

AMOS GROUP LIMITED
(Company Registration Number: 201004068M)
AMENDED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021
A CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group		Incr/ (decr) %
		6 Months Ended		
		30/09/2021 S\$'000	30/09/2020 S\$'000	
Revenue	4	49,368	57,617	(14.3)
Cost of sales		(38,351)	(46,802)	(18.1)
Gross profit		11,017	10,815	1.9
Distribution costs		(4,660)	(4,091)	13.9
Administrative expenses		(11,151)	(10,773)	3.5
Other operating income		1,302	678	92.0
Other operating expenses		(1,311)	(4,265)	(69.3)
Finance cost		(714)	(853)	(16.3)
Loss before income tax	6	(5,517)	(8,489)	(35.0)
Income tax credit (expense)	7	46	(44)	NM
Loss for the period		(5,471)	(8,533)	(35.9)
<u>Other comprehensive income</u>				
<u>Items that will not be reclassified to profit or loss:</u>				
Revaluation of Property, plant and equipment		6,212	-	NM
<u>Items that are or may be reclassified subsequently to profit or loss:</u>				
Translation gain arising on consolidation		38	208	(81.7)
Other comprehensive income for the period, net of tax		6,250	208	NM
Total comprehensive income for the period		779	(8,325)	NM
Loss attributable to:				
Owners of the Company		(5,402)	(8,498)	(36.4)
Non-controlling interests		(69)	(35)	97.1
		(5,471)	(8,533)	(35.9)
Total comprehensive income attributable to:				
Owners of the Company		849	(8,287)	NM
Non-controlling interests		(70)	(38)	84.2
		779	(8,325)	NM
Gross profit margin		22.3%	18.8%	18.7
Net loss margin		-11.1%	-14.8%	(25.1)
EBITDA ⁽¹⁾ (S\$'000)		(396)	786	NM
EBITDA margin		-0.8%	1.4%	NM

⁽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	
		30/09/2021 S\$'000	31/03/2021 S\$'000	30/09/2021 S\$'000	31/03/2021 S\$'000
<u>ASSETS</u>					
Current assets					
Cash and bank balances		14,303	10,137	7,169	229
Trade receivables		23,722	26,405	1,834	2,683
Contract assets		3,266	2,228	1,108	1,095
Other receivables		4,225	4,499	248	296
Income tax receivables		-	40	-	-
Inventories		39,380	41,404	-	-
Total current assets		<u>84,896</u>	<u>84,713</u>	<u>10,359</u>	<u>4,303</u>
Non-current assets					
Property, plant and equipment ("PPE")	11	69,388	66,603	43	58
Right of use assets		7,202	7,927	116	8
Intangible assets	10	3,368	3,802	3,368	3,775
Deferred tax assets		20	20	-	-
Subsidiary		-	-	165,832	161,173
Associates		42	42	-	-
Total non-current assets		<u>80,020</u>	<u>78,394</u>	<u>169,359</u>	<u>165,014</u>
Total assets		<u>164,916</u>	<u>163,107</u>	<u>179,718</u>	<u>169,317</u>
<u>LIABILITIES AND EQUITY</u>					
Current liabilities					
Trade payables		12,184	16,179	-	-
Contract liabilities		1,700	3,351	-	-
Other payables		8,256	10,470	1,652	2,724
Provision		-	408	-	-
Current portion of bank borrowings	12	15,021	30,259	-	-
Current portion of lease liabilities	12	3,248	3,052	1,418	1,497
Income tax payable		38	6	-	-
Total current liabilities		<u>40,447</u>	<u>63,725</u>	<u>3,070</u>	<u>4,221</u>
Non-current liabilities					
Bank borrowings	12	13,040	-	-	-
Lease liabilities	12	6,463	8,108	890	1,452
Deferred tax liabilities		-	61	-	-
Total non-current liabilities		<u>19,503</u>	<u>8,169</u>	<u>890</u>	<u>1,452</u>
Total liabilities		<u>59,950</u>	<u>71,894</u>	<u>3,960</u>	<u>5,673</u>
Net assets		<u>104,966</u>	<u>91,213</u>	<u>175,758</u>	<u>163,644</u>

B CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (continued)

	Note	Group		Company	
		30/09/2021 S\$'000	31/03/2021 S\$'000	30/09/2021 S\$'000	31/03/2021 S\$'000
Capital, reserves and non-controlling interests					
Share capital	13	179,230	166,256	179,230	166,256
Accumulated losses		(81,800)	(76,398)	(3,472)	(2,612)
Translation reserve		953	914	-	-
Other reserve		6,810	598	-	-
Equity attributable to owners of the Company		<u>105,193</u>	<u>91,370</u>	<u>175,758</u>	<u>163,644</u>
Non-controlling interests		(227)	(157)	-	-
Total equity		<u>104,966</u>	<u>91,213</u>	<u>175,758</u>	<u>163,644</u>
Total liabilities and equity		<u>164,916</u>	<u>163,107</u>	<u>179,718</u>	<u>169,317</u>

C CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	6 Months Ended	
	30/09/2021	30/09/2020
	S\$'000	S\$'000
Operating activities		
Loss before income tax	(5,517)	(8,489)
Adjustments for :		
Interest expense	714	853
Interest income	(2)	(8)
Depreciation of property, plant and equipment	3,174	3,388
Depreciation - right of use assets	816	1,156
Amortization of intangible assets	408	291
Impairment of trade receivables	108	489
Doubtful trade receivables recovered	(209)	(127)
Trade receivables written off	23	-
Other receivables written off	22	31
(Gain) Loss on disposal of plant and equipment	(196)	2
Impairment of assets held for sales	-	959
Loss on modification of ROU	9	-
Loss on disposal of club membership	27	-
Trade payables written off	(579)	-
Net foreign exchange gain- unrealized	(69)	(48)
Operating cash flows before movements in working capital	<u>(1,271)</u>	<u>(1,503)</u>
Trade receivables	2,809	4,811
Other receivables and prepayments	171	(430)
Contract assets	(1,030)	829
Inventories	2,091	4,497
Trade payables	(3,985)	(6,351)
Other payables	(2,128)	(3,007)
Contract liabilities	(1,639)	(28)
Cash used in operations	<u>(4,982)</u>	<u>(1,182)</u>
Interest received	2	8
Income tax paid	56	(149)
Net cash used in operating activities	<u>(4,924)</u>	<u>(1,323)</u>

C CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Group	
	6 Months Ended	
	30/09/2021	30/09/2020
	S\$'000	S\$'000
Investing activities		
Proceeds from disposal of plant and equipment	551	304
Purchase of plant and equipment	(319)	(936)
Additions to intangible asset	(1)	(56)
Fixed deposits placement	48	10
Net cash generated from (used in) investing activities	<u>279</u>	<u>(678)</u>
Financing activities		
Interest paid for other borrowings	(626)	(744)
Repayment of obligations under lease liabilities	(1,426)	(1,080)
New bank loans obtained	1,178	-
Repayment of bank loans	(473)	(1,649)
Proceeds from issue of shares of the Company	13,149	-
Payment of share issue expenses	(175)	-
Restricted cash at bank	11	416
Net cash generated from (used in) financing activities	<u>11,638</u>	<u>(3,057)</u>
Net decrease in cash and cash equivalents	6,993	(5,058)
Effect of exchange rate changes on cash and cash equivalents	29	(85)
Cash and cash equivalents at beginning of the period	6,278	13,978
Cash and cash equivalents at end of the period	<u>13,300</u>	<u>8,835</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances	14,303	12,805
Fixed deposit	(10)	(48)
Restricted cash at bank	(993)	(1,269)
Bank overdraft	-	(2,653)
	<u>13,300</u>	<u>8,835</u>

