AMOS GROUP LIMITED
(Registration No: 201004068M)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING TO BE HELD ON 28 JULY 2023
RESPONSES TO KEY QUESTIONS FROM SHAREHOLDERS

The Board of Directors (the "**Board**") of AMOS Group Limited (the "**Company**") would like to thank shareholders for submitting questions in advance of the Company's Annual General Meeting ("**AGM**") scheduled to be held at 156 Gul Circle on 28 July 2023 at 10.00 a.m, in accordance with the Notice of AGM dated 13 July 2023.

Please refer to the questions received from the shareholders and the Company's responses as set out below:-

Key Questions from Shareholders for AGM and Annual Report 2023

Q1. It was announced on 6 Jun 2023 of inclusion of AMOS Group into the SGX Watchlist. Please explain to shareholders what is the Board's strategy to exit the Watchlist.

AMOS's response: The inclusion of AMOS onto the SGX watchlist is based on criteria established by the SGX for pre-tax losses for the 3 most recently completed consecutive financial years, and share capitalization value. In part the share price reflects the overall perception of investors on the outlook of stocks listed in Singapore. The share price also reflects in part the perception of AMOS business performance and future outlook. AMOS management is currently implementing plans to improve the business performance with business simplification steps, improved customer service and delivery, and manufacturing consolidation. The SGX will decide the criteria exiting the watchlist. Being on the watchlist does not negatively impact AMOS business operations in the meantime.

Q2. Despite cost cutting initiatives over the years, they remain high which contributed to the three years consecutive losses and triggering the inclusion to the SGX Watchlist. The business transformation strategy is clearly insufficient. Either expenses must reduce by a wider margin, or sales must increase significantly to achieve net profitability. Please explain what the Management has in plans to improve on this.

AMOS's response: Every business strives to improve profitability and grow sales. The AMOS strategy to grow sales and reduce costs has been hampered by the Covid pandemic and adverse macroeconomic and geopolitical headwinds over the past years. Nonetheless, profitability improved with the Gross Profit margin expanding to 21.7% in FY2023 versus 20.0% the previous year. Our other major operating costs (Distribution Costs and Administrative Expenses) dropped 6.5% (or $2.1 million) in FY2023 compared to the prior year. The positive changes gathered speed in the 2nd half of FY2023 with AMOS Group achieving a 23.2% Gross profit margin and a positive $1.0 million EBITDA. AMOS is continuing to pursue efficiencies with its business simplification strategy.

Q3. The company's auditor has highlighted inventory as one of the most significant matters. I would appreciate if the board could provide information regarding the extent of the losses

incurred due to over procurement. Furthermore, I am interested to know whether the company has implemented adequate checks and balances in its procurement processes to prevent such issues from re-occurring.

AMOS's response: Inventory impairment was booked into AMOS accounts in previous years. The value of the sales in excess of the book cost of related inventory is captured in the gross profit of the Company. The overall inventory levels have been significantly reduced which improves cashflow.

Q4. How would the board or senior management of the company assess the workplace conditions of the company? Would they consider reviews from websites like Glassdoor.sg? The reviews on such platforms indicate a toxic work environment in the company. Not many people have much good thing to say except free lunch.

AMOS's response: The internet is well known to contain information which may be false or misleading. Our staff is our most valuable asset and we regularly engage with them directly to solicit feedback. We strive for rewarding our talented staff with frequent reviews and feedback.

Q5. The role of CEO now is being performed by Executive Chairman. I have no doubt Executive Chairman has best interest of the company. However, the Chairman of the Board and the CEO normally should be two separate persons to ensure an appropriate balance of power, increased accountability and greater capacity for independent decision making. Now this line is blurred. How is the board making sure appropriate accountability?

AMOS's response: There are many successful global businesses with the same CEO and Chairman. Each company is unique in its strengths, weaknesses, opportunities, and threats and so there is no "one size fits all". The Board of Directors of AMOS strives to maintain strong corporate governance and appropriate accountability.

Q6. In the FY2021 annual report, the Company's Executive Chairman expressed great optimism about the company's state, stating that "AMOS is now in the best shape ever to be successful" despite significant challenges faced in the past years. Now in FY2023 that optimism has returned "AMOS is now well positioned to grow our business by serving our customers with quality products, efficient services, and fair prices". This sentiment was somewhat missing in FY2022 report. However, as an investor, I have observed a continuous decline in the share price and value destruction in NAV. When will we see stop to this destructive process?

AMOS's response: In March 2021 (ie, the FY2021 annual report yearend) there was optimism for the future that in some cases was misplaced. Who fully predicted the deep negative societal and economic impact of Covid in the early days of the pandemic? In spite of the difficulties, AMOS has continued to improve as a company, as our turnaround program has already shown. As can be seen in the financial results, progress is being achieved and AMOS is now better able to serve our customers with quality products, efficient services, and fair prices, and capture the opportunities the markets present.

