY2023, the Group reported a loss before income tax of S\$12.0 million, 14.1% lower than the S\$14.0 million in FY2022. This FY2023 loss for the period was lower compared to FY2022 due to better gross profit of S\$1.7 million and lower Distribution and Administrative expenses of S\$2.1 million.

Total Comprehensive Income for the period

The total comprehensive loss for FY2023 was S\$7.4 million compared to S\$6.9 million FY2022. In FY2023, the Group recorded a total revaluation gain of S\$4.5 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 7.2% (or S\$5.3 million) from S\$73.9 million as at 31 March 2022 to S\$68.6 million as at 31 March 2023. The changes was mainly due to: (i.) a decrease in inventories by S\$3.3 million (ii.) a decrease in receivables of S\$1.7 million, and (iii.) a decrease in cash and cash equivalents of S\$0.4 million.

Non-current assets

Non-current assets decreased 4.9% (or by S\$3.7 million) from S\$77.0 million as at 31 March 2022 to S\$73.2 million as at 31 March 2023. The decrease was mainly due to the decrease in Right of Use assets of S\$1.0 million and Intangible assets of S\$0.7 million, decrease in property, plant and equipment of S\$2.0 million.

Current liabilities

Current liabilities decreased 8.4% (or by S\$2.8 million) from S\$33.0 million as at 31 March 2022 to S\$30.2 million as at 31 March 2023. The decrease was mainly due to: (i.) repayment of S\$1.8million in the current portion of bank borrowings, (ii.) leases and finances liabilities of S\$1.7 million, (iii) contract liabilities of S\$0.6 million, offset with increase from trade and other payables of S\$1.4million.

Non-current liabilities

Non-current liabilities decreased 13.6% (or by S\$2.8 million) from S\$20.6 million as at 31 March 2022 to S\$17.8 million as at 31 March 2023. The decrease was mainly due to repayment of S\$2.2 million bank borrowings and S\$0.6 million of lease liabilities in FY2023.

Capital, reserves and non-controlling interests

Shareholders' equity decreased 3.5% to S\$93.8 million in FY2023 from S\$97.3 million in FY2022, mainly due to loss of S\$12.0 million incurred in FY2023 offset by rights issue of S\$4.0 million and increase in revaluation reserve of S\$4.5 million from the revaluation of leasehold/freehold land and building.

F OTHER INFORMATION (continued)

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

15.3 Review of condensed interim consolidated statement of cash flows

FY2023 ended 31 March 2023

The Cash balance of S\$6.8 million as at 31 March 2023 decreased 5.9% (S\$0.4 million) compared to S\$7.3 million as at 31 March 2023.

Net cash (used in) / generated from operating activities

Net cash generated from operating activities was S\$3.2 million in FY2023, which was better compared to S\$5.3 million net cash used from operating activities for FY2022.

Operating cash generated was S\$3.4 million to support operating activities in FY2023 before changes in working capital.

Net working capital inflow was S\$3.0 million in FY2023 improved comparing to net working capital outflow of S\$5.4 million in FY2022. This was mainly due to (i.) a decrease in inventories by S\$2.9 million resulting from sales during the normal course of business and efforts to reduce inventory, and (ii) a total decrease in trade receivables of S\$1.4 million due to aggressive collection efforts, (iii) a net increase in trade payables, other payables and contract liabilities of S\$3.2 million.

Net cash generated from investing activities

Net cash used in investing activities amounted to S\$0.1 million in FY2023 mainly due to proceed from disposal of plant and equipment of S\$0.6 million and additions to intangible asset of S\$0.1million, offset by the payment for purchase of plant and equipment of S\$0.6 million.

Net cash generated from / (used in) financing activities

Net cash used in financing activities was S\$2.8 million in FY2023 mainly due to the net proceeds from the issuance of rights issue shares of S\$4.0 million, offset by (i) repayment of bank borrowings and related interest plus leased liabilities and related interest of S\$7.5 million, and (ii.) increase in restricted cash balances of S\$0.7 million.

2H FY2023 ended 31 March 2023

Net cash (used in) / generated from operating activities

In 2H FY2023, the Group incurred an operating cash outflow of S\$0.5 million before movements in working capital.

Net working capital inflow was S\$0.5 million in 2H FY2023. This was mainly due to (i.) a total decrease in trade receivables of S\$1.3 million due to aggressive collection efforts, and (ii.) a decrease in inventories by S\$2.9 million resulting from sales and efforts to reduce inventory, (iii) offset by a net increase in trade payables, other payables and contract liabilities of S\$2.1 million.

Net cash generated from investing activities

Net cash inflow from investing activities in 2H FY2023 has no significant variances mainly due to proceeds from disposal of plant and equipment of S\$0.3 million offset by payment for purchase of plant and equipment of S\$0.3 million.

