

AMOS GROUP LIMITED
(Company Registration Number: 201004068M)
UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2021
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF 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

	Group			Group		
	2nd Half Year Ended		Incr/ (decr) %	Financial Year Ended		Incr/ (decr) %
	31/03/2021	31/03/2020		31/03/2021	31/03/2020	
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	50,904	61,874	(17.7)	108,521	128,622	(15.6)
Cost of sales	(42,748)	(53,981)	(20.8)	(89,550)	(107,905)	(17.0)
Gross profit	8,156	7,893	3.3	18,971	20,717	(8.4)
Distribution costs	(4,589)	(5,484)	(16.3)	(8,680)	(11,605)	(25.2)
Administrative expenses	(11,725)	(13,050)	(10.2)	(22,498)	(27,526)	(18.3)
Other operating income	1,345	10,275	(86.9)	1,813	14,737	(87.7)
Other operating expenses	(4,124)	(3,584)	15.1	(8,179)	(5,442)	50.3
Finance cost	(780)	(1,007)	(22.5)	(1,633)	(2,166)	(24.6)
Loss before income tax	(11,717)	(4,957)	136.4	(20,206)	(11,285)	79.1
Income tax expense	(21)	63	NM	(65)	62	NM
Loss for the year	(11,738)	(4,894)	139.8	(20,271)	(11,223)	80.6
Loss attributable to:						
Owners of the Company	(11,713)	(4,840)	142.0	(20,211)	(11,085)	82.3
Non-controlling interests	(25)	(54)	(53.7)	(60)	(138)	(56.5)
	(11,738)	(4,894)	139.8	(20,271)	(11,223)	80.6
Gross profit margin	16.0%	12.8%	25.6	17.5%	16.1%	8.5
Net loss margin	-23.1%	-7.9%	191.5	-18.7%	-8.7%	114.1
EBITDA ⁽¹⁾ (S\$'000)	(2,007)	(4,399)	(54.4)	(1,221)	(7,709)	(84.2)
EBITDA margin	-3.9%	-7.1%	(44.5)	-1.1%	-6.0%	(81.2)

⁽¹⁾ : Denotes earnings before finance cost, taxes, other operating (expenses) income, provision for inventory adjustment to market price, depreciation and amortisation

NM: Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	2nd Half Year Ended		Incr/ (decr) %	Financial Year Ended		Incr/ (decr) %
	31/03/2021	31/03/2020		31/03/2021	31/03/2020	
	S\$'000	S\$'000		S\$'000	S\$'000	
Loss for the year	(11,738)	(4,894)	139.8	(20,271)	(11,223)	80.6
Other comprehensive income						
<u>Items that are or may be reclassified subsequently to profit or loss:</u>						
Translation gain (loss) arising on consolidation	65	(259)	NM	273	(428)	NM
Other comprehensive income for the year, net of tax	65	(259)	NM	273	(428)	NM
Total comprehensive income for the period	(11,673)	(5,153)	126.5	(19,998)	(11,651)	71.6
Total comprehensive income attributable to:						
Owners of the Company	(11,649)	(5,101)	128.4	(19,936)	(11,513)	73.2
Non-controlling interests	(24)	(52)	(53.8)	(62)	(138)	(55.1)
	(11,673)	(5,153)	126.5	(19,998)	(11,651)	71.6

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

	Group			Group		
	2nd Half Year Ended		Incr/	Financial Year Ended		Incr/
	31/03/2021	31/03/2020	(decr)	31/03/2021	31/03/2020	(decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Acquisition and restructuring cost	607	2,213	(72.6)	1,178	3,572	(67.0)
Amortization of intangible assets	397	97	309.3	688	97	609.3
Depreciation	3,415	3,691	(7.5)	6,803	7,231	(5.9)
Depreciation - Right of use assets (ROU)	1,132	755	49.9	2,288	1,678	36.4
Foreign exchange loss / (gain)	479	(775)	NM	1,609	(510)	NM
Impairment of trade receivables	605	1,551	(61.0)	1,094	1,523	(28.2)
Interest expense	780	1,007	(22.5)	1,633	2,166	(24.6)
Gain on disposal of assets held for sale	(6)	(10,019)	(99.9)	(6)	(14,411)	(100.0)
Inventory adjustment to market price	1,207	1,699	(29.0)	1,207	1,699	(29.0)
Impairment of assets held for sales	-	109	(100.0)	959	109	779.8

