

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

RESPONSES TO QUERIES RAISED BY SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (SGX-ST) ON 6 DECEMBER 2023 WITH RESPECT TO THE COMPANY'S ANNOUNCEMENT ON 10 NOVEMBER 2023 IN RELATION TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023.

The Board of Directors ("**Board**") of AMOS Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") provides the following additional information as a requirement of the queries raised by SGX-ST on 6 December 2023 with respect to the Company's announcement on 10 November 2023 in relation to the condensed interim financial statements for the six months ended 30 September 2023:

Query 1

Given the Group's significant short-term liabilities of \$39,922,000 and cash and bank balance of only \$8,606,000 and noting that the Company incurred losses of \$6,122,000 in the 6 months ended 30 September 2023, please disclose the Board's assessment (i) whether the Company's current assets are adequate to meet the Company's short term liabilities of \$39,922,000, including its bases of assessment; and (ii) how the Company 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.

It is disclosed that, "As the Group does not have a written waiver from certain providers of bank facilities as at 30 September 2023 for the next 12 months to the satisfaction of the Group's auditors, S\$11.4 million of loan facilities have been classified as current in the financial statements as at 30 September 2023 in accordance with accounting requirements even though management does not believe that the Group's providers of bank facilities would seek to recall these facilities before their final maturity date in November 2029." Please reconcile the above statement with the Company's response to SGX queries dated 7 August 2023, which states that following the 29-Dec-22 letter, the commercial bank again issued another letter dated 26 July 2023 following another review of the account informing the Company the technical breach would be accommodated.

Response

The Company's current assets are \$61.4 million at 30 September 2023 which is in excess of the Company's reported short-term liabilities of \$39.9 million at 30 September 2023. The Company's cash balance at 30 September 2023 is reported at \$8.6 million. The Company expects to receive additional cash from conversion of Current Assets to meet requirements for paying all cash requirements of Current Liabilities over the next 12 months.

The Company's auditors expressed a requirement for a new bank letter waiving the technical breach on or after 30 September 2023 to confirm the waiver status as the 26 July 2023 bank waiver letter was issued before the period under review. The Company was unable to obtain the new bank letter in time for the 10 November 2023 announcement.

Query 2

Please disclose a breakdown of other payables amounting to S\$8,668,000 and \$7,456,000 as at 30 September 2023 and 31 March 2023 respectively. Please disclose the nature of these other payables and whether the counterparties are related parties.

Response

Other Payables of S\$7.5 million as at 31 March 2023 comprises:

- (i) \$7 million in accrued expenses and non-trade payables with third parties,
- (ii) \$0.2 million of GST payables and
- (iii) \$0.3 million of provisions for staff-related expenses.

Other Payables of S\$8.7 million as at 30 September 2023 comprises:

- (i) \$7.2 million in accrued expenses and non-trade payables with third parties,
- (ii) \$0.1 million in GST payables,
- (iii) \$0.4 million in provisions for staff-related expenses, and
- (iv) \$1 million in short-term financing from a related party.

Query 3

Please disclose:

- (i) a breakdown of other receivables amounting to S\$4,170,000 and \$3,706,000 as at 30 September 2023 and 31 March 2023 respectively; and
- (ii) the nature of these other receivables.

Response

Other Receivables of S\$3.7 million as at 31 March 2023 comprises:

- (i) \$1.4 million in GST recoverables and
- (ii) \$2.3 million of prepayments and deposits with suppliers.

Other Receivables of S\$4.2 million as at 30 September 2023 comprises:

- (i) \$1.3 million in GST recoverables and
- (ii) \$2.9 million of prepayments and deposits with suppliers.

Query 4

Please disclose the factors contributing to a decrease in revenue from \$48,526,000 for the period ended 30 September 2022 to \$40,819,000 for the period ended 30 September 2023.

Response

The ongoing war in Ukraine has unsettled energy markets and dampened economic prospects in Europe, resulting in less energy market activity and less trading of goods. This has directly impacted AMOS, whose business prospects are impacted by shifts in the global trade of goods as well as the development of current and existing energy resources.

Query 5

It is stated on page 12 of the Company's results announcement: - "No dividend has been declared for 1H FY2024 ended 30 September 2023."

Paragraph 12 of Appendix 7.2 of the SGX-ST Listing Manual on Financial Statements and Dividend Announcement states: - "If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision." As such, please provide the reason(s) why no dividend has been declared/recommended for the current period reported on.

Response

No interim dividend has been declared due to the Company's strategy to use cash for future business development and to meet the near-term cash needs of the business.

Query 6

Please provide the breakdown with specific details on the use of proceeds for general working capital requirements of the Group amounting to \$709,000 as disclosed on page 21 of the unaudited financial statements for the period ended 30 September 2023.

Response

The proceeds were used to procure inventory materials necessary to process specific customer contracts.

By Order of the Board

Kyle Arnold Shaw Jr
Executive Chairman
15 December 2023