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## **CMON LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8278)**

### **DISCLOSEABLE TRANSACTION**

#### **ACQUISITION OF PROPERTY**

The Purchaser entered into the Option to Purchase Agreement with the Vendor on 6 February 2017 to acquire the Property located at 201 Henderson Road #07/08-01, Apex @ Henderson, Singapore 159545 at a Consideration of S\$2,867,650 (equivalent to approximately HK\$15,800,752 or US\$2,036,032). The completion of the Acquisition has been taken place on 3 April 2017.

As one or more of the applicable percentage ratios in respect of the Acquisition is/are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

Due to an inadvertent oversight, the Company had not complied with the disclosure requirements by way of announcement in respect of the Acquisition at the material time of the Option to Purchase Agreement. The Board apologises for this non-compliance and will strengthen the relevant internal control procedures to avoid occurrence of similar incidents in the future.

#### **INTRODUCTION**

On 6 February 2017, the Purchaser entered into the Option to Purchase Agreement with the Vendor in relation to the Acquisition of the Property at a Consideration of S\$2,867,650 (equivalent to approximately HK\$15,800,752 or US\$2,036,032).

Principal terms of the Option to Purchase Agreement are set out below.

## **THE OPTION TO PURCHASE AGREEMENT**

Date : 6 February 2017

Parties : (1) Njoo Soe Fong (as vendor)

(2) CMON Global Limited, a company incorporated in the Cayman Islands with limited liability and an indirect wholly-owned subsidiary of the Company (as purchaser)

### **Subject matter**

Pursuant to the Option to Purchase Agreement, the Vendor shall sell the Property to the Purchaser or its assignee (which may be any of the subsidiaries of the Company) free from encumbrances.

### **The Property**

The Property is located at 201 Henderson Road #07/08-01, Apex @ Henderson, Singapore 159545. The Property is a light industrial property with a gross floor area of approximately 3,455 square feet.

Pursuant to the Option to Purchase Agreement, upon completion of the Acquisition, the Vendor shall deliver vacant possession of the Property to the Purchaser. According to the Vendor, the Property is left vacant as at the date of this announcement.

### **Consideration**

The Consideration for the Acquisition is S\$2,867,650 (equivalent to approximately HK\$15,800,752 or US\$2,036,032), which is payable in cash.

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor after taking into account the market price of similar properties of similar size, character and location.

On the basis of the above factors and considering the benefits of the Acquisition as set out in the section headed "Reasons for and benefits of the Acquisition" below, the Board considers that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Terms of Payment**

- (a) an initial deposit of S\$143,382.5 (equivalent to approximately HK\$790,038 or US\$101,802) was payable by the Purchaser to the Vendor upon signing of the Option to Purchase Agreement; and
- (b) the remaining balance of the Consideration of S\$2,724,267.5 (equivalent to approximately HK\$15,010,714 or US\$1,934,230) should be satisfied in full by the Purchaser upon completion of the Acquisition.

The Board intends to finance the Consideration by the Group's internal resources and external borrowings.

## **Completion**

Pursuant to the Option to Purchase Agreement, completion of the Acquisition shall take place within eight weeks from the date of the Option to Purchase Agreement.

## **COMPLETION OF THE ACQUISITION**

The completion of the Acquisition has been taken place on 3 April 2017.

## **INFORMATION OF THE GROUP AND THE PURCHASER**

The Group is principally engaged in design, development and sales of board games, miniature war games and other hobby products.

The Purchaser is an indirect wholly-owned subsidiary of the Company and is principally engaged in publishing and sales of tabletop hobby games in Singapore.

## **INFORMATION OF THE VENDOR**

The Vendor is a Singapore resident.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is a third party independent of the Company and its connected persons.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group intends to use the Property as its global head office.

The Property is located near downtown Singapore. After taking into account the location and size of the Property as well as the Consideration as compared with other similar properties, the Board is of the view that the Acquisition could provide a good opportunity for the Group to secure a desirable place of operation in Singapore for business expansion without being affected by the fluctuations in rents and hence is beneficial to the long term development of the Group's business. The Board is of the view that the terms of the Acquisition and the Option to Purchase Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

As one or more of the applicable percentage ratios in respect of the Acquisition is/are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and therefore is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Due to an inadvertent oversight, it did not come to the attention of the Board that the Acquisition would have constituted a discloseable transaction of the Company at the material time of entering into the Option to Purchase Agreement in February 2017. The Board wishes to apologise for the late disclosure which resulted in the non-compliance with the relevant requirements under the GEM Listing Rules. The Company will strengthen the relevant internal control procedures to avoid occurrence of similar incidents in the future.

## TERMS USED IN THIS ANNOUNCEMENT

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

|                                |   |
|--------------------------------|---|
| “Acquisition”                  | acquisition of the Property pursuant to the Option to Purchase Agreement  |
| “Board”                        | the board of Directors  |
| “Company”                      | CMON Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM                  |
| “connected person”             | has the meaning ascribed to this term under the GEM Listing Rules   |
| “Consideration”                | S\$2,867,650, being the consideration for the Acquisition pursuant to the Option to Purchase Agreement  |
| “Director(s)”                  | director(s) of the Company  |
| “GEM”                          | the Growth Enterprise Market of the Stock Exchange  |
| “GEM Listing Rules”            | the Rules Governing the Listing of Securities on GEM  |
| “Group”                        | the Company and its subsidiaries  |
| “HK\$”                         | Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of the People’s Republic of China                                 |
| “Option to Purchase Agreement” | the agreement entered into between the Purchaser and the Vendor on 6 February 2017 for the Acquisition  |
| “percentage ratio(s)”          | has the meaning ascribed to this term under the GEM Listing Rules   |
| “Property”                     | the property located at 201 Henderson Road #07/08–01, Apex @ Henderson, Singapore 159545 with a gross floor area of approximately 3,455 square feet |
| “Purchaser”                    | CMON Global Limited, a company incorporated in the Cayman Islands with limited liability and an indirect wholly-owned subsidiary of the Company     |
| “S\$”                          | Singapore dollars, the lawful currency of Singapore   |
| “Shareholder(s)”               | holder(s) of share(s) of the Company  |
| “Stock Exchange”               | The Stock Exchange of Hong Kong Limited   |
| “US\$”                         | United States dollars, the lawful currency of the United States of America  |

“Vendor” Njoo Soe Fong

“%” per cent.

By Order of the Board  
**CMON Limited**  
**Koh Zheng Kai**  
*Executive Director and Joint Company Secretary*

Singapore, 3 April 2017

*For the purpose of this announcement, translations of Singapore dollars to Hong Kong dollars or vice versa have been calculated by using an exchange rate of S\$1.00 equal to HK\$5.51; and translations of Singapore dollars to United States dollars or vice versa have been calculated by using an exchange rate of S\$1.00 equal to US\$0.71. Such exchange rates, being the exchange rates at the material time of the Option to Purchase Agreement, have been used, where applicable, for the purpose of illustration only and do not constitute a representation that any amounts were, may have been or will be exchanged at such rates or any other rates or at all.*

*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 Director is Mr. Frederick Chua Oon Kian; and the independent non-executive Directors are Mr. Chong Pheng, Mr. Tan Lip-Keat and Mr. Seow Chow Loong Iain.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of 7 days from the date of publication and on the website of the Company at <http://cmon.com>.*