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

	Group		Company	
	31/03/2021 S\$'000	31/03/2020 S\$'000	31/03/2021 S\$'000	31/03/2020 S\$'000
ASSETS				
Current assets				
Cash and bank balances	10,137	18,881	229	564
Trade receivables	26,238	32,056	2,683	-
Contract assets	2,368	1,859	1,095	2,860
Other receivables	4,548	4,818	296	405
Income tax receivables	40	62	-	-
Inventories	41,404	53,333	-	-
	84,735	111,009	4,303	3,829
Assets held for sale	-	3,323	-	-
Total current assets	84,735	114,332	4,303	3,829
Non-current assets				
Property, plant and equipment	66,603	73,121	58	130
Right of use assets	7,927	7,339	8	41
Club membership	27	27	-	-
Intangible assets	3,774	3,245	3,775	3,245
Deferred tax assets	329	326	-	-
Subsidiary	-	-	160,940	161,617
Associates	42	42	-	-
Total non-current assets	78,702	84,100	164,781	165,033
Total assets	163,437	198,432	169,084	168,862
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	15,812	27,226	-	-
Contract liabilities	3,691	909	-	-
Other payables	10,470	12,153	2,491	1,935
Provision	408	408	-	-
Current portion of bank borrowings	30,259	13,896	-	-
Current portion of lease liabilities	3,052	2,207	1,497	889
Income tax payable	6	131	-	-
Total current liabilities	63,698	56,930	3,988	2,824
Non-current liabilities				
Bank borrowings	-	22,178	-	-
Lease liabilities	8,108	7,694	1,452	1,467
Deferred tax liabilities	20	21	-	-
Total non-current liabilities	8,128	29,893	1,452	1,467
Total liabilities	71,826	86,823	5,440	4,291
Net assets	91,611	111,609	163,644	164,571

STATEMENTS OF FINANCIAL POSITION - continued

	Group		Company	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	S\$'000	S\$'000	S\$'000	S\$'000
Capital, reserves and non-controlling interests				
Share capital	166,256	166,256	166,256	166,256
Accumulated losses	(76,026)	(55,815)	(2,612)	(1,685)
Translation reserve	914	639	-	-
Other reserve	598	598	-	-
Equity attributable to owners of the Company	91,742	111,678	163,644	164,571
Non-controlling interests	(131)	(69)	-	-
Total equity	<u>91,611</u>	<u>111,609</u>	<u>163,644</u>	<u>164,571</u>
Total liabilities and equity	<u>163,437</u>	<u>198,432</u>	<u>169,084</u>	<u>168,862</u>

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

	31/03/2021		31/03/2020	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	18,009	-	1,283	-
Short term loans	9,453	-	9,453	-
Lease liabilities	1,519	1,533	913	1,294
Overdrafts	2,797	-	3,160	-
	<u>31,778</u>	<u>1,533</u>	<u>14,809</u>	<u>1,294</u>

Amount repayable after one year

	31/03/2021		31/03/2020	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	-	-	22,178	-
Lease liabilities	1,462	6,646	1,499	6,195
	<u>1,462</u>	<u>6,646</u>	<u>23,677</u>	<u>6,195</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.

Classification of bank borrowings

In keeping with typical practices for commercial bank loans, a portion of the Group's banking facilities are expected to meet specified financial ratios and minimum net worth covenants for the Group and its subsidiaries. In the event of the Group and its subsidiaries breaching any of these covenants, then should the covenant not be waived the outstanding loan facilities might be repayable at any time demanded by the commercial bank.

The Group discovered that it had technically breached a specific bank loan covenant as at 31 March 2021. The Group has since obtained a waiver of loan covenant compliance from the bank subsequent to year-end on those \$12.6 million loan facilities which have a final maturity date in November 2029. Nonetheless, because of the accounting rules the Group has classified the S\$12.6 million loan facilities current as of the 31 March 2021 year end financial statements. The Group has received the loan covenant waiver letter from the bank as of 18 May 2021 and since that date, the loan is classified as a non-current liability.

