

AMOS GROUP LIMITED (FORMERLY KNOW AS GAYLIN HOLDINGS LIMITED)

(Company Registration Number: 201004068M)

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED INCOME STATEMENT

(The results for 3Q FY 2019 and 9M FY 2019 include the acquisition of AMOS International Holdings Pte Ltd, which were consolidated based on common control approach with effect from 13 March 2018)

	Group			Group		
	3rd Qtr Ended		Incr/	9 Months Ended		Incr/
	31/12/2018	31/12/2017	(decr)	31/12/2018	31/12/2017	(decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	33,628	14,603	130.3	98,218	52,064	88.6
Cost of sales	(27,087)	(12,403)	118.4	(80,584)	(43,376)	85.8
Gross profit	6,541	2,200	197.3	17,634	8,688	103.0
Other operating (expenses) income	(3,225)	326	NM	(2,827)	(320)	783.4
Distribution costs	(2,845)	(1,178)	141.5	(8,264)	(3,489)	136.9
Administrative expenses	(5,746)	(3,253)	76.6	(18,040)	(9,862)	82.9
Finance cost	(1,043)	(643)	62.2	(2,064)	(1,932)	6.8
Loss before income tax	(6,318)	(2,548)	148.0	(13,561)	(6,915)	96.1
Income tax expense	(14)	(30)	(53.3)	-	(219)	(100.0)
Loss for the period	(6,332)	(2,578)	145.6	(13,561)	(7,134)	90.1
Loss attributable to:						
Owners of the Company	(6,314)	(2,608)	142.1	(13,477)	(7,138)	88.8
Non-controlling interests	(18)	30	NM	(84)	4	NM
	(6,332)	(2,578)	145.6	(13,561)	(7,134)	90.1
Gross profit margin	19.5%	15.1%	29.1	18.0%	16.7%	7.6
Net loss margin	-18.8%	-17.7%	NM	-13.8%	-13.7%	0.8
EBITDA ⁽¹⁾ (S\$'000)	(629)	(1,129)	NM	(4,379)	(1,184)	269.8
EBITDA margin	-1.9%	-7.7%	NM	-4.5%	-2.3%	96.1

⁽¹⁾ : Denotes earnings before interest, taxes, other operating (expenses) income, depreciation and amortisation

NM: Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	3rd Qtr Ended 31/12/2018 S\$'000	31/12/2017 S\$'000	Incr/ (decr) %	9 Months Ended 31/12/2018 S\$'000	31/12/2017 S\$'000	Incr/ (decr) %
Loss for the period	(6,332)	(2,578)	145.6	(13,561)	(7,134)	90.1
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss:						
Translation gain (loss) arising on consolidation	175	(155)	NM	599	(621)	NM
Other comprehensive income for the period, net of tax	175	(155)	NM	599	(621)	NM
Total comprehensive income for the period	(6,157)	(2,733)	125.3	(12,962)	(7,755)	67.1
Total comprehensive income attributable to:						
Owners of the Company	(6,139)	(2,766)	121.9	(12,878)	(7,759)	66.0
Non-controlling interests	(18)	33	NM	(84)	4	NM
	(6,157)	(2,733)	125.3	(12,962)	(7,755)	67.1

1(a)(ii) Loss before income tax is arrived at after charging/(crediting) the following:

	Group			Group		
	3rd Qtr Ended		Incr/ (decr)	9 Months Ended		Incr/ (decr)
	31/12/2018	31/12/2017		31/12/2018	31/12/2017	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Doubtful trade receivables recovered	(16)	-	NM	(57)	(97)	(41.2)
Trade receivables written off	-	-	NM	57	45	26.7
Allowance for doubtful trade receivables	142	-	NM	335	-	NM
(Gain) loss on disposal of property, plant and equipment ("PPE")	(1)	36	NM	(625)	86	NM
Depreciation	1,422	983	44.7	4,291	3,119	37.6
Amortisation of intangible assets	-	119	(100.0)	-	360	(100.0)
Foreign exchange (gain) loss	-	(321)	(100.0)	92	372	(75.3)
Loss on disposal of club membership	-	-	NM	-	40	(100.0)
Interest income	3	(1)	NM	(5)	(3)	66.7
Interest expense	1,042	643	62.1	2,064	1,932	6.8
Impairment of PPE	270	-	NM	270	-	NM
Acquisition and restructuring cost	3,083	-	NM	3,305	-	NM

