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CMON LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8278)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 23.06A of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**GEM Listing Rules**”).

The board (the “**Board**”) of directors (the “**Director(s)**”) of CMON Limited (the “**Company**”) announces that on 13 August 2018, the Company granted a total of 74,620,000 share options (the “**Options**”) to certain Directors and employees of the Company (collectively, the “**Grantees**”), subject to acceptance of the Grantees and the payment of HK\$1.00 by each of the Grantees upon acceptance of the Options, under the Company’s share option scheme adopted on 17 November 2016 (the “**Share Option Scheme**”). The Options, granted in lieu of cash bonuses, will entitle the Grantees to subscribe for a total of 74,620,000 ordinary shares of HK\$0.00005 each (the “**Share(s)**”) in the share capital of the Company. A summary of the grant of Options is set out below:

Date of grant : 13 August 2018 (the “**Date of Grant**”)

Exercise price of Options granted : HK\$0.232 per Share (representing the highest of (i) the closing price of HK\$0.222 per Share as quoted in the Stock Exchange’s daily quotations sheets on the Date of Grant; (ii) the average closing price of HK\$0.232 per Share as quoted in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the Date of Grant; and (iii) the nominal value of HK\$0.00005 per Share)

- Number of Shares to be issued upon full exercise of the Options** : 74,620,000 Shares
- Validity period of the Options** : 10 years from the Date of Grant, i.e. from 13 August 2018 to 12 August 2028 (both days inclusive), and the Options shall lapse at the expiry of the validity period
- Exercise period of the Options** : all the Options shall be exercisable from 13 August 2018 to 12 August 2028 (both days inclusive), subject to the vesting schedule of the Options
- Vesting schedule of the Options (for Grantees other than non-executive Director and independent non-executive Directors)** : the Options shall be vested in three tranches in accordance with the following dates: (i) up to 33% of the Options shall be vested to each Grantee at any time after expiration of 12 months from the Date of Grant, i.e. 13 August 2019; (ii) up to 33% of the Share Options shall be vested to each Grantee at any time after expiration of 24 months from the Date of Grant, i.e. 13 August 2020; and (iii) up to 34% of the Share Options shall be vested to each Grantee at any time after expiration of 36 months from the Date of Grant, i.e. 13 August 2021
- Vesting schedule of the Options (for Grantees who are non-executive Director or independent non-executive Directors)** : the Options shall be vested in two tranches in accordance with the following dates: (i) up to 50% of the Options shall be vested to each Grantee at any time after expiration of 12 months from the Date of Grant, i.e. 13 August 2019; and (ii) up to 50% of the Share Options shall be vested to each Grantee at any time after expiration of 24 months from the Date of Grant, i.e. 13 August 2020

Among the total of 74,620,000 Options granted, an aggregate of 59,120,000 Options were granted to the following Grantees who are either the Directors, chief executive and/or substantial shareholder of the Company:

Name of Grantees	Position(s) held with the Company	Number of Options	Approximate % to issued share capital of the Company as at the date of this announcement
Mr. NG Chern Ann	Executive Director, Chairman, Chief Executive Officer and controlling shareholder of the Company ^(Note 1)	15,500,000	0.86%
Mr. David DOUST	Executive Director and controlling shareholder of the Company ^(Note 1)	15,500,000	0.86%
Mr. KOH Zheng Kai	Executive Director	5,800,000	0.32%
Mr. Frederick CHUA Oon Kian	Non-executive Director and a substantial shareholder of the Company ^(Note 2)	5,580,000	0.31%
Mr. CHONG Pheng	Independent Non-executive Director	5,580,000	0.31%
Mr. SEOW Chow Loong Iain	Independent Non-executive Director	5,580,000	0.31%
Mr. TAN Lip-Keat	Independent Non-executive Director	<u>5,580,000</u>	<u>0.31%</u>
		<u>59,120,000</u>	<u>3.27%</u>

Notes:

- Pursuant to the acting-in-concert arrangement, Mr. Ng and Mr. Doust are deemed to be interested in 870,248,078 Shares held by Cangsome Limited (a limited liability company wholly owned by Mr. Ng) and Dakkon Holdings Limited (a limited liability company wholly owned by Mr. Doust) by virtue of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”), representing approximately 48.19% of the issued share capital of the Company as at the date of this announcement. Therefore, each of Mr. Ng and Mr. Doust is a controlling shareholder (as defined under the GEM Listing Rules) of the Company.
- Magic Carpet Pre-IPO Fund is interested in 322,669,232 Shares, representing approximately 17.87% of the issued share capital of the Company as at the date of this announcement. Magic Carpet Pre-IPO Fund is a private equity investment fund managed by Quantum Asset Management Pte. Ltd. (“Quantum Asset”) on a discretionary basis. Quantum Asset holds the only issued ordinary share of Magic Carpet Pre-IPO Fund and the preference shares in the capital of Magic Carpet Pre-IPO Fund are held by investors. Mr. Chua beneficially owns approximately 99.99% of the issued share capital of Quantum Asset. Therefore, Mr. Chua is deemed to be interested in the Shares held by Quantum Asset by virtue of the SFO and a substantial shareholder (as defined under the GEM Listing Rules) of the Company.
- Certain percentage figures in this table are subject to rounding adjustments. Accordingly, figures shown as totals may not be the arithmetic aggregation of the figures preceding them.

Save as disclosed above, none of the Grantees is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates (as defined under the GEM Listing Rules) as at the date of this announcement.

Under Rule 23.04(1) of the GEM Listing Rules and the provision of the Share Option Scheme, each grant of Options to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors. The grants of the Options to each of Mr. NG Chern Ann, Mr. David DOUST, Mr. KOH Zheng Kai, Mr. Frederick CHUA Oon Kian, Mr. CHONG Pheng, Mr. SEOW Chow Loong Iain and Mr. TAN Lip-Keat have been approved by all the independent non-executive Directors in a board meeting dated 13 August 2018 (save that each of the independent non-executive Directors has abstained from voting on the relevant resolution in relation to the grant of Options to himself).

Given that the grant of Options to (i) each of Mr. NG Chern Ann and Mr. David DOUST, each of whom being a controlling shareholder of the Company; and (ii) each of Mr. CHONG Peng, Mr. SEOW Chow Loong Iain and Mr. TAN Lip-Keat, each of whom being an independent non-executive Director would not result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to him, collectively in the 12-month period up to and including the Date of Grant representing in aggregate over 0.1% of the Shares in issue and having an aggregate value, based on the closing price of HK\$0.222 per Share at the Date of Grant, in excess of HK\$5 million pursuant to Rule 23.04(1) of the GEM Listing Rules, the grant of Options to each of Mr. NG Chern Ann, Mr. David DOUST, Mr. CHONG Peng, Mr. SEOW Chow Loong Iain and Mr. TAN Lip-Keat are not required to be approved by the shareholders of the Company at general meeting.

By order of the Board

CMON Limited

NG Chern Ann

Chairman, Executive Director and Chief Executive Officer

Hong Kong, 13 August 2018

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. NG Chern Ann (Chairman and Chief Executive Officer), Mr. David DOUST and Mr. KOH Zheng Kai, one non-executive Director, namely Mr. Frederick CHUA Oon Kian, and three independent non-executive Directors, namely Mr. CHONG Pheng, Mr. SEOW Chow Loong Iain and Mr. TAN Lip-Keat.

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 for at least seven days from the date of its posting and on the website of the Company at <http://cmon.com>.