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CMON LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1792)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

The board (the “**Board**”) of directors (the “**Directors**”) of CMON Limited (the “**Company**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2020 together with the comparative figures for the year ended 31 December 2019 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	<i>Notes</i>	2020 US\$	2019 US\$
Revenue	3	25,138,861	30,460,303
Cost of sales		<u>(15,788,422)</u>	<u>(15,854,951)</u>
Gross profit		9,350,439	14,605,352
Other income	4	327,383	198,226
Other losses, net	5	(2,187,612)	(206,113)
Selling and distribution expenses		(5,212,155)	(5,904,295)
General and administrative expenses		<u>(6,761,112)</u>	<u>(6,088,649)</u>
Operating (loss)/profit		(4,483,057)	2,604,521
Professional service fees in respect of transfer of listing status from GEM to Main Board		—	(2,675,435)
Finance costs	6	<u>(364,263)</u>	<u>(483,370)</u>
Loss before income tax		(4,847,320)	(554,284)
Income tax expense	7	<u>(56,557)</u>	<u>(208,902)</u>
Loss for the year attributable to owners of the Company	8	<u><u>(4,903,877)</u></u>	<u><u>(763,186)</u></u>

	<i>Note</i>	2020 US\$	2019 <i>US\$</i>
Other comprehensive loss:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>(3,595)</u>	<u>(32,490)</u>
Total other comprehensive loss for the year		<u>(3,595)</u>	<u>(32,490)</u>
Total comprehensive loss for the year attributable to owners of the Company		<u><u>(4,907,472)</u></u>	<u><u>(795,676)</u></u>
Loss per share	<i>10</i>		
Basic and diluted		<u><u>(0.0027)</u></u>	<u><u>(0.0004)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	<i>Notes</i>	2020 <i>US\$</i>	2019 <i>US\$</i>
Non-current assets			
Property, plant and equipment		13,995,457	14,207,636
Right-of-use assets		422,290	120,586
Intangible assets		11,135,964	12,506,463
Deposit placed with a life insurance company	<i>11</i>	<u>—</u>	<u>1,188,890</u>
		<u>25,553,711</u>	<u>28,023,575</u>
Current assets			
Inventories		818,288	2,010,838
Trade and other receivables	<i>12</i>	1,421,562	1,934,110
Prepayments and deposits	<i>13</i>	5,850,679	6,862,791
Pledged deposit	<i>14</i>	208,675	207,622
Bank and cash balances	<i>14</i>	<u>509,585</u>	<u>757,743</u>
		<u>8,808,789</u>	<u>11,773,104</u>
Current liabilities			
Trade payables	<i>15</i>	32,599	—
Accruals and other payables	<i>16</i>	497,801	1,672,482
Borrowings	<i>17</i>	2,360,417	6,634,444
Amount due to ultimate holding company		3	3
Income tax payable		201,700	276,822
Contract liabilities		4,659,227	2,930,075
Lease liabilities		<u>87,863</u>	<u>28,716</u>
		<u>7,839,610</u>	<u>11,542,542</u>
Net current assets		<u>969,179</u>	<u>230,562</u>
Total assets less current liabilities		<u>26,522,890</u>	<u>28,254,137</u>

	<i>Notes</i>	2020 <i>US\$</i>	2019 <i>US\$</i>
Non-current liabilities			
Borrowings	<i>17</i>	6,483,002	3,716,220
Lease liabilities		377,211	96,006
Deferred tax liabilities		2,039,928	2,150,475
		<u>8,900,141</u>	<u>5,962,701</u>
NET ASSETS		<u>17,622,749</u>	<u>22,291,436</u>
Capital and reserves			
Share capital	<i>18</i>	11,700	11,700
Reserves		17,611,049	22,279,736
TOTAL EQUITY		<u>17,622,749</u>	<u>22,291,436</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 Company was transferred from GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) to the Main Board of the Stock Exchange on 19 November 2019.

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

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“**IFRSs**”)

In the current year, the Group has adopted all the new and revised IFRSs 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 2020. IFRSs comprise International Financial Reporting Standards (“**IFRS**”); International Accounting Standards (“**IAS**”); and Interpretations. The adoption of these new and revised IFRSs 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 IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRSs but is not yet in a position to state whether these new and revised IFRSs 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:

	2020 US\$	2019 US\$
Sales of products	23,087,475	27,907,043
Shipping income in connection with sale of products	2,030,264	2,325,734
Forfeiture revenue	21,122	227,526
	<u>25,138,861</u>	<u>30,460,303</u>
Revenue from contracts with customers	<u>25,138,861</u>	<u>30,460,303</u>

Disaggregation of revenue from contracts with customers:

Geographical markets

	2020 US\$	2019 US\$
North America	13,535,307	17,550,210
Europe	8,432,728	9,097,287
Asia	2,529,515	2,113,450
Oceania	641,311	765,479
Middle East	—	14,439
South America	—	908,058
Africa	—	11,380
	<u>25,138,861</u>	<u>30,460,303</u>

Revenue from one customer of the Group represents approximately US\$3,759,845 (2019: US\$5,983,445) of the Group's total revenue during the year ended 31 December 2020.