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

	Group		Group	
	2nd Half Year Ended		Financial Year Ended	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Loss before income tax	(11,717)	(4,957)	(20,206)	(11,285)
Adjustments for :				
Interest expense	780	1,007	1,633	2,166
Interest income	(13)	(22)	(21)	(38)
Depreciation	3,415	3,691	6,803	7,231
Depreciation - right of use assets	1,132	755	2,288	1,678
Amortization of intangible assets	397	97	688	97
Impairment of trade receivables	605	1,551	1,094	1,523
Doubtful trade receivables recovered	(422)	(39)	(549)	(39)
Trade receivables written off	(6)	253	(6)	253
Other receivables written off	(1,589)	-	(1,558)	-
Other receivables recovered	-	(58)	-	(58)
(Gain) Loss on disposal of plant and equipment	(31)	42	(29)	93
Impairment of PPE	-	164	-	164
Impairment of assets held for sales	-	109	959	109
Impairment of goodwill	-	103	-	103
Loss on modification of ROU	179	6	179	6
Gain on disposal of assets held for sales	(6)	(10,019)	(6)	(14,411)
Net foreign exchange gain- unrealized	276	120	228	(125)
Inventory adjustment to market price	1,207	1,699	1,207	1,699
Operating cash flows before movements in working capital	(5,793)	(5,498)	(7,296)	(10,834)
Trade receivables	228	921	5,039	(1,016)
Contract assets	(1,342)	986	(513)	1,619
Other receivables and prepayments	2,199	(870)	1,769	(46)
Inventories	5,861	(943)	10,358	3,606
Trade payables	(4,497)	2,385	(10,848)	5,253
Contract liabilities	2,829	212	2,801	511
Other payables	3,021	(1,222)	14	(289)
Bank bills payable	-	(67)	-	-
Cash generated from (used in) operations	2,506	(4,096)	1,324	(1,196)
Interest paid for bank bills	-	(1)	-	(4)
Interest received	13	22	21	38
Income tax paid	(13)	(94)	(162)	(105)
Net cash generated from (used in) operating activities	2,506	(4,169)	1,183	(1,267)

CONSOLIDATED STATEMENT OF CASH FLOWS - continued

	Group		Group	
	2nd Half Year Ended	31/03/2020	Financial Year Ended	31/03/2020
	S\$'000	S\$'000	S\$'000	S\$'000
Investing activities				
Proceeds from disposal of plant and equipment	219	130	523	383
Purchase of plant and equipment	(939)	(2,848)	(1,875)	(9,427)
Proceed of sales of asset classified as held for sale	2,384	14,881	2,384	19,534
Additions to intangible asset	(205)	60	(261)	(317)
Additions to assets-held-for-sales	(13)	-	(13)	-
Fixed deposits withdrawn (placement)	(10)	835	-	732
Net cash generated from investing activities	<u>1,436</u>	<u>13,058</u>	<u>758</u>	<u>10,905</u>
Financing activities				
Interest paid for other borrowings	(796)	(1,021)	(1,540)	(2,133)
Repayment of obligations under lease liabilities	(2,112)	(1,066)	(3,192)	(1,994)
New bank loans obtained	-	18,000	-	18,000
Repayment of bank loans	(3,865)	(24,125)	(5,514)	(35,185)
Transaction costs for loans	-	(250)	-	(250)
Restricted cash at bank	265	874	681	(868)
Net cash used in financing activities	<u>(6,508)</u>	<u>(7,588)</u>	<u>(9,565)</u>	<u>(22,430)</u>
Net decrease in cash and cash equivalents	(2,566)	1,301	(7,624)	(12,792)
Effect of exchange rate changes on cash and cash equivalents	9	81	(76)	118
Cash and cash equivalents at beginning of the year	8,835	12,596	13,978	26,652
Cash and cash equivalents at end of the year	<u>6,278</u>	<u>13,978</u>	<u>6,278</u>	<u>13,978</u>
Cash and cash equivalents comprise the following:				
Cash and bank balances	10,137	18,881	10,137	18,881
Fixed deposit	(58)	(58)	(58)	(58)
Restricted cash at bank	(1,004)	(1,685)	(1,004)	(1,685)
Bank overdraft	(2,797)	(3,160)	(2,797)	(3,160)
	<u>6,278</u>	<u>13,978</u>	<u>6,278</u>	<u>13,978</u>

