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AM GROUP HOLDINGS LIMITED

秀商時代控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1849)

ANNOUNCEMENT ON KEY FINDINGS OF INDEPENDENT INTERNAL CONTROL REVIEW AND FOLLOW-UP REVIEW

Reference is made to the announcements of the Company dated 23 September 2024, 24 September 2024, 30 September 2024, 23 December 2024, 17 January 2025, 24 January 2025, 14 February 2025, 12 March 2025, 19 March 2025, 21 March 2025, 23 June 2025, 17 September 2025, 23 September 2025, 10 November 2025, 23 December 2025, 12 February 2026 and 23 March 2026 (collectively, the “Announcements”) in relation to, among other things, (i) the delay in the publication of the 2024 Annual Results and the 2024 Annual Report; (ii) the delay in the publication of the 2025 Annual Results and the 2025 Annual Report; (iii) the delay in the publication of the 2024 Interim Results and the 2024 Interim Report; (iv) the postponement of the Company’s annual general meetings; (v) resumption guidance issued to the Company by the Stock Exchange; (vi) quarterly update on business operations and progress of resumption; and (vii) the findings of independent forensic investigation.

Unless otherwise defined, capitalised terms used herein have the same meanings as defined in the Announcements.

BACKGROUND OF THE IC REVIEW

As disclosed in the Announcements, the Stock Exchange sets out certain resumption guidance for the Company to, among others, conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules.

To comply with the Resumption Guidance, the Company has engaged Fan, Michell Risk Advisory Services Limited as the independent internal control consultant (the “**Internal Control Consultant**”) to conduct the IC Review.

SCOPE OF THE IC REVIEW

The IC Review was conducted based on the agreed-upon procedures engagement in accordance with the Hong Kong Standard on Related Services (HKSRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves the Internal Control Consultant performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed.

The Internal Control Consultant has conducted its first stage review between June and August 2025 for the period from 1 April 2024 to 31 March 2025 (the “**Review Period**”). Further, the Internal Control Consultant has conducted its follow up review from 22 September 2025 to 10 October 2025 (the “**Follow-up Review**”).

The purpose of the IC Review was to assist the Company in evaluating the design, implementation and operating effectiveness of the internal control systems and to assist the Company’s directors to comply with the Corporate Governance Code and Appendix C1 of the Listing Rules.

KEY FINDINGS OF THE INTERNAL CONTROL REVIEW

The Internal Control Consultant identified a number of internal control deficiencies in its internal control review report (the “**IC Review Report**”).

The management of the Company has provided their responses and outlined remediation plans for all identified deficiencies aimed at enhancing the Company’s internal control system. The audit committee of the Board has reviewed the report and discussed these plans with the Internal Control Consultant. Certain identified deficiencies that were considered material are summarized as follows:

No.	Deficiencies	Rectification recommendations	Remediation status
1	Board composition was in violation of Listing Rules	From 11 October 2024 to 28 February 2025, the Company was not in compliance with Rule 3.10 of the Listing Rules following the resignation of an independent non-executive Director (“ INED ”) due to personal reasons in order to focus on her other commitments. As a result, the number of INEDs on the Board fell below the minimum requirement of three. The non-compliance was rectified on 28 February 2025 upon the appointment of a new INED, and the Company has since complied with Rule 3.10.	<p>The Company is recommended to strengthen its governance procedures to avoid recurrence of non-compliance with Rule 3.10 of the Listing Rules. The Board should establish a formal succession plan to anticipate potential resignations of INEDs, maintain a pipeline of qualified candidates to facilitate timely recruitment, and perform independence assessments in accordance with regulatory requirements prior to appointment. In addition, the Company should implement ongoing monitoring of Board composition to ensure that both the minimum number of three INEDs and the one-third Board representation requirement are consistently met.</p> <p>The Company appointed an INED on 1 March 2025. The INED is a practising advocate and solicitor in Singapore with extensive experience serving as a director of listed companies in both Singapore and Hong Kong.</p> <p>The Internal Control Consultant further obtained and reviewed the Company’s written board succession plan, which clearly delineates the timeline for the INED’s retirement in accordance with the nine-year tenure cap. The plan incorporates procedures for identifying and appointing a replacement INED, sources for potential candidates recruitment, and triggers for initiating the appointment process, such as upcoming retirement, Board composition gaps, or other foreseeable events. The succession plan has been formally approved by the Board of Directors.</p> <p>The Company has also conducted a detailed analysis of its current Board composition against the requirements specified in the Corporate Governance Guide for Boards and Directors issued by the Stock Exchange. The analysis includes a review of the timing of upcoming retirements, the independence status of the existing INEDs, gender diversity, over-boarding of existing directors, and the potential need for early succession planning to mitigate risks of non-compliance. The Board has adopted a proactive approach to manage succession, with clear reminders and triggers included in the governance framework to initiate appointment process well in advance of any regulatory deadline, thus ensuring sustained compliance and effective Board independence.</p>

