

AMOS GROUP LIMITED
(Company Registration Number: 201004068M)

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2020

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 31/03/2020 S\$'000	31/03/2019 S\$'000	Incr/ (decr) %	12 Months Ended 31/03/2020 S\$'000	31/03/2019 S\$'000	Incr/ (decr) %
Revenue	61,874	64,801	(4.5)	128,622	129,391	(0.6)
Cost of sales	(53,981)	(63,950)	(15.6)	(107,905)	(117,447)	(8.1)
Gross profit	7,893	851	827.5	20,717	11,944	73.5
Distribution costs	(5,484)	(5,632)	(2.6)	(11,605)	(11,051)	5.0
Administrative cost	(13,050)	(14,335)	(9.0)	(27,526)	(26,630)	3.4
Other operating income	10,275	508	NM	14,737	806	NM
Other operating expense	(3,584)	(6,950)	(48.4)	(5,442)	(6,849)	(20.5)
Finance cost	(1,007)	(1,574)	(36.0)	(2,166)	(2,595)	(16.5)
Loss before income tax	(4,957)	(27,132)	(81.7)	(11,285)	(34,375)	(67.2)
Income tax credit (expenses)	63	(111)	NM	62	(97)	NM
Loss for the period	(4,894)	(27,243)	(82.0)	(11,223)	(34,472)	(67.4)
Loss attributable to:						
Owners of the Company	(4,840)	(27,202)	(82.2)	(11,085)	(34,366)	(67.7)
Non-controlling interests	(54)	(41)	31.7	(138)	(106)	30.2
	(4,894)	(27,243)	(82.0)	(11,223)	(34,472)	(67.4)
Gross profit margin	12.8%	1.3%	871.4	16.1%	9.2%	74.5
Net loss margin	(7.9%)	(42.0%)	(81.2)	(8.7%)	(26.6%)	(67.2)
EBITDA ⁽¹⁾ (S\$'000)	(4,399)	(5,513)	(20.2)	(7,709)	(9,265)	(16.8)
EBITDA margin	(7.1%)	(8.5%)	(16.4)	(6.0%)	(7.2%)	(16.3)

⁽¹⁾ : Denotes earnings before finance cost, taxes, other operating income (expenses), depreciation, amortization, inventory adjustment to market price and inventory adjustment to scrapped value
NM: Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		Incr/ (decr) %	Group		Incr/ (decr) %
	2nd Half Year Ended 31/03/2020 S\$'000	31/03/2019 S\$'000		12 Months Ended 31/03/2020 S\$'000	31/03/2019 S\$'000	
Loss for the period	(4,894)	(27,243)	(82.0)	(11,223)	(34,472)	(67.4)
<u>Items that will not be reclassified to profit or loss:</u>						
Revaluation of property, plant and equipment	-	20,460	(100.0)	-	20,460	(100.0)
<u>Items that are or may be reclassified subsequently to profit or loss:</u>						
Translation gain (loss) arising on consolidation	(259)	(49)	428.6	(428)	375	NM
Other comprehensive income for the period, net of tax	(259)	20,411	NM	(428)	20,835	NM
Total comprehensive income for the period	(5,153)	(6,832)	(24.6)	(11,651)	(13,637)	(14.6)
Total comprehensive income attributable to:						
Owners of the Company	(5,101)	(6,883)	(25.9)	(11,513)	(13,623)	(15.5)
Non-controlling interests	(52)	51	NM	(138)	(14)	885.7
	(5,153)	(6,832)	(24.6)	(11,651)	(13,637)	(14.6)

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

	Group			Group		
	2nd Half Year Ended 31/03/2020 S\$'000	31/03/2019 S\$'000	Incr/ (decr) %	12 Months Ended 31/03/2020 S\$'000	31/03/2019 S\$'000	Incr/ (decr) %
Acquisition and restructuring cost	2,213	4,036	(45.2)	3,572	4,258	(16.1)
Amortization of intangible assets	97	-	NM	97	-	NM
Depreciation	3,691	3,021	22.2	7,231	5,890	22.8
Depreciation– Right of use assets (“ROU”)	755	-	NM	1,678	-	NM
Foreign exchange (gain) loss	(775)	320	NM	(510)	(412)	23.8
Impairment of trade receivables	1,551	573	170.7	1,523	766	98.8
Interest expense	1,007	1,574	(36.0)	2,166	2,595	(16.5)
Loss on disposal of property, plant and equipment (“PPE”)	42	1,392	(97.0)	93	768	(87.9)
Gain on disposal of assets held for sale	(10,019)	-	NM	(14,411)	-	NM
Inventory adjustment to market price	1,699	6,760	(74.9)	1,699	6,760	(74.9)
Inventory adjustment to scrapped value	-	3,321	(100.0)	-	3,321	(100.0)