For the years ended 31 December 2020 and 2019, all revenue is recognised at a point in time (For the details of revenue recognition of the following sales activities, please referred to 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 sale of goods 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 online stores. Revenue from the sale of goods 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 online stores are initially recognised as contract liabilities under IFRS 15.

Sales of products — Kickstarter and crowd-funding platform

The Group launches new products through Kickstarter and 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.

Forfeiture income

The amounts represent receipts from customers for pre-orders of specific products which were subsequently abandoned by customers and are recognised as revenue.

At 31 December 2020 and 2019, the total non-current assets other than intangible assets were located in the following locations:

	2020	2019
	US\$	US\$
Singapore	11,810,596	11,480,829
The People Republic's of China (the "PRC")	2,520,659	2,660,656
North America	57,196	139,261
Others	29,296	47,476
	<u>14,417,747</u>	<u>14,328,222</u>

4. OTHER INCOME

	2020 US\$	2019 US\$
Advertising income	2,294	30,318
Royalty income	116,830	108,752
Interest income from deposit placed with a life insurance company	32,413	28,135
Interest income from pledged deposit	1,053	7,622
Interest income from bank	207	801
Government subsidies (<i>note</i>)	173,436	16,181
Other income	1,150	6,417
	<u>327,383</u>	<u>198,226</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 LOSSES, NET

	2020 US\$	2019 US\$
Reversal of impairment losses/(impairment losses) on trade and other receivables, net	31,144	(7,052)
Initial recognition loss on measurement of deposit placed with a life insurance company	—	(279,666)
Gain on early termination of lease	5,991	10,425
Waive of trade payables to a supplier	—	70,180
Written-off of intangible assets	(390,621)	—
Impairment losses on property, plant and equipment	(1,004,528)	—
Impairment losses on intangible assets	(799,287)	—
Impairment losses on right-of-use assets	(30,311)	—
	<u>(2,187,612)</u>	<u>(206,113)</u>

6. FINANCE COSTS

	2020 US\$	2019 US\$
Interest on lease liabilities	11,137	21,870
Interest on borrowings	353,126	461,500
	<u>364,263</u>	<u>483,370</u>

7. INCOME TAX EXPENSE

	2020 US\$	2019 US\$
Current tax		
Provision for the year	7,118	21,853
Under-provision in prior years	159,986	—
	<u>167,104</u>	<u>21,853</u>
Deferred tax expense	(110,547)	187,049
	<u>56,557</u>	<u>208,902</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 2020 and 2019. No provision for Hong Kong Profits Tax has been made for the years ended 31 December 2020 and 2019 as the Group did not generate any assessable profits arising in Hong Kong during the years ended 31 December 2020 and 2019.

Other jurisdictions mainly included Singapore and the United States. Taxation arising in other jurisdictions of which Singapore is at 17% (2019: 17%) and the United States is at 21% (2019: 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 2020 and 2019.

8. LOSS FOR THE YEAR

The Group’s loss for the year is stated after charging the following:

	2020 US\$	2019 US\$
Cost of inventories recognised as expense	10,558,405	10,547,901
Auditor’s remuneration	195,000	420,000
Directors’ emoluments	1,080,353	1,258,672
Staff costs including directors’ emoluments		
Salaries, bonus and allowances	2,588,647	2,661,654
Equity-settled share-based payments	238,785	592,813
Retirement benefits scheme contributions	137,900	107,075
	<u>2,965,332</u>	<u>3,361,542</u>
Written-off of intangible assets	390,621	—
Impairment losses on property, plant and equipment	1,004,528	—
Impairment losses on intangible assets	799,287	—
Impairment losses on right-of-use assets	30,311	—
Depreciation of property, plant and equipment	2,486,636	2,103,891
Depreciation of right-of-use assets	69,333	129,858
Amortisation of intangible assets	2,276,156	2,034,809

9. DIVIDENDS

The directors of the Company do not recommend any payment of dividends for the year ended 31 December 2020 (2019: nil).

10. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of US\$4,903,877 (2019: US\$763,186) and the weighted average number of ordinary shares of 1,806,000,000 (2019: 1,806,000,000) in issue during the year.

Diluted loss per share

The effects of all potential ordinary shares are anti-dilutive for the years ended 31 December 2020 and 2019.