No.	Deficiencies	Rectification recommendations	Remediation status	
2	Lack of policy regarding investment project which is significant or abnormal in nature	<p>The Company has not established formal policies and procedures for the assessment, approval, and ongoing monitoring of potential investment projects that are significant or abnormal in nature, including VIE-structured projects or arrangements. The absence of documented policies may result in ambiguity and inconsistent practices, inadequate due diligence, and insufficient oversight, thereby increasing the risk that control measures are not effectively designed or implemented.</p>	<p>The Internal Control Consultant recommended that the Company formulate and adopt comprehensive policies and procedures for such projects, including clear approval authorities, due diligence requirements, and ongoing monitoring mechanisms, to ensure consistent application of controls and alignment with regulatory and governance expectations. The policies and procedures should cover, including but not limited to, the following key areas:</p> <ul style="list-style-type: none"> <li data-bbox="695 753 1018 804">(a) Identifying and evaluating investment projects; <li data-bbox="695 842 1018 893">(b) Investment decision and approval procedures; <li data-bbox="695 932 1018 1006">(c) Investment project analysis and monitoring procedures; and 	<p>The Company has established a policies and procedures manual governing mergers and acquisitions, which has been reviewed and approved by the Board of Directors. The manual sets out the required structure and content of proposals to be submitted for Board consideration, including key elements such as the commercial rationale, valuation methodology and basis, financial performance analysis with underlying assumptions, potential risks, and background information on the target’s management team. The manual also specifies procedures designed to ensure compliance with applicable regulatory requirements, including the application of size tests and the performance of due diligence. With respect to the approval process, the manual stipulates that any director who sources, proposes, or refers a target shall abstain from voting on the relevant resolutions to preserve independence and objectivity.</p>

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	<p>The Company acquired a group of PRC subsidiaries through a VIE-structured arrangement. According to the executive Directors (“EDs”), due to foreign investment restrictions or prohibitions in the PRC, the acquisition was structured through VIE agreements. Following the acquisition, the existing directors of the PRC subsidiaries were appointed as an ED and a non-executive Director (“NED”) of the Company in recognition of their roles and authority in managing the subsidiaries’ operations. However, no additional personnel were appointed to provide independent oversight or monitoring of these subsidiaries. As a result, oversight and decision-making responsibilities were heavily reliant on the local PRC directors, and there was a lack of proper segregation of duties at both the Company and subsidiary levels. Communication and information flow relating to the subsidiaries’ operations were limited and were primarily conducted through the former ED, without independent verification or effective monitoring mechanisms.</p>	<p>(d) Investment projects reporting procedures. The evaluation of potential investment projects shall include the following guidelines:</p> <ul style="list-style-type: none"> (a) Scenario analysis; (b) Project valuation; (c) Financial and cash flow projections; and (d) Financial impact of the acquisition or sale of investment portfolio. <p>The following procedures should be carried out prior to the signing of any significant contract:</p> <ul style="list-style-type: none"> (a) Due diligence on the contracting parties; (b) Confirming the right and ownership of the investment portfolio; (c) Ensuring the respective signatories have the right to sign the contract; (d) Ensuring compliance with designated usage/area of permitted use and user clause; and (e) Employing qualified legal professionals to review the contract in order to protect the Company’s interests. The policies and procedures should be finalised, approved and periodically reviewed by the Board of Directors or the senior management. Effective communication channel should be available to ensure the policies and procedures are properly communicated to all relevant personnel. 	<p>The manual further sets out post-acquisition requirements, including the appointment of Board representatives from the Company, among which the Group CFO is to be appointed, to the target’s board of directors. The number of board seats is to be aligned proportionally with the Company’s shareholding percentage, ensuring that voting power is consistent with the Company’s interests. In addition, the manual requires the appointment or establishment of a dedicated operational and functional oversight team that is independent of the target company’s local directors. This team is responsible for monitoring the target’s performance and ensuring that oversight is maintained separately from local management.</p> <p>The target’s finance team is required to directly report to the Group CFO to ensure segregation of duties across operational and financial reporting functions.</p> <p>The target’s finance team is required to directly report to the Group CFO to ensure segregation of duties across operational and financial reporting functions. The manual also defines the reporting timeline and requirements for periodic updates to the Board on the target’s performance and other relevant developments, at least on a quarterly basis. Meanwhile, internal audits on internal controls and risk management, are required to be conducted on the target’s operations semi-annually. Results of the internal audits are to be presented to the Audit Committee.. Furthermore, a formalised authorisation matrix is in place for key transactions and decisions involving the acquired entity, thereby ensuring appropriate segregation of duties and accountability, and the escalation of key matters to the Board.</p>