Q7. Despite the positive outlook expressed by the Company's Executive Chairman about the future prospect of the company, sales figure tells different story. Even with $17mill capital

injection from the two rights issue, company sales in FY23 - $99.3mill, FY22 - $99.3, FY21 - $108mill, FY20 - $128mill. Has the company done any review to considered chopping of loss-making units all together?

AMOS's response: Management routinely reviews opportunities to improve profitability and cashflow through better utilization of company assets, resources, and staff. It would be irresponsible to describe any actions before a full and complete review is performed.

Q8. Based on my recollection from the BT Report, the company (specifically the Executive Chairman) had projected a transition to profitability in FY2023. In FY20 incurred loss of $10mill, in FY21 loss of $21mill, in FY22 the company incurred a loss of $14 million, and in FY23, the loss decreased to $12 million. I would like to know the updated projection for the company's return to profitability and when will the company anticipates achieving this milestone? Is it covid/war or mismanagement that did not allow the company to achieve this milestone?

AMOS's response: AMOS was severely impacted by management decisions from previous owners and senior management. AMOS Group has undergone a significant transformation over the past years following the departure of these managers. The transformation process has been significantly hampered by the Covid pandemic and adverse macroeconomic and geopolitical headwinds over the past three years.

Q9. Considering that the company has conducted two rights issues in a relatively brief period since March 2021, utilizing almost all the funds raised, I would like to inquire whether the board perceives any requirement for an additional rights issue in the near future (specifically, within the next 6 to 12 months) based on the current balance sheet condition?

AMOS's response: As of today, there is no plan for future rights issue.

Q10. The company has recently been listed under the SGX watch list, a situation that was overdue and shouldn't have come as a surprise to the board. I would appreciate if the board could provide a clear action plan to remove the company from the watch list. Additionally, I would like to know the estimated timeline for the board to successfully navigate the company out of the watch list.

AMOS's response: The inclusion of AMOS onto the SGX watchlist is based on criteria established by the SGX for pre-tax losses for the 3 most recently completed consecutive financial years, and share capitalization value. In part the share price reflects the overall perception of investors on the outlook of stocks listed in Singapore. The share price also reflects in part the perception of AMOS business performance and future outlook. AMOS management is currently implementing plans to improve the business performance with operating simplification steps, improved customer service and delivery, and manufacturing consolidation. The SGX will decide the criteria and timing for AMOS exiting the watchlist. Being on the watchlist does not negatively impact AMOS business operations in the meantime.

Q11. The two rights issues conducted by the company have resulted in a significant dilution of retail shareholders' positions while strengthening the position of the Executive Chairman. I am interested to know if the Executive Chairman has any plans for corporate action within the next 6 to 12 months that may address this imbalance or provide any strategic initiatives for the company?

AMOS's response: All shareholders had the opportunity to subscribe to their prorated share of the rights issue. In addition, all minority shareholders had the opportunity to take up their share of any unallocated rights. The majority shareholder could only subscribe to the final unallocated rights after all other parties had a first chance to subscribe to those unallocated rights, and so any minority shareholder had the opportunity to further increase their shareholding at the rights issue price. The controlling shareholder only took up rights not taken by any other shareholder.

Q12. Does the board believe that the company's stock is fairly valued? If not, what action are you taking to reflect fair stock value?

AMOS's response: Fair value is a function of investors attitudes and outlook for a particular company's performance, the economic conditions both locally and overseas, and the regulatory governance of the local stock market. AMOS is focused on building the best business possible for employees, customers, suppliers, shareholders and the broader communities in which AMOS functions,. The daily share market price changes are not in our control and may not accurately reflect the true situation at any given point in time.

Q13. Does the company have a shareholder relations department to respond to shareholders' questions? "corporate@amosgroup.com" seems to be an unattended email address.

AMOS's response: The Group has aligned this responsibility to the correct department, and the email address is well attended.

Q14. Is the company considering the possibility of engaging analysts to enhance investor outreach within the next 6 to 12 months? This could be a strategic move to increase awareness and promote the company's interests among potential investors.

AMOS's response: AMOS welcomes the opportunity to communicate business strategy to investor analysts.

Q15. Is it possible for the company to explore the option of compensating the directors through the issuance of new shares instead of cash? This approach would enable directors to participate in and benefit from the company's share price performance, aligning their interests with the overall success of the company.

AMOS's response: Equity-based compensation is not generally considered for non-executive directors in publicly listed companies in order to maintain the independence of the non-executive directors. The AMOS Group's directors are currently sufficiently compensated for their contributions.

Q16. Is the board actively contemplating the implementation of a share buyback program within this year? Considering the current state of the balance sheet, I am interested to know how much the board plans to allocate for share buybacks.

AMOS's response: At the current moment, the company does not plan to initiate a share buyback program.

Q17. With a cash balance of only S$6.8 million, I would like to know whether this amount is sufficient to sustain the company's operations for the entirety of this year. If it is not adequate, what alternative arrangements the board has put in place to address any potential funding gaps?

AMOS's response: AMOS believes the current cash levels together with effective working capital management are sufficient.

By Order of the Board of

Kyle Arnold Shaw Jr
Executive Chairman

23 July 2023