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	
	31/03/2020 S\$'000	31/03/2019 S\$'000	31/03/2020 S\$'000	31/03/2019 S\$'000
<u>ASSETS</u>				
Current assets				
Cash and bank balances	18,881	28,607	564	11,192
Trade receivables	32,056	32,512	-	1,745
Contract assets	1,859	3,465	2,860	334
Other receivables	4,818	4,540	405	769
Income tax receivables	62	34	-	-
Inventories	53,333	57,867	-	-
	111,009	127,025	3,829	14,040
Assets held for sale	3,323	8,556	-	-
Total current assets	114,332	135,581	3,829	14,040
Non-current assets				
Property, plant and equipment	73,121	75,816	130	227
Right of use assets	7,339	-	41	-
Club membership	27	27	-	-
Intangible assets	3,245	-	3,245	-
Goodwill	-	125	-	-
Deferred tax assets	326	101	-	-
Subsidiary	-	-	161,617	153,461
Associates	42	42	-	-
Total non-current assets	84,100	76,111	165,033	153,688
Total assets	198,432	211,692	168,862	167,728
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	27,226	26,092	-	-
Contract liabilities	909	394	-	-
Other payables	12,153	10,554	1,935	911
Provision	408	408	-	-
Current portion of bank borrowings	13,896	11,363	-	-
Current portion of lease liabilities (2019 : current portion of finance lease liabilities)	2,207	144	889	-
Income tax payable	131	-	-	-
Total current liabilities	56,930	48,955	2,824	911

STATEMENTS OF FINANCIAL POSITION - continued

	Group		Company	
	31/03/2020 S\$'000	31/03/2019 S\$'000	31/03/2020 S\$'000	31/03/2019 S\$'000
Non-current liabilities				
Bank borrowings	22,178	39,326	-	-
Lease liabilities (2019 : finance lease liabilities)	7,694	89	1,467	-
Deferred tax liabilities	21	62	-	9
Total non-current liabilities	<u>29,893</u>	<u>39,477</u>	<u>1,467</u>	<u>9</u>
Total liabilities	<u>86,823</u>	<u>88,432</u>	<u>4,291</u>	<u>920</u>
Net assets	<u>111,609</u>	<u>123,260</u>	<u>164,571</u>	<u>166,808</u>
Capital, reserves and non-controlling interests				
Share capital	166,256	166,256	166,256	166,256
(Accumulated losses) / Retained earnings	(55,815)	(44,730)	(1,685)	552
Translation reserve	639	1,067	-	-
Other reserve	598	598	-	-
Equity attributable to owners of the Company	<u>111,678</u>	<u>123,191</u>	<u>164,571</u>	<u>166,808</u>
Non-controlling interests	(69)	69	-	-
Total equity	<u>111,609</u>	<u>123,260</u>	<u>164,571</u>	<u>166,808</u>
Total liabilities and equity	<u>198,432</u>	<u>211,692</u>	<u>168,862</u>	<u>167,728</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

	31/03/2020		31/03/2019	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	1,283	-	4,516	-
Short terms loan	9,453	-	6,500	-
Lease liabilities (2019: finance lease liabilities)	2,207	-	144	-
Overdrafts	3,160	-	-	347
	<u>16,103</u>	<u>-</u>	<u>11,160</u>	<u>347</u>

Amount repayable after one year

Term loans	22,178	-	39,326	-
Lease liabilities (2019 : finance lease liabilities)	7,694	-	89	-
	<u>29,872</u>	<u>-</u>	<u>39,415</u>	<u>-</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.

As at 31 March 2020, the Group has repaid S\$20.5 million of the term loans out of the proceeds from the sale of asset held for sales.

Certain lease liabilities (2019: finance lease liabilities) are secured by charges over the leased assets.