1(b)(i) **A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

STATEMENTS OF FINANCIAL POSITION

(The balance sheet as at 31/12/2018 and 31/3/2018 include the results from the acquisition of AMOS International Holdings Pte Ltd, which were consolidated based on common control approach with effect from 13 March 2018)

	Group		Company	
	31/12/2018	31/03/2018	31/12/2018	31/03/2018
	S\$'000	S\$'000	S\$'000	S\$'000
<u>ASSETS</u>				
Current assets				
Cash and bank balances	37,684	71,276	17,590	52,117
Trade receivables	30,282	26,512	2,872	3,112
Other receivables	6,936	3,682	602	164
Advances and loans to subsidiaries	-	-	92,978	61,507
Income tax receivables	196	120	-	-
Assets held for sale	5,123	-	-	-
Inventories	72,466	83,527	-	-
Total current assets	152,687	185,117	114,042	116,900
Non-current assets				
Property, plant and equipment	55,150	57,700	280	408
Club membership	27	-	-	-
Goodwill	425	425	-	-
Other receivables	-	100	-	-
Deferred tax assets	87	85	-	-
Subsidiary corporations	-	-	53,982	6,019
Associates	30	30	-	-
Total non-current assets	55,719	58,340	54,262	6,427
Total assets	208,406	243,457	168,304	123,327
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	20,182	20,488	-	-
Other payables	9,868	19,681	555	1,439
Provision	408	902	-	494
Current portion of bank borrowings	11,034	13,596	-	-
Current portion of finance leases	181	782	-	4
Income tax payable	-	75	-	-
Total current liabilities	41,673	55,524	555	1,937
Non-current liabilities				
Bank borrowings	42,417	50,015	-	-
Finance leases	177	590	-	-
Deferred tax liabilities	29	210	9	9
Total non-current liabilities	42,623	50,815	9	9
Total liabilities	84,296	106,339	564	1,946
Net assets	124,110	137,118	167,740	121,381
Capital, reserves and non-controlling interests				
Share capital	166,256	166,302	166,256	118,340
(Accumulated losses) Retained earnings	(23,666)	(10,189)	1,484	3,041
Translation reserve	1,290	691	-	-
Merger reserves	(19,769)	(19,769)	-	-
Equity attributable to owners of the Company	124,111	137,035	167,740	121,381
Non-controlling interests	(1)	83	-	-
Total equity	124,110	137,118	167,740	121,381
Total liabilities and equity	208,406	243,457	168,304	123,327

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

Amount repayable in one year or less, or on demand

	31/12/2018		31/03/2018	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Term loans	1,515	-	1,296	13
Short term loans	9,500	-	3,000	2,600
Bank bills payable	-	-	496	6,125
Finance leases	181	-	782	-
Overdrafts	-	19	66	-
	<u>11,196</u>	<u>19</u>	<u>5,640</u>	<u>8,738</u>

Amount repayable after one year

	31/12/2018		31/03/2018	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Term loans	42,417	-	48,515	1,500
Finance leases	177	-	590	-
	<u>42,594</u>	<u>-</u>	<u>49,105</u>	<u>1,500</u>

Details of any collaterals

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

Finance leases are secured by charges over the leased assets. Certain leases are guaranteed by a corporate guarantee by the Company.

1 (c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

CONSOLIDATED STATEMENT OF CASH FLOWS

(The results for 3Q FY2019 and 9M FY 2019 include the acquisition of AMOS International Holdings Pte Ltd, which were consolidated based on common control approach with effect from 13 March 2018)

