

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CMON LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1792)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the “**Board**”) of directors (the “**Directors**”) of CMON Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 together with the comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 US\$	2023 US\$
Revenue	3	37,353,249	45,051,708
Cost of sales		<u>(19,355,755)</u>	<u>(21,436,424)</u>
Gross profit		17,997,494	23,615,284
Other income	4	105,260	62,898
Other gains and losses	5	35,646	(52,414)
Changes in fair value of financial assets at fair value through profit or loss (“FVTPL”)		21,000	(14,000)
Selling and distribution expenses		(7,203,069)	(9,606,817)
General and administrative expenses		<u>(13,516,209)</u>	<u>(12,173,845)</u>
Operating (loss)/profit		(2,559,878)	1,831,106
Finance costs	6	<u>(435,633)</u>	<u>(468,624)</u>
(Loss)/profit before income tax		(2,995,511)	1,362,482
Income tax expense	7	<u>(53,869)</u>	<u>(606,534)</u>
(Loss)/profit for the year	8	<u>(3,049,380)</u>	<u>755,948</u>
Other comprehensive income/(loss):			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>2,613</u>	<u>(10,556)</u>
Total other comprehensive income/(loss) for the year		<u>2,613</u>	<u>(10,556)</u>
Total comprehensive (loss)/income for the year		<u>(3,046,767)</u>	<u>745,392</u>

		2024	2023
	<i>Notes</i>	<i>US\$</i>	<i>US\$</i>
(Loss)/profit for the year attributable to:			
Owners of the Company		(3,047,341)	755,948
Non-controlling interests		(2,039)	—
		<u>(3,049,380)</u>	<u>755,948</u>
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		(3,043,943)	740,886
Non-controlling interests		(2,824)	4,506
		<u>(3,046,767)</u>	<u>745,392</u>
(Loss)/earnings per share			
Basic and diluted	10	<u>(0.0015)</u>	<u>0.0004</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
	<i>Notes</i>	<i>US\$</i>	<i>US\$</i>
Non-current assets			
Property, plant and equipment		17,332,703	18,585,061
Right-of-use assets		1,152,580	1,341,863
Intangible assets		6,895,431	8,407,056
Deposit placed with a life insurance company		199,400	199,400
Financial assets at FVTPL		175,000	154,000
Rental deposits		86,941	89,012
		25,842,055	28,776,392
Current assets			
Inventories		2,495,750	2,728,897
Trade and other receivables	11	9,087	421,509
Prepayments and deposits	12	675,958	2,199,680
Bank and cash balances	13	2,097,742	3,179,243
		5,278,537	8,529,329
Current liabilities			
Accruals and other payables	14	600,128	473,398
Borrowings	15	2,956,437	4,342,313
Amount due to a related party		47,310	47,310
Income tax payable		378,202	104,653
Contract liabilities		5,360,022	6,652,372
Lease liabilities		291,518	387,427
		9,633,617	12,007,473
Net current liabilities		(4,355,080)	(3,478,144)
Total assets less current liabilities		21,486,975	25,298,248

	<i>Notes</i>	2024 <i>US\$</i>	2023 <i>US\$</i>
Non-current liabilities			
Borrowings	15	1,049,710	1,464,341
Lease liabilities		952,117	1,040,386
Deferred tax liabilities		3,168,777	3,432,704
		5,170,604	5,937,431
NET ASSETS		16,316,371	19,360,817
Capital and reserves			
Share capital	16	14,021	11,700
Reserves		16,367,315	19,411,258
Equity attributable to owners of the Company		16,381,336	19,422,958
Non-controlling interests		(64,965)	(62,141)
TOTAL EQUITY		16,316,371	19,360,817

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

CMON Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands. The address of the registered office is Offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is 201 Henderson Road, #07/08-01 Apex @ Henderson, Singapore 159545.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in design, development and sales of board games, miniatures and other hobby products.

The consolidated financial statements are presented in United States dollar (“**US\$**”) unless otherwise stated.

2. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted all the new and revised IFRS Accounting Standards issued by the International Accounting Standards Board (the “**IASB**”) that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. IFRS Accounting Standards comprise International Financial Reporting Standards (“**IFRS**”); International Accounting Standards (“**IAS**”); and Interpretations. The adoption of these new and revised IFRS Accounting Standards did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRS Accounting Standards but is not yet in a position to state whether these new and revised IFRS Accounting Standards would have a material impact on its results of operations and financial position.

3. REVENUE AND SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group’s principal activity is the design, development and sales of board games, miniatures and other hobby products, and it has only one operating segment.

