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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 OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2024

FINANCIAL HIGHLIGHTS

Revenue

The total revenue dropped by approximately S\$12.1 million from approximately S\$48.2 million for the FY2023 to approximately S\$36.1 million for the FY2024, a reduction of approximately 25.2%. The reduction is contributed mainly by the online platform management services segment, which decreased by approximately S\$11.7 million.

Gross Profit Margin

The total gross profit margin decreased by approximately 2.8%, from approximately 27.2% for the FY2023 to approximately 24.4% for the FY2024. This decrease was mainly due to the drop in revenue of the high margin segment of creative and technology services, and the increase in direct manpower costs.

Loss Attributable to owners of the Company

The loss attributable to owners of the Company for the FY2024 amounted to approximately S\$30.0 million, as compared to the loss of approximately S\$1.6 million for the FY2023. The increase in the loss was attributed to the loss on deconsolidation of subsidiaries (note 6) and the drop in revenue.

Final Dividend

The Board does not recommend the payment of final dividend for the FY2024 (FY2023: S\$nil).

ANNUAL RESULTS

The board of directors of AM Group Holdings Limited (the “Company”, the “Directors” and the “Board”, respectively) hereby announces the consolidated results of the Company and its subsidiaries (collectively, “we”, “us”, “our” or the “Group”) (the “Annual Results”) for the year ended 30 June 2024 (“FY2024” or the “Year”) (the “2024 Annual Results”) together with the comparative information for the year ended 30 June 2023 (“FY2023”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

	<i>Notes</i>	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Revenue	3	36,063	48,201
Cost of services		<u>(27,251)</u>	<u>(35,109)</u>
Gross profit		8,812	13,092
Other income	4	794	634
Other gains or losses, net	5	(6)	7
Selling expenses		(1,197)	(1,332)
General and administrative expenses		(8,126)	(8,733)
Loss on deconsolidation of subsidiaries	6	(26,121)	—
Impairment losses under the expected credit loss model, net of reversal		(2,741)	(3,214)
Finance costs	7	<u>(167)</u>	<u>(221)</u>
(Loss)/profit before taxation		(28,752)	233
Income tax expense	8	<u>(615)</u>	<u>(1,314)</u>
Loss for the year	9	(29,367)	(1,081)
Other comprehensive income/(loss):			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of a foreign operation		5	(2,853)
Release of translation reserve upon deconsolidation of foreign subsidiaries		<u>1,960</u>	<u>—</u>
		<u>1,965</u>	<u>(2,853)</u>
Total comprehensive loss for the year		<u><u>(27,402)</u></u>	<u><u>(3,934)</u></u>

	<i>Note</i>	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
(Loss)/profit attributable to:			
Owners of the Company		(29,999)	(1,634)
Non-controlling interests		<u>632</u>	<u>553</u>
		<u>(29,367)</u>	<u>(1,081)</u>
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(28,042)	(4,156)
Non-controlling interests		<u>640</u>	<u>222</u>
		<u>(27,402)</u>	<u>(3,934)</u>
Loss per share (in Singapore cents)			
Basic and diluted	<i>11</i>	<u>(3.7)</u>	<u>(0.2)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	<i>Notes</i>	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Non-current assets			
Plant and equipment		129	196
Right-of-use assets		306	837
Investment property		2,743	2,806
Goodwill		—	10,781
Intangible assets		—	3,272
		3,178	17,892
Current assets			
Trade and other receivables	12	2,802	29,616
Cash and cash equivalents		11,589	14,739
		14,391	44,355
Current liabilities			
Trade and other payables	13	3,824	14,751
Contract liabilities		3,924	3,903
Lease liabilities		272	654
Bank and other borrowings		1,591	674
Amount due to non-controlling interests		—	637
Income tax payable		254	1,439
		9,865	22,058
Net current assets		4,526	22,297
Total assets less current liabilities		7,704	40,189
Non-current liabilities			
Lease liabilities		41	120
Bank and other borrowings		—	1,654
Deferred tax liabilities		3	3
		44	1,777
Net assets		7,660	38,412

	2024	2023
	<i>S\$'000</i>	<i>S\$'000</i>
Capital and reserves		
Share capital	1,389	1,389
Share premium	19,366	19,366
Reserves	(16,336)	11,707
	<hr/>	<hr/>
Equity attributable to owners of the Company	4,419	32,462
Non-controlling interests	3,241	5,950
	<hr/>	<hr/>
Total equity	7,660	38,412
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. GENERAL

The Company was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 7 December 2017. Its registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business is situated at 60 Paya Lebar Road, #12-51/52 Paya Lebar Square, Singapore 409051. The Company's shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and have been listed since 26 June 2019.

The Company's parent is Activa Media Investment Limited, incorporated in the British Virgin Islands. The ultimate controlling parties of the Company are Ms. Teo Li Lian, the chairlady, an executive director and the chief executive officer of the Company and Mr. Teo Kuo Liang, an executive director of the Company.

The Company is an investment holding company and the Group is primarily engaged in the provision of online marketing services and operation of an online e-commerce platform.

The consolidated financial statements are presented in Singapore dollars ("S\$"), which is also the functional currency of the Company. All values are rounded to the nearest thousand ("S\$'000"), except when otherwise indicated.

The consolidated financial statements are approved by the Board on 30 April 2026.

2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

New and amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 July 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to International Accounting Standards ("IAS") 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the new and amendments to IFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to IAS 1	Classification of Liabilities as Current or Non-current ²
Amendments to IAS 1	Non-current Liabilities with Covenants ²
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements ²
Amendments to IAS 21	Lack of Exchangeability ³
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11 ⁴
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ⁴
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ⁴
IFRS 18	Presentation and Disclosure in Financial Statements ⁵
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ⁵

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

⁴ Effective for annual periods beginning on or after 1 January 2026.

⁵ Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of all new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

2.2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The MSIL Group became involved as defendant in a legal suit in 2024 (the “2024 Legal Suit”), the individual who was the non-controlling interest shareholder of the MSIL Group (the “NCI Shareholder”), and was also an executive director of the Company and key management personnel of MSIL Group responsible for managing the business of MSIL Group, refused to let the Group have access to the accounting books and records and management and accounting personnel of the MSIL Group. The NCI Shareholder imposed a condition that the Group must settle the matters in relation to the 2024 Legal Suit in order to have such access to the MSIL Group.

Subsequently in 2025, the MSIL Group became the plaintiff when it brought legal action (the 2025 Legal Suit”) against the plaintiff of the 2024 Legal Suit and the controlling shareholder and holding company of the Company. With the ongoing legal suits, the Group continued not to be able to have access to the MSIL Group.