	Group		Group	
	3rd Qtr Ended		9 Months Ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Loss before income tax	(6,318)	(2,548)	(13,561)	(6,915)
Adjustments for :				
Interest expense	1,135	643	2,064	1,932
Interest income	3	(1)	(5)	(3)
Depreciation	1,422	983	4,291	3,119
Amortisation of intangible assets	-	119	-	360
Allowance for doubtful trade receivables	142	-	335	-
Doubtful trade receivables recovered	(16)	-	(57)	(97)
Trade receivables written off	-	-	57	45
(Gain) loss on disposal of PPE	(1)	36	(625)	86
Impairment of PPE	270	-	270	-
Net foreign exchange gain - unrealised	(31)	(9)	(309)	(13)
Provision for slow moving and aged inventory	-	(3)	-	(7)
Trade payables written back	24	-	24	-
Operating cash flows before movements in working capital	(3,370)	(780)	(7,516)	(1,493)
Trade receivables	(926)	4,673	(3,917)	9,868
Other receivables and prepayments	(2,248)	287	(3,087)	784
Inventories	3,048	1,244	11,187	7,402
Trade payables	107	(596)	(319)	(3,300)
Other payables	1,328	(449)	(6,764)	(555)
Provision	-	-	(494)	-
Bank bills payable	-	(117)	(6,216)	(854)
Cash (used in) generated from operations	(2,061)	4,262	(17,126)	11,852
Interest paid for bank bills	-	(99)	(59)	(265)
Interest received	(3)	1	5	3
Income tax paid	(39)	(45)	(328)	(417)
Net cash (used in) from operating activities	(2,103)	4,119	(17,508)	11,173
Investing activities				
Proceeds on disposal of PPE	82	-	833	288
Purchases of PPE	(4,999)	(342)	(7,252)	(1,826)
Net cash used in investing activities	(4,917)	(342)	(6,419)	(1,538)
Financing activities				
Repayments of loan from Holding Company	(1,400)	-	(1,400)	-
(Repayments of) loan from other payables	-	-	(2,000)	500
Interest paid for other borrowings	(282)	(544)	(1,298)	(1,669)
Repayment of obligations under finance leases	(606)	(178)	(1,015)	(524)
New bank loans obtained	48,155	-	48,155	-
Repayment of bank loans	(41,330)	(2,071)	(51,895)	(10,927)
Payment of share issue expenses	(46)	-	(46)	-
Transaction costs for loans	(156)	-	(156)	(35)
Contribution from a non-controlling interest	-	-	-	69
Net cash from (used in) financing activities	4,335	(2,793)	(9,655)	(12,586)
Net (decrease) increase in cash and cash equivalents	(2,685)	984	(33,582)	(2,951)
Effect of exchange rate changes on cash and cash equivalents	11	(27)	37	(90)
Cash and cash equivalents at beginning of the period	40,339	1,433	71,210	5,431
Cash and cash equivalents at end of the period	37,665	2,390	37,665	2,390
Cash and cash equivalents comprise the following:				
Cash and bank balances	37,684	4,008	37,684	4,008
Bank overdraft	(19)	(1,618)	(19)	(1,618)
	37,665	2,390	37,665	2,390

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

STATEMENT OF CHANGES IN EQUITY

(The Statement of Changes in Equity include the results from the acquisition of AMOS International Holdings Pte Ltd, which were consolidated based on common control approach with effect from 13 March 2018)

	Share capital	(Accumulated losses) Retained earnings	Translation reserve	Merger 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 2018	166,302	(10,189)	691	(19,769)	137,035	83	137,118
Total comprehensive income for the period							
Loss for the period	-	(13,477)	-	-	(13,477)	(84)	(13,561)
Other comprehensive income for the period	-	-	599	-	599	-	599
Total	-	(13,477)	599	-	(12,878)	(84)	(12,962)
Transactions with owners, recognised directly in equity							
Payment of share issue expenses	(46)	-	-	-	(46)	-	(46)
Total	(46)	-	-	-	(46)	-	(46)
At 31 December 2018	166,256	(23,666)	1,290	(19,769)	124,111	(1)	124,110
At 1 April 2017	50,587	41,830	1,479	-	93,896	34	93,930
Total comprehensive income for the period							
Loss for the period	-	(7,138)	-	-	(7,138)	4	(7,134)
Other comprehensive income for the period	-	-	(621)	-	(621)	-	(621)
Total	-	(7,138)	(621)	-	(7,759)	4	(7,755)
Transactions with owners, recognised directly in equity							
Contribution from a non-controlling interest	-	-	-	-	-	69	69
At 31 December 2017	50,587	34,692	858	-	86,137	107	86,244
Company							
At 1 April 2018	166,256	3,041	-	-	169,297	-	169,297
Loss for the period, representing total comprehensive income for the period	-	(1,557)	-	-	(1,557)	-	(1,557)
At 31 December 2018	166,256	1,484	-	-	167,740	-	167,740
At 1 April 2017	50,587	3,423	-	-	54,010	-	54,010
Profit for the period, representing total comprehensive income for the period	-	764	-	-	764	-	764
At 31 December 2017	50,587	4,187	-	-	54,774	-	54,774