The Group’s revenue is analysed as follows:

	2024 US\$	2023 US\$
Sales of products	33,584,207	40,591,908
Shipping income in connection with sales of products	3,769,042	4,459,800
Revenue from contracts with customers	37,353,249	45,051,708

Disaggregation of revenue from contracts with customers:

Geographical markets

	2024 US\$	2023 US\$
North and South America	15,699,195	22,828,405
Europe	12,729,436	15,067,638
Asia	8,091,628	6,435,189
Oceania	832,990	720,476
	<u>37,353,249</u>	<u>45,051,708</u>

Revenue from one customer of the Group represents approximately US\$4,493,895 (2023: US\$5,112,187) of the Group's total revenue during the year ended 31 December 2024.

For the years ended 31 December 2024 and 2023, all revenue was recognised at a point in time (For the details of revenue recognition of the following sales activities, please refer to the below paragraphs).

Sales of products — wholesale

The Group sells a range of board games, miniatures and other hobby products in the wholesale market. Revenue from sales of products is recognised at a point in time when control of the products has been transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. Receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional.

Sales of products — game conventions and online store

The Group sells its products through game conventions and its online store. Revenue from the sales of products is recognised at a point in time when control of the products has been transferred to customers. Payment of the transaction price is due immediately when the customer purchases the products and takes delivery at game conventions. Advance payments received from customers who place orders on the Group's online store is initially recognised as contract liabilities under IFRS 15.

Sales of products — Crowd-funding platforms

The Group launches new products through crowd-funding platforms. Upon the successful funding of these pre-orders, the Group recognises the total pledged amount, less administrative fees, as contract liabilities under IFRS 15. Revenue is recognised at a point in time when control of the products has been transferred to customers. The products of the pre-orders are normally completed and delivered within one year.

Shipping income

Shipping income is recognised at a point in time during the period when the goods are picked up from the suppliers' factories. The related shipping and handling charges are included in cost of sales.

At 31 December 2024 and 2023, the total non-current assets other than intangible assets, financial assets at FVTPL, rental deposits and deposit placed with a life insurance company were located in the following locations:

	2024 US\$	2023 US\$
Singapore	16,874,912	17,498,700
The People Republic's of China (the "PRC")	1,552,372	2,428,224
Japan	57,999	—
	<u>18,485,283</u>	<u>19,926,924</u>

4. OTHER INCOME

	2024 US\$	2023 US\$
Advertising income	—	1,190
Royalty income	74,379	22,352
Interest income from bank	222	233
Government subsidies (<i>note</i>)	11,802	25,538
Others	18,857	13,585
	<u>105,260</u>	<u>62,898</u>

Note: Government subsidies are awarded to the Group by the government authority. No conditions have been applied on such government subsidies from the government authority.

5. OTHER GAINS AND LOSSES

	2024 US\$	2023 US\$
Loss on disposal of property, plant and equipment	—	(52,414)
Gain on early termination of lease	35,646	—
	<u>35,646</u>	<u>(52,414)</u>

6. FINANCE COSTS

	2024 US\$	2023 US\$
Interest on lease liabilities	71,254	25,554
Interest on borrowings	364,379	443,070
	<u>435,633</u>	<u>468,624</u>

7. INCOME TAX EXPENSE

	2024 US\$	2023 US\$
Current tax		
— Singapore Corporate Income Tax		
— Provision for the year	191,976	61,602
— Under-provision in prior years	125,820	—
Deferred tax	(263,927)	544,932
	<u>53,869</u>	<u>606,534</u>

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the years ended 31 December 2024 and 2023. No provision for Hong Kong Profits Tax has been made for the years ended 31 December 2024 and 2023 as the Group did not generate any assessable profits arising in Hong Kong during the years ended 31 December 2024 and 2023.

Other jurisdictions mainly included Singapore, Japan and the United States. Taxation arising in other jurisdictions of which Singapore is at 17% (2023: 17%), Japan is at 10.3% (2023: 10.3%) and the United States is at 21% (2023: 21%) is calculated at the rates prevailing in the respective jurisdictions.

Under the Enterprise Income Tax Law of the PRC (the “EIT Law”) and Regulation on Implementation of the EIT Law, the tax rate of the PRC subsidiaries of the Group is 25% for the years ended 31 December 2024 and 2023.

8. (LOSS)/PROFIT FOR THE YEAR

The Group's (loss)/profit for the year is stated after charging the following:

	2024 US\$	2023 US\$
Cost of inventories	13,093,441	14,745,602
Shipping and handling charges	3,952,503	3,907,692
Employee benefit expenses	4,018,198	3,959,347
Auditor's remuneration	200,000	200,000
Merchant account fee	1,331,426	1,420,692
Royalty expenses	2,292,574	2,985,217
Marketing expenses	920,943	1,086,526
Depreciation of property, plant and equipment	4,089,814	3,489,253
Depreciation of right-of-use assets	361,855	196,991
Amortisation of intangible assets	1,609,173	1,935,755
Game development expenses	4,711,774	4,987,770

9. DIVIDENDS

The Board do not recommend any payment of dividends for the year ended 31 December 2024 (2023: nil).

10. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share

The calculation of basic loss (2023: earnings) per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of US\$3,047,341 (2023: profit of US\$755,948) and the weighted average number of ordinary shares of 2,042,852,459 (2023: 1,806,000,000) in issue during the year.

Diluted (loss)/earnings per share

The effects of all potential ordinary shares are anti-dilutive for the years ended 31 December 2024 and 2023.

11. TRADE AND OTHER RECEIVABLES

	2024 US\$	2023 US\$
Trade receivables	—	375,608
Provision for loss allowance	—	—
	—	375,608
Other receivables	9,087	45,901
	9,087	421,509

The Group's trade receivables are primarily due from its wholesale customers and are all denominated in US\$.

During the year ended 31 December 2024, the Group granted credit terms of 0 to 60 days (2023: 0 to 60 days) to its customers.

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	2024 US\$	2023 US\$
1–30 days	—	20,246
31–90 days	—	355,362
	<u>—</u>	<u>375,608</u>
	<u><u>—</u></u>	<u><u>375,608</u></u>

Reconciliation of loss allowance for trade receivables:

	2024 US\$	2023 US\$
At beginning of year	—	1,240
Written-off	—	(1,240)
	<u>—</u>	<u>(1,240)</u>
At end of year	<u><u>—</u></u>	<u><u>—</u></u>

The Group applies the simplified approach under IFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the invoice date aging. The expected credit losses also incorporate forward looking information.

	Within 30 days	31–90 days	Total
At 31 December 2023			
Weighted average expected loss rate	—	—	
Receivable amount (US\$)	20,246	355,362	375,608
Loss allowance (US\$)	—	—	—

12. PREPAYMENTS AND DEPOSITS

	2024 US\$	2023 US\$
Advances to suppliers	87,507	870,925
Prepaid royalties and game development costs	398,754	1,191,166
Other prepayments	4,541	1,696
Deposits	272,097	224,905
	<u>762,899</u>	<u>2,288,692</u>
Analysed as:		
Non-current	86,941	89,012
Current	675,958	2,199,680
	<u>762,899</u>	<u>2,288,692</u>

13. BANK AND CASH BALANCES

As at 31 December 2024, the bank and cash balances of the Group denominated in Renminbi (“RMB”) amounted to US\$88,857 (2023: US\$168,082). Conversion of RMB into foreign currencies is subject to the PRC’s Foreign Exchange Control Regulations.

14. ACCRUALS AND OTHER PAYABLES

	2024 US\$	2023 US\$
Accruals for audit fee	200,000	120,000
Other accrued operating expenses	400,128	353,398
	<u>600,128</u>	<u>473,398</u>

15. BORROWINGS

	2024 US\$	2023 US\$
Bank borrowings	4,006,147	5,806,654

The borrowings are repayable as follows:

	2024 US\$	2023 US\$
On demand or within one year	2,956,437	4,342,313
In the second year	87,476	421,983
In the third to fifth years, inclusive	262,427	277,962
After five years	<u>699,807</u>	<u>764,396</u>
	4,006,147	5,806,654
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(2,956,437)</u>	<u>(4,342,313)</u>
Amount due for settlement after 12 months	<u><u>1,049,710</u></u>	<u><u>1,464,341</u></u>

As at 31 December 2024, including in the bank borrowings, the amount of US\$1,137,186 (2023: US\$1,227,666) will mature in 2037, bears interest rate at Singapore Overnight Rate Average (“SORA”) in-arrears +4.00% for the period from 3 November 2024 to 2 January 2025, fixed rate at 3.20% for the period from 3 January 2025 to 2 January 2027 and at SORA in-advance +3.00% for the remaining tenures (2023: SORA in-arrears +1.15% for the period from 3 May 2023 to 3 November 2024 and at SORA in-arrears +4.00% for the remaining tenures) and are secured by first mortgage over the Group’s office units and a corporate guarantee from the Company.

As at 31 December 2024, including in the bank borrowings, the amount of US\$328,422 (2023: US\$1,297,814) will mature in 2025, bears fixed interest at 3% (2023: 3%) per annum and is secured by corporate guarantees from the Company and its subsidiary.

As at 31 December 2024, including in the bank borrowings, trade loans amounting to US\$2,540,539 (2023: US\$3,281,174) repayable within one year, bear interest rates at the bank’s prevailing 1-month Cost of Funds +1.0%, and are secured by a corporate guarantee from the Company and its subsidiary, first fixed and floating charge over the Group’s assets and undertakings, and an assignment of life insurance.