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		12 Months Ended	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Loss before income tax	(4,957)	(27,132)	(11,285)	(34,375)
Adjustments for:				
Interest expense	1,007	1,574	2,166	2,595
Interest income	(22)	-	(38)	(5)
Depreciation	3,691	3,021	7,231	5,890
Depreciation – ROU	755	-	1,678	-
Amortization of intangible assets	97	-	97	-
Impairment loss on trade receivables	1,551	573	1,523	766
Doubtful trade receivables recovered	(39)	(16)	(39)	(57)
Trade receivables written off	253	41	253	98
Other receivables written off	-	21	-	21
Other receivables recovered	(58)	-	(58)	-
Loss on disposal of plant and equipment	42	1,392	93	768
Share of profit from Associates Company	-	(12)	-	(12)
Impairment of PPE	164	270	164	270
Impairment of assets held for sale	109	-	109	-
Impairment of goodwill	103	286	103	286
Loss on modification of ROU	6	-	6	-
Gain on disposal of assets held for sale	(10,019)	-	(14,411)	-
Trade payable written back	-	28	-	28
Net foreign exchange (gain) loss - unrealized	120	477	(125)	168
Inventory adjustment to market price	1,699	6,760	1,699	6,760
Inventory adjustment to scrapped value	-	3,321	-	3,321
Operating cash flows before movements in working capital	(5,498)	(9,396)	(10,834)	(13,478)
Trade receivables	921	(4,279)	(1,016)	(7,222)
Contract assets	986	83	1,619	(1,564)
Other receivables	(870)	(2,937)	(46)	1,466
Inventories	(943)	7,481	3,606	15,619
Trade payables	2,385	1,480	5,253	1,040
Contract liabilities	212	16	511	332
Other payables	(1,222)	3,140	(289)	(8,899)
Provision	-	-	-	(494)
Bank bills payable	(67)	-	-	(6,216)
Cash used in operations	(4,096)	(4,412)	(1,196)	(19,416)
Interest paid for bank bills	(1)	-	(4)	(58)
Interest received	22	(4)	38	5
Income tax paid	(94)	42	(105)	(246)
Net cash used in operating activities	(4,169)	(4,374)	(1,267)	(19,715)

CONSOLIDATED STATEMENT OF CASH FLOWS – continued

	Group 2nd Half Year Ended		Group 12 Months Ended	
	31/03/2020 S\$'000	31/03/2019 S\$'000	31/03/2020 S\$'000	31/03/2019 S\$'000
Investing activities				
Proceeds from disposal of plant and equipment	130	321	383	1,072
Purchases of plant and equipment	(2,848)	(7,658)	(9,427)	(9,911)
Net Proceeds of sales of assets classified as held for sale (Gross Proceeds is S\$20.5 million)	14,881	-	19,534	-
Additions to intangible assets	60	-	(317)	-
Fixed deposit placement	835	(790)	732	(790)
Net cash from (used in) investing activities	13,058	(8,127)	10,905	(9,629)
Financing activities				
Repayment of loan from third party	-	-	-	(2,000)
Repayments of loan from other payables	-	(1,400)	-	(1,400)
Interest paid for other borrowings	(1,021)	(1,571)	(2,133)	(2,683)
Repayment of obligations under lease liabilities (2019 : finance lease liabilities)	(1,066)	(731)	(1,994)	(1,140)
New bank loans obtained	18,000	48,150	18,000	48,150
Repayment of bank loans	(24,125)	(45,920)	(35,185)	(54,981)
Payment for share issue expenses	-	(46)	-	(46)
Transaction costs for loans	(250)	(156)	(250)	(156)
Restricted cash at bank	874	687	(868)	(818)
Net cash used in financing activities	(7,588)	(987)	(22,430)	(15,074)
Net increase (decrease) in cash and cash equivalents	1,301	(13,488)	(12,792)	(44,418)
Effect of exchange rate changes on cash and cash equivalents	81	(9)	118	49
Cash and cash equivalents at beginning of the period	12,596	40,339	26,652	71,020
Cash and cash equivalents at end of the period	13,978	26,842	13,978	26,651
Cash and cash equivalents comprise the following:				
Cash and bank balances	18,881	28,607	18,881	28,607
Fixed deposit	(58)	(790)	(58)	(790)
Restricted cash at bank	(1,685)	(627)	(1,685)	(818)
Bank overdraft	(3,160)	(348)	(3,160)	(348)
	13,978	26,842	13,978	26,651