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

	Number of shares (S\$'000)	Issued and paid- up share capital (S\$'000)
Issued and paid-up shares as at 1 April 2018	1,798,000	118,340
Issue of new shares on 18 October 2018	799,374	47,916
Total as at 31 December 2018	2,597,374	166,256

There were no outstanding convertibles which may be converted to shares. There were no treasury shares and subsidiary holdings held.

1(d)(iii) 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

	31/12/2018	31/03/2018
The total number of issued shares excluding treasury shares.	2,597,374,250	1,798,000,000

1(d)(iv) 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.

1(d)(v) 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 December 2018, there were no sales, transfers, cancellation and / or use of subsidiary holdings.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited and/or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5, the Group has adopted the same accounting policies and methods of computation in the announcement for the current financial period as those applied in the Group's most recently audited financial statements for the financial year ended 31 March 2018 as well as all the applicable Singapore Financial Reporting Standards ("FRSs") which became effective for the financial year beginning on or after 1 April 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and effect, of the change

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 April 2018. The adoption of new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group.

The Group has adopted a new accounting policy as follows;

Acquisitions from entities under common control

On October 18, 2018 AMOS Group Limited, a company controlled by Mr Kyle Arnold Shaw, Jr (76%) completed its acquisition of AMOS International Holdings Pte. Ltd. and its group of subsidiaries. The transaction was approved by the AMOS Group Limited shareholders at an EGM dated 18 October 2018 via an issuance of S\$ S\$47.9 million of shares, (799,374,250 shares at an issue price of S\$0.06 per share)

AMOS International Holdings Pte. Ltd. was previously owned by Lighthouse Logistics Limited (69%). Lighthouse Logistics Limited is also controlled by Mr Kyle Arnold Shaw, Jr.

AMOS Group Limited was acquired by PeakBayou Ltd, a company controlled by Mr Kyle Arnold Shaw, Jr on 13 March 2018 via an issuance of SG\$68.0 million of shares (1,360,000,000 shares at an issue price of S\$0.05 per share).

AMOS Group Limited has deemed the above acquisition of AMOS International Holdings Pte. Ltd. as a common control transaction on 13 March 2018 at the date that common control was established. The Group has elected an accounting policy that business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognized at the carrying amounts recognized previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognized directly in equity in merger reserve.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year after deducting any provision for preference dividends

	Group 3rd Qtr Ended		Group 9 Months Ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Net loss after tax attributable to owners of the Company (S\$'000)	(6,314)	(2,608)	(13,477)	(7,138)
Weighted average number of ordinary shares for calculation of ('000):				
- Basic earnings per share	2,455,263	438,000	2,014,680	438,000
- Diluted earnings per share	2,455,263	438,000	2,014,680	438,000
Earnings per share ("EPS") (cents/share)				
(a) Based on weighted average number of ordinary shares	(0.26)	(0.60)	(0.67)	(1.63)
(b) On a fully diluted basis	(0.26)	(0.60)	(0.67)	(1.63)

The Company has no dilutive equity instruments as at 31 December 2018.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year

	Group		Company	
	31/12/2018	31/03/2018	31/12/2018	31/03/2018
Net asset value attributable to shareholders of the Company (S\$'000)	124,111	137,035	167,740	121,381
Number of ordinary shares ('000)	2,597,374	1,798,000	2,597,374	1,798,000
Net asset value per ordinary share (cents)	4.78	7.62	6.46	6.75

8. Review of the Group's performance

Revenue

	3rd Qtr Ended		Incr/	9 months Ended		Incr/
	31/12/2018	31/12/2017	(decr)	31/12/2018	31/12/2017	(decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Rigging, Lifting and Mooring	15,379	11,068	39.0	40,539	40,265	0.7
Marine Supply	18,249	3,535	416.2	57,679	11,799	388.8
Total	33,628	14,603	130.3	98,218	52,064	88.6

9M FY2019 vs 9M FY2018

For the nine months ended 31 December 2018 ("9M FY2019"), the Group's revenue was S\$98.2 million with an increase of S\$46.1 million or 88.6% compared to S\$52.1 million for the corresponding period ended 31 December 2017 ("9M FY2018"). The increase was mainly contributed by the common control transaction of Amos International Holdings Pte Ltd ("AIH").

