CMON Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1792

ANNUAL REPORT

2024

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Ng Chern Ann
(Chairman and Joint Chief Executive Officer)
Mr. David Doust *(Joint Chief Executive Officer)*
Mr. Koh Zheng Kai

Non-executive Directors

Mr. Frederick Chua Oon Kian
Mr. David Preti
(redesignated from an executive Director to a non-executive Director with effect from 13 September 2024 and later resigned as a non-executive Director with effect from 14 April 2025)
Ms. Li Xuejin *(appointed on 30 December 2024)*

Independent Non-executive Directors

Mr. Wong Yu Shan Eugene
Mr. Choy Man
Mr. Leung Yuk Hung Paul

Audit Committee

Mr. Wong Yu Shan Eugene *(Chairman)*
Mr. Choy Man
Mr. Leung Yuk Hung Paul

Remuneration Committee

Mr. Leung Yuk Hung Paul *(Chairman)*
Mr. Wong Yu Shan Eugene
Mr. Choy Man

Nomination Committee

Mr. Choy Man *(Chairman)*
Mr. Wong Yu Shan Eugene
Mr. Leung Yuk Hung Paul

AUTHORISED REPRESENTATIVES

Ms. Ng Sau Mei
Mr. Koh Zheng Kai

COMPANY SECRETARY

Ms. Ng Sau Mei

LEGAL ADVISER

Withers
30/F, United Centre
95 Queensway
Hong Kong
(Solicitors of Hong Kong)

AUDITOR

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditors
23/F, Tower 2
Enterprise Square Five
Kowloon Bay
Hong Kong

REGISTERED OFFICE

Offices of Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS

201 Henderson Road #07/08–01
Apex @ Henderson
Singapore 159545

REGISTERED PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKER

Development Bank of Singapore (DBS Bank)
Marina Bay Financial Centre Branch
12 Marina Boulevard Level 40
Marina Bay Financial Centre Tower 3
Singapore 018982

COMPANY'S WEBSITE

http://cmon.com

STOCK CODE

1792

DATE OF LISTING*

2 December 2016

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

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of CMON Limited (the "**Company**"), I am pleased to present to you the annual report of the Company for the year ended 31 December 2024 and to share with you the achievements and progress we have made over the past year.

2024 was a challenging year for CMON Limited, resulting in a decline in the financial results of the Company. This outcome is deeply disappointing for all of us — shareholders, partners, employees, and fans of our products alike.

Several external and internal factors contributed to this downturn. Macroeconomic headwinds, including persistent inflationary pressures and weaker consumer sentiment across key markets, placed considerable strain on discretionary spending. At the same time, internal execution challenges, slower-than-expected product development cycles, and underperformance of certain key releases impacted our ability to maintain the momentum we've built over the past decade.

To address the challenges, we have taken decisive steps, over the past months, to reposition the Company for recovery and future growth:

Operational Reset: We have initiated a thorough review of our internal operations to improve efficiency and enhance discipline in project management and cost control.

Product Pipeline Recalibration: We are reassessing our development roadmap to focus on fewer, higher-impact titles that align more tightly with our creative strengths and market demand.

We do not take shareholder trust for granted. We recognize that rebuilding momentum will require time, transparency and consistent performance. In 2025, our focus will be on delivering high-quality releases, maintaining fiscal prudence and increasing sales.

I would like to thank our employees, partners, and you — our shareholders — for your continued belief in CMON. This has been a humbling year, but it is one from which we are determined to emerge stronger, more focused and better prepared to meet the expectations you rightly hold.

Sincerely,
Ng Chern Ann
Chairman, Joint Chief Executive Officer and Executive Director
CMON Limited

30 April 2025

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 report, 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, Degenesis: 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	37,353,249	100	45,051,708	100

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	37,353,249	100	45,051,708	100

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	37,353,249	100	45,051,708	100

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
	4,006,147	5,806,654

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 report, 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, 25 March 2025, 30 April 2025 and 22 May 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).

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

References are made to the announcements of the Company dated 13 April 2024, 5 March 2025 and 30 April 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.