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 2021	166,256	(76,398)	914	598	91,370	(157)	91,213
Total comprehensive income for the period							
Loss for the period	-	(5,402)	-	-	(5,402)	(69)	(5,471)
Revaluation of PPE	-	-	-	6,212	6,212	-	6,212
Other comprehensive income for the period	-	-	39	-	39	(1)	38
Total	-	(5,402)	39	6,212	849	(70)	779
Transactions with owners, recognized 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 30 September 2021	179,230	(81,800)	953	6,810	105,193	(227)	104,966
At 1 April 2020	166,256	(55,815)	639	598	111,678	(69)	111,609
Total comprehensive income for the period							
Loss for the period	-	(8,498)	-	-	(8,498)	(35)	(8,533)
Other comprehensive income for the period	-	-	211	-	211	(3)	208
Total	-	(8,498)	211	-	(8,287)	(38)	(8,325)
At 30 September 2020	166,256	(64,313)	850	598	103,391	(107)	103,284
Company							
At 1 April 2021	166,256	(2,612)	-	-	163,644	-	163,644
Loss for the period, representing total comprehensive income for the period	-	(860)	-	-	(860)	-	(860)
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 30 September 2021	179,230	(3,472)	-	-	175,758	-	175,758
At 1 April 2020	166,256	(1,685)	-	-	164,571	-	164,571
Loss for the period, representing total comprehensive income for the period	-	(285)	-	-	(285)	-	(285)
At 30 September 2020	166,256	(1,970)	-	-	164,286	-	164,286

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. As at financial period ended 30 September 2021, ShawKwei Asia Value Fund 2017 ("ShawKwei"), a Cayman Islands established private equity fund, is the largest shareholder of the Company. Shawkwei together with related parties hold 80.51 % of shares in the Company.

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 ended 30 September 2021 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 2021.

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, 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 30 September 2021 was determined similarly to the 31 March 2021 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 9.0% 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 CEO (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**6 Months Ended 30 September 2021**

	Energy S\$'000	Marine S\$'000	Others S\$'000	Total S\$'000
Revenue				
Sales	26,112	23,461	-	49,573
Inter-segment sales	(155)	(50)	-	(205)
Sales to external customers	25,957	23,411	-	49,368
Profit/(Loss) from operations				
Segment results	1,872	(5,950)	(721)	(4,799)
Restructuring cost	(2)	(2)	-	(4)
Interest expense	(401)	(312)	(1)	(714)
Income tax credit (expense)	58	(12)	-	46
Loss for the period				<u>(5,471)</u>
Assets				
Segment assets	68,106	89,234	7,576	164,916
Liabilities				
Segment liabilities	25,577	33,947	426	59,950
Other information				
Gain on disposal of PPE	196	-	-	196
Trade receivables written off	(3)	(20)	-	(23)
Impairment of trade receivables	(36)	(72)	-	(108)
Foreign exchange gain (loss)	77	(247)	(4)	(174)
Allocable depreciation and amortization	(1,509)	(2,415)	(33)	(3,957)
Allocable additions to non-current assets	238	81	127	446

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

4.1 Reportable segments (continued)

6 Months Ended 30 September 2020

	Energy S\$'000	Marine S\$'000	Others S\$'000	Total S\$'000
Revenue				
Sales	22,423	35,390	-	57,813
Inter-segment sales	(88)	(108)	-	(196)
Sales to external customers	22,335	35,282	-	57,617
Loss from operations				
Segment results	(3,365)	(3,663)	(37)	(7,065)
Restructuring cost	(384)	(187)	-	(571)
Interest expense	(486)	(367)	-	(853)
Income tax credit (expense)	(19)	(25)	-	(44)
Loss for the period				<u>(8,533)</u>
Assets				
Segment assets	84,703	92,788	554	178,045
Liabilities				
Segment liabilities	32,213	42,530	18	74,761
Other information				
Impairment of assets held for sales	(959)	-	-	(959)
Gain/(Loss) on disposal of PPE	21	(22)	(1)	(2)
Impairment of trade receivables	(263)	(226)	-	(489)
Foreign exchange loss	(741)	(336)	(52)	(1,129)
Allocable depreciation and amortization	(1,861)	(2,628)	(346)	(4,835)
Allocable additions to non-current assets	279	158	-	437