3Q FY2019 vs 3Q FY2018

For third quarter ended 31 Dec 2018 ("3Q FY2019"), the Group's revenue was S\$33.6 million with an increase of S\$19.0 million compared to S\$14.6 million for the corresponding period ended 31 December 2017 ("3Q FY2018"). The increase was mainly contributed by the increase of S\$4.3 million in the company's traditional rigging and lifting business and a further increase of S\$15.9 million contributed by the common control transaction of marine supplies business of AIH.

Gross profit

9M FY2019 vs 9M FY2018

Gross profit increased by S\$8.9 million from S\$8.7 million in 9M FY2018 to S\$17.6 million in 9M FY2019. The corresponding gross profit margin increased from 16.7% to 18.0%. The common control transaction of AIH contributed gross profit of S\$11.6 million. Isolating the impact from the common control transaction of AIH, the effective gross profit margin decreased by 4.4% to 12.3% in 9M FY2019 compared to 16.7% in 9M FY 2018. The drop in gross profit margin was primarily due to the sale back of some slow-moving stock to suppliers as the company continued to right-size its inventory.

3Q FY2019 vs 3Q FY2018

Gross profit increased by S\$4.3 million from S\$2.2 million in 3Q FY2018 to S\$6.5 million in 3Q FY2019. The corresponding gross profit margin increased from 15.1% to 19.5%. The common control transaction of AIH contributed gross profit of S\$3.7 million. Isolating the impact from the common control transaction of AIH, the gross profit margin increased to 16.0% in 3Q FY2019 compared to 15.1% in 3Q FY2018.

Other operating (expenses) income

9M FY2019 vs 9M FY2018

Other operating expenses increased by S\$2.5 million in 9M FY2019 compared to 9M FY2018 mainly due to: (i) non-recurring acquisition and restructuring cost of S\$3.3 million, and (ii) impairment of PPE S\$0.3 million, offset by (i) a gain on disposal of PPE of S\$0.5 million in 9M FY2019, (ii) an increase in other operating income of S\$0.4 million contributed by the common control transaction of AIH, and (iii) an increase in foreign exchange gain of S\$0.2 million.

3Q FY2019 vs 3Q FY2018

Other operating expenses in 3Q FY2019 increased by S\$3.6 million mainly due to: (i) non-recurring acquisition and restructuring cost of S\$3.0 million, (ii) increased in foreign exchange loss of S\$0.4 million, and (iii) impairment of PPE of S\$0.3 million, offset by an increase of S\$0.7 million contributed by the common control transaction of AIH, and (iii) impairment of PPE S\$0.3 million, offset by an increase in other operating income of S\$0.2 million contributed by the common control transaction of AIH.

Distribution costs

9M FY2019 vs 9M FY2018

Distribution costs in 9M FY2019 increased by S\$4.8 million compared to S\$3.5 million in 9M FY2018. The increase was mainly due to the S\$5.1 million contributed by the common control transaction of AIH, offset by lower marketing and advertisement expenses of S\$0.3 million.

3Q FY2019 vs 3Q FY2018

Distribution costs in 3Q FY2019 increased by S\$1.7 million compared to S\$1.2 million in 3Q FY2018. The increase was due to the S\$1.8 million contributed by the common control transaction of AIH.

Administrative expenses

9M FY2019 vs 9M FY2018

Administrative expenses in 9M FY2019 increased by S\$8.2 million compared to S\$9.9 million in 9M FY2018. The increase was due to the S\$8.1 million contributed by the common control transaction of AIH.

3Q FY2019 vs 3Q FY2018

Administrative expenses in 3Q FY2019 increased by S\$2.5 million compared to S\$3.3 million in 3Q FY2018. The increase of S\$3.1 million was contributed by the common control transaction of AIH, offset by lower professional fees of S\$0.4 million.