11. DEPOSIT PLACED WITH A LIFE INSURANCE COMPANY

	2020 US\$	2019 US\$
Deposit placed with a life insurance company	—	1,188,890

During the year ended 31 December 2019, the Group entered into life insurance policies with an insurance company to insure two executive directors. Under the policy, the beneficiary and policy holder is the Company and the total insured sum is approximately US\$4,000,000. At inception of the life insurance policy, the Group is granted the loan by the bank (note 17) of US\$1,440,421 to place deposit with a life insurance company.

The insurance company will pay the Group a guaranteed interest rate of 4.25% per annum, which is also the effective interest rate for the deposit placed on initial recognition, determined by discounting the estimated future cash receipts through the expected life of the insurance policy of 20 years, excluding the financial effect of surrender charge.

During the year ended 31 December 2020, the Company and the insurance company had mutually agreed on the cancellation of the life insurance policies. The proceeds from disposal of deposits placed with the life insurance policies were US\$1,221,303.

12. TRADE AND OTHER RECEIVABLES

	2020 US\$	2019 US\$
Trade receivables	1,312,802	1,853,234
Provision for loss allowance	(1,240)	(32,384)
	<u>1,311,562</u>	<u>1,820,850</u>
Other receivables	110,000	113,260
	<u>1,421,562</u>	<u>1,934,110</u>

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

During the years ended 31 December 2020 and 2019, the Group granted credit terms of 0 to 30 days to its customers.

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

	2020 US\$	2019 US\$
1–30 days	610,280	547,289
31–90 days	12,691	285,111
91–180 days	7,169	—
181–365 days	128,832	988,450
Over 365 days	552,590	—
	<u>1,311,562</u>	<u>1,820,850</u>

Reconciliation of loss allowance for trade receivables:

	2020 US\$	2019 US\$
At beginning of year	32,384	25,332
(Reversal of)/provision of loss allowance, net	(31,144)	7,052
	<u>1,240</u>	<u>32,384</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 days past due. The expected credit losses also incorporate forward looking information.

	Within 30 days	Over 30 days past due	Over 90 days past due	Over 180 days past due	Total
At 31 December 2020					
Weighted average expected loss rate	—	—	—	0.2%	
Receivable amount (US\$)	610,280	12,691	7,169	682,662	1,312,802
Loss allowance (US\$)	—	—	—	1,240	1,240

	Within 30 days	Over 30 days past due	Over 90 days past due	Over 180 days past due	Total
At 31 December 2019					
Weighted average expected loss rate	—	—	—	3%	
Receivable amount (US\$)	547,289	285,111	—	1,020,834	1,853,234
Loss allowance (US\$)	—	—	—	32,384	32,384

13. PREPAYMENTS AND DEPOSITS

	2020 US\$	2019 US\$
Advances to suppliers	5,600,538	6,163,403
Prepaid royalties and game development costs	156,965	524,322
Other prepayments	7,663	97,437
Deposits	85,513	77,629
	<u>5,850,679</u>	<u>6,862,791</u>

14. PLEDGED DEPOSIT AND BANK AND CASH BALANCES

The Group's pledged deposits represented deposits pledged to banks to secure banking facilities granted to the Group as set out in note 17 to the consolidated financial statements. The deposits are in US\$ and at fixed interest rate of 1.31% p.a. (2019: 1.31% p.a.).

As at 31 December 2020, the bank and cash balances of the Group denominated in Renminbi ("RMB") amounted to US\$2,094 (2019: US\$8,847). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

15. TRADE PAYABLES

The aging analysis of trade payables, based on the invoice dates, is as follows:

	2020 US\$	2019 US\$
Less than 60 days	<u>32,599</u>	<u>—</u>

16. ACCRUALS AND OTHER PAYABLES

	2020 US\$	2019 US\$
Accruals for professional service fees in respect of transfer of listing status from GEM to Main Board	—	1,149,903
Accruals for audit fee	195,000	420,000
Other accrued operating expenses	<u>302,801</u>	<u>102,579</u>
	<u>497,801</u>	<u>1,672,482</u>

17. BORROWINGS

	2020 US\$	2019 US\$
Bank borrowings	<u>8,843,419</u>	<u>10,350,664</u>

The borrowings are repayable as follows:

	2020 US\$	2019 US\$
On demand or within one year	2,360,417	6,634,444
In the second year	1,295,755	713,275
In the third to fifth years, inclusive	2,650,191	768,021
After five years	<u>2,537,056</u>	<u>2,234,924</u>
	8,843,419	10,350,664
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(2,360,417)</u>	<u>(6,634,444)</u>
Amount due for settlement after 12 months	<u>6,483,002</u>	<u>3,716,220</u>

As at 31 December 2020, including in the bank borrowings, trade loans amounting to US\$988,849 will mature in 2021, bear interest rates at the bank's prevailing 1-month Cost of Funds +3.5%, and are secured by first mortgage over the Group's office units, a corporate guarantee from the Company, and a charge over all fixed deposits placed with the bank.