The management of the Group has no further information regarding the financial results and financial position of the MSIL Group for the financial year ended 30 June 2024 other than the management accounts that was previously obtained from the MSIL Group. The management is also unable to establish whether the business operations of MSIL Group had been affected by the legal suits and disputes up to the date of approval of these consolidated financial statements.

The directors of the Company has undertaken all reasonable actions and steps and used their best endeavors to collect and collate the necessary financial information and documents from the MSIL Group but the MSIL Group have refused to cooperate in spite of demands and requests made to them.

In view of the facts and circumstances as described above, the Group has lost control over the MSIL Group and for the purposes of the preparation of the consolidated financial statements the loss of control was with effect from 30 June 2024. Consequently, in the preparation of the consolidated financial statements of the Group, the assets and liabilities of the MSIL Group have been derecognized from the consolidated statement of financial position of the Group on 30 June 2024 (the “Deconsolidation Date”) and the retained investment of the Group in the MSIL Group was recognised at Nil carrying amount. The financial performance and cash flows of MSIL Group were consolidated in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows up until 30 June 2024 based on the management accounts of MSIL Group.

In addition, the Board has also resolved to put Majestic Group under liquidation and has appointed BVI registered liquidator, Kroll (HK) Limited, as the liquidator of Majestic Group on 9 March 2026. Under the BVI laws, upon the appointment of the liquidator, the Board of Directors of the BVI company is deemed to have transferred the authority and power over the assets and matters of the BVI company to the liquidator.

Impact on consolidated statement of financial position

The carrying amounts of the assets and liabilities of the MSIL Group as at 30 June 2024 that were derecognised from the consolidated statement of financial position of the Group on 30 June 2024, as well as the carrying amounts of the assets and liabilities of the MSIL Group as at 30 June 2023 that were included in the consolidated statement of financial position of the Group as at 30 June 2024 and 30 June 2023, are as follows:

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Non-current assets		
Plant and equipment	17	39
Right-of-use assets	731	827
Goodwill	10,759	10,781
Intangible assets	5,108	3,271
Current assets		
Trade and other receivables	34,404	26,753
Cash and cash equivalents	15	222
Current liabilities		
Trade and other payables	(18,575)	(13,883)
Lease liabilities	(557)	(643)
Bank and other borrowings	(519)	(552)
Amounts due to non-controlling interest	(629)	(637)
Income tax payable	(2,990)	(732)
Non-current liabilities		
Lease liabilities	—	(119)
Bank and other borrowings	(253)	(58)
	<u>27,511</u>	<u>25,269</u>
Non-controlling interest	<u>(3,350)</u>	<u>(2,897)</u>
	<u>24,161</u>	<u>22,372</u>
Foreign currency translation reserve	<u>1,960</u>	<u>1,973</u>
	<u>26,121</u>	<u>24,345</u>

The financial performance and cash flows of MSIL Group that were included in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statements of cash flows of the Group for the years ended 30 June 2024 and 30 June 2023 are as follows:

Impact on consolidated statement of profit or loss and other comprehensive income

	2024	2023
	<i>S\$'000</i>	<i>S\$'000</i>
Revenue	12,385	24,063
Cost of services	(8,715)	(17,908)
Gross profit	3,670	6,155
Other income	215	133
Selling expenses	(5)	(510)
General and administrative expenses	(1,174)	(4,726)
Finance cost	(94)	(186)
Profit before taxation	2,612	866
Income tax expense	(392)	(611)
Profit for the year	2,220	255
Other comprehensive income/(loss)	44	(1,655)
Total comprehensive income/(loss) for the year	2,264	(1,400)

Impact on consolidated statement of cash flows

	2024	2023
	<i>S\$'000</i>	<i>S'000</i>
Net cash inflow/(outflow) from operating activities	1,786	(1,760)
Net cash outflow from investing activities	(1,910)	(64)
Net cash outflow from financing activities	(45)	(295)
Net decrease in cash and cash equivalents	(169)	(2,119)
Cash and cash equivalents at beginning of the year	222	2,505
Effect of foreign exchange rate changes	(38)	(164)
Cash and cash equivalents at end of the year	15	222

3. REVENUE AND SEGMENT INFORMATION

The analysis of the Group's revenue for the year is as follows:

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Search engine marketing services	20,009	19,058
Creative and technology services	2,115	3,535
Social media marketing services	1,554	1,545
Online platform management services	<u>12,385</u>	<u>24,063</u>
	<u><u>36,063</u></u>	<u><u>48,201</u></u>
	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Timing of revenue recognition:		
Over time:		
— Search engine marketing services	20,009	19,058
— Social media marketing services	<u>1,554</u>	<u>1,545</u>
	<u>21,563</u>	<u>20,603</u>
At point in time:		
— Creative and technology services	2,115	3,535
— Online platform management services	<u>12,385</u>	<u>24,063</u>
	<u>14,500</u>	<u>27,598</u>
Total revenue	<u><u>36,063</u></u>	<u><u>48,201</u></u>

Segment information

Information reported to the chief executive officer of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. The CODM review segment revenue and results attributable to each segment, which is measured by reference to respective segment's gross profit.

Specifically, the Group's reportable segments under IFRS 8 are as follows:

1. Search engine marketing services — online marketing services in Singapore and Malaysia that involves the promotion of websites by increasing their visibility in search engine results pages primarily through paid advertising.
2. Creative and technology services — website development and hosting and other advertisement supporting services in Singapore and Malaysia.

3. Social media marketing services — online advertising services in Singapore and Malaysia that utilises the unique features of social media platform to deliver customised information to specific target customers.
4. Online e-commerce platform operation — technical services, commission for transaction proceeds and marketing services on the online e-commerce platform in the PRC.

For online e-commerce platform operation, the information reported to the CODM is further categorised into online platform management services and online platform marketing services which are considered as a single reportable segment by the CODM.

Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by operating and reportable segments.