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

4.2 Disaggregation of Revenue

	The Group		
	6 Months Ended 30 September 2021		
	Energy	Marine	Total
	S\$'000	S\$'000	S\$'000
Revenue			
Sales of goods revenue recognized at a point in time	22,182	23,411	45,593
Service revenue recognized at a point in time	2,070	-	2,070
Rental revenue recognized over time	1,705	-	1,705
	<u>25,957</u>	<u>23,411</u>	<u>49,368</u>
Geographical Information			
Singapore	9,568	17,493	27,061
Azerbaijan	1,509	-	1,509
South Korea	378	2,672	3,050
United Kingdom	5,523	-	5,523
United Arab Emirates	3,794	-	3,794
China	1,981	3,246	5,227
Asia ⁽¹⁾	3,204	-	3,204
	<u>25,957</u>	<u>23,411</u>	<u>49,368</u>

	The Group		
	6 Months Ended 30 September 2020		
	Energy	Marine	Total
	S\$'000	S\$'000	S\$'000
Revenue			
Sales of goods revenue recognized at a point in time	18,692	35,281	53,973
Service revenue recognized at a point in time	2,213	-	2,213
Rental revenue recognized over time	1,431	-	1,431
	<u>22,336</u>	<u>35,281</u>	<u>57,617</u>
Geographical Information			
Singapore	9,431	28,667	38,098
Azerbaijan	1,358	-	1,358
South Korea	872	2,482	3,354
United Kingdom	3,838	-	3,838
United Arab Emirates	2,277	-	2,277
China	1,453	4,132	5,585
Asia ⁽¹⁾	3,107	-	3,107
	<u>22,336</u>	<u>35,281</u>	<u>57,617</u>

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

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 30 September 2021 and 31 March 2021:

	The Group		The Company	
	30-Sep-21	31-Mar-21	30-Sep-21	31-Mar-21
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Trade receivables	23,722	26,405	1,834	2,683
Other receivables (excludes prepayments and GST recoverable)	1,824	2,390	32	16
Cash and cash equivalents	14,303	10,137	7,169	229
	<u>39,849</u>	<u>38,932</u>	<u>9,035</u>	<u>2,928</u>
Financial liabilities				
Bank overdraft	-	2,798	-	-
Secured bank loans	28,061	27,461	-	-
Lease liabilities	9,711	11,160	2,308	2,949
Trade payables	12,184	16,179	-	-
Other payables	8,256	10,470	1,652	-
	<u>58,212</u>	<u>68,068</u>	<u>3,960</u>	<u>2,949</u>

6. Loss before taxation

6.1 Significant items

	Group	
	6 Months Ended	
	30-Sep-21 S\$'000	30-Sep-20 S\$'000
Acquisition and restructuring cost	4	571
Amortization of intangible assets	408	291
Depreciation of PPE	3,174	3,388
Depreciation - Right of use assets	816	1,156
Foreign exchange loss	174	1,129
Impairment of trade receivables	108	489
Interest expense	714	853
Impairment of assets held for sales	-	959

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	
	30-Sep-21 S\$'000	30-Sep-20 S\$'000
Current income tax expense	(15)	(44)
Deferred income tax expense relating to origination and reversal of temporary differences	61	-
	<u>46</u>	<u>(44)</u>

8. Dividends

No dividend has been declared as the Group has incurred a loss for the 1H FY2022 ended 30 September 2021.

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

9. Net Asset Value

	The Group		The Company	
	30-Sep-21	31-Mar-21	30-Sep-21	31-Mar-21
	S\$'000	S\$'000	S\$'000	S\$'000
Net asset value attributable to shareholders of the Company (S\$'000)	105,193	91,370	175,758	163,644
Number of ordinary shares ('000) *	178,569	2,597,374	178,569	2,597,374
Net asset value per ordinary share (cents)	58.91	3.52	98.43	6.30

*On 1 June 2021, the Company issued and allotted 974,015,343 Rights Shares at an issue price of S\$0.0135, on the basis of three (3) Rights Shares for every eight (8) existing ordinary shares in the capital of the Company. On 11 August 2021, the Company then consolidated every twenty (20) existing ordinary shares into one (1) consolidated ordinary share. For details of share capital change, please refer Note 13.