Finance cost

9M FY2019 vs 9M FY2018

Finance cost in 9M FY2019 increased by S\$0.1 million compared to 9M FY2018. The increase was due to: (i) consolidation of AIH's interest expense of S\$0.2 million, and (ii) increase in bank facility fees of S\$ 0.6 million resulting from loan settlement, which were offset by the lower interest of S\$0.7 million resulting from the repayment of bank borrowings.

3Q FY2019 vs 3Q FY2018

Finance cost in 3Q FY2019 increased by S\$0.4 million compared to 3Q FY2018. The increase was due to: (i) the common control transaction of AIH of S\$0.1 million, and (ii) increase in bank facility fees of S\$ 0.5 million resulting from loan settlement, which were offset by the lower interest of S\$0.2 million resulting from the repayment of bank borrowings.

Loss before income tax

As a result of the above reasons, the loss before income tax was S\$6.3 million for 3Q FY 2019 which includes non-recurring acquisition and restructuring cost incurred during the quarter of S\$3.0 million. Likewise, the loss before income tax was S\$13.6 million for 9M FY2019, which includes non-recurring acquisition and restructuring cost of S\$3.3 million incurred during the 9M.

Review of statement of financial position

Current assets

The current assets decreased by S\$32.4 million from S\$185.1 million as at 31 March 2018 to S\$152.7 million as at 31 December 2018. The decrease was mainly due to: (i) a decrease in cash and cash equivalents of S\$33.6 million for loan repayment and capital expenditure, and (ii) a decrease in inventories by S\$11.1 million due to inventories sales during the normal course of business, offset by (i) reclassification of PPE to assets held for sale of S\$5.1 million, (ii) an increase in trade receivables by S\$3.7 million, and (iii) an increase in other receivables by S\$3.3 million attributable from the common control transaction of AIH.

Non-current assets

The non-current assets decreased by S\$2.6 million from S\$58.3 million as at 31 March 2018 to S\$55.7 million as at 31 December 2018. The decrease was mainly due to reduction in PPE by S\$2.5 million ((i) reclassification of PPE to assets held for sale of S\$5.1 million, and (ii) depreciation of S\$4.3 million in 9M FY2019, offset by net additions of PPE of S\$7.1 million).

Current liabilities

The current liabilities decreased by S\$13.9 million from S\$55.5 million as at 31 March 2018 to S\$41.7 million as at 31 December 2018. The decrease was mainly due to: (i) repayment of bank borrowings and finance leases of S\$3.2 million, (ii) reduction in other payables of S\$9.8 million (mainly due to payable arising from the disposal of a property of S\$6.0 million by AIH in March 2018 and repayment of loan to third party of S\$3.4 million), (iii) payment of provision of restructuring cost of S\$0.5 million, and (iv) a decrease in trade payables of S\$0.3 million.

Non-current liabilities

Non-current liabilities decreased by S\$8.2 million from S\$50.8 million as at 31 March 2018 to S\$42.6 million as at 31 December 2018. The decrease was mainly due to repayment of bank borrowings amounting to S\$7.6 million and repayment of finance lease of S\$0.4 million.

Capital, reserves and non-controlling interests

The decrease in shareholder's equity of S\$12.7 million was mainly due to a loss of S\$13.6 million during the period which was offset by the increase in translation reserve of S\$0.6 million.

Review of statement of Cash Flows9M FY2019 ended 31 December 2018**Net cash used in operating activities**

In 9M FY2019, we had operating cash outflows of S\$7.5 million from operating activities before changes in working capital.

Our net working capital outflow amounted to S\$9.6 million. This was mainly due to: (i) decrease in trade and other payables of S\$7.1 million, (ii) bank bills paid off of S\$6.2 million, (iii) an increase in trade receivables by S\$3.9 million, (iv) an increase in other receivables by S\$3.1 million, and (v) repayment of provision of S\$0.5 million, offset by a decrease in inventories by S\$11.1 million resulting from sales during the normal course of business.

We paid interest for bank bills and income tax of S\$0.4 million in total.

Overall, our net cash used in operating activities amounted to S\$17.5 million.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$6.4 million in 9M FY2019 mainly due to the payment for acquisition of PPE of S\$7.3 million, which was offset by the proceeds from net disposal of PPE of S\$0.8 million.