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share Capital S\$'000	(Accumulated losses) Retained earnings S\$'000	Translation reserve S\$'000	Other reserves		Attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
				Merger reserves S\$'000	Revaluation reserves S\$'000			
Group								
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
1 April 2018	166,302	(10,189)	691	(19,769)	-	137,035	83	137,118
Effect of adoption of SFRS (I) 9	-	(175)	-	-	-	(175)	-	(175)
Adjusted balance as at 1 April 2018	166,302	(10,364)	691	(19,769)	-	136,860	83	136,943
Total comprehensive income for the period								
Loss for the period	-	(34,366)	-	-	-	(34,366)	(106)	(34,472)
Revaluation of PPE	-	-	-	-	20,367	20,367	93	20,460
Other comprehensive income for the period	-	-	376	-	-	376	(1)	375
Total	-	(34,366)	376	-	20,367	(13,623)	(14)	(13,637)
Transaction with owners, recognized directly in equity								
Payment of share issue expenses	(46)	-	-	-	-	(46)	-	(46)
At 31 March 2019	166,256	(44,730)	1,067	(19,769)	20,367	123,191	69	123,260
Company								
At 1 April 2019	166,256	552	-	-	-	166,808	-	166,808
Loss 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
At 1 April 2018	166,256	3,041	-	-	-	169,297	-	169,297
Loss for the period, representing total comprehensive income for the period	-	(2,489)	-	-	-	(2,489)	-	(2,489)
At 31 March 2019	166,256	552	-	-	-	166,808	-	166,808

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

	31/03/2020	31/03/2019
The total number of issued shares excluding treasury shares	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 2020, 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.

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 2019 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 2018.

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

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 April 2019. The adoption of new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group.

The Group has adopted a new accounting policy as follows:

SFRS(I) 16 Leases

SFRS(I) 16 Leases SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group recognizes its existing operating lease arrangements as ROU assets with corresponding lease liabilities and measures lease liabilities by applying a single discount rate to its leases.

The Group has applied SFRS (I) 16 using the modified retrospective approach to recognize amounts of ROU assets equal to its lease liabilities on 1 April 2019 and recognition exemptions for short-term leases and leases of low value items in accordance with the principles of SFRS(I) 16. Accordingly, the comparative information presented for 2019 has not been restated – it is presented, as previously reported, under SFRS (I) 1- 17 and related interpretations.

Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

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	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	S\$'000	S\$'000	S\$'000	S\$'000
Net loss after attributable to owners of the Company (S\$'000)	(4,840)	(27,202)	(11,085)	(34,366)
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	(0.19)	(1.05)	(0.43)	(1.32)
(b) On a fully diluted basis	(0.19)	(1.05)	(0.43)	(1.32)

The Company has no dilutive equity instruments as at 31 March 2020.

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	
	31/03/2020 S\$'000	31/03/2019 S\$'000	31/03/2020 S\$'000	31/03/2019 S\$'000
Net asset value attributable to shareholders of the Company (S\$'000)	111,678	123,191	164,571	166,808
Number of ordinary shares ('000)	2,597,374	2,597,374	2,597,374	2,597,374
Net asset value per ordinary share (cents)	4.30	4.74	6.34	6.42

8. Review of the Group's performance

Revenue

	2nd Half Year Ended			12 Months Ended		
	31/03/2020	31/03/2019	Incr/ (decr)	31/03/2020	31/03/2019	Incr/ (decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Marine	37,740	37,729	0.0	72,548	76,278	(4.9)
Energy	24,134	27,072	(10.9)	56,074	53,113	5.6
Total	61,874	64,801	(4.5)	128,622	129,391	(0.6)

FY2020 vs FY2019

For twelve months ended 31 March 2020 ("FY2020"), the Group's revenue was S\$128.6 million, representing a decrease of S\$0.8 million or 0.6% compared to S\$129.4 million for the corresponding period ended 31 March 2019 ("FY2019"). Segmented by business, the Marine business contributed revenue of S\$72.5 million for a decrease of 4.9% compared to FY2019. The Energy business contributed revenue of S\$56.1 million, an increase of 5.6% compared to FY2019. In FY2020, Marine and Energy segments contributed 56.4% and 43.6% to the Group's total revenue respectively.