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

	Share capital	(Accumulated losses) Retained earnings	Translation reserve	Merger reserves	Revaluation 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	S\$'000
Group								
At 1 April 2020	166,256	(55,815)	639	(19,769)	20,367	111,678	(69)	111,609
Total comprehensive income for the period								
Loss for the period	-	(20,211)	-	-	-	(20,211)	(60)	(20,271)
Other comprehensive income for the period	-	-	275	-	-	275	(2)	273
Total	-	(20,211)	275	-	-	(19,936)	(62)	(19,998)
At 31 March 2021	166,256	(76,026)	914	(19,769)	20,367	91,742	(131)	91,611
At 1 April 2019	166,256	(44,730)	1,067	(19,769)	20,367	123,191	69	123,260
Total comprehensive income for the period								
Loss for the period	-	(11,085)	-	-	-	(11,085)	(138)	(11,223)
Other comprehensive income for the period	-	-	(428)	-	-	(428)	-	(428)
Total	-	(11,085)	(428)	-	-	(11,513)	(138)	(11,651)
At 31 March 2020	166,256	(55,815)	639	(19,769)	20,367	111,678	(69)	111,609
Company								
At 1 April 2020	166,256	(1,685)	-	-	-	164,571	-	164,571
Loss for the period, representing total comprehensive income for the period	-	(927)	-	-	-	(927)	-	(927)
At 31 March 2021	166,256	(2,612)	-	-	-	163,644	-	163,644
At 1 April 2019	166,256	552	-	-	-	166,808	-	166,808
Profit for the period, representing total comprehensive income for the period	-	(2,237)	-	-	-	(2,237)	-	(2,237)
At 31 March 2020	166,256	(1,685)	-	-	-	164,571	-	164,571

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

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

The total number of issued shares excluding treasury shares.

	31/03/2021	31/03/2020
	2,597,374,250	2,597,374,250

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 March 2021, 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.

3a. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

- a. Updates on the efforts taken to resolve each outstanding audit issue.
- b. Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is material uncertainty relating to going concern.

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 2021 as well as all the applicable Singapore Financial Reporting Standards International ("SFRS (I)") which became effective for the financial year beginning on or after 1 April 2020.

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 2020. The adoption of new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group.

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		Group	
	2nd Half Year Ended		12 Months Ended	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
Net loss after tax attributable to owners of the Company (S\$'000)	(11,713)	(4,840)	(20,211)	(11,085)
Weighted average number of ordinary shares for calculation of ('000):				
- Basic earnings per share *	2,597,374	2,597,374	2,597,374	2,597,374
- Diluted earnings per share *	2,597,374	2,597,374	2,597,374	2,597,374
Earnings per share ("EPS") (cents/share)				
(a) Based on weighted average number of ordinary shares	(0.45)	(0.19)	(0.78)	(0.43)
(b) On a fully diluted basis	(0.45)	(0.19)	(0.78)	(0.43)

The Company has no dilutive equity instruments as at 31 March 2021.

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	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
Net asset value attributable to shareholders of the Company (S\$'000)	91,742	111,678	163,644	164,571
Number of ordinary shares ('000)	2,597,374	2,597,374	2,597,374	2,597,374
Net asset value per ordinary share (cents)	3.53	4.30	6.30	6.34

8. Review of the Group's performance

In response to the Covid-19 threat AMOS Group Ltd (the "Group") in early March 2020 implemented actions to generate and safeguard cash, implement cost control measures, and enhance corporate governance. The plans to increase cash focused on cutting operating costs, selling unnecessary assets, and collecting overdue amounts owed to the Group.

As a result, for the twelve months ended 31 March 2021 ("FY2021"), the Group Revenues were down 15.6% versus prior year. However, in spite of the Revenue decline profitability actually improved with the Gross Profit margin expanding to 17.5% compared to 16.1% in FY2020. Meanwhile, costs were cut much more than the Revenue decline with Distribution Costs dropping 25.2% and Administration Expenses dropping 18.3% in comparison with FY2020.

Meanwhile, the Group's balance sheet during FY2021 improved working capital management and reduced debt. Trade receivables from customers dropped 18.1%, Inventories dropped 22.4%, and Trade Payables to suppliers dropped 41.9%, each more significant than the drop in Revenue for FY2021. The Group lowered its risk with bank loans dropping 16.1% in FY2021 to a total of S\$30.3 million.

As a result of the Group's management efforts, the EBITDA loss dropped to S\$1.2 million in FY2021 from S\$7.7 million in FY2020. The improvement in EBITDA together with improvement in balance sheet management resulted in S\$1.2 million of net cash generated from operating activities in FY2021, showing an increase of S\$2.5 million in cash generated from operating activities compared to FY2020.