16. SHARE CAPITAL

	Number of shares of the Company	Share capital US\$
Authorised		
Ordinary share capital of HK\$0.00005 each at 31 December 2024 and 2023	7,600,000,000	49,147
Issued		
Ordinary shares at 1 January 2023, 31 December 2023, 1 January 2024	1,806,000,000	11,700
Issuance of shares	361,200,000	2,321
Ordinary shares at 31 December 2024	2,167,200,000	14,021
Issued but not fully paid		
Ordinary shares at 1 January 2023, 31 December 2023, 1 January 2024	—	—
Issuance of shares	361,200,000	2,321
Ordinary shares at 31 December 2024	361,200,000	2,321

On 13 April 2024, the Company had entered into share subscription agreements with two subscribers (the “**Subscribers**”) to issue 361,200,000 ordinary shares (the “**Subscription Shares**”) of HK\$0.03 each, representing a discount of approximately 11.76% to the closing market price of the Company’s ordinary shares on 12 April 2024 (the “**Subscription**”).

The Group did not receive the aggregate net proceeds of the Subscriptions from the Subscribers. The ordinary shares issued as at 6 May 2024 were regarded as non-fully paid issued ordinary shares and the share certificates were kept in the custody of the Company and were not delivered to the Subscribers.

The Company had negotiated with the Subscribers and obtained legal advice from the legal adviser to take appropriate steps to cancel the Subscription Shares. The Subscribers had agreed to pay the par value of the Subscription Shares amounted to HK\$18,060 (equivalent to US\$2,321 (the “**Subscription Shares Receivables**”)), and sign the deed of surrender to the Company for cancellation of the Subscription Shares. The Subscription Shares Receivables were recorded as other receivables (Note 11) in the Group’s consolidated statement of financial position as at 31 December 2024. For further details, please refer to the announcements of the Company dated 13 April 2024 and 5 March 2025.

17. EVENT AFTER THE REPORTING PERIOD

(a) Status of the Subscription Shares

As at 13 April 2024, the Company entered into share subscription agreements with the Subscribers to issue the Subscription Shares. The Company had printed the physical shares with share certificates bearing the names of the Subscribers on 6 May 2024. The share certificates were kept in the custody of the Company and were not delivered to the Subscribers.

Subsequent to the reporting period, the Company received the legal advice from the legal adviser, signed deed of surrender and the payment of the Subscription Shares Receivables. All the requirements to cancel the Subscription Shares are fulfilled. The Subscription Shares were cancelled on 28 April 2025. As such, upon cancellation of the Subscription Shares, the issued shares of the Company were reduced from 2,167,200,000 to 1,806,000,000 and the names of the Subscribers were removed from the register of members of the Company with effect from 28 April 2025.

(b) Tariffs war impact

As at 30 April 2025, the date of approval of this report, the U.S. government maintains additional import tariffs on certain Chinese-origin products. Given the Group's significant revenue exposure to the U.S. market with 39% of sales contributed by them, these tariff policies may lead to uncertainties for future export sales, revenue, and gross margin performance of the Group in the U.S. market.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Model and Business Overview

We are a hobby games publisher specialising in developing and publishing mainly tabletop games (including board games and miniature war games). We also started developing and launching mobile games since 2015.

We publish both self-owned games and licensed games. We also distribute third-party tabletop games. We sell our tabletop games mainly through crowd-funding platforms and to wholesalers. We also sell directly to end-users through online stores and through game conventions held once to twice a year.

As at the date of this annual results announcement, we offer a total of 131 games, comprising 125 board games, three miniature war games, two mobile games and one computer game.

For the financial year under review, our revenue was approximately US\$37.4 million, decreasing from approximately US\$45.1 million for the previous financial year. Total comprehensive loss for the year attributable to equity holders of the Company was approximately US\$3.0 million, decreasing from profit of approximately US\$0.8 million for the year ended 31 December 2023. The loss for the financial year was mainly due to the decrease in sales as rising costs of living in key markets affected our customers' ability to buy games.

During the financial year under review, we launched four crowd-funding games, namely *A Song of Ice & Fire: Tactics — A Tabletop Miniatures Skirmish Game*, *God of War: The Board Game*, *Degeneration: Clan Wars* and *DC Super Heroes United*, and raised approximately US\$2.2 million, US\$1.0 million, US\$0.3 million and US\$5.4 million, respectively.

Long-term Strategies and Outlook

In light of the current uncertainty brought about by the trade war, our current strategy is to 1) reduce development costs by focusing only on the development and fulfilment of games already launched; 2) grow the European wholesale market; and 3) initiate production of small games in Europe to reduce logistics cost of fulfilment.

We strive to become a leading developer and publisher of quality tabletop games and are optimistic about the growth and development of the tabletop games industry despite the challenging business conditions currently.

FINANCIAL REVIEW

Revenue

Our revenue decreased by approximately 17.1% to approximately US\$37.4 million for the year ended 31 December 2024 from approximately US\$45.1 million for the year ended 31 December 2023, primarily due to the decrease in the recognition of crowd-funding game sales.

Revenue from wholesale sales decreased by approximately 9.7% to US\$16.8 million for the year ended 31 December 2024 from approximately US\$18.6 million for the year ended 31 December 2023. During the year ended 31 December 2024, we recognized revenue from board games such as, but not limited to, *DC Super Heroes United* and *God of War: The Board Game*.