Year ended 30 June 2024

	Search engine marketing services <i>S\$'000</i>	Creative and technology service <i>S\$'000</i>	Social media marketing services <i>S\$'000</i>	Online e-commerce platform operation <i>S\$'000</i>	Total <i>S\$'000</i>
REVENUE					
External sales and segment revenue	<u>20,009</u>	<u>2,115</u>	<u>1,554</u>	<u>12,385</u>	<u>36,063</u>
RESULTS					
Gross profit	<u>3,452</u>	<u>1,011</u>	<u>679</u>	<u>3,670</u>	<u>8,812</u>
Segment results	<u>3,371</u>	<u>1,002</u>	<u>673</u>	<u>(23,507)</u>	<u>(18,461)</u>
Interest income					300
Unallocated other income					279
Unallocated other gains or losses, net					(6)
Unallocated selling expenses and general and administrative expenses					(8,146)
Impairment loss on current accounts on deconsolidation					(2,645)
Unallocated finance costs					<u>(73)</u>
Loss before taxation					<u>(28,752)</u>

Year ended 30 June 2023

	Search engine marketing services <i>S\$'000</i>	Creative and technology service <i>S\$'000</i>	Social media marketing services <i>S\$'000</i>	Online e-commerce platform operation <i>S\$'000</i>	Total <i>S\$'000</i>
REVENUE					
External sales and segment revenue	<u>19,058</u>	<u>3,535</u>	<u>1,545</u>	<u>24,063</u>	<u>48,201</u>
RESULTS					
Gross profit	<u>3,687</u>	<u>2,623</u>	<u>627</u>	<u>6,155</u>	<u>13,092</u>
Segment results	<u>3,646</u>	<u>2,615</u>	<u>623</u>	<u>821</u>	<u>7,705</u>
Interest income					227
Unallocated other income					274
Unallocated other gains or losses, net					7
Unallocated selling expenses and general and administrative expenses					(7,945)
Unallocated finance costs					<u>(35)</u>
Profit before taxation					<u>233</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represents the profit earned by each segment without allocation of interest income, unallocated selling expenses and general and administrative expenses, unallocated finance costs, unallocated other income, unallocated other gains or losses, net and impairment loss current accounts in deconsolidation. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

There were no inter-segment sales for each reporting period.

Segment assets and liabilities

Information reported to the CODM for the purposes of resources allocation and performance assessment does not include any assets and liabilities. Accordingly, no segment assets and liabilities are presented.

Other segment information

Amounts included in the measure of segment profit or loss or segment assets:

	Search engine marketing services <i>S\$'000</i>	Creative and technology service <i>S\$'000</i>	Social media marketing services <i>S\$'000</i>	Online e-commerce platform operation <i>S\$'000</i>	Unallocated <i>S\$'000</i>	Total <i>S\$'000</i>
Year ended 30 June 2024						
Loss on deconsolidation	—	—	—	26,121	—	26,121
Additional of right-of-use assets	—	—	—	930	607	1,537
Depreciation of right-of-use assets	—	—	—	266	638	904
Depreciation of plant and equipment	—	—	—	22	70	92
Impairment loss on trade receivables, net of reversal	81	9	6	—	—	96
Year ended 30 June 2023						
Addition to non-current assets	—	—	—	—	80	80
Depreciation of right-of-use assets	—	—	—	591	274	865
Depreciation of plant and equipment	—	—	—	31	74	105
Impairment loss on trade receivables, net of reversal	41	8	4	3,161	—	3,214

Geographical information

Revenue by geographical location

Information about the Group's revenue from external customers by geographical location, determined based on the location of services rendered are detailed below:

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Singapore (country of domicile)	21,866	22,726
Malaysia	1,812	1,412
PRC	12,385	24,063
	<u>36,063</u>	<u>48,201</u>

Non-current assets by geographical location

Information about the Group's non-current assets is presented based on the geographical location of the assets:

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Singapore (country of domicile)	3,015	2,860
Malaysia	163	114
PRC	—	14,918
Non-current assets	<u>3,178</u>	<u>17,892</u>

Information about major customers

No single customer contributes over 10% or more of total revenue of the Group during the years ended 30 June 2024 and 2023.

4. OTHER INCOME

	2024	2023
	<i>S\$'000</i>	<i>S\$'000</i>
Government grants (<i>Note (a)</i>)	94	59
Rental income	140	126
Interest income	300	227
Others (<i>Note (b)</i>)	260	222
	794	634

Notes:

- (a) Included in government grants during the year ended 30 June 2024 was mainly granted by Singapore Government under Progressive Wage Credit Scheme (PWCS) to provide transitional wage support for employers amounting to approximately S\$93,000 (2023: S\$41,000).
- (b) Amounting to approximately S\$214,000 (2023: S\$132,000) mainly represents the management fee income for the year ended 30 June 2024.

5. OTHER GAINS OR LOSSES, NET

	2024	2023
	<i>S\$'000</i>	<i>S\$'000</i>
Net exchange (losses) or gains	(6)	7

6. DECONSOLIDATION OF SUBSIDIARIES

(a) Loss on deconsolidation of Majestic State International Limited (“MSIL”) and its subsidiaries (collectively, “MSIL Group”)

The Group was involved in 2024 legal suit and 2025 legal suit, which are ongoing up to the date of these report and the Directors of the Group had repeated demands and request to the directors of MSIL Group for books and records, but cooperation was refused from the director.

Based on the circumstances causing the Group to the loss of control over the MSIL Group’s assets and operations, the management of the Company determined that the effective date of loss of control over MSIL Group is 30 June 2024. The management will apply deconsolidation of MSIL with effect from the same date.

In addition, the Board has also resolved to put Majestic Group under liquidation and has appointed BVI registered liquidator, Kroll (HK) Limited, as the liquidator of Majestic Group on 9 March 2026. Under the BVI laws, upon the appointment of the liquidator, the Board of Directors of the BVI company is deemed to have transferred the authority and power over the assets and matters of the BVI company to the liquidators.

Assets and liabilities as at the date of deconsolidation are as follows:

	2024	2023
	<i>S\$'000</i>	<i>S\$'000</i>
Non-current assets		
Plant and equipment	17	29
Right-of-use assets	731	827
Goodwill	10,759	10,781
Intangible assets	5,108	3,271
Current assets		
Trade and other receivables	34,404	26,753
Cash and cash equivalents	15	222
Current liabilities		
Trade and other payables	(18,575)	(13,883)
Lease liabilities	(557)	(643)
Bank and other borrowings	(519)	(552)
Amounts due to non-controlling interest	(629)	(637)
Income tax payable	(2,990)	(732)
Non-current liabilities		
Lease liabilities	—	(119)
Bank and other borrowings	(253)	(58)
	<u>27,511</u>	<u>25,269</u>
Non-controlling interest	<u>(3,350)</u>	<u>(2,897)</u>
	<u>24,161</u>	<u>22,372</u>
Release of foreign currency translation reserve	<u>1,960</u>	<u>1,973</u>
Loss on deconsolidation of subsidiaries	<u>(26,121)</u>	<u>(24,345)</u>
Net cash outflow arising on deconsolidation:		
	<i>S\$'000</i>	<i>S\$'000</i>
Cash and cash equivalents	<u>(15)</u>	<u>(222)</u>
	<u>(15)</u>	<u>(222)</u>

(b) Impairment loss on amount due from MSIL Group

As at 30 June 2024, the Group has amount due from MSIL Group of approximately S\$2,645,000. Due to the loss of control over the MSIL Group, the directors of the Group consider that the recoverability of the amount is relatively low in the foreseeable future and an impairment loss of approximately S\$2,645,000 had been provided in the Group's consolidated financial statements for the year ended 30 June 2024.