Revenue

	2nd Half Year Ended		Incr/ (decr) %	12 months Ended		Incr/ (decr) %
	31/03/2021	31/03/2020		31/03/2021	31/03/2020	
	S\$'000	S\$'000		S\$'000	S\$'000	
Marine	21,091	37,740	(44.1)	56,372	72,548	(22.3)
Energy	29,813	24,134	23.5	52,149	56,074	(7.0)
Total	50,904	61,874	(17.7)	108,521	128,622	(15.6)

FY2021 vs FY2020

For FY2021, the Group's revenue was S\$108.5 million, representing a decrease of S\$20.1 million or 15.6% compared to S\$128.6 million for the corresponding period ended 31 March 2020 ("FY2020"). The Marine revenues and Energy revenues in FY2021 underperformed the prior year. The revenues segmented by business shows the Marine business contributed revenue of S\$56.4 million which was 22.3% lower compared to FY2020. The Energy business contributed revenue of S\$52.1 million which was 7.0% lower compared to FY2020. In FY2021, the Marine and Energy business segments contributed 51.9% and 48.1% to the Group's total revenue respectively.

2H FY2021 vs 2H FY2020

For second half year ended 31 March 2021 ("2H FY2021"), the Group's revenue was S\$50.9 million, representing a decrease of S\$11.0 million or 17.7% compared to S\$61.9 million for the corresponding period ended 31 March 2020 ("2H FY2020"). The revenues segmented by business shows the Marine business contributed revenue of S\$21.1 million declining 44.1% as compared to 2H FY2020. The Energy business contributed revenue of S\$29.8 million increasing 23.5% compared to 2H FY2020.

Gross Profit

FY2021 vs FY2020

The Group reported gross profit of S\$19.0 million in FY2021, representing a 8.4% or S\$1.7 million decrease compared to a gross profit of S\$20.7 million in FY2020. The gross profit margin for FY2021 was 17.5%, which is 1.4% higher than the 16.1% gross profit margin for FY2020.

The gross profit for FY2021 was determined after an inventory impairment adjustment of S\$1.2 million. In FY2020, the inventory impairment adjustment was S\$1.7 million. Excluding these inventory impairment adjustments, gross profit for FY2021 would have been S\$20.2 million for a 18.6% gross profit margin, which is higher than the corresponding gross profit for FY2020 of S\$22.4 million for a 17.4% gross profit margin. Therefore, the gross profit margin improved in FY2021 compared to FY2020 both before and after the inventory impairment adjustments.

2H FY2021 vs 2H FY2020

The Group reported gross profit of S\$8.2 million in 2H FY2021, representing a 3.3% or S\$0.3 million increase compared to a gross profit of S\$7.9 million in 2H FY2020. Excluding the one-off inventory adjustments, gross profit margin for 2H FY2021 would have been 18.5% at S\$9.4 million compared to a gross profit margin of 15.5% at S\$9.6 million for 2H FY2020.

Distribution costs

FY2021 vs FY2020

Distribution costs decreased by 25.2% to S\$8.7 million in FY2021 compared to S\$11.6 million in FY2020 due largely to improved cost management in FY2021 together with lower warehouse operating, transportation, and travelling expenses.

2H FY2021 vs 2H FY2020

Distribution costs decreased by 16.3% to S\$4.6 million in 2H FY2021 compared to S\$5.5 million in 2H FY2020 due largely to improved cost management in 2H FY2021 together with lower warehouse operating, transportation, and travelling expenses.

Administrative expenses

FY2021 vs FY2020

Administrative expenses decreased by 18.3% to S\$22.5 million in FY2021 compared to S\$27.5 million in FY2020. The decrease was largely due to better cost management in FY2021 and increased efforts to control costs in view of the operating environment.

2H FY2021 vs 2H FY2020

Administrative expenses decreased by 10.2% to S\$11.7 million in 2H FY2021 compared to S\$13.1 million in 2H FY2020. The decrease was largely due to better cost management in 2H FY2021 and increased efforts to control costs in view of the operating environment.

Other operating income

FY2021 vs FY2020

In FY2021 other operating income of S\$1.8 million represents rental income, interest income, sundry income, government grants, and recovery of bad debts.

In FY2020, the Group completed the divestment of three outdated and unnecessary Singapore properties for total sales proceeds of S\$20.5 million. This divestiture resulted in a gain on the disposal of assets held for sale of S\$14.4 million, resulting in the significantly higher other operating income in FY2020 of S\$14.7 million.

2H FY2021 vs 2H FY2020

In 2H FY2021 other operating income of S\$1.3 million represents rental income, interest income, government grants, and recovery of bad debts.

In FY2020, other operating income mainly contributed by gain on disposal of assets held for sale of S\$10.0 million.