Revenue via crowd-funding platforms decreased to approximately US\$20.0 million for the year ended 31 December 2024 from approximately US\$26.4 million for the year ended 31 December 2023, which was mainly due to the decrease in recognition of sales of five crowd-funding projects in 2024 compared to six crowd-funding platform projects in 2023.

North America and Europe remained as our major markets, with North American and European sales making up approximately 76.1% and 84.1% of our total revenue combined for the year ended 31 December 2024 and 31 December 2023 respectively.

The following tables set out breakdowns of our revenue by categories, by sales channels and by geographical markets in absolute amounts and as percentages of our revenue for the years indicated:

By categories

	Year ended 31 December			
	2024		2023	
	US\$	%	US\$	%
Board games	30,303,157	81.1	38,648,230	85.8
Miniatures war games	3,960,904	10.6	2,207,250	4.9
Mobile games	1,044	—	2,480	—
Sub-total	34,265,105	91.7	40,857,960	90.7
Other products	3,088,144	8.3	4,193,748	9.3
Total	<u>37,353,249</u>	<u>100</u>	<u>45,051,708</u>	<u>100</u>

By sales channels

	Year ended 31 December			
	2024		2023	
	US\$	%	US\$	%
Direct				
Crowd-funding platforms	19,997,703	53.5	26,310,130	58.5
Online store and game conventions	512,257	1.4	85,626	0.2
Mobile games	1,044	—	2,480	—
Wholesales	16,842,245	45.1	18,653,472	41.3
Total	<u>37,353,249</u>	<u>100</u>	<u>45,051,708</u>	<u>100</u>

By geographical markets

	Year ended 31 December			
	2024		2023	
	US\$	%	US\$	%
North and South America	15,699,195	42.0	22,828,405	50.7
Europe	12,729,436	34.1	15,067,638	33.4
Asia	8,091,628	21.7	6,435,189	14.3
Oceania	832,990	2.2	720,476	1.6
Total	<u>37,353,249</u>	<u>100</u>	<u>45,051,708</u>	<u>100</u>

Cost of Sales

Our cost of sales decreased by approximately 9.7% to approximately US\$19.4 million for year ended 31 December 2024 from approximately US\$21.4 million for the year ended 31 December 2023, mainly due to the decrease in cost of inventory.

Gross Profit and Gross Profit Margin

Our gross profit decreased by approximately 23.8% to approximately US\$18.0 million for the year ended 31 December 2024 from approximately US\$23.6 million for the year ended 31 December 2023 and gross profit margin decreased by approximately 4.2 percentage points to approximately 48.2% for the year ended 31 December 2024 from approximately 52.4% for the year ended 31 December 2023. Gross profit decreased mainly due to the decrease in sales and was also negatively impacted by rising costs in production.

Other Income

Other income increased to US\$105,260 for the year ended 31 December 2024 from US\$62,898 for the year ended 31 December 2023, which was mainly due to the increase in royalty income.

Selling and Distribution Expenses

Our selling and distribution expenses decreased to approximately US\$7.2 million for the year ended 31 December 2024 from approximately US\$9.6 million for the year ended 31 December 2023. This was primarily caused by the decrease in royalty expenses to approximately US\$2.3 million for the year ended 31 December 2024 from approximately US\$3.0 million for the year ended 31 December 2023.

General and Administrative Expenses

Our general and administrative expenses increased to approximately US\$13.5 million for the year ended 31 December 2024 from approximately US\$12.2 million for the year ended 31 December 2023. The increase was primarily caused by an increase in depreciation expenses to approximately US\$3.8 million for the year ended 31 December 2024 from approximately US\$2.9 million for the year ended 31 December 2023.

Finance Costs

Finance costs decreased to US\$435,633 for the year ended 31 December 2024 from US\$468,624 for the year ended 31 December 2023. This was primarily caused by decreased finance cost on short-term borrowings.

Income Tax Expense

Income tax expense decreased to US\$53,869 for the year ended 31 December 2024 from US\$606,534 for the year ended 31 December 2023, mainly due to the net loss before tax reported for the current year.

Total Comprehensive Loss for the Year Attributable to Equity Holders of the Company

As a result of all the above-mentioned matters, total comprehensive loss for the year attributable to equity holders of the Company decreased to approximately US\$3.0 million for the year ended 31 December 2024 from profit of approximately US\$0.8 million for the year ended 31 December 2023. The reason for the loss attributable to equity holders of the Company for the year ended 31 December 2024 was mainly due to a decrease in sales.

LIQUIDITY AND FINANCIAL RESOURCES

During the year ended 31 December 2024, we financed our operations primarily through cash generated from our internally generated funds and bank borrowings. As at 31 December 2024 and 2023, the Group had cash and cash equivalents of approximately US\$2.1 million and US\$3.2 million respectively, which were cash at banks and on hand, denominated in United States dollars, Singapore dollars and Chinese Renminbi.