As at 31 December 2020, including in the bank borrowings, the amount of US\$3,137,306 will mature in 2037, bears interest rate ranging from 2.35% to 2.45% annually for the subsequent one year and at prevailing Enterprise Financing Rate for the remaining tenures and is secured by first mortgage over the Group's office units, a corporate guarantee from the Company, and a charge over all fixed deposits placed with the bank.

As at 31 December 2020, including in the bank borrowings, the amount of US\$790,595 will mature in 2022 and bears interest rate at the bank's prevailing 1-month Cost of Funds +3.5%. Including in the amount of US\$790,595, the amount of US\$411,171 in bank borrowings is secured by first mortgage over the Group's office units, a corporate guarantee from the Company, and a charge over all fixed deposits placed with the bank, and the remaining amount of US\$379,424 is secured by first debenture fixed and floating charge on the Group's assets and undertakings and corporate guarantees from the Company and its subsidiary.

As at 31 December 2020, including in the bank borrowings, the amount of US\$3,783,055 will mature in 2025, bears interest rate at 3% per annum and secured by corporate guarantees from the Company and its subsidiary.

As at 31 December 2020, including in the bank borrowings, the amount of US\$143,614 will mature in 2022 and bears interest rate at 1% per annum.

As at 31 December 2019, including in the bank borrowings, trade loans amounting to US\$4,979,845 was to mature in 2020 and bear interest rates at the bank's prevailing 1-month Cost of Funds +3.5% and the London Inter-bank Offered Rate +2.5%. Including in the trade loans of US\$4,979,845, the amount of US\$4,399,138 is secured by an assignment of life insurance (note 11) and the remaining amount of US\$580,707 is secured by first mortgage over the Group's office units, a corporate guarantee from the Company, and a charge over all fixed deposits placed with the bank.

As at 31 December 2019, including in the bank borrowings, the universal life insurance loan (the "ULI") amounting to US\$941,325 bears interest rates at one month London Interbank Offered Rate (LIBOR) +0.75% and is secured by an assignment of life insurance (note 11). The principals of the loans are repayable by 84 monthly installments, however, has the ability to demand repayment at any time which will not be affected by the payment schedule.

As at 31 December 2019, including in the bank borrowings, the amount of US\$3,119,212 will mature in 2037 and bears interest rates between 2.38% to 2.78% annually for the first two years and at Singapore Interbank Offered Rate +3% for the remaining tenures and is secured by first mortgage over the Group's office units, a corporate guarantee from the Company, and a charge over all fixed deposits placed with the bank. On 20 November 2019, including in the amount of US\$3,119,212, the Company has revised the terms of its bank borrowing amounting to US\$1,642,010, with effect from 1 December 2019, the interest rate will be fixed at 2.35% for the subsequent two years and at prevailing Enterprise Financing Rate for the remaining tenures.

As at 31 December 2019, including in the bank borrowings, the amount of US\$1,310,282 will mature in 2022 and bears interest rate at the bank's prevailing 1-month Cost of Funds +3.5%. Including in the amount of US\$1,310,282, the amount of US\$704,314 in bank borrowings is secured by first mortgage over the Group's office units, a corporate guarantee from the Company, and a charge over all fixed deposits placed with the bank, and the remaining amount of US\$605,968 is secured by first debenture fixed and floating charge on the Group's assets and undertakings and corporate guarantees from the Company and its subsidiary.

18. SHARE CAPITAL

	Number of shares of the Company	Share capital US\$
Authorised		
Ordinary share capital of HK\$0.00005 each at 31 December 2020 and 2019	<u>7,600,000,000</u>	<u>49,147</u>
Issued and fully paid		
At 1 January 2019, 31 December 2019, 1 January 2020 and 31 December 2020	<u>1,806,000,000</u>	<u>11,700</u>

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group reviews the capital structure frequently by considering the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts, redemption of existing debts or selling assets to reduce debts.

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 Kickstarter and to wholesalers. We also sell directly to end-users primarily through online stores and through game conventions, both online and physical (where possible), held two to three times a year.

As at the date of this annual results announcement, we offer a total of 100 games, comprising 94 board games, three miniature war games, two mobile games and one computer game.