Other operating expenses

FY2021 vs FY2020

Other operating expenses increased by 50.3% to S\$8.2 million in FY2021 compared to the S\$5.4 million in FY2020. The FY2021 operating expenses included: (i.) an impairment of S\$1.6 million on other receivables written off, (ii.) a non-recurring expenses of S\$1.8 million and restructuring cost of S\$1.2 million, (iii.) a S\$1.6 million foreign exchange loss from the depreciation of USD against SGD, (iv.) trade debt receivables impairment provision of S\$1.1 million, and (v.) impairment on assets held for sale of S\$1.0 million relating to Malaysian land disposal.

2H FY2021 vs 2H FY2020

Other operating expenses increased by 15.1% to S\$4.1 million in 2H FY2021 compared to the S\$3.6 million in 2H FY2020. The 2H FY2021 operating expenses mainly included: (i.) other receivables written off of S\$1.7 million, (ii.) a non-recurring expenses of S\$0.7 million and restructuring cost of S\$0.6 million, (iii.) a S\$0.5 million foreign exchange loss from the depreciation of USD against SGD, and (iv.) trade debt receivables impairment provision of S\$0.6 million.

Finance cost

FY2021 vs FY2020

The finance cost in FY2021 decreased by 24.6% as compared to FY2020 due to repayment of bank borrowings as well as lower interest rates.

2H FY2021 vs 2H FY2020

The finance cost in 2H FY2021 decreased by 22.5% as compared to 2H FY2020 due to repayment of bank borrowings as well as lower interest rates.

Loss before income tax

In FY2021, the Group reported a loss before income tax of S\$20.2 million, 79.1% higher than the S\$11.3 million in FY2020. This FY2021 loss was partially due to a non-recurring expense and restructuring cost of S\$3.0 million plus the impairment of assets held for sale of S\$1.0 million in FY2021. The loss before income tax for FY2020 was lower due to a S\$14.0 million gain on disposal of assets held for sales in FY2020.

In 2H FY2021 other operating income of S\$1.3 million represents rental income, interest income, government grants, and recovery of bad debts.

Review of statement of financial position

Current assets

Current assets decreased 25.9% (or S\$29.6 million) from S\$114.3 million as at 31 March 2020 to S\$84.7 million as at 31 March 2021. The decrease was mainly due to: (i.) a decrease in cash and cash equivalents of S\$8.7 million, (ii.) a decrease in receivables of S\$5.8 million (iii.) a decrease in inventories by S\$11.9 million due to inventories sales during the normal course of business, and (iv.) a decrease in assets held for sale of S\$3.3 million due to impairment of S\$1.0 million and disposal of S\$2.3 million.

Non-current assets

Non-current assets decreased 6.4% (or by S\$5.4 million) from S\$84.1 million as at 31 March 2020 to S\$78.7 million as at 31 March 2021. The decrease was mainly due to decrease in Property, Plant & Equipment of S\$6.5 million, offset by the increase in Right of use assets of S\$0.6 million and Intangible assets of S\$0.5 million. The decrease in Property, Plant & Equipment was mainly due to depreciation of S\$6.8 million and disposal of S\$0.6 million, offset by additional purchases of Property, Plant & Equipment of S\$1.1 million.

Current liabilities

Current liabilities increased 11.9% (or by S\$6.8 million) from S\$56.9 million as at 31 March 2020 to S\$63.7 million as at 31 March 2021. The increase was mainly due to: (i.) an increase in current portion of bank borrowings of S\$16.4 million due to S\$12.6 million being classified as current liabilities, (ii.) an increase in contract liabilities of S\$2.8 million and (iii.) an increase in current portion of lease liabilities of S\$0.8 million, offset by (i.) a decrease in trade payables of S\$11.4 million and (ii.) a decrease in other payables of S\$1.7 million. The S\$12.6 million bank borrowings have subsequent to 31 March 2021 been reclassified and now are non-current liabilities.

Non-current liabilities

Non-current liabilities decreased 72.8% (or by S\$21.8 million) from S\$29.9 million as at 31 March 2020 to S\$8.1 million as at 31 March 2021. The decrease was mainly due to classification of S\$12.6 million non-current bank borrowings to current bank borrowings and repayment of bank borrowings amounting S\$5.5 million. The S\$12.6 million bank borrowings have subsequent to 31 March 2021 been reclassified and now are non-current liabilities.

Capital, reserves and non-controlling interests

Shareholders' equity decreased 18.0% from S\$111.6 million in FY2020 to S\$91.6 million in FY2021, mainly due to loss of S\$20.3 million incurred in FY2021.

Review of statement of Cash Flows for

FY2021 ended 31 March 2021

Net cash generated from (used in) operating activities

Net cash generated from operations in operating activities was S\$1.3 million in FY2021 compared to S\$1.2 million net cash used in operating activities for FY2020 for an overall net improvement of S\$2.5 million.