7. FINANCE COSTS

	2024 S\$'000	2023 S\$'000
Interest on bank and other borrowings	117	126
Interest on lease liabilities	50	67
Interest on amount due to non-controlling interests	—	28
	<u>167</u>	<u>221</u>

8. INCOME TAX EXPENSE

	2024 S\$'000	2023 S\$'000
Tax expense comprises:		
Current tax:		
— Singapore corporate income tax (“CIT”)	228	671
— Malaysia corporate tax	91	33
— PRC enterprise income tax (“EIT”)	392	611
Over-provision in respect of prior years	(96)	—
Deferred tax	—*	(1)
	<u>615</u>	<u>1,314</u>

* The amount is less than S\$1,000

Singapore CIT is calculated at 17% of the estimated assessable profit for the year ended 30 June 2024 and 2023.

Malaysia corporate tax is calculated at 24% (2023: 24%) of the estimated assessable profit for the year.

According to the announcement of “The State Administration of Taxation on issues concerning EIT related with enhancing the Western Region Development Strategy”* (國家稅務總局關於深入實施西部大開發戰略有關稅收政策問題的通知), the Group's PRC subsidiaries were registered with the local tax authority to be eligible to the reduced EIT rate of 15% from 2011 to 2020. According to the extension announcement of “The State Administration of Taxation on extension on EIT related with enhancing the Western Region Development Strategy”* (國家稅務總局關於延續西部大開發企業所得稅政策的公告), the Group's PRC subsidiaries will be further eligible to the reduced EIT rate of 15% from 2021 to 2030. Accordingly, PRC EIT is calculated at a preferential income tax rate of 15% for the year ended 30 June 2024.

* for identification purposes only

9. LOSS FOR THE YEAR

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Loss for the year has been arrived at after charging/(crediting):		
Directors' emolument		
Fees	86	97
Salaries, allowances and other benefits	2,323	2,073
Discretionary bonuses	1,160	1,520
Retirement benefit scheme contributions	34	34
	<u>3,603</u>	<u>3,724</u>
Other staff costs:		
Salaries, allowances and other benefits	4,141	4,487
Retirement benefits scheme contributions	281	209
	<u>4,422</u>	<u>4,696</u>
Total staff costs	<u>8,025</u>	<u>8,420</u>
Auditors' remuneration		
— Audit services	180	200
— Non-audit services	7	9
Online e-commerce platform license fee (included in cost of services)	4,435	7,651
Depreciation charge:		
Investment property	63	63
Plant and equipment	92	105
Right-of-use assets	904	865
Amortisation of intangible assets	58	60
Impairment loss under expected credit loss model, net of reversal:		
Impairment loss on trade receivables, net of reversal	96	3,214
Impairment loss on current accounts on deconsolidation	2,645	—
Gross rental income from an investment property	(140)	(126)
Less: direct operating expenses incurred for investment property that generated rental income during the year	63	63
	<u>(77)</u>	<u>(63)</u>

10. DIVIDENDS

No dividends were paid or proposed during the years ended 30 June 2024 and 2023, nor has any dividend been proposed since the end of the reporting period.

11. LOSS PER SHARE

	2024	2023
Loss attributable to the owners of the Company (<i>S\$'000</i>)	(29,999)	(1,634)
Weighted average number of ordinary shares in issue (<i>'000</i>)	800,000	800,000
Basic and diluted loss per share (<i>Singapore cents</i>)	<u>(3.7)</u>	<u>(0.2)</u>

The calculation of basic loss per share is based on the loss for the year attributable to owners of the Company and the weighted average number of shares in issue.

Diluted loss per share is the same as the basic loss per share because the Group had no potential dilutive securities that were convertible into shares during the years ended 30 June 2024 and 2023.

12. TRADE AND OTHER RECEIVABLES

	2024	2023
	<i>S\$'000</i>	<i>S\$'000</i>
Trade receivables	2,457	20,131
Unbilled revenue	<u>843</u>	<u>1,055</u>
	3,300	21,186
Less: Allowance for ECL	<u>(781)</u>	<u>(4,142)</u>
	<u>2,519</u>	<u>17,044</u>
Deposits	80	11,299
Prepayments	90	943
Staff loans	80	179
Other receivables	<u>33</u>	<u>151</u>
Total	<u>2,802</u>	<u>29,616</u>

The Group does not hold any collateral over these balances.

The table below is an aging analysis of trade receivables and unbilled revenue, net of allowance for ECL presented based on the past due dates as at the end of each reporting period.

	2024	2023
	<i>S\$'000</i>	<i>S\$'000</i>
Unbilled revenue	806	1,023
Not yet past due	1,267	11,542
Less than 30 days	242	476
31–60 days	169	555
61–90 days	35	982
Over 90 days	<u>—</u>	<u>2,466</u>
	<u>2,519</u>	<u>17,044</u>

13. TRADE AND OTHER PAYABLES

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Trade payables	2,863	12,050
Accrued expenses	503	862
Deposits received	211	164
Other tax payables	183	1,441
Other payables	64	234
	<u>3,824</u>	<u>14,751</u>

The aging analysis of the trade payables based on invoice date at the end of reporting periods are as follows:

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
1 to 30 days	2,853	3,798
31 to 60 days	—*	1,577
61 to 90 days	—	1,842
Over 90 days	10	4,833
	<u>2,863</u>	<u>12,050</u>

* The amount is less than S\$1,000.

14. CONTINGENT LIABILITIES

Save as disclosed in note 2.2 to the consolidated financial statements of the Company in this report in respect of the 2024 and 2025 legal suit, the Group did not have any significant contingent liabilities as at 30 June 2024 being the end of the Year and up to the date of this report.

15. SUBSEQUENT EVENT

Save as disclosed in note 2.2 to the consolidated financial statements of the Company in this report in respect of the Board has resolved to put Majestic Group under liquidation and has appointed BVI registered liquidator, the Group has no material events subsequent to 30 June 2024 being the end of the Year and up to the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview and Prospects

The Group is a leading player in the online marketing industry, focusing on providing services in the following segments, and catering to clients in Singapore, Malaysia and China:

- Search engine marketing services — ensuring optimal visibility and reach for our clients
- Search engine optimisation — drives organic growth
- Social media marketing — foster engaged communities
- Online e-commerce platform operations

We continue to face macro-economic challenges, arising from supply chain disruptions, heightened trade barriers and geopolitical tensions.

The online e-commerce platform operations suffered a significant slowdown due to weaknesses in the domestic market in China, contributed by the subdued global external demand.

As we map out our trajectory for the upcoming year, we will position ourselves to capitalise on the momentum we have built over the years. Leveraging our established strengths and expertise, we are committed to navigating the uncertainties, embracing emerging opportunities, and driving sustained growth and success.