As disclosed 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 *(Note 1)*	450,624,039	20.79%	450,624,039	24.95%
David Doust ("**Mr. Doust**")	Interests in controlled corporations/beneficial owner *(Note 1)*	276,574,424	12.76%	276,574,424	15.31%
Cangsome Limited	Beneficial owner *(Note 1)*	450,624,039	20.79%	450,624,039	24.95%
Dakkon Holdings Limited	Beneficial owner *(Note 1)*	276,574,424	12.76%	276,574,424	15.31%
Frederick Chua Oon Kian ("**Mr. Chua**")	Interests in controlled corporations/beneficial owner *(Note 2)*	198,119,232	9.14%	198,119,232	10.97%
Magic Carpet Pre-IPO Fund ("**Magic Carpet**")	Beneficial owner *(Note 2)*	192,539,232	8.88%	192,539,232	10.66%
Quantum Asset Management Pte. Ltd. ("**Quantum Asset**")	Interests in controlled corporations *(Note 2)*	192,539,232	8.88%	192,539,232	10.66%
David Preti ("**Mr. Preti**")	Interests in controlled corporations/beneficial owner *(Note 3)*	297,212,691	13.71%	297,212,691	16.46%
Magumaki Limited ("**DP SPV**")	Beneficial owner *(Note 3)*	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		2,167,200,000	100%	1,806,000,000	100%

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 Securities and Futures Ordinance (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.

Reference is also made to the announcement of the Company dated 22 May 2025. The Company has appointed Ernst & Young Advisory Services Limited as its internal control review expert to review the internal control policies of the Company in respect of the issue of the Subscription Shares and the delay in the publication of the financial results of the Company for the year ended 31 December 2024 as there may be potential deficiencies in the current internal control policies of the Company. For details of the appointment, please refer to the announcement.

DIRECTORS

EXECUTIVE DIRECTORS

Mr. Ng Chern Ann (黃成安), aged 50, was appointed as an executive Director, chairman and chief executive officer of the Company on 2 December 2016. He was re-designated as a joint chief executive officer of the Company on 23 January 2020. Mr. Ng is primarily responsible for developing ideas for new games, corporate strategic planning and overall business development of our Group. Mr. Ng also oversees sales, marketing and logistics for the Group's global operations.

Prior to founding the Group in September 2009, Mr. Ng co-founded Razer (Asia Pacific) Pte. Ltd. ("**Razer**"), a company engaged in the business of designing and manufacturing gaming peripherals, including mice, keyboards and laptops, in December 2003. From April 2005 to August 2006, Mr. Ng was the chief executive officer of Razer, where he was responsible for commencing its business operations. From September 2006 to May 2008, Mr. Ng was the chief technology officer of Razer, where he was responsible for sourcing for new technology, managing technical abilities, conceptualising new products and creating various inventions which were patented. Mr. Ng left Razer in May 2008 and since then, Mr. Ng has mainly devoted his time and resources in setting up, developing and overseeing the business of our Group.

Mr. Ng graduated from the University of Birmingham, United Kingdom with a Bachelor of Laws degree in July 2001, and was admitted to be an advocate and solicitor of the Supreme Court in Singapore in May 2003.

Mr. David Doust (建邦), aged 61, was appointed as an executive Director on 2 December 2016 and a joint chief executive officer on 23 January 2020. Mr. Doust is also the head of Asia of the Group. Mr. Doust oversees sales, marketing and logistics for the Group's Asia operations. Mr. Doust is a serial entrepreneur as he was a director of Fishworld Aquariums, Inc. from 1988 to 1992; a director of Doust Corporation from 1988 to 1994; and a director of Atlantis Pets, Inc. from 1991 to 1993. Mr. Doust also has over 15 years of experience in the gaming industry. He registered and operated the website www.coolminiornot.com in 2001. He also founded and served as an officer of Dark Age Games, Inc. in 2002 and published a miniature war game, *Dark Age*, in the same year. In 2009, he became a shareholder of CoolMiniOrNot Inc. and worked as a distributor and publisher of tabletop games.

Mr. Doust graduated from the University of Miami, United States, with a Bachelor in Business Administration degree in May 1987.