For the financial year under review, our revenue was approximately US\$25.1 million, decreasing from approximately US\$30.5 million for the previous financial year. Loss attributable to shareholders for the financial year under review was approximately US\$4.9 million compared with approximately US\$0.8 million for the previous financial year. The decrease in profitability was mainly due to the COVID-19 pandemic as China was in lock down during the first quarter of 2020 and since our contract manufacturers are mostly based in China, we were unable to produce or ship games to our customers during the lock down. Sales in the third and fourth quarters of 2020 quickly recovered to pre-COVID levels. During the financial year under review, we launched four Kickstarter games, namely *Marvel United*, *Ankh: Gods of Egypt*, *CMON Comics — Vol. 1* and *Massive Darkness 2: Hellscape*, and raised approximately US\$2.8 million, US\$3.3 million, US\$0.5 million and US\$3.8 million, respectively. For the year ended 31 December 2020, apart from the disruption in supply, tabletop games have had strong sales despite the cancellation of almost all major conventions and events, which resulted in significant savings for us.

Long-term Strategies and Outlook

Our strategy is to achieve long-term growth through geographical diversification and product diversification. We remain focused on 1) expanding into the Asian markets, and our wholly owned Chinese subsidiary started to increase sales headcount in China in 2020, 2) marketing directly to end users and gamers, particularly in China and South East Asia through virtual events and 3) strengthening our game design capabilities and licensing of good intellectual properties (“IPs”).

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. In 2021, we plan to launch new games not only using our own IPs, but also games based on other popular IPs such as Marvel. We have already successfully launched a game in January 2021 based on animations of *Scooby Doo*, *Teen Titans* and *Looney Tunes*. Such games will not only help us retain a significant number of players, but will also help us attract new players, so we can grow our revenue base and sustain our competitive position, especially games like *Marvel United*, which is based on existing IPs with a strong group of followers. We will also continue to expand our geographical coverage with an aim to increase market share as we make our games known to more Asian players. In line with our Asian focus, in 2021, we plan to hold at least three online game conventions specifically for the Asian market and we have also held events coinciding with popular sales events such as the Double Eleven event.

FINANCIAL REVIEW

Revenue

Our revenue decreased by approximately 17.5% to approximately US\$25.1 million for the year ended 31 December 2020 from approximately US\$30.5 million for the year ended 31 December 2019, primarily due to the decrease in revenue from board games. Revenue from board games decreased by approximately 20.7% to approximately US\$21.9 million for the year ended 31 December 2020 from approximately US\$27.6 million for the year ended 31 December 2019. During the year ended 31 December 2020, we recognized revenue from board games such as, but not limited to, *Marvel United*, *Ankh: Gods of Egypt* and *CMON Comics — Vol. 1*. During the year ended 31 December 2019, we recognized revenue from board games such as, but not limited to, *Munchkin Dungeon*, *Blood Rage Digital*, *Project: Elite* and *Time Machine*.

In terms of sales channels, revenue via Kickstarter decreased to approximately US\$16.5 million for the year ended 31 December 2020 from approximately US\$16.8 million for the year ended 31 December 2019, which was mainly due to the decrease in recognition of sales from 3 Kickstarter games in 2020 compared to 4 Kickstarter games in 2019.

North America and Europe remained as our major markets, with North American and European sales making up approximately 87.4% and 87.5% of our total revenue combined for the years ended 31 December 2020 and 2019 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			
	2020		2019	
	US\$	%	US\$	%
Board games	21,949,075	87.3	27,583,763	90.6
Miniatures war games	1,842,993	7.3	2,142,132	7.0
Mobile games	711	—	1,669	—
Sub-total	23,792,779	94.6	29,727,564	97.6
Other products	1,346,082	5.4	732,739	2.4
Total	<u>25,138,861</u>	<u>100</u>	<u>30,460,303</u>	<u>100</u>

By sales channels

	Year ended 31 December			
	2020		2019	
	US\$	%	US\$	%
Direct				
Kickstarter	16,542,380	65.8	16,780,577	55.1
Online store and game conventions	110,114	0.4	245,348	0.8
Mobile games	711	—	1,668	—
Wholesales	8,485,656	33.8	13,432,710	44.1
Total	<u>25,138,861</u>	<u>100</u>	<u>30,460,303</u>	<u>100</u>

By geographical markets

	Year ended 31 December			
	2020		2019	
	US\$	%	US\$	%
North America	13,535,307	53.8	17,550,210	57.6
Europe	8,432,728	33.5	9,097,287	29.9
Asia	2,529,515	10.1	2,127,889	7.0
Oceania	641,311	2.6	765,479	2.5
South America	—	—	908,058	3.0
Africa	—	—	11,380	—
Total	<u>25,138,861</u>	<u>100</u>	<u>30,460,303</u>	<u>100</u>

COST OF SALES

Despite sales decreasing by approximately 17.5% to approximately US\$25.1 million for the year ended 31 December 2020 from approximately US\$30.5 million for the year ended 31 December 2019, total cost of sales only decreased by approximately 0.4% to approximately US\$15.8 million for the year ended 31 December 2020 from approximately US\$15.9 million for the year ended 31 December 2019. This is mainly due to increase in cost of inventory to approximately US\$10.6 million for the year ended 31 December 2020 from approximately US\$10.5 million for the year ended 31 December 2019 due to supply shortage in China.