Assuming the Share Consolidation is completed on 31 March 2021, the Net Asset Value per Share will be as follows:

	The Group		The Company	
	30-Sep-21	31-Mar-21	30-Sep-21	31-Mar-21
	S\$'000	S\$'000	S\$'000	S\$'000
Number of ordinary shares ('000)	178,569	129,869	178,569	129,869
Net asset value per ordinary share (cents)	58.91	70.36	98.43	126.01

10. Intangible assets

	<u>The Group</u>				<u>Total</u>
	<u>Club Membership</u>	<u>Customer relationship</u>	<u>Trademark</u>	<u>Software Implementation</u>	
At 31 March 2021					
Cost	27	5,875	484	4,076	10,462
Accumulated amortization	-	(2,522)	-	(785)	(3,307)
Impairment	-	(3,353)	-	-	(3,353)
Net Book Value	27	-	484	3,291	3,802
6 months ended 30 September 2021					
Opening net book amount	27	-	484	3,291	3,802
Additions	-	-	1	-	1
Disposed	(27)	-	-	-	(27)
Amortisation Charges	-	-	-	(408)	(408)
Closing net book amount	-	-	485	2,883	3,368
At 31 March 2021					
Cost			484	4,076	4,560
Accumulated amortization			-	(785)	(785)
Impairment			-	-	-
Net Book Value			484	3,291	3,775
6 months ended 30 September 2021					
Opening net book amount			484	3,291	3,775
Additions			1	-	1
Amortisation Charges			-	(408)	(408)
Closing net book amount			485	2,883	3,368

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 30 September 2021, the Group acquired assets amounting to \$318,774 (30 September 2020: \$359,869) and disposed of assets amounting to \$355,433 (30 September 2020: \$371,461)

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. Borrowings

Amount repayable in one year or less, or on demand

	30/09/2021		31/03/2021	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	3,801	-	18,009	-
Short term loans	11,220	-	9,453	-
Lease liabilities	1,418	1,830	1,519	1,533
Overdrafts	-	-	2,797	-
	<u>16,439</u>	<u>1,830</u>	<u>31,778</u>	<u>1,533</u>

Amount repayable after one year

	30/09/2021		31/03/2021	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	11,904	-	-	-
Short term loans	1,136	-	-	-
Lease liabilities	796	5,667	1,462	6,646
	<u>13,836</u>	<u>5,667</u>	<u>1,462</u>	<u>6,646</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. As of 30 September 2021, the Group has fulfilled all bank covenant

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

13. Share Capital

	The Group and the Company			
	30-Sep-21		31-Mar-21	
	Number of shares	Amount	Number of shares	Amount
	'000	S\$'000	'000	S\$'000
Issued and paid up shares at the beginning of period	2,597,374	166,256	2,597,374	166,256
Issue of ordinary shares by virtue of rights issue *	974,015	12,974	-	-
	3,571,389	179,230	2,597,374	166,256
Share consolidation **	(3,392,820)	-	-	-
Issued and paid up shares at the end of period	178,569	179,230	2,597,374	166,256

The Company did not hold any treasury shares as at 30 September 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2021 and 31 March 2021.

* 974,015,343 Rights shares have been allotted and issue on 1 June 2021 at an issue price of S\$0.0135 for each Rights Share, on the basis of three (3) Rights Shares for every eight (8) existing ordinary shares in the capital of the Company. For the detail of use of proceeds, please refer to Note 22.

** On 11 August 2021, the Company consolidate every twenty (20) existing ordinary shares into one (1) consolidated ordinary share.

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

	30/09/2021	31/03/2021
The total number of issued shares excluding treasury shares.	178,569,456	2,597,374,250

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 30 September 2021, 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 30 September 2021 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 period then ended and certain explanatory notes have not been audited or reviewed.