Mr. Koh Zheng Kai (許政開), aged 45, was appointed as an executive Director and financial controller of the Company on 2 December 2016. From December 2016 to December 2019, Mr. Koh Zheng Kai was one of the joint company secretaries of the Company. Mr. Koh has over 15 years of experience in accounting and finance. Mr. Koh joined the Group in October 2014 and is primarily responsible for the accounting and tax management of the Group. Prior to joining our Group, Mr. Koh has held various positions in areas relating to accounting, finance and company secretarial work. He worked as an auditor at KPMG Singapore from 2004 to 2005, at Ernst & Young in Houston, United States from 2005 to 2006 and at KPMG LLP in New York, United States from 2006 to 2008. From 2008 to 2010, he was a senior financial analyst at Investment Technology Group Inc., an independent execution broker and research provider. From 2011 to 2014, Mr. Koh worked in Opes Services Pte. Ltd., a company based in Singapore founded by Mr. Koh, which provides tax, accounting and secretarial services.

In June 2004, Mr. Koh completed all the required examinations of the Association of Chartered Certified Accountants examination. He has been admitted as a member of the Institute of Singapore Chartered Accountants (formerly known as Institute of Certified Public Accountants of Singapore) since September 2011.

NON-EXECUTIVE DIRECTORS

Mr. Frederick Chua Oon Kian (formerly known as "Chua Oon Kian") (蔡穩健), aged 59, was appointed as a non-executive Director on 2 December 2016. Mr. Chua is the director and chief executive officer of Quantum Asset Management Pte. Ltd., a company providing fund management services to high net worth individuals and institutional investors since March 2004. He has also participated in various pre-IPO investments in companies that were successfully listed on both the Stock Exchange and the Singapore Exchange Securities Trading Limited.

Mr. Chua graduated from Indiana University, United States, with a Bachelor of Arts degree in December 1990.

Ms. Li Xuejin (李學瑾), aged 37, was appointed as a non-executive Director on 30 December 2024. Ms. Li has over 10 years of experience in the accounting and compliance industry. She joined Opes Services Pte. Ltd., a company in Singapore which provides accounting & GST services, in April 2014 and is currently a director of Opes Services Pte. Ltd., overseeing its operations.

Ms. Li obtained a Bachelor of Business Administration from the University of Northern Virginia in July 2008. Ms. Li completed Introductory Level, Intermediate Level and Advanced Level of the Certified Accounting Technician Examinations at session December 2008, June 2009 and June 2011 respectively. Ms. Li was also awarded the ATTS Specialist Certificate in Taxation in December 2018 by the Association of Taxation Technicians Singapore.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Yu Shan Eugene (王宇山), aged 55, was appointed as an independent non-executive Director, the chairman of the audit committee, and a member of each of the remuneration committee and the nomination committee of the Company on 6 May 2020. Mr. Wong has over 25 years of experience in the accounting and financial industry. Mr. Wong is currently running his own investment advisory and private equity business in mainland China. He is also the founding and managing partner of Unity & Strength (Hong Kong) Certified Public Accountants Ltd, where he has been responsible for providing accounting and advisory services since 2009. He is also an independent non-executive director and the chairman of audit committee of Sirnaomics Ltd., a company listed on the main board of the Stock Exchange (stock code: 2257). Mr. Wong was an independent director of Swancor Advanced Materials Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 688585) from April 2022 to July 2023. Prior to the current positions, he served various positions in different office locations of Ernst & Young from 1993 to 2008, and retired as a partner in Ernst & Young, China in December 2008.

Mr. Wong obtained a Bachelor of Arts in Accounting (Hons) from Hong Kong Polytechnic University in 1993. He is a practising certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow chartered accountant of Institute of Chartered Accountants in England and Wales.