The Group will continue to work hard to capture the market in new emerging advertising platforms, as well as investing in relevant forefront technologies that will enhance our performance and increase our productivity.

Financial Review

Revenue

We derived our revenue from online marketing services consisting of: (i) search engine marketing services; (ii) creative and technology services; (iii) social media marketing services; and (iv) online e-commerce platform operation.

The following table sets forth the revenue breakdown by the four segments of the revenue for the Year and FY2023:

	2024		2023		Variance	
	<i>S\$'000</i>	%	<i>S\$'000</i>	%	<i>S\$'000</i>	%
Search engine marketing services	20,009	55.5	19,058	39.6	951	5.0
Creative and technology services	2,115	5.9	3,535	7.3	(1,420)	(40.2)
Social media marketing services	1,554	4.3	1,545	3.2	9	0.6
Online e-commerce platform operation	12,385	34.3	24,063	49.9	(11,678)	(48.5)
	<u>36,063</u>	<u>100.0</u>	<u>48,201</u>	<u>100.0</u>	<u>(12,138)</u>	<u>(25.2)</u>

The Group's total revenue dropped by approximately S\$12.1 million, from approximately S\$48.2 million for the FY2023 to approximately S\$36.1 million for the FY2024, a reduction of approximately 25.2%.

The reduction in the Group's total revenue is contributed mainly by the online e-commerce platform operation segment, which decreased by approximately S\$11.7 million. This was attributed to the weak domestic market in China.

Revenue from the search engine marketing segment increased slightly by approximately 5.0% from approximately S\$19.1 million for the FY2023 to approximately S\$20.0 million for the FY2024. Revenue from the creative and technology services declined by approximately S\$1.4 million, dropping from approximately S\$3.5 million for the FY2023 to approximately S\$2.1 million for the FY2024.

Revenue from social media marketing services remain stable at approximately S\$1.5 million.

Cost of services

Our cost of services decreased by approximately 22.4%, dropping from approximately S\$35.1 million for the FY2023 to approximately S\$27.3 million for the FY2024. The decrease in the cost of services by approximately 22.4%, is in line with the drop in revenue by approximately 25.2%.

Other income

Other income consisted of (i) government grants received from the Singapore Government under Progressive Wage Credit Scheme (PWCS) to provide transitional wage support for employers; (ii) rental income; (iii) interest income; and (iv) logistics income for providing delivery management services for a supply chain company.

Selling expenses

Our selling expenses primarily consist of staff costs, sales commission for our sales personnel, and marketing-related expenses directly related to our sales and marketing activities. In FY2024, the Group's selling expenses amounted to approximately S\$1.2 million, whereas in FY2023, they were approximately S\$1.3 million, representing approximately 3.3% (FY2023: 2.8%) of the Group's total revenue. The decrease was mainly driven by the drop in the selling expenses of MSIL by about S\$0.5 million.

General and administrative expenses

Our general and administrative expenses primarily consist of staff costs, directors' remuneration, depreciation, rental expenses, entertainment expenses, and office expenses. These expenses decreased by approximately 7% from S\$8.7 million in FY2023 to S\$8.1 million in FY2024, mainly due to the reduction in operating expenses in the online platform management services segment in PRC.

Impairment losses under the ECL model

In the FY2023, MSIL Group recorded impairment losses totaling approximately S\$3.2 million under the ECL model. This provision is due to increase in credit-impaired trade receivables that are overdue over 90 days.

In the FY2024, the Group recorded impairment losses of about S\$2.7 million on loans to a subsidiary of MSIL — recognised into the profit and loss due to the deconsolidation of the MSIL Group.

Income tax expense

Our income tax expenses consisted of provisions for PRC, Singapore, and Malaysia current income tax expenses. The income tax expense decreased by approximately 54% from approximately S\$1.3 million in FY2023 to approximately S\$0.6 million in FY2024. The decrease was primarily attributed to the decrease in Singapore income tax and an overprovision from prior years.

Loss for the Year

The Group recorded a loss of approximately S\$29.4 million for the Year, in contrast to a loss of approximately S\$1.1 million in FY2023. The main reason for this loss was the loss on deconsolidation of the MSIL Group of approximately S\$26.1 million (note 6 of the consolidated financial statement).

FINANCIAL POSITIONS

Our total equity declined from approximately S\$38.4 million in FY2023 to approximately S\$7.7 million in FY2024, primarily due to the loss on deconsolidation of the MSIL Group.

As at 30 June 2024, our net current assets amounted to approximately S\$4.5 million, a significant decrease from approximately S\$20.6 million as at 30 June 2023, due to the deconsolidation of the MSIL Group.

LIQUIDITY AND CAPITAL RESOURCES

We have primarily financed our working capital and other liquidity requirements through a combination of cash flow from operations and advance payments received from our clients. Our main uses of cash have been, and are expected to continue to be, operational costs, repayment of bank borrowings, and business expansion in Singapore and Malaysia.

Bank and other Borrowings

The bank borrowings are guaranteed by the Company and secured by the investment property of the Group. In FY2023, certain bank and other borrowings are guaranteed by Mr. Mu Lei (“Mr. Mu”), previously an executive director of the Company and charged at interest rate within 5.77% to 7.64% plus loan prime rate at The National Interbank Funding Center of China’s central bank. The variable-rate bank borrowings carry interests at certain basis points below the bank’s prime lending rate per annum. The borrowing was guaranteed by Mr. Mu under guarantee agreements entered into between the respective creditors, debtors and Mr. Mu. Mr. Mu was an executive Director, such transactions would be constituted as connected transactions of financial assistance received by the Group under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). Since the borrowing was on normal commercial terms or better and was not secured by the assets of the Group, and no fee is charged by Mr. Mu for entering into the guarantee agreements, the borrowing was fully exempted from any reporting requirements under Chapter 14A of the Listing Rule.

Mr. Mu was removed as an executive director on 3 April 2025.

As of FY2024, deconsolidation has been applied on MSIL and other borrowings guaranteed by Mr. Mu Lei has been deconsolidated.

The range of effective interest rates (which are also equal to contracted interest rates) of the Group's bank borrowings are as follows:

	2024	2023
Effective interest rate:		
Variable-rate borrowings — bank borrowings	1.98%–6.25%	1.58%–1.98%
Variable-rate borrowings — other borrowings	—	10.71%–11.34%

Charge on Assets

The bank borrowings as at 30 June 2024 were secured against investment property of the Group with a carrying amount of approximately S\$2.7 million as at 30 June 2024.

Material Acquisition and Disposal of Subsidiaries and Associates and Joint Ventures

Save for the deconsolidation of subsidiaries disclosed in note 6 to the consolidated financial statements, the Group did not have any material acquisition and disposal of subsidiaries and associates and joint ventures during the Year.