Operating cash outflow was S\$7.3 million to support operating activities in FY2021 before changes in working capital.

Net working capital inflow was S\$8.6 million in FY2021. This was mainly due to: (i.) a total decrease in trade receivables, other receivables and contract assets of S\$6.3 million due to aggressive collection efforts, (ii.) a decrease in inventories by S\$10.4 million resulting from sales during the normal course of business and efforts to reduce inventory, and (iii.) a net decrease in trade payables, other payables and contract liabilities of S\$8.0 million.

Net cash generated from investing activities

Net cash inflow from investing activities amounted to S\$0.8 million in FY2021 mainly due to payment for purchase and construction of Property, Plant & Equipment of S\$1.9 million less proceeds received from disposal of assets held for sale of S\$2.4 million and the disposal of Property, Plant & Equipment of S\$0.5 million.

Net cash used in from financing activities

Net cash used in financing activities was S\$9.6 million in FY2021 mainly due to the repayment of bank borrowings and related interest of S\$7.1 million plus leased liabilities and related interest of S\$3.2 million, and a decrease in restricted cash balances of S\$0.7 million.

As at 31 March 2021, the Group's cash and bank balances stood at S\$10.1 million.

2H FY2021**Net cash generated from (used in) operating activities**

In 2H FY2021, the Group incurred an operating cash outflows of S\$6.0 million before movements in working capital.

Net working capital inflow was S\$8.5 million in 2H FY2021. This was mainly due to (i.) a total decrease in trade receivables, other receivables and contract assets of S\$1.1 million due to aggressive collection efforts, (ii.) a decrease in inventories by S\$6.1 million resulting from sales during the normal course of business and efforts to reduce inventory, and (iii.) offset by a net increase in trade payables, other payables and contract liabilities of S\$1.3 million.

Overall, operating cash inflow was S\$2.5 million in 2H FY2021 before changes in working capital.

Net cash generated from investing activities

Net cash inflow from investing activities amounted to S\$1.4 million in 2H FY2021 mainly due to: (i.) proceeds from disposal of assets held for sale of S\$2.4 million, (ii.) proceeds from disposal of property, plant and equipment of S\$0.2 million, and offset by (iii.) payment for purchase of property, plant and equipment of S\$0.9 million.

Net cash used in financing activities

Net cash used in financing activities amounted to S\$6.5 million in 2H FY2021. The used of cash for (i.) the repayment of bank borrowings and related interest of S\$4.7 million, and (ii.) repayment of leased liabilities and related interest of S\$2.1 million, offset by (i.) decrease in restricted cash balances of S\$0.3 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

AMOS supplies products, services, and solutions to customers from its 12 fulfilment centers spanning Asia, the Middle East, and Europe. AMOS supplies our traditional customers in the Marine and Energy sectors and is expanding with new customers in the industrial and service sectors.

During FY2021 Covid dramatically impacted the AMOS staff, customers, and other stakeholders, and the ensuing slowing economy and business disruption caused a drop in AMOS sales for three primary reasons. First, there was a drop in overall economic activity in all locations served by AMOS. Second, the dramatic drop in energy prices starting in early FY2021 severally depressed activity amongst AMOS's Energy customers. Third, there has been disruptions to AMOS's normal business operations as AMOS implemented safety protocols and practices for our staff and adapted to changes in work practices.

The onset of Covid in early 2020 coincided with AMOS executing a transformation of its business practices and technology, which had started in 2019. In spite of the Covid challenges AMOS took decisive action to improve cashflow, reduce costs, and, importantly, enhance management controls during FY2021. AMOS managed cash well with a positive operating cash flow and strengthened the balance sheet by selling off unnecessary assets. In addition, AMOS undertook efforts to enhance corporate governance controls and management.

The past 14 months have been challenging for AMOS, but we are persevering with our strategy of transforming into a technology and digitally driven business. AMOS is committed to strengthening its internal control and governance practices to match global best practices.

The effects of Covid will continue to significantly influence our staff, operations and customers for the foreseeable future. AMOS is adjusting to this environment and aims to succeed in terms of our responsibilities to staff, customers, and suppliers as well as increase shareholder 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 in FY2021.

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 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's**

most recently audited annual financial statements, with comparative information for the immediately preceding year.