No.	Deficiencies	Rectification recommendations	Remediation status
	<p>During 2024 and 2025, one of the PRC group companies was involved in two legal proceedings, one as a plaintiff and the other as a defendant. The Board was only informed of these legal actions upon receipt of information provided by the former ED during a Board meeting. The Board then proactively sought additional sources of information for better assessing the potential impact to the group as a whole, however, since the Company was not a direct party to these legal proceedings, it did not have the authority to obtain updates directly from the courts. Although the Board made repeated requests for information from the former ED, no meaningful responses were received. This further demonstrates the deficiencies in oversight and internal control, which were primarily attributable to the Company's over-reliance on the former ED.</p>	<p>Further, the Company is recommended to reduce over-reliance and strengthen its governance framework by appointing additional independent directors or establishing a dedicated management team at the head office to oversee the subsidiaries. Segregation of duties should be introduced across key operational and financial reporting functions, and formalised reporting channels (such as regular management accounts, performance updates, and compliance attestations) should be implemented to provide the Board and Audit Committee with timely oversight. Key matters, including legal proceedings, significant transactions and material operational issues, should be subject to mandatory reporting to the Group and the Board under a formal escalation protocol. The Group may consider establishing periodic on-site visits, internal audits, or independent reviews of subsidiary operations and financial records, particularly for entities associated with higher risk, serving the purpose of enhancement of monitoring and additional assurance over the accuracy and completeness of financial reporting.</p>	<p>In addition, the manual formally outlines the requirements on site-visits to subsidiaries. Senior management team stationed at the headquarters office has to schedule quarterly site-visits to subsidiaries to keep informed of the latest performance and updates at the subsidiary level. During the Review Period, it was noted that site-visits to Malaysia Office were conducted every few months, with the purpose of ensuring the accuracy and completeness of accounting records and corresponding supporting documentations submitted.</p> <p>Overall, this comprehensive framework addresses approval, oversight, and monitoring processes both before and after mergers and acquisitions. It strengthens governance controls over subsidiaries and reduces reliance on limited personnel, thereby enhancing the overall internal control environment of the subsidiaries.</p>
		<p>The Company should also reassess the appropriateness of maintaining the VIE structure and, if effective control cannot be re-established, evaluate the need to discontinue the arrangement and account for the subsidiaries as a de-consolidation in accordance with IFRS 10.</p>	