2H FY2020 vs 2H FY2019

For second half year ended 31 March 2020 ("2H FY2020"), the Group's revenue was S\$61.9 million, representing a decrease of S\$2.9 million or 4.5% compared to S\$64.8 million for the corresponding period ended 31 March 2019 ("2H FY2019"). The decrease in revenue is due to a decrease of S\$2.9 million in the Energy segment.

Gross profit

FY2020 vs FY2019

The Group reported gross profit of S\$20.7 million for FY2020 for a 73.5% increase of S\$8.8 million in comparison to a gross profit of S\$11.9 million in FY2019. The gross profit margin for FY2020 was 16.1%, 6.9 percentage points higher than 9.2% gross profit margin for FY2019.

The gross profit for FY2020 was determined after an inventory impairment adjustment of S\$1.7 million. In FY2019, the inventory impairment adjustment was S\$10.1 million. Excluding these inventory impairment adjustments, gross profit for FY2020 would have been S\$22.4 million for a 17.4% gross profit margin, which is higher than the corresponding gross profit for FY2019 of S\$22.0 million for a 17.0% gross profit margin. Therefore, the gross profit amount and the gross profit margin improved in FY2020 compared to FY2019 both before and after the inventory impairment adjustments.

2H FY2020 vs 2H FY2019

Gross profit in 2H FY2020 was S\$7.9 million, compared to gross profit of S\$0.9 million in 2H FY2019. This was due to Cost of sales included inventory adjustment to market price and adjustment to scrapped value of S\$10.1 million in 2H FY2019 and S\$1.7 million in 2H FY2020. Excluding these inventory adjustments, gross profit margin for 2H FY2019 would have been S\$10.9 million or 16.9% against gross profit margin for 2H FY2020 of S\$9.6 million or 15.5%.

Distribution costs

FY2020 vs FY2019

Distribution costs increased by 5.0% to S\$11.6 million in FY2020 compared to S\$11.0 million in FY2019 due largely to higher salary costs in FY2020 offset against temporary warehouse, casual labor, and transportation expenses incurred in FY2019 while renovating and expanding the 156 Gul Circle fulfillment center completed in early FY2020.

2H FY2020 vs 2H FY2019

Improved cost management in 2H FY2020 together with lower warehouse operating and transportation expense and reduction in the reliance on casual labor, has resulted in 2.6% decline in distribution costs in 2H FY2020 compared to 2H FY2019.

Administrative expenses

FY2020 vs FY2019

Administrative expenses increased by 3.4% to S\$27.5 million in FY2020 compared to S\$26.6 million in FY2019. The increase was largely due to higher depreciation expense incurred during the year as a result of the increased investment to enlarge the fulfillment center at 156 Gul Circle. The higher depreciation expense was partially offset by lower manpower expense driven by improved operational efficiency and upgraded management systems.

2H FY2020 vs 2H FY2019

Administrative expenses in 2H FY2020 decreased by 9.0% to S\$13.1 million compared to S\$14.3 million in 2H FY2019. The decrease is mainly due to better cost management in 2H 2020 and increased efforts to control costs in view of the changing business operating environment.

Other operating income

FY2020 vs FY2019

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 as compared to the S\$0.8 million in FY2019.

2H FY2020 vs 2H FY2019

Other operating income in 2H FY2020 increased to S\$10.3 million compared to S\$0.5 million in 2H FY2019. The increase in other operating income mainly contributed by gain on disposal of assets held for sale of S\$10.0 million in 2H FY2020.

Other operating expenses

FY2020 vs FY2019

Other operating expenses decreased by 20.5% to S\$5.4 million in FY2020 compared to the S\$6.8 million in FY2019. The FY2020 operating expenses included a non-recurring restructuring cost of S\$3.5 million, trade debt impairment provision of S\$1.5 million and trade debt write off of S\$0.2 million. The FY2019 operating expenses included a non-recurring acquisition and restructuring cost of S\$4.3 million related to the acquisition of AIH, trade debt impairment of S\$0.8 million and property and investment in subsidiary impairment of S\$0.6 million.