GROSS PROFIT AND GROSS PROFIT MARGIN

Our gross profit decreased by approximately 36.0% to approximately US\$9.4 million for the year ended 31 December 2020 from approximately US\$14.6 million for the year ended 31 December 2019 and gross profit margin decreased by approximately 10.8 percentage points to approximately 37.2% for the year ended 31 December 2020 from approximately 47.9% for the year ended 31 December 2019. Gross profit and gross profit margin decreased mainly due to the increase in cost of inventory as discussed in the paragraph headed “Cost Of Sales”.

OTHER INCOME

Other income increased from US\$198,226 for the year ended 31 December 2019 to US\$327,383 for the year ended 31 December 2020, which was mainly due to receipt of Singapore government grants related to the COVID-19 pandemic.

EXCHANGE LOSSES

We recorded an exchange loss of US\$53,416 for the year ended 31 December 2019 as compared to US\$190,732 for the year ended 31 December 2020, which resulted from the translation of loan repayments denominated in Singapore dollars, as the US dollar weakened against Singapore dollar in 2020.

SELLING AND DISTRIBUTION EXPENSES

Our selling and distribution expenses decreased from approximately US\$5.9 million for the year ended 31 December 2019 to approximately US\$5.2 million for the year ended 31 December 2020. This was primarily caused by a decrease in conventions and trade shows and travelling expenses, as all physical events were cancelled due to the COVID-19 pandemic.

GENERAL AND ADMINISTRATIVE EXPENSES

Our general and administrative expenses increased from approximately US\$6.1 million for the year ended 31 December 2019 to approximately US\$6.8 million for the year ended 31 December 2020. The increase was primarily caused by an increase in game development expenses, from approximately US\$1.2 million for the year ended 31 December 2019 to approximately US\$1.9 million for the year ended 31 December 2020.

FINANCE COSTS

Finance costs decreased from US\$483,370 for the year ended 31 December 2019 to US\$364,263 for the year ended 31 December 2020. This was primarily caused by decreased finance costs for bank borrowings, as our banker, DBS Bank Limited (“DBS”), temporarily deferred our loan repayments to help relieve financial pressure, brought about by the COVID-19 pandemic.

INCOME TAX EXPENSE

Income tax expense decreased by approximately 72.9% from US\$208,902 for the year ended 31 December 2019 to US\$56,557 for the year ended 31 December 2020, mainly due to the decrease in deferred tax expense.

LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

As a result of all the above mentioned matters, loss and total comprehensive loss for the year attributable to equity holders of the Company increased from approximately US\$0.8 million for the year ended 31 December 2019 to approximately US\$4.9 million for the year ended 31 December 2020. However, net cash generated from operating activities increased from approximately US\$3.9 million for the year ended 31 December 2019 to approximately US\$5.8 million for the year ended 31 December 2020.

LIQUIDITY AND FINANCIAL RESOURCES

During the year ended 31 December 2020, we financed our operations primarily through cash generated from our internally generated funds and bank borrowings. As at 31 December 2019 and 2020, the Group had cash and cash equivalents of approximately US\$757,743 and US\$509,585, respectively, which were cash at banks and on hand, denominated in United States dollars, Singapore dollars, Chinese Renminbi and Hong Kong dollars.

The short-term bank borrowings of the Group decreased from approximately US\$6.6 million as at 31 December 2019 to approximately US\$2.4 million as at 31 December 2020.

The long-term borrowing of the Group increased from approximately US\$3.7 million as at 31 December 2019 to approximately US\$6.5 million as at 31 December 2020.

The long-term bank borrowings as at 31 December 2019 and 31 December 2020 were mainly secured on the property located at 201 Henderson Road #07/08-01, Apex @ Henderson, Singapore 159545 (the “**Headquarters**”), the property located at 201 Henderson Road #09-23/24, Apex @ Henderson, Singapore 159545 (the “**Property**”), a corporate guarantee from the Company and a charge over all fixed deposits placed with the relevant bank. As at 31 December 2020, the Group’s total bank borrowings of approximately US\$8.8 million consisted of:

- (i) approximately US\$6.9 million which were denominated in Singapore dollars, 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 has revised the terms of its bank borrowing — with respect to DBS Term Loan amounting to US\$3.8 million, interest would be charged at floating rate with effect from 1 May 2020; and
- (ii) approximately US\$2.0 million which were denominated in United States dollars, with a tenor of 60 days to 8 years and interests charged at floating rates.