No.	Deficiencies	Rectification recommendations	Remediation status	
3	Risk assessment report was not properly prepared or maintained	<p>The Company has established a risk assessment and management policy that has been approved by the Board of Directors. While management performs ongoing risk assessments, these activities have not been formally documented, and no risk assessment reports were prepared or maintained during the review period. This creates a critical gap in the documentation and execution of the risk management framework. In the absence of properly prepared and maintained reports, the Company lacks a formal record of identified risks, their potential impact, and the corresponding mitigation measures, which undermines its ability to monitor risks effectively, respond to emerging threats, and demonstrate to stakeholders the robustness of its risk management practices.</p>	<p>The Internal Control Consultant recommended that the Company implement a structured process for documenting all risk assessments, including the risks identified, their likelihood and impact, and the mitigating actions taken, and ensure that such reports are periodically reviewed by senior management and the Board. It is recommended to prepare a comprehensive risk assessment report periodically, with a minimum frequency of once per year. This report should be developed in accordance with the Company's established policies and procedures for risk assessment and management. It should include an evaluation of the Company's current risk exposures, the effectiveness of existing controls, and any emerging risks that may impact operations or strategies.</p> <p>The risk assessment report should detail the key risks identified across various categories, such as operational, financial, compliance, strategic, and external risks. It should also outline mitigation strategies, including any planned enhancements to risk controls and the timeline for their implementation. The process of compiling the report should involve input from all relevant departments to ensure a holistic view of the Company's risk landscape.</p>	<p>The Chief Operating Officer (COO) or the Chief Financial Officer (CFO) of the Company is now responsible for preparing the risk assessment report on a semi-annual basis, in consultation with the respective department heads. The report outlines the key risks identified across the operations, the individuals responsible for monitoring and managing each risk, the assessed likelihood and potential impact of occurrence, and the corresponding mitigating or remedial actions. Where additional actions are required, the report also specifies the responsible persons, target completion dates, and review frequency, thereby facilitating ongoing assessment of the effectiveness of the remedial measures. The completed report is submitted to the Board of Directors for review and approval to ensure that the identified risks and mitigation measures are consistent with the Company's established risk appetite and governance framework.</p> <p>The Internal Control Consultant had obtained and reviewed the risk assessment report prepared in September 2025, and noted that it was duly reviewed and approved by the Board. This indicates that the Company's continued adherence to its risk management framework and demonstrates its ongoing commitment to maintaining effective oversight and control over risk management activities.</p>

No.	Deficiencies	Rectification recommendations	Remediation status
		<p>Once prepared, the report must be discussed with and reviewed by senior management to ensure alignment with the Company's strategic objectives and risk appetite. Following this, it should be presented to the Audit Committee for further review and formal approval. The Audit Committee's feedback and recommendations should be documented and integrated into the final report.</p>	
		<p>This periodic review process ensures that risk management practices remain proactive, comprehensive, and aligned with the Company's goals. Additionally, the report provides a structured framework for decision-making and fosters accountability at all organisational levels. Regular updates to the Audit Committee also enhance transparency and oversight in the risk management process.</p>	

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4	Lack of regulatory compliance manual or checklist	<p>The Company has not implemented a comprehensive regulatory compliance manual or accompanying checklist to systematically monitor adherence to applicable laws, regulations, and internal policies. The lack of a structured compliance framework significantly increases the risk of regulatory non-compliance, which may lead to financial loss, operational disruptions, reputational damage, and potential legal or regulatory sanctions.</p>	<p>A regulatory compliance manual and checklist governing compliance issues should be established. The checklist should cover, including but not limited to, the following key areas:</p> <ul style="list-style-type: none"> (a) Roles and responsibilities of personnel involved in the compliance process; (b) Guidelines with reference to the relevant rules and regulations; (c) Types, frequency and timing of key documents to be filed/reported to regulatory authorities (if any); (d) Review and approval process; and (e) Managing and responding to non-compliance and litigation issues. 	<p>The Company has established a regulatory compliance checklist that consolidates all applicable regulatory requirements across its operating jurisdictions, including Singapore, Malaysia, Hong Kong, and the Cayman Islands. The checklist specifies the relevant filing obligations, including the types of documents, submission frequency and timelines, and deadlines for lodgement with the respective regulatory authorities. The implementation of this formalised checklist serves to enhance monitoring of regulatory obligations, manage its compliance obligations effectively, and mitigate the risk of delayed or missed submissions, thereby reducing the potential for non-compliance and strengthening the Company's overall compliance control framework.</p>
		<p>The regulatory compliance manual and checklist should be finalised, approved and periodically reviewed by the Board of Directors or the senior management. Effective communication channel should be available to ensure the compliance manual and checklist is properly communicated to all relevant personnel. A Regulatory Compliance Officer should be employed or an external legal advisor should be engaged to monitor the Company's compliance with all relevant laws and regulations and update the regulatory compliance manual and checklist regularly.</p>		