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)

	6 months Ended		Incr/
	30/09/2021	30/09/2020	(decr)
	1H-FY2022	1H-FY2021	%
Energy	25,957	22,335	16.2
Marine	23,411	35,282	(33.6)
Total	<u>49,368</u>	<u>57,617</u>	(14.3)

1H FY2022 vs 1H FY2021

For 6 months ended 30 September 2021 ("1H FY2022"), the Group's revenue was S\$49.4 million, representing a decrease of S\$8.2 million or 14.3% compared to S\$57.6 million for the corresponding period ended 30 September 2020 ("1H FY2021"). The revenues segmented by business shows the Energy business contributed revenue of S\$26.0 million increasing 16.2% compared to 1H FY2021. The Marine business contributed revenue of S\$23.4 million which was 33.6% lower compared to 1H FY2021. In 1H FY2022, the Energy and Marine business segments contributed 52.6% and 47.4% to the Group's total revenue respectively.

Gross Profit

1H FY2022 vs 1H FY2021

The Group reported gross profit of S\$11.0 million in 1H FY2022, representing a 1.9% or S\$0.2 million increase compared to a gross profit of S\$10.8 million in 1H FY2021. However, in spite of the Revenue decline profitability actually improved with the Gross Profit margin expanding to 22.3% compared to 18.8% in 1H FY2021.

Distribution costs

1H FY2022 vs 1H FY2021

Distribution costs increased by 13.9% to S\$4.7 million in 1H FY2022 compared to S\$4.1 million in 1H FY2021 due largely to the group received COVID 19 government grants of S\$0.4 million in 1H FY2021.

Administrative expenses

1H FY2022 vs 1H FY2021

Administrative expenses increased by 3.5% to S\$11.1 million in 1H FY2022 compared to S\$10.8 million in 1H FY2021. The increase was largely due to the group received COVID 19 government grants of S\$0.6 million in 1H FY2021.

Other operating income

1H FY2022 vs 1H FY2021

Other operating income increased significantly by 92.0% to S\$1.3 million in 1H FY2022 compared to the S\$0.7 million in 1H FY2021.

In 1H FY2022 other operating income of S\$1.3 million represents trade payable written back of S\$0.7 million, gain on disposal of PPE of S\$0.2 million, sundry income of S\$0.2 million and recovery of doubtful debts of S\$0.2 million.

In 1H FY2021 other operating income of \$0.7 million represents rental income, interest income, government grants, and recovery of bad debts.

F OTHER INFORMATION (continued)

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

Other operating expenses

1H FY2022 vs 1H FY2021

Other operating expenses decreased significantly by 69.3% to S\$1.3 million in 1H FY2022 compared to the S\$4.3 million in 1H FY2021.

The 1H FY2022 operating expenses included: (i.) a non-recurring expenses of S\$1.0 million, (ii.) S\$0.2 million foreign exchange loss from the depreciation of USD against SGD, and (iii.) allowance for doubtful debts of S\$0.1 million.

The 1H FY2021 operating expenses included: (i.) a non-recurring expenses of S\$1.1 million and restructuring cost of S\$0.5 million, (ii.) a S\$1.1 million foreign exchange loss from the depreciation of USD against SGD, (iii.) an impairment of S\$1.0 million on assets held for sale (undeveloped land in Johor, Malaysia) already contracted for sale, and (iv.) trade debt impairment provision of S\$0.5 million. The non-recurring expenses included \$0.4 million related to an employee's misappropriation of cash as disclosed by the Group's SGX announcement of 9 November 2020.

Finance cost

1H FY2022 vs 1H FY2021

The finance cost in 1H FY2022 decreased by 16.3% as compared to 1H FY2021 due to repayment of bank borrowings as well as lower interest rates.