2H FY2020 vs 2H FY2019

Other operating expense in 2H FY2020 decreased to S\$3.6 million compared to S\$7.0 million in 2H FY2019. The decrease is mainly contributed by: (i) a decrease in restructuring cost by S\$1.8 million, (ii) a S\$1.1 million positive variance from foreign exchange movement from the appreciation of USD against SGD, (iii) a decrease in loss on disposal of property, plant and equipment by S\$1.3 million and (iv) an increase in impairment of trade receivables by S\$1.0 million.

Finance cost

FY2020 vs FY2019

The Finance cost decreased by 16.5% to S\$2.2 million in FY2020 compared to S\$2.6 million in FY2019 due to net reduction in bank borrowings by S\$17.5 million as well as lower interest rates.

2H FY2020 vs 2H FY2019

The finance cost in 2H FY2020 decreased by 36.0% as compared to 2H FY2019 due to repayment of bank borrowings as well as lower interest rates.

Loss before income tax

In FY2020, the Group reported a loss before income tax of S\$11.3 million, 67.2% lower than the S\$34.4 million in FY2019. This was primarily due to the improvement in Gross Profit plus gains on disposal of assets held for sale as well as the lower inventory impairment in FY2020.

Review of statement of financial position

Current assets

Current assets decreased 15.7% (or S\$21.3 million) from S\$135.6 million as at 31 March 2019 to S\$114.3 million as at 31 March 2020. The decrease was mainly due to: (i) a decrease in cash and cash equivalents of S\$9.7 million, (ii) a decrease in inventories by S\$4.5 million due to inventories sales during the normal course of business plus adjustments, (iii) a decrease in assets held for sale of S\$5.2 million due to disposal of three Singapore properties, (iv) a decrease in receivables of S\$1.9 million.

Non-current assets

Non-current assets increased 10.5% (or by S\$8.0 million) from S\$76.1 million as at 31 March 2019 to S\$84.1 million as at 31 March 2020. The increase was mainly due to: (i) the recognition of S\$7.3 million right of use assets resulting from the adoption of SFRS(I) 16 Leases on 1 April 2019, (ii) plus acquisition of intangible assets of S\$3.2 million relating to IT project and trademark, and (iii) offset by the decrease in Plant Property & Equipment of S\$2.7 million. The decrease in Plant Property & Equipment was mainly due to depreciation of S\$7.2 million offset by net additions of S\$ 4.5 million.

Current liabilities

Current liabilities increased 16.3% (or by S\$8.0 million) from S\$49.0 million as at 31 March 2019 to S\$57.0 million as at 31 March 2020. The increase was mainly due to: (i) S\$2.5 million increase in short-term bank borrowings, (ii) an increase in leased liabilities of S\$2.1 million, of which S\$1.3 million was the result of the adoption of SFRS(I) 16 Leases on 1 April 2019 and S\$0.8 million from the acquisition of intangible assets, (iii) an increase in other payables of S\$1.6 million, (iv) an increased in trade payables of S\$1.1 million and (v) an increase in contract liabilities of S\$0.5 million.

Non-current liabilities

Non-current liabilities decreased 24.3% (or by S\$9.6 million) from S\$39.5 million as at 31 March 2019 to S\$29.9 million as at 31 March 2020. The decrease was mainly due to repayment of bank borrowings amounting S\$17.2 million which was funded from the S\$20.5 million proceeds from sale of asset held for sales. This was partially offset by an increase in leased liabilities of S\$7.6 million, of which S\$6.2 million was the result of the adoption of SFRS(I) 16 Leases on 1 April 2019 and S\$1.4 million from the acquisition of intangible assets.

Capital, reserves and non-controlling interests

Shareholders' equity decreased 9.3% from S\$123.2 million in FY2019 to S\$111.7 million in FY2020, mainly due to loss of S\$11.1 million incurred in FY2020.

Review of statement of Cash Flows

FY2020 ended 31 March 2020

Net cash used in operating activities

Net cash used in operating activities was S\$1.3 million in FY2020 compared to S\$19.7 million net cash used in operating activities for FY2019.

Operating cash outflow was S\$10.8 million to support operating activities in FY2020 before changes in working capital.

Net working capital inflow was S\$9.6 million in FY2020. This was mainly due to: (i) a decrease in inventories by S\$3.6 million resulting from sales during the normal course of business and efforts to reduce inventory, (ii) a net increase in trade payables, other payables and contract liabilities of S\$5.5 million, (iii) a total decrease in trade receivables, other receivables and contract assets of S\$0.5 million.