The short-term bank borrowings of the Group decreased to approximately US\$3.0 million as at 31 December 2024 from approximately US\$4.3 million as at 31 December 2023.

The long-term borrowings of the Group decreased to approximately US\$1.0 million as at 31 December 2024 from approximately US\$1.5 million as at 31 December 2023.

The long-term bank borrowings as at 31 December 2024 and 31 December 2023 were mainly secured on the property located at 201 Henderson Road #07/08-01, Apex @ Henderson, Singapore 159545 (the “**Headquarters**”), a corporate guarantee from the Company and a charge over all fixed deposits placed with the relevant bank. As at 31 December 2024, the Group’s total bank borrowings of approximately US\$4.0 million consisted of:

- (i) approximately US\$1.5 million which were denominated in Singapore dollars, including two term loans, amounting to US\$1.2 million with a tenor of 20 years and interests charged at fixed rates from drawdown date until the end of the second year from the respective dates of the banking facility letters and at floating rates for the subsequent years. In May 2020, the Company revised the terms of its bank borrowing amounting to US\$0.3 million, with a tenor of 5 years, interest would be charged at floating rate with effect from 1 May 2020; and
- (ii) approximately US\$2.5 million which were denominated in United States dollars, with a tenor of 120 days and interests charged at floating rates.

As at 31 December 2024 and 2023, the Group’s borrowings were repayable as follows:

	2024 US\$	2023 US\$
Within 1 year	2,956,437	4,342,313
Between 1 and 2 years	87,476	421,983
Between 2 and 5 years	262,427	277,962
Over 5 years	699,807	764,396
	<u>4,006,147</u>	<u>5,806,654</u>

Going forward, we intend to continue to use external bank borrowings and internally generated funds to fund our working capital, game development activities, acquisition of IPs as well as expansion plans as stated in the prospectus of the Company dated 25 November 2016 (the “**Prospectus**”).

TREASURY POLICIES

The proceeds from our sales made through crowd-funding platforms are generally received prior to product delivery, and therefore, we are not exposed to significant credit risk. Our trade receivables are primarily related to sales to wholesalers. We have policies in place to assess and monitor the creditworthiness of our wholesalers. We perform periodic credit evaluation of our wholesalers and will adjust the credit extended to the wholesalers accordingly. Normally we do not require collaterals from trade debtors. Management makes a periodic collective assessment as well as an individual assessment on the recoverability of trade receivables based on historical payment records, the length of the overdue period, the financial strength of the trade debtors and whether there are any disputes with the debtors in relation to the relevant receivables.

CAPITAL STRUCTURE

During the year ended 31 December 2024, our capital structure consisted of bank borrowings, capital and reserves attributable to equity holders of the Company, comprising share capital, share premium, retained earnings, capital reserves and other reserves.

NEW GAMES AND THEIR IMPACT ON FINANCIAL PERFORMANCE

During the year ended 31 December 2024, crowd-funding projects shipped by the Group contributed approximately US\$20.0 million (2023: approximately US\$26.3 million) to the Group’s revenue.

During the year ended 31 December 2024, crowd-funding projects which were successfully launched but not shipped amounted to approximately US\$4.1 million (2023: approximately US\$5.6 million). The shipments of these projects are expected to take place in the first half of 2025.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

During the year ended 31 December 2024, the Group had no significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures.

INFORMATION ON EMPLOYEES

As of 31 December 2024, the Group had 81 employees (31 December 2023: 87). Employees are remunerated according to their performance and work experience. On top of basic salaries, discretionary bonus and/or share options may be granted to eligible staff by reference to the Group's performance as well as the individual's performance. The total staff cost (including remuneration of the Directors and mandatory provident fund contributions) for the year ended 31 December 2024 amounted to approximately US\$4.0 million (2023: approximately US\$4.0 million).

CHARGES ON ASSETS

As at 31 December 2024, office units with a total net book value of approximately US\$1.5 million and deposit pledged with a life insurance company of US\$199,400 were charged as collateral for the Group's bank borrowings (31 December 2023: approximately US\$1.6 million and US\$199,400, respectively).

FUTURE PLANS FOR MATERIAL INVESTMENTS

As at the date of this annual results announcement, the Group does not have any concrete plan for material investments. However, as stated in the Prospectus, we intend to increase our market share by adding more high-quality games into our portfolio through title acquisition or licensing. We intend to finance our expansion plans primarily through internally generated funds and external borrowings.

GEARING RATIO

As at 31 December 2024, the Group had short-term and long-term bank borrowings of approximately US\$3.0 million (31 December 2023: approximately US\$4.3 million) and approximately US\$1.0 million (31 December 2023: approximately US\$1.5 million), respectively.

As at 31 December 2024, the gearing ratio of the Group, calculated as total liabilities divided by total assets was approximately 47.6% (31 December 2023: approximately 48.1%).