As at 31 December 2020 and 2019, the Group’s borrowings were repayable as follows:

	2020 US\$	2019 US\$
Within 1 year	2,360,417	6,634,444
Between 1 and 2 years	1,295,755	713,275
Between 2 and 5 years	2,650,191	768,021
Over 5 years	2,537,056	2,234,924
	<u>8,843,419</u>	<u>10,350,664</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 Company dated 25 November 2016 (the “**Prospectus**”).

TREASURY POLICIES

The proceeds from our sales made through Kickstarter 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 collateral 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 2020, 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 2020, Kickstarter projects shipped by the Group contributed approximately US\$16.9 million (2019: approximately US\$5.5 million) to the Group’s revenue.

During the year ended 31 December 2020, Kickstarter projects which were successfully launched, but not shipped amounted to approximately US\$14.3 million (2019: approximately US\$13.7 million). The shipments of these projects are expected to take place in the first half of 2021.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

During the year ended 31 December 2020, the Group had no significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures.

INFORMATION ON EMPLOYEES

As of 31 December 2020, the Group had 50 employees (31 December 2019: 49). 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 2020 amounted to approximately US\$3.2 million (2019: approximately US\$3.4 million).

CHARGES ON ASSETS

As at 31 December 2020, the Headquarters and the Property with a total net book value of approximately US\$4.0 million and pledged deposit of US\$208,675 were charged as collateral for the Group's bank borrowings (31 December 2019: approximately US\$4.4 million and US\$207,622, 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 also intend to consider and explore game developers, publishers and European-based distributors as potential strategic acquisition and licensing targets in the future. We intend to finance our expansion plans primarily through internally generated funds and external borrowings.

GEARING RATIO

As at 31 December 2020, the Group had short-term and long-term bank borrowings of approximately US\$2.4 million (31 December 2019: approximately US\$6.6 million) and approximately US\$6.5 million (31 December 2019: approximately US\$3.7 million), respectively.

As at 31 December 2020, the gearing ratio of the Group, calculated as total liabilities divided by total assets was approximately 48.7% (31 December 2019: approximately 44%).

EXPOSURE TO FOREIGN EXCHANGE

The Group mainly operates in China, Singapore and the United States with the majority 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 2020, the Group did not have any significant contingent liabilities (31 December 2019: nil).

COMMITMENTS

The Group had no capital commitments as at 31 December 2019 and 2020.

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 relationships with other suitable outsourced manufacturers and suppliers as part of 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) Kickstarter

During the year ended 31 December 2020, most of the Group's bestselling tabletop games were launched on Kickstarter. 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 Kickstarter. Besides, the Group is enhancing its in-house capability to launch tabletop games on its own website if required.

COMPARISON BETWEEN EXPECTED IMPLEMENTATION PLANS WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the implementation plans as set out in the Prospectus with the Group's actual business progress for the period from 15 November 2016, being the latest practicable date as defined in the Prospectus, to 31 December 2020 is set out below:

Strategy	Business objectives for the period from 15 November 2016 to 31 December 2020	Actual business progress for the period from 15 November 2016 to 31 December 2020
Achieve organic growth by developing more high-quality games	- Develop, launch and deliver the games as set out in the paragraph headed "Business — Game Pipeline" in the Prospectus (the "Game Pipeline") and fulfil the outstanding Kickstarter projects which products have not yet been shipped as at 15 November 2016 (the "Outstanding Kickstarter Projects") - Develop, launch and deliver at least four new games - Maintain two newly hired in-house game developers	- Continued to develop the games as set out in the Game Pipeline, save for nine delayed or cancelled pipeline games due to less than ideal expected market reaction and demand on the products - Shipped all the Outstanding Kickstarter Projects namely <i>Munchkin Dungeon</i> and <i>Time Machine</i> - Launched and shipped seventeen Kickstarter projects namely <i>A Song of Ice & Fire: Tabletop Miniatures Game</i>, <i>Arcadia Quest: Riders</i>, <i>Cthulhu: Death May Die</i>, <i>HATE</i>, <i>Rising Sun</i>, <i>Starcadia Quest</i>, <i>The World of SMOG: Rise of Moloch</i>, <i>Zombicide: Green Horde</i>, <i>Zombicide: Invader</i>, <i>Project: Elite</i>, <i>Blood Rage Digital</i>, <i>Munchkin Dungeon</i>, <i>Time Machine</i>, <i>Bloodborne</i>, <i>Trudvang Legends</i>, <i>Zombicide: 2nd Edition</i> and <i>Night of the Living Dead: A Zombicide Game</i> - Launched 4 new Kickstarter projects namely <i>Marvel United</i>, <i>Ankh: Gods of Egypt</i>, <i>CMON Comics — Vol. 1</i> and <i>Massive Darkness 2: Hellscape</i> - Maintained the two newly hired in-house game developers