Net cash from investing activities

Net cash inflow from investing activities amounted to S\$10.9 million in FY2020 mainly due to proceeds from the disposal of assets held for sale of S\$20.5 million, less payment for purchase and construction of Plant Property & Equipment of S\$9.4 million of which S\$4.1 million relates to amounts booked in FY2019 but paid in FY2020.

Net cash used in financing activities

Net cash used in financing activities was S\$22.4 million in FY2020. This was mainly due to: (i) the repayment of bank borrowings and related interest of S\$37.3 million plus leased liabilities and related interest of S\$2.0 million, partially offset by (ii) new bank loan obtained in FY2020 of S\$18.0 million.

As at 31 March 2020, the Group's cash and bank balances stood at S\$18.9 million.

2H FY2020

Net cash used in operating activities

In 2H FY2020, the Group incurred an operating cash outflows of S\$5.5 million before movements in working capital.

The Group's net working capital inflow amounted to S\$1.4 million, mainly due to (i) a net increase in trade payables, other payables and contract liabilities of S\$1.4 million, (ii) a net decrease in trade receivables, other receivables and contract assets of S\$1.0 million and (iii) an increase in inventories of S\$0.9 million.

Overall, the Group's net cash used in operating activities amounted to S\$4.2 million.

Net cash from investing activities

Net cash inflow from investing activities amounted to S\$13.1 million in 2H FY2020 mainly due to: (i) proceeds from disposal of assets held for sale of S\$15.8 million, (ii) proceeds from withdrawn of pledged fixed deposits of S\$0.8 million, (iii) proceeds from disposal of property, plant and equipment of S\$0.1 million, and (iv) payment for purchase of property, plant and equipment of S\$2.8 million.

Net cash used in financing activities

Net cash used in financing activities amounted to S\$7.6 million in 2H FY2020. The used of cash for (i) the repayment of bank borrowings and related interest of S\$25.1 million, and (ii) repayment of leased liabilities and related interest of S\$1.1 million, offset by (i) new bank loan obtained of S\$18.0 million, and (ii) decrease in restricted cash balances of S\$0.9 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 operates in highly competitive industries with global customers demanding high standards of quality, deliverability, and pricing. In order to better compete Amos management executed a transformation strategy in the past FY2020 including a series of upgrades to technology, facilities, and products. This transformation strategy has resulted in AMOS being more operationally efficient, more aligned with customer needs, and more financially stable.

AMOS sells and distributes thousands of products bundled with value-added services and solutions to hundreds of customers for a variety of mission-critical requirements where precision and accuracy are critical. During FY2020 we invested over S\$3 million in managing our data analytics and process management to bring us to the forefront of logistics and distribution industry practices. Today, we can track what our customers want, serve their particular needs, and use our buying scale and geographic spread to drive supply chain optimization and cost efficiencies.

During FY2020 AMOS has substantially invested in both Singapore plus Johor, Malaysia to increase our efficiency and expand capacity to better serve our customers. Our headquarters building in Singapore was expanded by approximately 37% to 246,000 sq. ft of modern offices plus a fulfilment center including warehousing and cold-chain storage. In view of the increasing opportunities in Malaysia's market for heavy-lifting products and solutions, we upgraded and expanded our existing Johor, Malaysia facility for production and related services, creating a marked increase in both our capability and capacity. Further demonstrating our commitment to become an industry leader in the Singapore area we also invested in a new Tuas, Singapore fabrication facility.

In keeping with our customer pledge of "keeping working men and women safe" AMOS expanded its Alcona line of products to include a broad range of Personal Protection Equipment (PPE) during FY2020. These PPE products proved timely as the covid-19 epidemic unexpectedly boosted customer demand. ALCONA provides AMOS customers stable pricing, standardization of product quality and features, and most importantly, safety and durability which is paramount for the well-being of working men and women. The Alcona PPE range includes respirators, protective eye goggles and glasses, disposable plastic overalls used in handling hazardous materials, hardhats, and safety shoes. In the next several months AMOS will introduce a new and expanded line of workwear covering clothes, outerwear, innerwear, and shoes as well as cleaning supplies, bedding & towels, and lighting consumables.