Net cash used in financing activities

Net cash used in financing activities amounted to S\$9.7 million in 9M FY2019. This was mainly due to: (i) the repayment of bank borrowings and related interest of S\$53.2 million, (ii) repayment of other payables of S\$3.4 million, (iii) the repayment of obligations under finance leases of S\$1.0 million, offset by new bank loans of S\$48.2 million secured as part of our refinancing program.

3Q FY2019 ended 31 December 2018**Net cash used in operating activities**

In 3Q FY2019, we had operating cash outflows of S\$3.4 million from operating activities before changes in working capital.

Our net working capital inflow amounted to S\$1.3 million. This was mainly due to: (i) a decrease in inventories by S\$3.0 million resulting from sales during the normal course of business, and (ii) an increase in trade and other payables by S\$1.4 million, offset by (i) increase in trade and other receivables of S\$3.2 million.

Overall, our net cash used in operating activities amounted to S\$2.1 million.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$4.9 million in 3Q FY2019 mainly due to the payment for acquisition of PPE.

Net cash from financing activities

Net cash from financing activities amounted to S\$4.3 million in 3Q FY2019. This was mainly due to new bank loans of S\$48.2 million secured as part of refinancing program, offset by (i) the repayment of bank borrowings and related interest of S\$41.8 million, (ii) repayment of other payables of S\$1.4 million, and (iii) repayment of obligations under finance leases of S\$0.6 million.

9. 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.

10. 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

For both the 3Q and the 9M ended 31 December 2018, the results of Amos International Holdings Pte Ltd (“AIH”) are consolidated based on the common control approach with effect 13 March 2018.

The acquisition of AIH in October 2018 and subsequent renaming of the business to AMOS Group Limited in November 2018, has created revenue growth potential through cross-selling opportunities, and the expansion of its client network and geographical reach.

Revenue for both the traditional rigging, lifting & mooring segment of the business as well as the marine supplies segment for the 9M ended 31 December 2018 has grown by 0.7% and 5.1% respectively compared to the same period last financial year, on a fully consolidated basis for FY2018.

Gross profit margin for the Group has also improved considerably by 4.4% when compared to the same quarter last financial year and by 1.3% when compared to 9M FY2018.

Within the quarter, the Company incurred S\$3.1 million of non-recurring professional, consultancy, recruitment and legal costs attributable to the acquisition of AIH and the ongoing restructuring exercise which is expected to complete within this financial year. Therefore, the third quarter EBITDA result of -S\$0.6 million is a marked improvement on 2Q FY2019 and 3Q FY2018 which were -S\$2.8 million and -S\$1.1 million respectively.

At the forefront of the macro-economic activities impacting sales is the drop in average quarterly oil price by almost 9% across the last two quarters. This has negatively affected the already subdued pace of advancement of potential new offshore projects and it is expected that this will continue for some time.

However, during the quarter, the Group entered into two major marine supply and service contracts, one with one of the largest marine procurement pools in the world for ship supplies and consumables for their pooled fleet. The combined potential annual contract values are of significant amounts. The opportunity of extending these collaborations to other areas of the business will also be explored.

Concurrent with the meaningful strengthening of the management team through the acquisition of AIH, the Group has been attracting some targeted new key talent. During the quarter Mr. Wayne Parker joined the business as Executive Vice President of Sales & Marketing.

AMOS Group Limited now has total assets in excess of S\$200 million. In line with its operational expansion strategies, Shanghai facilities have been upgraded to the business complementing its existing facilities in Tianjin and a new 12,000sqft marine supplies fulfillment center has just recently been opened in Hong Kong.

The expansion and upgrading works remain on target for completion of the Group’s 250,000sqft supplies and solutions fulfillment center in Singapore. Upon completion of the fulfillment center in March 2019, AMOS will recognize the full fair value of the property in its balance sheet which is estimated to be an increase of approximately S\$20 million in property value.

11. Dividend

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

Nil

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

No

11(c) Date payable

Not applicable.

11(d) Books closure date

Not applicable.

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

No dividend has been declared as the Group has incurred a loss for the 3Q FY2019.

13. 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.

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

The Company hereby confirms that it has procured undertakings from all the directors and executive officers under Rule 720(1) of the Listing Manual.

15. Negative confirmation pursuant to Rule 705(5)

The Board of Directors of the Company hereby confirm, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the 9 months ended 31 December 2018 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

KYLE ARNOLD SHAW, JR

Executive Chairman

13 February 2019