Strategy	Business objectives for the period from 15 November 2016 to 31 December 2020	Actual business progress for the period from 15 November 2016 to 31 December 2020
Further strengthen our sales and marketing capability and broaden reach into new markets	• Maintain six newly hired staff in our sales and marketing team • Reduce the business activities in Canada • Increase publicity across all of our existing marketing channels, including participation in game conventions, advertisements and cooperation with online game websites • Increase or initiate contact with existing or new wholesalers to enhance or initiate business relationships • Explore new markets in Asia Pacific region, namely Japan, Korea, Thailand and Indonesia; and seek opportunities to expand our business operation	• The Group has successfully maintained at least six staff • The Group has closed its operations in Canada • Moved its warehouse to China from the USA during the second half of 2019 • Continued to promote the Company's products through online advertising and social networking websites • Maintained regular contact with existing wholesalers • Built and maintained contact with existing wholesalers • The Group has set up Foshan CMON Tabletop Games Trading Co., Ltd. in China, which commenced marketing activities in China in the second half of 2018
Further expansion into the mobile game market	• Develop our second mobile game, <i>Zombicide (mobile)</i> (renamed as <i>Zombicide: Tactics & Shotguns</i>)	• Continued to develop <i>Zombicide (mobile)</i> (renamed as <i>Zombicide: Tactics & Shotguns</i>), which was launched in 2019

EVENTS OCCURRED AFTER 31 DECEMBER 2020

On 1 April 2020, trading in the shares of the Company was suspended owing to the delay in the publication of the annual results announcement for the year ended 31 December 2019, and on 23 June 2020, the Company disclosed the resumption guidance (the “**Resumption Guidance**”) which it received from the Stock Exchange. For details, please refer to the announcements of the Company dated 1 April 2020, 23 June 2020, 30 June 2020, 7 July 2020, 30 September 2020, 23 October 2020, 30 December 2020 and 26 February 2021.

As all the resumption conditions pursuant to the Resumption Guidance were satisfied, the Company made an application to the Stock Exchange and trading in the shares of the Company resumed on 26 February 2021.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2020 (2019: nil).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders’ entitlement to attend and vote at the annual general meeting of the Company to be held on Thursday, 27 May 2021 (the “**AGM**”), the register of members of the Company will be closed from Monday, 24 May 2021 to Thursday, 27 May 2021 (both days inclusive), during which no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Friday, 21 May 2021.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of 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 14 to 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 2020. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

Under code provision A.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 on a quarterly basis 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.

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 10 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 has complied with the required standard of dealings set out in the Model Code during the year ended 31 December 2020.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2020, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2020, 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 2020.

AUDITOR

Reference is made to the announcement of the Company dated 31 July 2020 in relation to the poll results of the annual general meeting of the Company held on 31 July 2020 (the “**2020 AGM**”). It was disclosed in the announcement that the reappointment of PricewaterhouseCoopers (the “**Outgoing Auditor**”) as auditor of the Company was not passed at the 2020 AGM. Accordingly, PricewaterhouseCoopers has retired as auditor of the Company upon expiration of its term of office at the close of the 2020 AGM.

Pursuant to the note under Rule 13.51(4) of the Listing Rules, the Company confirmed that the Outgoing Auditor did not provide any confirmation that there are no matters that need to be brought to the attention of the Shareholders. The reason was because the Outgoing Auditor had identified certain audit issues during their term of service which the Company disclosed in its announcements dated 26 March 2020, 30 June 2020, 30 September 2020, 30 December 2020 and 26 February 2021. The Outgoing Auditor was however not re-elected at the 2020 AGM and such audit issues remained unresolved at such time.

At the extraordinary general meeting held on 27 August 2020, ZHONGHUI ANDA CPA Limited was appointed as the auditor of the Company for the year ended 31 December 2020 to hold office until the conclusion of the next annual general meeting of the Company. The accompanying financial statements prepared in accordance with International Financial Reporting Standards have been audited by ZHONGHUI ANDA CPA Limited.

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 2020 as set out in this preliminary announcement have been agreed by the Group’s auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 December 2020. 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 preliminary announcement.

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

The annual report of the Company for the year ended 31 December 2020 will be despatched to the Shareholders and be available on the Company's website (<http://cmon.com>) and the designated website of the Stock Exchange (www.hkexnews.hk) in due course.

By Order of the Board

CMON Limited

Ng Chern Ann

Chairman, Joint Chief Executive Officer and Executive Director

Singapore, 26 March 2021

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. Wong Yu Shan Eugene and Mr. Choy Man.