Gearing Ratio

As at 30 June 2024, the Group's gearing ratio was approximately 20.8%, representing an increase compared to the previous year (30 June 2023: 6.1%). This increase was due to the drop in the Group's total equity, attributed by the deconsolidation of the MSIL Group. The Group will continue to monitor its leverage ratio very closely.

The gearing ratio is determined by dividing the total interest-bearing liabilities by the total equity at the end of the respective financial year.

Foreign Exchange Exposure

The main operations of the Group are in Singapore, Malaysia, and China. The majority of the Group's transactions, cash, and cash equivalents are denominated in S\$, Malaysian Ringgit and Renminbi. Currently, the Group does not have any foreign currency hedging policy, but the Group's management continuously monitors its foreign exchange exposure.

Capital Commitment

	2024	2023
	<i>S\$'000</i>	<i>S\$'000</i>
Contracted, but not provided for:		
Commitments for development of a technological infrastructure	—	1,903

Litigation

Save as disclosed in note 2.2 basis of preparation of financial statements, we did not have any significant litigation against the Group.

Contingent Liabilities and Guarantees

Save as disclosed in note 2.2 and 14 to the consolidated financial statements, we did not have any significant contingent liabilities against the Group.

USE OF NET PROCEEDS FROM LISTING

The shares of the Company were successfully listed on the Main Board of the Stock Exchange on 26 June 2019 (the “Listing”). After considering the business operating environment and the development of the Group, the Board has decided to change the use of the unutilised net proceeds from the Listing (the “Net Proceeds”) as stated in the Company’s announcement dated 29 October 2020 and 26 September 2022 (the “Announcements”). For details of the change in use of the unutilised Net Proceeds, please refer to the Announcements.

During the FY2023, some changes were made to the technological infrastructure, and the Board entered into a settlement agreement with the Service Provider for a full refund of approximately S\$7,199,070 to the Group due to delays in development and changes in the business operating environment. For additional information, kindly refer to the Company’s announcement dated 26 September 2022.

The table below presents the breakdown of the intended use and the timeline for utilisation as of 30 June 2024. The Net Proceeds amounted to approximately HK\$92 million.

Intended use of Net Proceeds from the share offer (per Prospectus)	Approximate percentage of Net Proceeds	Revised allocation of unutilised Net Proceeds	Approximate percentage of Net Proceeds	Amount utilised as at 30 June 2022	Amount received under the Settlement Agreement (note)	Remaining balance as at 30 June 2023	Amount utilised during the Year	Remaining balance as at 30 June 2024	Expected timeline to use unutilised Net Proceeds	
										HK\$ million
Strengthening the technological infrastructure	58.2	63.3	58.2	63.3	40.65	40.65	58.20	—	58.20	Q4 2026
Acquisition of a website development and hosting company	26.2	28.5	—	—	—	—	—	—	—	N/A
Establishment of a sales office in Johor Bahru, Malaysia	5.3	5.7	—	—	—	—	—	—	—	N/A
Working Capital	2.3	2.5	2.3	2.5	2.30	—	—	—	—	N/A
Acquisition of additional interest in an associated company	—	—	31.5	34.2	31.50	—	—	—	—	N/A
	<u>92.0</u>	<u>100.0</u>	<u>92.0</u>	<u>100.0</u>	<u>74.45</u>	<u>40.65</u>	<u>58.20</u>	<u>—</u>	<u>58.20</u>	

Note: As set out in the announcement dated 26 September 2022, the sum of approximately S\$7,199,070 (approximately HK\$40.65 million) are refunded by the Service Provider.

The Board is still of the view that developing and strengthening the technological infrastructure is critical to the Group's future development as paying efforts in this direction will enable the business of the Group be more scalable and will extend the Group's lead in this rapidly evolving online marketing industry. Since the Company expects to take some time to locate a suitable replacement vendor, the Group intends to allocate the fund generally for the purpose of strengthening the technological infrastructure at this stage.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Group had 94 (30 June 2023: 82) employees and our employee remuneration for the Year totalled approximately S\$8.0 million (including salary, bonuses, and other employee benefits). The amount was approximately S\$8.4 million for the FY2023. The remuneration of our employees is determined based on their performance, experience, competence and market comparable. Their remuneration package includes salaries, bonuses related to their performance, allowances and retirement benefit schemes for employees in Singapore, Malaysia and PRC. The Group also provides customised training to its staff to enhance their technical and product knowledge.

The remuneration of Directors and members of senior management is determined on the basis of each individual's responsibilities, qualification, position, experience, performance, seniority and time devoted to our business. They receive compensation in the form of salaries, bonuses, and other allowances and benefits-in-kind, including the Company's contribution to their retirement benefit schemes on their behalf.

Furthermore, the Company has adopted a share option scheme (the "Scheme") for the purpose of providing incentives or rewards to eligible persons for their contributions to the Group. As no share option has been granted by the Company under the Scheme since the listing, there was no share option outstanding as at 30 June 2024 and no option was exercised or cancelled or lapsed during the Year.

EVENTS AFTER THE REPORTING PERIOD

Immediately following the resignation of Ms. Zhang Hong as an independent non-executive Director, a member of the audit committee (the "Audit Committee"), the remuneration committee and the nomination Committee of the Board on 10 October 2024, the Company did not meet the requirement of Rules 3.10 and 3.21 of the Listing Rules. On 1 March 2025, following the appointment of Mr. Koh Boon Chiao as an independent non-executive Director, a member of the Audit Committee and the remuneration committee of the Board, the Company has fulfilled the aforesaid requirements of the Listing Rules.

In addition, the Board has also resolved to put Majestic Group under liquidation and has appointed BVI registered liquidator, Kroll (HK) Limited, as the liquidator of Majestic Group on 9 March 2026. Under the BVI laws, upon the appointment of the liquidator, the Board of Directors of the BVI company is deemed to have transferred the authority and power over the assets and matters of the BVI company to the liquidator.

OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities

During the Year, the Company did not redeem any of its listed securities nor did the Company or any of its subsidiaries purchase or sell (including sale of treasury shares, if any) such securities.

As at 30 June 2024, the Company did not hold any treasury shares.

Postponement of Annual General Meeting

References are made to the announcements of the Company dated 23 September 2024, 24 September 2024, 30 September 2024, 23 December 2024, 14 February 2025, 23 June 2025 and 23 September 2025 (the "Announcements") regarding, amongst others, the Company's delay in (i) the publication of the 2024 Annual Results, the unaudited interim financial results of the Group for the six months ended 31 December 2024 (the "2024 Interim Results") and the Annual Results for the year ended 30 June 2025 (the "2025 Annual Results") and (ii) the despatch of annual report for the year ended 30 June 2024 (the "2024 Annual Report"), interim report for the six months ended 31 December 2024 (the "2024 Interim Report") and annual report for the year ended 30 June 2025 (the "2025 Annual Report").