Loss for the period

In 1H FY2022, the Group reported a loss before income tax of S\$5.5 million, 34.9% lower than the S\$8.5 million in 1H FY2021. The 1H FY2022 income tax expense was a tax credit compared to the \$44 thousand expense in 1H FY2021. This 1H FY2022 Loss for the period was lower compared to 1H FY2021 partially due to improved operating performance and impairment of assets held for sale of S\$1.0 million in 1H FY2021.

Total Comprehensive Income for the period

The total comprehensive income for 1H FY2022 was S\$779 thousand, an improvement of S\$9.0 million compared to 1H FY2021. In 1H FY2022, the Group recorded a revaluation gain of S\$6.2 million from increase in the building at 156 Gul Circle, Singapore 629613 following a valuation of the market value of the building.

15.2 Review of condensed interim statements of financial position

Current assets

Current assets increased 0.2% (or S\$0.2 million) from S\$84.7 million as at 31 March 2021 to S\$84.9 million as at 30 September 2021. The changes was mainly due to: (i.) an increase in cash and cash equivalents of S\$4.2 million, (ii.) a decrease in receivables of S\$2.9 million (iii.) a decrease in inventories by S\$2.0 million due to inventories sales during the normal course of business.

Non-current assets

Non-current assets increased 2.1% (or by S\$1.6 million) from S\$78.4 million as at 31 March 2021 to S\$80.0 million as at 30 September 2021. The increase was mainly due to increase in Property, plant and equipment of S\$2.8 million, offset by the decrease in Right of use assets of S\$0.7 million and Intangible assets of S\$0.4 million. The increase in Property, plant and equipment was mainly due to: (i.) revaluation of leasehold land & building of S\$6.2 million, and (ii.) additional purchases of Property, Plant & Equipment of S\$0.3 million, offset by (i.) depreciation of S\$3.2 million, and (ii.) disposal of S\$0.3 million.

Current liabilities

Current liabilities decreased 36.5% (or by S\$23.3 million) from S\$63.7 million as at 31 March 2021 to S\$40.4 million as at 30 September 2021. The decrease was mainly due to: (i.) a decrease in current portion of bank borrowings of S\$15.2 million due to S\$12.6 million being reclassified from non-current liabilities, (ii.) a decrease in contract liabilities of S\$1.7 million, offset by (i.) a decrease in trade payables of S\$4.0 million, (ii.) a decrease in other payables of S\$2.2 million, and (iii.) released from the provision of S\$0.4 million.

Non-current liabilities

Non-current liabilities increased 138.7% (or by S\$11.3 million) from S\$8.1 million as at 31 March 2021 to S\$19.5 million as at 30 September 2021. The increase was mainly due to classification of S\$13.0 million bank borrowings as non-current.

Capital, reserves and non-controlling interests

Shareholders' equity increased 15.1% to S\$105.0 million in FY2021 from S\$91.2 million in FY2020, mainly due to issuance of right issue of S\$13.1 million and revaluation reserve of S\$6.2 million from the leasedhold land and building offset by loss of S\$5.5 million incurred in 1H FY2022.

F OTHER INFORMATION (continued)

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

15.3 Review of condensed interim consolidated statement of cash flows

1H FY2022 ended 30 September 2021

The Cash balance of S\$14.3 million as at 30 September 2021 increased 41.1% (S\$4.2 million) compared to S\$10.1 million for FY2021.

Net cash used in operating activities

Net cash used in operating activities was S\$4.9 million in 1H FY2022, which was S\$3.6 million higher compared to S\$1.3 million net cash used in operating activities for 1H FY2021.

Operating cash outflow was S\$1.3 million to support operating activities in 1H FY2022 before changes in working capital.

Net working capital outflow was S\$3.7 million in 1H FY2022. This was mainly due to a net decrease in trade payables, other payables and contract liabilities of S\$7.7 million, offset by, (i.) a total decrease in trade receivables, other receivables and contract assets of S\$1.9 million due to aggressive collection efforts, (ii.) a decrease in inventories by S\$2.1 million resulting from sales during the normal course of business and efforts to reduce inventory.

