

AMOS GROUP LIMITED

(Incorporated in Singapore. Company Registration Number: 201004068M)

**RESPONSES TO QUERIES RAISED BY SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (SGX-ST)
ON 13 JUNE 2024 WITH RESPECT TO THE COMPANY'S ANNOUNCEMENT ON 30 MAY 2024 IN
RELATION TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR
THE SIX MONTHS AND FULL YEAR ENDED 31 MARCH 2024**

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:

Query 1

It is disclosed on page 4 of the unaudited financial statements for the financial year ended 31 March 2024 that:

- (i) an amount of S\$2,653,000 was recognised as impairment loss on property, plant and equipment;
- (ii) an amount of S\$5,585,000 was recognised as impairment loss on right of use assets ("ROU assets"); and
- (iii) an amount of S\$1,662,000 was recognised as impairment loss on intangible assets.

In this regard, please disclose the following information:

- (a) the nature of ROU assets;
- (b) whether any valuation was conducted, the basis and the date of such valuation; and
- (c) the Board's confirmation as to whether it is satisfied with the reasonableness of the methodologies and assumptions used to determine the recoverable amount and amount of impairment.

Response

ROU assets are lease contracts which meet the definitions stipulated in the prevailing accounting standards.

The inputs used in the Company's impairment assessment of Non-Current Assets were determined using external valuers and other methodologies prescribed in prevailing accounting standards. The most recent valuation of significant assets conducted by independent external valuers was conducted on 20 May 2024.

The Board is satisfied with the reasonableness and methodologies used to determine the recoverable amount and amount of impairment.

Query 2

Please disclose a breakdown of other payables amounting to S\$11,305,000 and \$7,456,000 as at 31 March 2024 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\$11.3 million as at 31 March 2024 comprises:

- (i) \$7 million in accrued expenses and non-trade payables with third parties,
- (ii) \$0.6 million in GST payables,
- (iii) \$0.5 million in provisions for staff-related expenses, and
- (iv) \$3 million in short-term advances from a related party.

Query 3

It is disclosed on page 5 of the unaudited financial statements that the Company received a S\$3,000,000 short term advance from shareholder in FY2024. Please provide details of the short term advance, including the reason for the advance, the use of proceeds and the identity of the counterparty.

Response

The short-term advance was a short-term working capital loan obtained from PeakBayou Ltd, the controlling shareholder of the Group, to supplement temporary working capital needs for the purchase of materials necessary to process specific customer contracts.

Query 4

It is disclosed on page 16 of the unaudited financial statements that “As the Group does not have a written waiver from certain providers of bank facilities as at 31 March 2024 for the next 12 months to the satisfaction of the Group's auditors, S\$10.3 million of loan facilities have been classified as current in the financial statements as at 31 March 2024 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.”.

It is further disclosed in the Company's announcement dated 15 December 2023 entitled “Response to SGX queries” that, the Company was unable to obtain the new bank letter in time for the 10 November 2023 announcement.

- (a) Please explain the delay in obtaining the written waiver from these providers of bank facilities and provide a status update in this regard.
- (b) Please provide the Company's basis for its assessment that “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 also disclose the Board's assessment of the opinion, including the basis of assessment.

Response

The Group's provider of bank facilities conducts credit reviews based on the annual audited financial statements of the Company. The most recent waiver letter was received on 9 February 2024. As the timing and construct of the waiver letters provided by the Group's provider of bank facilities are not to the satisfaction of the Group's auditors, certain loan facilities were therefore classified as Current Liabilities in accordance with accounting requirements.

Management does not believe that the Group's providers of bank facilities would seek to recall these facilities before their final maturity date on the following bases: (i) the facilities are more than adequately secured, (ii) the adequacy of cash balances as at 31 March 2024 and continued improvements in the conversion of current assets to settle the cash requirements of current liabilities as and when they fall due over the next 12 months, and (iii) regular engagements with providers of bank facilities. The Board concurs with Management's opinion.

BY ORDER OF THE BOARD**KYLE ARNOLD SHAW, JR**

Executive Chairman

Singapore

21 June 2024