As such, the Board announces that annual general meeting of the Company ("AGM") for the shareholders of the Company (the "Shareholders") to consider and adopt the 2024 Annual Report and 2025 Annual Report and other ordinary businesses will be postponed and the Company will publish further announcement and notice of AGM will be published, disseminated and despatched to the Shareholders in accordance with the requirements of the articles of association of the Company and the Listing Rules.

Scope of Work of HLB Hodgson Impey Cheng Limited

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group's auditor, HLB Hodgson Impey Cheng Limited ("HLB"), to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by HLB in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by HLB on this announcement.

ADDITIONAL INFORMATION REGARDING THE DISCLAIMER OF OPINION

As stated in the section headed “Basis for Disclaimer Opinion” in the draft extract of the independent auditor’s report on the consolidated financial statements of the Group for the year ended 30 June 2024 (the “Independent Auditor’s Report”), the draft extract of which are set out in the section headed “Extract of Independent Auditor’s Report on the Consolidated Financial Statements for the year ended 30 June 2024” in this announcement, the auditor of the Company (the “Auditor”) has indicated that it would not express an opinion on the consolidated financial statements of the Group for the year ended 30 June 2024 (the “2024 Disclaimer Opinion”). The basis for the disclaimer of opinion is more particularly set out in the Independent Auditor’s Report and is essentially relating to the deconsolidation of MSIL Group. The following is an extract of the independent auditor’s report on the Group’s audited consolidated financial statements for the year ended 30 June 2024.

DISCLAIMER OF OPINION

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements and as to whether they have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Lack of access to the accounting books and records and deconsolidation of Majestic State International Limited (“MSIL”) and its subsidiaries (“MSIL Group”)

As disclosed in Note 3 — Basis of preparation and Note 22 — Deconsolidation of subsidiaries, after the date when the MSIL Group became involved as defendant in a legal suit in 2024 (the “2024 Legal Suit”), the individual who was the non-controlling interest shareholder of the MSIL Group (the “NCI Shareholder”), and was also an executive director of the Company and key management personnel of MSIL Group responsible for managing the business of MSIL Group, refused to let the Group have access to the accounting books and records and management and accounting personnel of the MSIL Group. The NCI Shareholder imposed a condition that the Group must settle the matters in relation to the 2024 Legal Suit in order to have such access to the MSIL Group.

Subsequently in 2025, the MSIL Group became the plaintiff when it brought legal action (the “2025 Legal Suit”) against the plaintiff of the 2024 Legal Suit and the controlling shareholder and holding company of the Company. With the ongoing legal suits, the Group continued to be unable to have access to the MSIL Group.

The management of the Group has no further information regarding the financial results and financial position of the MSIL Group for the financial year ended 30 June 2024 other than the management accounts that was previously obtained from the MSIL Group. The management is also unable to establish whether the business operations of MSIL Group had been affected by the legal suits and disputes up to the date of approval of these consolidated financial statements.

The directors of the Company have asserted that management of the Group has undertaken all reasonable actions and steps and used their best endeavors to try to collect and collate the necessary financial information and documents from the MSIL Group but the MSIL Group have refused to cooperate in spite of demands and requests made to them.

As disclosed in note 3 to the consolidated financial statements concerning the basis of preparation of the consolidated financial statement, the directors of the Company are of the opinion that in view of the facts and circumstances as described above, the Group has lost control over the MSIL Group and for the purposes of the preparation of the consolidated financial statements the loss of control was with effect from 30 June 2024. Consequently, in the preparation of the consolidated financial statements of the Group, the assets and liabilities of the MSIL Group have been derecognised from the consolidated statement of financial position of the Group on 30 June 2024 (the “Deconsolidation Date”) and the retained investment of the Group in the MSIL Group was recognised at Nil carrying amount. The financial performance and cash flows of MSIL Group were consolidated in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows up until 30 June 2024 based on the management accounts of MSIL Group.

Due to the lack of supporting documents concerning the MSIL Group provided to us due to the facts and circumstances described above, we were unable to perform audit procedures to corroborate the directors’ assertions related to the loss of control by the Group over the MSIL Group referred to above. Based on the facts and circumstances as described above, we were unable to satisfy ourselves as to whether, and if so when, the Group has lost control of the MSIL Group. Hence we were unable to be satisfied whether the deconsolidation of the MSIL Group from the consolidated financial statements of the Group with effect from 30 June 2024 was appropriate and in accordance with the requirements of International Financial Reporting Standard 10 “Consolidated Financial Statements” which requires consolidation of the MSIL Group to cease when the Group loses control of the MSIL Group. Any adjustments found necessary in respect of these matters may have significant effects on the consolidated revenue, income, expenses, gains and losses and cash flows of the Group presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Group for the year ended 30 June 2024 and the carrying amounts of consolidated assets and liabilities of the Group presented in the consolidated statement of financial position of the Group as at 30 June 2024.

The directors of the Company are also of the opinion that the financial information of MSIL Group for the year ended 30 June 2024 available to the management of the Group was insufficient for the purposes of the preparation of the consolidated financial statements of the Group as the Group was unable to collect and collate the necessary financial information and documents from the MSIL Group to support the management accounts of the MSIL Group used in the consolidation of the MSIL Group up to the Deconsolidation Date. Given that, under these facts and circumstances, we could not have access to the accounting books and records, and supporting documents, and management and accounting personnel of MSIL Group, we were unable to perform any audit procedures on the financial information of MSIL Group for the financial year ended 30 June 2024 that was used by management of the Group for the preparation of the consolidated financial statements of the Group for the financial year ended 30 June 2024. We were therefore unable to obtain sufficient appropriate audit evidence to satisfy ourselves that (i) the results and cash flows of MSIL Group included in the consolidated revenue, income, expenses, gains and losses and cash flows of the Group presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Group for the year ended 30 June 2024, which amounts are disclosed in Note 3.1 to the consolidated financial statements, and (ii) the carrying amounts of assets and liabilities of MSIL Group derecognised from the consolidated statement of financial position as at 30 June 2024 and included in the determination of the loss on deconsolidation of MSIL Group, which amounts are disclosed in Notes 3.1 and 22 to the consolidated financial statements, were free of material misstatements.

For the same reasons, we were also unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the loss on deconsolidation of the MSIL Group amounting to S\$26,121,000 and impairment loss on amounts due from MSIL Group amounting to S\$2,645,000 recognised in consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2024 as disclosed in Note 22 — Deconsolidation of subsidiaries was free of material misstatement.