No.	Deficiencies	Rectification recommendations	Remediation status	
5	Lack of formal procedure on user account addition/deletion/modification in the accounting system	<p>The Credit Manager is responsible for creating and deleting user accounts, as well as modifying access rights in ABSS as necessary. Instructions for these actions are received either verbally or via email. The COO/CFO conducts a quarterly on-screen review of the user list and their access rights to help prevent unauthorised access to the accounting system. However, no formal procedure has been established to govern the addition, deletion, or modification of user accounts and access rights. In the absence of a formal procedure, there is no documented evidence of approvals or reviews for changes to user accounts and access rights. Consequently, management cannot fully ensure that modifications are properly authorised before being executed, which increases the risk of unauthorised access or inappropriate system privileges.</p>	<p>The Company should designate an appropriate individual responsible for approving the addition, deletion, or modification of user accounts in the accounting system, with formal written authorisation documented for each change.</p> <p>Furthermore, the processes for creating, closing, and modifying user accounts should be executed promptly on the employee's start date and immediately upon resignation or termination to prevent unauthorised access to the accounting system.</p>	<p>Since early September 2025, the Company has implemented and maintained a user rights register for its accounting system, which documents the system access rights granted to individual users. The register records the review dates, details of any modifications or updates made, and the corresponding approvals. We have obtained and inspected the register as of September 2025 and noted that the user access rights had been reviewed by the COO/CFO, with the review appropriately evidenced by his signature. The establishment and periodic review of this register demonstrate the Company's efforts to strengthen access control and oversight over its financial reporting systems, thereby contributing to improved internal control over system security.</p>

No.	Deficiencies	Rectification recommendations	Remediation status
6	<p>Backup of accounting system only conducted annually and no formal restoration testing</p> <p>The Company backs up accounting system data to the server only once a year, following the annual financial closing process, with the procedure performed by the Senior Accounting Executive. The current backup frequency is insufficient and exposes the Company to significant risks to data security and business continuity. Data may be vulnerable to physical threats such as fire, theft, or natural disasters.</p> <p>Furthermore, usability checks are performed during the backup process, however, no formal documentation has been maintained to ensure the restoration testing has been conducted. It undermines the reliability of the backup process, as there is no assurance that the backed-up data can be successfully recovered in the event of a system failure or data loss.</p>	<p>To enhance data security and ensure business continuity, the Company should implement a robust backup and restoration policy. Backup should be conducted at a more frequent interval, e.g. monthly. Further, backup files should be encrypted to protect sensitive information and stored in a secure, remote location separate from the original data. This separation minimises the risk of data loss in the event of physical or cyber threats, such as fire, theft, or ransomware attacks.</p> <p>Additionally, periodic restoration tests should be conducted to verify the integrity of the backup data and ensure successful recovery when needed. These tests help identify and address any issues with backup processes before an actual data recovery situation arises. A detailed restoration report should be prepared after each test, documenting the results, including any errors or discrepancies encountered during the restoration process. This report should also outline any follow-up actions required to resolve issues and enhance the reliability of future backups.</p> <p>The restoration report should be signed by the personnel performing the restoration as evidence of completion and accountability. A summary of the restoration results and follow-up actions should then be submitted to appropriate management for review and approval.</p>	<p>Since early September 2025, the Company has implemented a monthly data backup process for its accounting system, whereby data is backed up to a secure cloud storage platform by the Senior Accounting Executive, ensuring appropriate geographical separation from the primary data source. In addition, quarterly restoration tests are performed by the Senior Accounting Executive to verify the accessibility, completeness, and integrity of the backup files. Each backup and restoration activity is recorded in a log, which is signed by the Senior Accounting Executive as evidence of performance. We have obtained and reviewed the backup and restoration test log as of September 2025 and noted that the August 2025 backup was completed and successfully restored during testing. The backup and restoration process was subsequently reviewed by the COO/CFO, with both the preparer and reviewer having signed the log as evidence of execution and review. This arrangement reflects the Company's strengthened controls over data security, system continuity, and the integrity of financial information.</p>