Net cash generated from (used in) investing activities

Net cash inflow generated from investing activities amounted to S\$0.3 million in 1H FY2022 mainly due to disposal of Property, plant and equipment of S\$0.6 million, offset by the payment for purchase of plant and equipment of S\$0.3 million.

Net cash generated from (used in) financing activities

Net cash generated from financing activities was S\$11.7 million in 1H FY2022 mainly due to the net proceeds from the issuance of rights issue shares of S\$13.1 million plus the new bank loan obtain of S\$1.2 million, offset by repayment of bank borrowings and related interest of S\$1.1 million plus leased liabilities and related interest of S\$1.4 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.

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 supplies products, services, and solutions to customers in the Marine and Energy sectors and is expanding with new customers in the industrial and service sectors. AMOS is headquartered in Singapore and the majority of revenues and operational costs are in Singapore and Malaysia. AMOS supplies our customers from our own 10 fulfilment centers spanning Asia, the Middle East, and Europe.

Covid has been a key negative influence the past six months on Amos group revenues and operational costs. The various government policies and restrictions across the markets where AMOS operates plus the negative impact on our customers and the threat to our staff have hindered progress at AMOS and brought higher costs. There continue to be disruptions to AMOS's normal business operations in several locations as AMOS implemented staff safety protocols and practices fundamentally changing work practices. Many of our staff were working from home during 1H FY2021, which is highly inefficient for a business of our nature.

AMOS embarked on an Enterprise Resource Planning (ERP) software comprehensive upgrade in 2020. Covid has hindered the necessary work tasks and team efforts making it difficult to adjust work practices and policies to synchronize the new ERP with our specific needs. Nonetheless, AMOS continues comprehensively shifting its operational practices and technology to embrace a digital future to generate sustainable performance improvements in sales growth, margin expansion, and capital efficiency.

In addition, AMOS is building its business by pursuing organizational, operational, and automation technology initiatives to capitalize on the shift to lower carbon. AMOS is dedicated to helping our customers in lowering carbon emissions while also maintaining the security of energy, food, and industrial supply chains.

Unfortunately, the Covid situation remains threatening and the outlook for a return to pre-Covid business practices has an uncertain timeline. AMOS is preparing for its operations in 2H FY2022 to continue learning to live with Covid as part of everyday life.

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 6 months ended 30 September 2021.

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.**

Proceeds from issuance of shares on 1 Jun 2021 (Note 13)

	S\$'000
Issuance of 974,015,343 new shares at 1.35 cents	13,149
Less: Listing expenses	(175)
Net proceeds	<u>12,974</u>

Use of Net Proceeds	Allocation of the Net Proceeds as set out in the circular on 23 March 2021		Net Proceeds utilized between 1 June to 30 September 2021	Balance of Net Proceeds as at 30 September 2021
	S\$'000	%		
(a) Development and Expansion of Alcona Product Line	3,094	23.8%	639	2,455
(b) Technology Initiative	2,595	20.0%	824	1,771
(c) Business Expansion	1,397	10.8%	725	672
(d) General Working Capital requirements of the Group	5,888	45.4%	3,704	2,184
	<u>12,974</u>	<u>100.0%</u>	<u>5,892</u>	<u>7,082</u>

Breakdown for working capital utilized between 1 June to 30 September 2021:

S\$'000

Upgrade of Group's existing facilities and purchase of equipment	-
Trade and other payables	3,704
Total	<u>3,704</u>

Notes (as set out in the circular on 23 March 2021)

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

- (a) developing and expanding the Group's "Alcona" proprietary product line for the marine and energy sectors ("Alcona Product Line");
- (b) funding the Group's technology initiatives;
- (c) funding of the Group's expansion into new business sectors, including the renewables sector ("Business Expansion"); and
- (d) general working capital requirements of the Group, which includes funding the Group's procurement initiatives and vendor management processes and streamlining of the Group's operations.

Confirmation by the Board

On behalf of the Board of Directors of the Company, I hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 September 2021 to be false or misleading in any material aspect.

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

Executive Chairman

Singapore

12 November 2021