On 15 June 2025, the Audit Committee of the Company engaged a law firm (the Investigator”) to conduct an independent investigation (the “Investigation”) for the purpose of fulfilling the relevant Resumption Guidance issued by the Stock Exchange on 23 December 2024 and 7 March 2025, as subsequently modified on 12 September 2025. The scope of the Investigation, as agreed with the Audit Committee and as a fact-finding exercise, included investigating into whether the Group’s acquisition of the 20% and the subsequent 60% interest in MSIL in June 2020 and in November 2020 respectively (the “Majestic Acquisition”) were related to, and if so to what extent, the alleged cooperation agreement that is the subject matter of the 2024 Legal Suit and 2025 Legal Suit. The Investigation did not identify evidence that the Majestic Acquisition on the Company’s part was related to the alleged cooperation agreement. However, it cannot be concluded at this stage that the Majestic Acquisition was not related to the alleged cooperation agreement, while the eventual outcome of the 2024 Legal Suit and 2025 Legal Suit may

have possible effects on the carrying amounts of the assets and liabilities of the MSIL Group recognised in the consolidated financial statements of the Group. Consequently, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves that (i) the results and cash flows of MSIL Group included in the consolidated revenue, income, expenses, gains and losses and cash flows of the Group presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Group for the years ended 30 June 2024 and 2023, which amounts are disclosed in Note 3.1 to the consolidated financial statements, (ii) the carrying amounts of assets and liabilities of MSIL Group as at 30 June 2024 and 2023 included in the determination of the loss on deconsolidation of MSIL Group on 30 June 2024 and in the consolidated assets and liabilities of the Group presented in the consolidated statement of financial position of the Group as at 30 June 2023, respectively, which amounts are disclosed in Note 3.1 to the consolidated financial statements, and (iii) the loss on deconsolidation of the MSIL Group amounting to S\$26,121,000 and impairment loss on amounts due from MSIL Group amounting to S\$2,645,000 recognised in consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2024 were free of material misstatements.

There were no other satisfactory alternative audit procedures that we could perform to obtain sufficient audit evidence regarding the matters set out above. As a result of these matters, we were unable to determine whether any adjustments might have been found to be necessary in respect of the items as set out above, and the related elements of and disclosures in the consolidated financial statements.

Compliance with the Corporate Governance Code

The Group is committed to implementing high standards of corporate governance to safeguard the interests of the Shareholders and enhance the corporate value as well as the responsibility commitments. The Company has adopted the Corporate Governance Code as contained in Appendix C1 (formerly known as Appendix 14) to the Listing Rules (the “CG Code”) as its own code of corporate governance and complied with all mandatory disclosure requirements and all applicable code provisions as set out in the section headed “Part 2 — Principles of good corporate governance, code provisions and recommended best practices” of the CG Code during the Year except disclosed as follows:

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Ms. Teo Li Lian (“Ms. Teo”) currently holds both positions. Throughout the Group’s history, Ms. Teo has held key leadership position of the Group and has been responsible for overall strategic planning, sales and marketing, management and operation of the Group. In order to achieve effective strategic planning and to monitor the implementation of such plans, the Board (including the independent non-executive Directors (the “INEDs”)) considers that Ms. Teo is the best candidate for both positions and the present arrangements are beneficial to and in the interests of the Group and the Shareholders as a whole.

All major decisions are made in consultation with all the members of the Board, including the INEDs offering independent perspectives, the Board believes that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.

The Board will continue to review and monitor the corporate governance practices of the Company for the purpose of complying with the code provisions of the CG Code and maintaining a high standard of corporate governance of the Company.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 (formerly known as Appendix 10) to the Listing Rules (the “Model Code”) as its own code of conduct governing the securities transactions by the Directors. Following a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had complied with the Model Code during the Year.

Audit Committee

The Company has established the audit committee (the “Audit Committee”) with written terms of reference in compliance with the CG Code. As at the date of this announcement, the Audit Committee consists of three INEDs, namely Mr. Tan Kia Jing, Mr. Lee Shy Tsong and Mr. Koh Boon Chiao. Mr. Tan Kia Jing is the chairman of the Audit Committee. The primary duties of the Audit Committee are to review the financial information of the Group, oversee the Group’s financial report system, risk management and internal control systems, provide advice and comments to the Board, and monitor the independence and objectivity of the external auditor.

Review of 2024 Annual Results

The consolidated financial results of the Group for the FY2024 have been reviewed by the Audit Committee and the figures in respect of the Group’s consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, and the related notes thereto for the FY2024 as set out in this announcement have been agreed by our independent auditor, HLB, to the amounts set out in the Group’s consolidated financial statements for the FY2024. The Group’s audited annual results in respect of the year ended 30 June 2024 have been reviewed by existing members of the Audit Committee. The Audit Committee has reviewed and agreed with the views and concerns of the independent auditor with respect to the disclaimer opinion on the consolidated financial statements of the Group for the year ended 30 June 2024.

Appreciation

On behalf of the Board, I would like to extend our sincere thanks to our Shareholders, business partners and customers for their continuous support to the Group. I would also extend my gratitude and appreciation to all my fellow Directors, the management and staff for their hard work and dedication throughout the Year.

Delay in publication of 2024 Annual Report and Environmental, Social and Governance Report

As disclosed in the Announcements, owing to the delay in the publication of the 2024 Annual Results, the 2024 Annual Report was not despatched and the Environmental, Social and Governance Report of the Company (the “ESG Report”) regarding the period from 1 July 2023 to 30 June 2024 was not published by the Company by 30 October 2024. The Company will keep the Shareholders and potential investors updated on the expected date of the despatch of the 2024 Annual Report and the publication of the ESG Report in due course.

Delay in publication of 2024 Interim Results announcement

As disclosed in the Announcements, as the publication of the 2024 Annual Results Announcement was still pending, the Company would not publish 2024 Interim Results by 28 February 2025. It is also expected that the despatch of the 2024 Interim Report will also be delayed. The Company will keep the Shareholders and potential investors updated on the expected date of the despatch of the 2024 Interim Report in due course.

Delay in publication of 2025 Annual Results and publication of 2025 Annual Report and ESG Report for the period from 1 July 2024 to 30 June 2025 (“2025 ESG Report”)

As disclosed in the Announcements, owing to the delay in the publication of the 2024 Annual Results and the 2024 Interim Results, the Company would not publish 2025 Annual Results. It is also expected that the despatch of the 2025 Annual Report will also be delayed. The Company will keep the Shareholders and potential investors updated on the expected date of the despatch of the 2024 Interim Report in due course.

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.

By order of the Board
AM Group Holdings Limited
Teo Li Lian

Chairlady, Executive Director and Chief Executive Officer

Hong Kong, 30 April 2026

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