No.	Deficiencies	Rectification recommendations	Remediation status
7	<p>Consolidated management accounts were not prepared on a timely manner</p> <p>Management accounts of all subsidiaries, excluding PRC subsidiaries, are submitted to the Company on a monthly basis. After gathering all management accounts, the consolidation process is conducted semi-annually. Entity-level management accounts, including notes to the accounts for both interim and final periods, are obtained from the respective Senior Accounting Executives. The Senior Accounting Executive then manually prepares the consolidated management accounts, along with consolidation journal entries, which are subsequently submitted to the COO/CFO for review and approval. Following the review, the COO/CFO discusses the results with the Senior Accounting Executive and provides any necessary comments. However, during the review period, the Company was unable to produce complete consolidated management accounts in a timely manner, indicating a non-compliance with Rules 13.46 and 13.48 of the Listing Rules.</p>	<p>All subsidiaries should be required to submit management accounts to the Company on a monthly basis. This will enable management to monitor the financial performance of each subsidiary more effectively and facilitate a timely and accurate consolidation process. Consolidated management accounts must be prepared at least semi-annually in accordance with Chapter 13.48 and Appendix D2 of the Listing Rules. These accounts should be reviewed by the Board of Directors and relevant management, with all discussions and approvals properly documented in meeting minutes. Consolidated accounts should be securely stored, with access restricted to authorised personnel. The designated management team established for subsidiary management should have direct access to the accounting systems and underlying financial records of all subsidiaries, including entities that are in different jurisdictions other than Singapore, where the head office is located. Where direct system access is not practicable, alternative control measures, such as regular submission of the complete set of accounting records, including detailed general ledger data, bank statements, and relevant supporting documentation, should be implemented for independent review.</p>	<p>All subsidiaries are required to submit management accounts to the Company on a monthly basis, with the exception of Activa Media Holdings Limited, which is a dormant entity. For Activa Media Holdings Limited, management accounts are prepared, updated and reviewed as necessary following the incurrence of relevant transactions. Consolidated management accounts are prepared on a semi-annual basis by the Senior Accounting Executive and are reviewed by the COO/CFO prior to submission to the Board of Directors for approval. We have inspected the management accounts of all subsidiaries, excluding the PRC group, for September 2025 and noted that they were duly reviewed and approved by the COO/CFO, as evidenced by his signature. This demonstrates the existence of multiple layers of oversight, supports appropriate segregation of duties, and reduces the risk of material errors or omissions in the financial reporting process.</p>