Segmental information

Year ended 31 March 2021

	Energy S\$'000	Marine S\$'000	Others S\$'000	Total S\$'000
Revenue				
Sales	52,476	56,612	-	109,088
Inter-segment sales	(327)	(240)	-	(567)
Sales to external customers	52,149	56,372	-	108,521
(Loss)/Profit from operations				
Segment results	(5,140)	(7,231)	(5,023)	(17,394)
Restructuring cost	(659)	(99)	(421)	(1,179)
Interest expense	(851)	(618)	(164)	(1,633)
Income tax (expense) credit	(41)	(24)	-	(65)
Loss for the year				<u>(20,271)</u>
Assets				
Segment assets	73,584	85,488	4,365	163,437
Liabilities				
Segment liabilities	28,143	39,272	4,411	71,826
Other information				
Impairment of assets held for sales	(959)	-	-	(959)
Loss on disposal of PPE	57	(28)	-	29
Trade receivables written off	1	(7)	-	(6)
Impairment of trade receivables	(504)	(590)	-	(1,094)
Foreign exchange gain	(1,168)	(368)	(73)	(1,609)
Inventory adjustment to market price	(961)	(246)	-	(1,207)
Allocable depreciation and amortization	(3,771)	(5,213)	(107)	(9,091)
Allocable additions to non-current assets	4,158	1,047	1,221	6,426

Year ended 31 March 2020

	Energy S\$'000	Marine S\$'000	Others S\$'000	Total S\$'000
Revenue				
Sales	56,160	73,098	-	129,258
Inter-segment sales	(86)	(550)	-	(636)
Sales to external customers	56,074	72,548	-	128,622
(Loss)/Profit from operations				
Segment results	11,528	(12,226)	(4,849)	(5,547)
Restructuring cost	(1,443)	(598)	(1,531)	(3,572)
Interest expense	(1,643)	(495)	(28)	(2,166)
Income tax (expense) credit	(168)	221	9	62
Loss for the year				<u>(11,223)</u>
Assets				
Segment assets	87,569	106,480	4,383	198,432
Liabilities				
Segment liabilities	31,556	51,935	3,332	86,823
Other information				
Impairment of assets held for sales	(109)	-	-	(109)
Impairment of PPE	(164)	-	-	(164)
Loss on disposal of PPE	(42)	(51)	-	(93)
Trade receivables written off	(16)	(237)	-	(253)
Impairment of trade receivables	(705)	(818)	-	(1,523)
Impairment of goodwill	-	(103)	-	(103)
Foreign exchange gain	506	(51)	55	510
Inventory adjustment to market price	(1,699)	-	-	(1,699)
Allocable depreciation and amortization	(2,955)	(5,624)	(427)	(9,006)
Allocable additions to non-current assets	7,647	6,553	3,677	17,877

Geographical information

Revenue from external customers
(based on location of revenue by country)

	Group		
	FY2021 S\$'000	FY2020 S\$'000	Incr/ (decr) %
Singapore	66,486	89,409	(25.6)
Azerbaijan	2,726	5,620	(51.5)
South Korea	6,124	7,666	(20.1)
United Kingdom	11,407	3,409	234.6
United Arab Emirates	5,709	6,364	(10.3)
China	10,727	8,316	29.0
Asia ⁽¹⁾	5,342	7,838	(31.8)
	<u>108,521</u>	<u>128,622</u>	(15.6)

⁽¹⁾ Revenue from countries in "Asia" includes revenue generated from countries that individually account for less than 10% of the Group's revenue.

Non-current assets
(based on location of assets)

	Group		
	FY2021 S\$'000	FY2020 S\$'000	Incr/ (decr) %
Singapore	58,057	63,021	(7.9)
Malaysia	2,600	2,579	0.8
Azerbaijan	516	827	(37.6)
South Korea	7,778	7,903	(1.6)
Middle East	5,396	6,308	(14.5)
Others	4,355	3,462	25.8
	<u>78,702</u>	<u>84,100</u>	(6.4)

16 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.

17 A breakdown of sales

	Group		
	FY2021 S\$'000	FY2020 S\$'000	Incr/ (decr) %
(a) Sales reported for the first half year	57,617	66,748	(13.7)
(b) Operating loss after tax reported for the first half year	(8,533)	(6,329)	34.8
(c) Sales reported for the second half year	50,904	61,874	(17.7)
(d) Operating loss after tax reported for the second half year	(11,738)	(4,894)	139.8

18 A breakdown of the annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	FY2021	FY2020
Type of Dividend	-	-
Dividend per share	-	-
Annual Dividend (S\$'000)	-	-

19 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
28 May 2021