Management devoted significant time and effort to execute our transformation strategies in FY2020, and all of us at AMOS looked forward to more settled FY2021. However, the covid-19 has brought unusual and unimagined challenges to all businesses. Global trade has slowed in relation to slowing economic output and lower energy prices are suppressing investment in energy equipment and services. In spite of the global challenges, Amos management has smoothly navigated the past several months since covid-19, achieving improved profitability, higher cash levels, and lower bank loans providing uninterrupted support, services and products to our customers. We are planning for a continuation of the challenges brought by the covid-19 pandemic and we are emphasizing the safety and well-being of our staff and are striving to fulfill our clients' safety needs. As the covid-19 outlook and the effects on global business remain unclear, we are preparing for further disruptions in our industry by focusing on operational efficiencies, cash preservation, and customer service.

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 FY2020.

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.**

Segment information

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 costs	(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 on 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

Segment information

Year ended 31 March 2019	Energy S\$'000	Marine S\$'000	Others S\$'000	Total S\$'000
Revenue				
Sales	53,514	76,395	-	129,909
Inter-segment sales	(401)	(117)	-	(518)
Sales to external customers	53,113	76,278	-	129,391
Loss from operations				
Segment results	(16,450)	(5,180)	(5,892)	(27,522)
Restructuring costs	(2,556)	(1,702)	-	(4,258)
Interest expense	(2,189)	(406)	-	(2,595)
Income tax expense	(53)	(44)	-	(97)
Loss for the year				<u>(34,472)</u>
Assets				
Segment assets	101,746	98,345	11,601	211,692
Liabilities				
Segment liabilities	49,586	37,926	920	88,432
Other information				
Impairment of PPE	-	(270)	-	(270)
(Loss) gain on PPE	(1,011)	243	-	(768)
Trade receivables written off	(57)	(41)	-	(98)
Impairment of trade receivables	(386)	(380)	-	(766)
Impairment on goodwill	-	(286)	-	(286)
Foreign exchange loss	(315)	(97)	-	(412)
Inventory adjustment to market price	(6,629)	(131)	-	(6,760)
Inventory adjustment to scrapped value	(3,321)	-	-	(3,321)
Allocable depreciation and amortization	(2,847)	(2,854)	(189)	(5,890)
Allocable additions to non-current assets	1,188	13,055	18	14,261

Geographical information

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

	Group		Incr/(decr) %
	FY2020 S\$'000	FY2019 S\$'000	
Singapore	89,409	97,796	(8.6)
China	8,316	7,009	18.6
South Korea	7,666	6,465	18.6
United Arab Emirates	6,364	3,734	70.4
Azerbaijan	5,620	5,113	9.9
United Kingdom	3,409	3,752	(9.1)
Asia ⁽¹⁾	7,838	5,522	41.9
	<u>128,622</u>	<u>129,391</u>	(0.6)

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

Non-current assets

(based on location of assets)

	Group		Incr/(decr) %
	FY2020 S\$'000	FY2019 S\$'000	
Singapore	63,021	57,387	9.8
South Korea	7,903	8,172	(3.3)
United Arab Emirates	6,308	3,793	66.3
Others ⁽²⁾	3,462	3,359	3.1
Malaysia	2,579	2,873	(10.2)
Azerbaijan	827	527	56.9
	<u>84,100</u>	<u>76,111</u>	10.5

⁽²⁾ Location for "Others" includes China, United Kingdom, Kazakhstan, Vietnam and Indonesia that individually account for less than 10% of the Group's non-current assets.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by business or geographical segments.

Asia, and in particular Singapore, continued to be our main area of growth in FY2020, contributing 88.1% of our Group revenue. The inclusion of Hong Kong and Shanghai to our network from the acquisition of AIH has enhanced our offerings to our customers and helped boost revenue contribution from Asia.

17. A breakdown of sales

	Group		Incr/(decr) %
	FY2020 S\$'000	FY2019 S\$'000	
(a) Sales reported for the first half year	66,748	64,590	3.3
(b) Operating loss after tax reported for the first half year	(6,329)	(7,229)	(12.4)
(c) Sales reported for the second half year	61,874	64,801	(4.5)
(d) Operating loss after tax reported for the second half year	(4,894)	(27,243)	(82.0)

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

	FY2020	FY2019
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 BY ORDER OF THE BOARD

KYLE ARNOLD SHAW, JR

Executive Chairman

23 July 2020