No.	Deficiencies	Rectification recommendations	Remediation status
	<p>The delay in finalising the consolidated management accounts was primarily due to limited access to and insufficient books and records from the PRC subsidiaries, Majestic State International Limited and its subsidiaries. One of the PRC group companies was involved in legal proceedings, and the Board was only informed of the legal action upon receipt of information provided by the former ED during a Board meeting. Despite repeated requests, the Board was provided only with the writ of summons, without further details. The Board then proactively sought additional sources of information, however, since the Company was not a party to the legal proceedings, it lacked the authority to request information directly from the court. Although the former ED claimed that the legal proceeding was groundless and legal advisors had been engaged for defence, the inadequacy of information hindered the assessment of potential impacts, and consequently, the timely finalisation of the consolidated management accounts, inclusive of the PRC subsidiaries. While the Company eventually obtained the management accounts from the PRC subsidiaries, it had no direct access to their accounting system. This limitation increases the risk of incomplete or inaccurate consolidated reporting and reduces management's ability to monitor the financial performance of these subsidiaries in a timely manner. Overall, this situation highlights an over-reliance on a single director for information relating to the operations and results of the PRC subsidiaries, and the lack of cooperation from that individual contributed to the delay in the preparation and finalisation of the consolidated management accounts.</p>	<p>To strengthen internal controls and mitigate risks associated with insufficient books, records, and supporting documents from subsidiaries, the Company may consider to implement a fully integrated, cloud-based ERP system. This system should centralise accounting across all subsidiaries, enabling real-time data consolidation and standardised reporting. Proper documentation, including all intra-group communications, reporting and approvals, should be maintained to support audit trail and regulatory compliance. Automated, encrypted cloud backups should be configured for daily incremental and monthly full backups, stored on geographically dispersed servers, with regular restoration testing to ensure data recoverability.</p>	<p>The policies and procedures governing mergers and acquisitions outline the requirement of implementing a unified accounting system at all subsidiaries, such that the Finance and IT team at the head office possess the administrative rights to the system. Where this unified accounting system is impracticable, the Finance Team at the head office and the Group CFO have to be granted direct access to the subsidiary's accounting system, enabling timely retrieval of accounting records and data at subsidiary level. All subsidiaries are required to upload their accounting records, including detailed general ledger, bank statements, and appropriate supporting documents, onto a cloud storage platform managed by the head office.</p> <p>The Company announced its intention to de-consolidate its PRC subsidiaries in a quarterly update announcement dated 23 June 2025, which was approved by all members of the Board of Directors. As confirmed by the COO/CFO, the de-consolidation process is expected to commence upon completion of the ongoing forensic investigation and internal control review. Following the de-consolidation, the remaining group entities will operate under a unified accounting system, with accounting functions centrally managed by the accounting team in Singapore. Accordingly, management has assessed that the implementation of a group-wide cloud-based ERP system would not be necessary or cost-effective under the revised group structure, given the centralised control environment and the anticipated reduction in system complexity.</p>

FOLLOW-UP REVIEW

The Internal Control Consultant has completed the Follow-up Review. The Internal Control Consultant has confirmed that remedial measures have been implemented to address internal control deficiencies identified in a way that is commensurate with the level of risks associated with such deficiencies. The IC Review Report also stated that implementation of remedial measures has reduced the risks associated with the internal control deficiencies identified.

As at the date of this announcement, the audit committee of the Board confirmed that all internal control deficiencies that are considered material by the Internal Control Consultant have been fully addressed with remedial measures summarized above.

VIEWS OF THE AUDIT COMMITTEE AND THE BOARD

The Board (including the audit committee of the Board) has reviewed the content and findings in the IC Review Report in relation to both the IC Review and the Follow-up Review.

It was noted that the management of the Company acknowledged and agreed with the review results of the Internal Control Consultant. The Company has taken all of the advices and rectification recommendations from the Internal Control Consultant, and adopted, revised and/or enhanced, as the case may be, the relevant policies and procedures of the Company. The Internal Control Consultant has performed a Follow-up Review after the Group had taken the relevant remedial actions.

Having considered the IC Review Report and the remedial measures taken by the Company, the Board is of the view, which the audit committee of the Board concurred, that (a) all the internal control deficiencies identified in the Internal Control Review have been fully addressed with appropriate rectification recommendations; (b) the remedial measures implemented by the Company are adequate and sufficient; and (c) the Company has in place adequate and reliable governance, internal control and financial reporting systems and procedures to fulfill its obligations under the Listing Rules.

The Board (including the audit committee of the Board) will continue to monitor the effectiveness of the Company's internal control systems and procedures so as to meet its obligations under the Listing Rules and ensure reasonable and adequate internal control policies and procedures are in place and commensurate with its business operations.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 24 September 2024 and will remain suspended pending fulfilment of all the conditions stated in the Resumption Guidance.

Shareholders of the Company and potential investors should exercise caution when dealing in the Company's shares.

For and on behalf of
AM Group Holdings Limited
Teo Li Lian

Chairlady, Executive Director and Chief Executive Officer

Singapore, 31 March 2026

As at the date of this announcement, the Board comprises two Executive Directors, namely Ms. Teo Li Lian (Chairlady and Chief Executive Officer) and Mr. Teo Kuo Liang; and three Independent Non-executive Directors, namely Mr. Tan Kia Jing, Mr. Lee Shy Tsong and Mr. Koh Boon Chiao.