

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

**ANNOUNCEMENT OF MATERIAL VARIANCE IN UNAUDITED CONDENSED INTERIM
FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

1. Introduction

The Board of Directors (the "**Board**") of AMOS Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's announcement on the unaudited condensed interim financial statements for the six months ended 30 September 2021 ("**1H FY2022**") released via SGXNet on 12 November 2021 (the "**Half Year Result**").

2. Material variances

The Board wishes to announce and clarify a material variance to the Half Year Result following the Company's further review on the unaudited financial statements for 1H FY2022. The adjustment of the material variance leads to an increase in Total Comprehensive Income of S\$1.187m, which improves from (S\$0.408m) to S\$0.779m; and an increase in EBITDA of S\$1.187m, which improves from (S\$1.583m) to (S\$0.396m). The variance was caused by incorrect intercompany consolidation entries which led to Cost of Sales being overstated, and Inventories and Other Receivables being understated. Further details are provided in Appendix A. Enhanced review processes have been implemented to ensure accuracy of intercompany consolidation entries.

The Board confirms that to the best of their knowledge, all material disclosures, facts and information have been provided and announced and are not aware of any facts, information or disclosures, the omission of which would make any statement in this announcement or disclosures misleading.

By Order of the Board

Kyle Arnold Shaw Jr
Executive Chairman
17 March 2022

Appendix A

AMOS GROUP LIMITED
(Company Registration Number: 201004068M)

EXTRACT OF MATERIAL ADJUSTMENT TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	Group 6 Months Ended 30/09/2021		Variances S\$'000	Note
	Adjusted unaudited interim financial statements S\$'000	Announced unaudited interim financial statements S\$'000		
Revenue	49,368	49,368	-	
Cost of sales	(38,351)	(39,538)	1,187	1
Gross profit	11,017	9,830	1,187	
Distribution costs	(4,660)	(4,660)	-	
Administrative cost	(11,151)	(11,151)	-	
Other Operating income	1,302	1,302	-	
Other Operating expenses	(1,311)	(1,311)	-	
Finance cost	(714)	(714)	-	
Loss before income tax	(5,517)	(6,704)	1,187	
Income tax	46	46	-	
Loss for the period	(5,471)	(6,658)	1,187	
Other comprehensive income				
<u>Items that will not be reclassified to profit or loss:</u>				
Revaluation of Property, plant, and equipment	6,212	6,212	-	
<u>Items that are or may be reclassified subsequently to profit or loss:</u>				
Translation gain arising on consolidation	38	38	-	
Other comprehensive income for the period, net of tax	6,250	6,250	-	
Total comprehensive income for the period	779	(408)	1,187	
Loss attributable to:				
Owners of the Company	(5,402)	(6,589)	1,187	
Non-controlling interests	(69)	(69)	-	
	(5,471)	(6,658)	1,187	
Total comprehensive income attributable to:				
Owners of the Company	849	(338)	1,187	
Non-controlling interests	(70)	(70)	-	
	779	(408)	1,187	
Gross profit margin	22.3%	19.9%	2.4%	
Net loss margin	-11.1%	-13.5%	2.4%	
EBITDA ⁽¹⁾ (S\$'000)	(396)	(1,583)	1,187	
EBITDA margin	-0.8%	-3.2%	2.4%	

⁽¹⁾ : Denotes earnings before finance cost, taxes, other operating income (expenses), depreciation and amortization

NM: Not meaningful

B CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Group 6 Months Ended 30/09/2021		Variances	Note
	Adjusted unaudited interim financial statements S\$'000	Announced unaudited interim financial statements S\$'000	S\$'000	
<u>ASSETS</u>				
Current assets				
Cash and bank balances	14,303	14,303	-	
Trade receivables	23,722	23,722	-	
Contract assets	3,266	3,266	-	
Other receivables	4,225	3,968	257	1
Inventories	39,380	38,450	930	1
Total current assets	84,896	83,709	1,187	
Non-current assets				
Property, plant and equipment ("PPE")	69,388	69,388	-	
Right of use assets	7,202	7,202	-	
Intangible assets	3,368	3,368	-	
Deferred tax assets	20	20	-	
Subsidiary	-	-	-	
Associates	42	42	-	
Total non-current assets	80,020	80,020	-	
Total assets	164,916	163,729	1,187	
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	12,184	12,184	-	
Contract liabilities	1,700	1,700	-	
Other payables	8,256	8,256	-	
Provision	-	-	-	
Current portion of bank borrowings	15,021	15,021	-	
Current portion of lease liabilities	3,248	3,248	-	
Income tax payable	38	38	-	
Total current liabilities	40,447	40,447	-	
Non-current liabilities				
Bank borrowings	13,040	13,040	-	
Lease liabilities	6,463	6,463	-	
Deferred tax liabilities	-	-	-	
Total non-current liabilities	19,503	19,503	-	
Total liabilities	59,950	59,950	-	
Net assets	104,966	103,779	1,187	
Capital, reserves and non-controlling interests				
Share capital	179,230	179,230	-	
Accumulated losses	(81,800)	(82,987)	1,187	1
Translation reserve	953	953	-	
Other reserve	6,810	6,810	-	
Equity attributable to owners of the Company	105,193	104,006	1,187	
Non-controlling interests	(227)	(227)	-	
Total equity	104,966	103,779	1,187	
Total liabilities and equity	164,916	163,729	1,187	

C CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group 6 Months Ended 30/09/2021		Variances	Note
	Adjusted unaudited interim financial statements S\$'000	Announced unaudited interim financial statements S\$'000	S\$'000	
Operating activities				
Loss before income tax	(5,517)	(6,704)	1,187	1
Adjustments for :				
Interest expense	714	714	-	
Interest income	(2)	(2)	-	
Depreciation of property, plant and equipment	3,174	3,174	-	
Depreciation - right of use assets	816	816	-	
Amortization of intangible assets	408	408	-	
Impairment of trade receivables	108	108	-	
Doubtful trade receivables recovered	(209)	(209)	-	
Trade receivables written off	23	23	-	
Other receivables written off	22	22	-	
Gain on disposal of plant and equipment	(196)	(196)	-	
Loss on modification of ROU	9	9	-	
Loss on disposal of club membership	27	27	-	
Trade payables written off	(579)	(579)	-	
Net foreign exchange gain- unrealized	(69)	(69)	-	
Operating cash flows before movements in working capital	(1,271)	(2,458)	1,187	
Trade receivables	2,809	2,809	-	
Other receivables and prepayments	171	428	(257)	1
Contract assets	(1,030)	(1,030)	-	
Inventories	2,091	3,021	(930)	1
Trade payables	(3,985)	(3,985)	-	
Other payables	(2,128)	(2,128)	-	
Contract liabilities	(1,639)	(1,639)	-	
Cash used in operations	(4,982)	(4,982)	-	
Interest received	2	2	-	
Income tax paid	56	56	-	
Net cash used in operating activities	(4,924)	(4,924)	-	
Investing activities				
Proceeds from disposal of plant and equipment	551	551	-	
Purchase of plant and equipment	(319)	(319)	-	
Additions to intangible asset	(1)	(1)	-	
Fixed deposits placement	48	48	-	
Net cash generated from investing activities	279	279	-	
Financing activities				
Interest paid for other borrowings	(626)	(626)	-	
Repayment of obligations under lease liabilities	(1,426)	(1,426)	-	
New bank loans obtained	1,178	1,178	-	
Repayment of bank loans	(473)	(473)	-	
Proceeds from issue of shares of the Company	13,149	13,149	-	
Payment of share issue expenses	(175)	(175)	-	
Restricted cash at bank	11	11	-	
Net cash generated from financing activities	11,638	11,638	-	
Net decrease in cash and cash equivalents	6,993	6,993	-	
Effect of exchange rate changes on cash and cash equivalents	29	29	-	
Cash and cash equivalents at beginning of the period	6,278	6,278	-	
Cash and cash equivalents at end of the period	13,300	13,300	-	
<u>Cash and cash equivalents comprise the following:</u>				
Cash and bank balances	14,303	14,303	-	
Fixed deposit	(10)	(10)	-	
Restricted cash at bank	(993)	(993)	-	
	13,300	13,300	-	

EXTRACT NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4.1 Extract Reportable segments

6 Months Ended 30 September 2021

	Adjusted unaudited interim financial statements S\$'000	Announced unaudited interim financial statements S\$'000	Variances S\$'000	Note
Marine				
Profit/(Loss) from operations				
Segment results	(5,950)	(7,137)	1,187	1
Restructuring cost	(2)	(2)	-	
Interest expense	(312)	(312)	-	
Income tax expense	(12)	(12)	-	
Loss for the period	<u>(6,276)</u>	<u>(7,463)</u>	<u>1,187</u>	
Assets				
Segment assets	89,234	88,047	1,187	1

9. Extract Net Asset Value as at 30 September 2021

	Adjusted unaudited interim financial statements	Announced unaudited interim financial statements	Variances	Note
Net asset value attributable to shareholders of the Company (S\$'000)	105,193	104,006	1,187	1
Number of ordinary shares ('000)	178,569	178,569	-	
Net asset value per ordinary share (cents)	58.91	58.24	0.67	

Note 1: The material variance was caused by incorrect intercompany consolidation entries which caused Cost of Sales to be overstated, and Inventories and Other Receivables to be understated.