EXPOSURE TO FOREIGN EXCHANGE

The Group mainly operates in China, Singapore and United States with most of its transactions denominated and settled in United States dollars. The Group currently does not have a foreign currency hedging policy. However, the Group will continuously monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any significant contingent liabilities (31 December 2023: nil).

COMMITMENTS

The Group had no capital commitments as at 31 December 2023 and 2024.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors are of the view that the Group is exposed to the following key risks and uncertainties:

(i) Outsourced manufacturers

The Group relies on a limited number of outsourced manufacturers for the production of tabletop games. To manage this risk, the Group has a practice of maintaining a good working relationship with the outsourced manufacturers by, amongst others, creating goodwill and honouring payments. Besides, the Group will explore and develop business relationship with other suitable outsourced manufacturers and suppliers as part of the contingency planning.

(ii) Loss of key personnel

The Group relies to a significant extent on the executive Directors and certain key senior management. In view of this, we provide a remuneration package that rewards their performance and ties to the Group's results in order to retain our employees. Besides, the Group has implemented controls to minimise the potential loss of key personnel, such as ensuring the executive Directors and certain key senior management do not take the same flight in their air travels. The Group is also developing and training potential new management members.

(iii) Crowd-funding platforms

During the year ended 31 December 2024, most of the Group's bestselling tabletop games were launched on crowd-funding platforms. To manage this risk, the Group has identified alternative internet crowd-funding platforms for game launching in the event the Group is unable to continue launching games on crowd-funding platforms. Besides, the Group is enhancing its in-house capability to launch tabletop games on its own website if required.

EVENTS OCCURRED AFTER 31 DECEMBER 2024

Please refer to the announcements of the Company dated 5 March 2025 and 25 March 2025 and the section headed "Subscription of New Shares under General Mandate" below in respect of the current status of the Subscription Shares and the measures to be taken by the Company.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: nil).

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company (the “**Shareholders**”) and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) as its own code of corporate governance. Save as disclosed in this annual results announcement, the Company has, to the best knowledge of the Board, complied with all applicable code provisions of the CG Code during the year ended 31 December 2024. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals. Mr. Ng Chern Ann is currently the chairman and was re-designated as a joint chief executive officer of the Company with the appointment of Mr. David Doust as joint chief executive officer of the Company on 23 January 2020. In view of Mr. Ng being one of the founders of the Group, and his responsibilities in corporate strategic planning and overall business development, the Board believes that it is in the interests of both the Group and the Shareholders to have Mr. Ng taking up both roles for effective management and business development. The Board also meets regularly to review the operation of the Group led by Mr. Ng. Accordingly, the Board believes that this arrangement will not impact the balance of power and authorisations between the Board and the management of the Company. Now that Mr. Ng and Mr. Doust jointly execute the Group’s development strategy and manage the Group’s business operations, the Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of the chairman and joint chief executive officer is necessary.

Reference is made to the announcement of the Company dated 25 March 2025 in respect of the delay in publication of the annual results of the Company contained in this announcement. The Company is in the course of engaging an internal control review expert to review the internal control policies of the Company. For details, please refer to the section headed “Subscription of New Shares under General Mandate” for information.

COMPLIANCE WITH THE MODEL CODE BY DIRECTORS IN SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries of all the Directors, each of the Directors has confirmed that he/she has complied with the required standard of dealings during the year ended 31 December 2024.

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

References are made to the announcements of the Company dated 13 April 2024 and 5 March 2025 (the “**Announcements**”) in respect of the subscription of new shares under general mandate. Unless otherwise defined, capitalised terms here shall have the same meanings as those defined in the Announcements.

The Company would like to update the Shareholders and potential investors of the Company that the Subscription Shares have been cancelled on 28 April 2025 after obtaining legal advice. As such, upon cancellation of the Subscription Shares, the number of issued shares of the Company has been reduced from 2,167,200,000 shares to 1,806,000,000 shares and the names of the Subscribers (being Drum Group Limited and Mana Pool Investments Limited) have been removed from the register of members of the Company.

The shareholding structures of the Company immediately before and immediately after cancellation of the Subscription Shares are set out as follows:

Name of Shareholders	Capacity/ Nature of Interest	Immediately before cancellation of the Subscription Shares		Immediately after cancellation of the Subscription Shares	
		No. of Shares	% of shareholding (approximately)	No. of Shares	% of shareholding (approximately)
Ng Chern Ann (“ Mr. Ng ”)	Interests in controlled corporations/beneficial owner (<i>Note 1</i>)	450,624,039	20.79%	450,624,039	24.95%
David Doust (“ Mr. Doust ”)	Interests in controlled corporations/beneficial owner (<i>Note 1</i>)	276,574,424	12.76%	276,574,424	15.31%
Cangsome Limited	Beneficial owner (<i>Note 1</i>)	450,624,039	20.79%	450,624,039	24.95%
Dakkon Holdings Limited	Beneficial owner (<i>Note 1</i>)	276,574,424	12.76%	276,574,424	15.31%
Frederick Chua Oon Kian (“ Mr. Chua ”)	Interests in controlled corporations/beneficial owner (<i>Note 2</i>)	198,119,232	9.14%	198,119,232	10.97%
Magic Carpet Pre-IPO Fund (“ Magic Carpet ”)	Beneficial owner (<i>Note 2</i>)	192,539,232	8.88%	192,539,232	10.66%
Quantum Asset Management Pte. Ltd. (“ Quantum Asset ”)	Interests in controlled corporations (<i>Note 2</i>)	192,539,232	8.88%	192,539,232	10.66%
David Preti (“ Mr. Preti ”)	Interests in controlled corporations/beneficial owner (<i>Note 3</i>)	297,212,691	13.71%	297,212,691	16.46%
Magumaki Limited (“ DP SPV ”)	Beneficial owner (<i>Note 3</i>)	107,663,076	4.97%	107,663,076	5.96%
Drum Group Limited	Beneficial owner	180,600,000	8.33%	—	—
Mana Pool Investments Limited	Beneficial owner	180,600,000	8.33%	—	—
Other Public Shareholders	Beneficial owners	583,469,614	26.92%	583,469,614	32.31%
Total Shares		<u>2,167,200,000</u>	<u>100%</u>	<u>1,806,000,000</u>	<u>100%</u>

Notes:

- (1) The issued share capital of Cangsome Limited (“**CA SPV**”) is wholly-owned by Mr. Ng, an executive Director and the sole director of CA SPV. CA SPV is beneficially interested in 435,124,039 Shares whereas Mr. Ng is beneficially interested in 15,500,000 share options of the Company (the “**Share Options**”). The issued share capital of Dakkon Holdings Limited (“**DD SPV**”) is wholly-owned by Mr. Doust, an executive Director and the sole director of DD SPV. DD SPV is beneficially interested in 261,074,424 Shares whereas Mr. Doust is beneficially interested in 15,500,000 Share Options.

- (2) Magic Carpet is a private equity investment fund managed by Quantum Asset on a discretionary basis. Quantum Asset holds the only issued ordinary share of Magic Carpet and the preference shares in the capital of Magic Carpet are held by investors. Mr. Chua, a non-executive Director, beneficially owns approximately 99.99% of the issued share capital of Quantum Asset and is therefore deemed to be interested in the Shares held by Quantum Asset by virtue of the SFO. Mr. Chua is a director of Magic Carpet and is beneficially interested in 5,580,000 Share Options.
- (3) The issued share capital of DP SPV is wholly-owned by Mr. Preti. Therefore, Mr. Preti is deemed to be interested in the Shares held by DP SPV by virtue of the SFO.

The Company is in the course of engaging an internal control review expert to review the internal control policies of the Company in respect of the issue of the Subscription Shares and delay in the publication of the financial results of the Company for the year ended 31 December 2024. The Company will publish an announcement in respect of the appointment of the internal control review expert, its scope of work and expected timeline of receiving the report. The Company will publish an announcement once the report of the internal control review expert is finalised to update the Shareholders and potential investors of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any).

As at 31 December 2024, the Company did not hold any treasury shares.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2024, none of the Directors, controlling Shareholders or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

AUDIT COMMITTEE

The audit committee of the Company has reviewed with the management the accounting policies and practices adopted by the Group and discussed with the management internal control and financial reporting matters of the Company, including the review of the Group's audited consolidated financial results for the year ended 31 December 2024.

SCOPE OF WORK OF ZHONGHUI ANDA CPA 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 related notes thereto for the year ended 31 December 2024 as set out in this annual results announcement have been agreed by the auditor of the Company, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2024. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on this annual results announcement.

DELAY IN PUBLICATION OF THE ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

Reference is made to the announcement of the Company dated 25 March 2025. As additional time is required for preparing, it is expected that the annual report of the Company for the year ended 31 December 2024 will be sent to the Shareholders and available on the Company's website (<http://cmon.com>) and the designated website of the Stock Exchange (www.hkexnews.hk) on or before 30 May 2025.

RESUMPTION 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 1 April 2025, pending the release of the audited consolidated results of the Group for the year ended 31 December 2024 contained in this announcement.

Upon the publication of this announcement, an application has been made to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 2 May 2025.

By Order of the Board

CMON Limited

Ng Chern Ann

Chairman, Joint Chief Executive Officer and Executive Director

Singapore, 30 April 2025

As at the date of this announcement, the executive Directors are Mr. Ng Chern Ann, Mr. David Doust and Mr. Koh Zheng Kai; the non-executive Directors are Mr. Frederick Chua Oon Kian and Ms. Li Xuejin; and the independent non-executive Directors are Mr. Wong Yu Shan Eugene, Mr. Choy Man and Mr. Leung Yuk Hung Paul.