Net cash used in financing activities

Net cash generated from financing activities amounted to S\$0.4 million in 2H FY2023. The cash used is mainly for (i.) the repayment of bank borrowings and related interest and leased liabilities and related interest of S\$3.6 million, and (iii.) increase in rights issues of S\$4.0 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

AMOS Group Limited ("AMOS") is a long-established company supplying products and services to the Energy and Marine industries from a network of facilities spanning Asia, the Middle East, and Europe. During FY2023 (ending 31 March 2023) both the Energy and Marine industries faced headwinds from global macro-economic trends as well as the uneven Covid recovery amongst countries.

AMOS was able to navigate these tumultuous FY2023 challenges and improve financial performance following significant management changes focused on increasing operational efficiency. These corporate actions started in June 2023 and included simplifying operations, introducing new management personnel and structures, and implementing actions to improve business efficiency.

As a result of these corporate actions, AMOS was able to deliver positive operating results and improve cash flow. In the 2nd half of FY2023 AMOS grew Revenues by 1.7%, delivered an improvement in the Gross Profit Margin to 23.2% (vs 17.7% in prior year), and reduced by S\$2.1 million (or 12.4% decline vs prior year) in Distribution Costs and Administrative Costs, which altogether resulted in a positive Operating Profit (EBITDA) of S\$1.0 million (vs a loss of S\$3.3 million in prior year). Moreover, by the end of FY2023, AMOS significantly improved its balance sheet strength by decreasing the total amount of Trade Receivables and Inventory by 8.3% while decreasing bank borrowings by 17% to S\$19.6 million and maintaining cash balances of S\$6.8 million.

Going forward the volume and efficiency of marine transportation supporting the global economy and the supply and demand for energy will continue impacting the business prospects of AMOS. Marine and energy are vast industries with significant activity and opportunities for a medium-sized company such as AMOS. More specifically, the major driver of near-term future success for AMOS will be our own actions in creating a more efficient and effective business operating model providing our customers with the products, services, and solutions they require at reasonable prices. We are constantly striving to improve our technology, our inhouse products such as Alcona, and our asset utilization to harvest these opportunities for AMOS, our shareholders, and all our other important stakeholders.

Meanwhile, AMOS is pursuing new initiatives to manage future challenges in energy transition, operating costs, and business scale. The transition to clean energy is clearly underway and AMOS is developing strategies to help our customers. Rising costs has been a more obvious challenge in the past year and is a continuing concern. AMOS is doubling the size of our manufacturing center of excellence in Malaysia to strengthen the core of our energy business and to prepare us to be ready to serve the renewable energy industry. AMOS is also broadening our logistics center of excellence in Singapore with our high-tech logistics hub at 156 Gul Circle. These changes will enable us to scale and capitalise on our key strengths against our competition.

As with most businesses, AMOS is affected by changes in global geopolitics and macroeconomics. However, with the recent strategic restructuring and management changes, AMOS is better positioned to weather economic down-cycles and capture emerging opportunities. The people at AMOS are a key asset, and so retention of current outstanding staff and recruitment of new outstanding staff are critical to our business. Our goals of minimizing risks and maximizing opportunities is based on lowering our operating cost base while improving customer service through solutions-oriented products and services.

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 FY2023.

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 as of 31 March 2023, further funds from the Net Proceeds have been utilized and the details are as depicted in table below:

Proceeds from issuance of shares on 27 January 2023 (Note 13)

	S\$'000
Issuance of 29,761,576 new shares at 0.14 cents	4,167
Less: Listing expenses	(143)
Net proceeds	<u>4,024</u>

Table showing utilization of Net Proceeds

Use of Net Proceeds	Allocation of the Net Proceeds as set out in the Company's Offer Information Statement on 30 December 2022		Net Proceeds utilized up to 31 March 2023	Balance of Net Proceeds as at 31 March 2023
	S\$'000	%		
(a) Repayment of a portion of the Bank Loan	1,400	34%	1,289	111
(b) Technology initiatives	1,400	34%	89	1,311
(c) Development and expansion of the Alcona Product Line	600	15%	596	4
(d) General working capital requirements of the Group	700	17%	709	(9)
	4,100	100.0%	2,683	1,417

Breakdown for working capital utilized between as of 31 March 2023:

	S\$'000
Procurement Initiatives	709

Notes (as set out in the OIS on 30 December 2022)

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

- (a) repayment of a portion of the Bank Loan;
- (b) funding the Group's technology initiatives;
- (c) developing and expanding the Group's "Alcona" proprietary product line for the marine and energy sectors ("Alcona Product Line"); and
- (d) general working capital requirements of the Group, which includes funding the Group's procurement initiatives.

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

	FY2023	FY2022
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

24 May 2023