Mr. Choy Man (蔡敏), aged 59, was appointed as an independent non-executive Director, the chairman of the nomination committee, and a member of each of the audit committee and the remuneration committee of the Company on 15 June 2020. He is currently a practising solicitor in Hong Kong. Mr. Choy obtained a Bachelor of Arts degree from The University of Hong Kong in 1990, and passed the common professional examination in 1993. He subsequently obtained a Postgraduate Certificate in Laws from The University of Hong Kong in 1994. Mr. Choy was admitted as a solicitor of Hong Kong in 1996 and is now a partner at Cheung & Choy and Choy & Tun, respectively. Mr. Choy specialises in the areas of civil and commercial litigation and conveyancing matters.

Mr. Leung Yuk Hung Paul (梁毓雄), aged 49, was appointed as an independent non-executive Director, the chairman of the remuneration committee, and a member of each of the audit committee and the nomination committee of the Company on 27 May 2021. He has over 20 years of corporate management experience in multinational companies operating in China (including Hong Kong), USA and Indonesia. Mr. Leung obtained both Bachelor of Commerce (Accounting and Finance) and Bachelor of Engineering (I.T) degrees from The University of Western Australia in 1998. He previously worked for PricewaterhouseCoopers as a Senior Consultant from 1999 to 2003, and for Lung Cheong International Holdings Limited as an Associate Director from 2003 to 2019. Mr. Leung is currently serving as a Managing Director for Chinafair International Holdings Limited. He is also a member of the Standing Committee of the CPPCC Dongguan Committee and the Vice President & Chairman of Finance Department of The Hong Kong Chinese Importers' & Exporters' Association.

Note:

As at the date of this annual report, each of the Directors did not have any relationship with other Directors and any member of our senior management save as disclosed above.

COMPANY SECRETARY

Ms. Ng Sau Mei (伍秀薇), is the company secretary of the Company. Ms. Ng is a director of the listing services department of TMF Hong Kong Limited and is responsible for provision of corporate secretarial services to listed company clients. Ms. Ng obtained a Master's Degree in Laws from University of London in December 2017 and a Bachelor's Degree in Laws from City University of Hong Kong in November 2001, and is a Chartered Secretary, a Chartered Governance Professional and a fellow member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

REPORT OF DIRECTORS

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 16 June 2015. The Company is an investment holding company. The Group is principally engaged in design, development and sales of board games, miniature war games and other hobby products. Details of the principal activities of the Group during the year ended 31 December 2024 are set out in Note 36 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss and other comprehensive income on page 47 of this annual report.

FINAL DIVIDEND

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

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the "**AGM**") will be held on Thursday, 26 June 2025, among other things, to receive and adopt the audited consolidated financial statements of the Company for the year ended 31 December 2024 and the reports of the Directors and auditor.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement of the shareholders of the Company (the "**Shareholders**") to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 23 June 2025 to Thursday, 26 June 2025 (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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Friday, 20 June 2025.

BUSINESS MODEL AND BUSINESS OVERVIEW

The business model and business overview of the Group are set out under the paragraph headed "Management Discussion and Analysis — Business Model and Business Overview" on page 5 of this annual report.

LONG-TERM STRATEGIES AND OUTLOOK

The long-term strategies and outlook of the Group are set out under the paragraph headed "Management Discussion and Analysis — Long-Term Strategies and Outlook" on page 5 of this annual report.

FINANCIAL PERFORMANCE AND PRINCIPAL RISKS

A review of the Group's business and analysis of the Group's performance for the year ended 31 December 2024, as well as a description of the principal risks and uncertainties the Group faces can be found in the section headed "Chairman's Statement" on page 4 of this annual report and the paragraph headed "Management Discussion and Analysis — Business Model and Business Overview" and "Management Discussion and Analysis — Principal Risks and Uncertainties" on page 5 and 11 respectively of this annual report.

ENVIRONMENTAL POLICY

The Group is committed to providing an environmental friendly environment and atmosphere within the Group. We conduct our business in a manner that balances the environment and economic needs.

The Group has taken the following environmental protection measures:

— Reduce the use of paper

The Group encourages its staff to employ and maximise usage of established online storage services for keeping records electronically. Where printing or photocopying is necessary, the Group endorses double-sided printing and copying, and the use of recycled paper.

— Reduce electricity consumption after office hours

The Group encourages its staff to minimise energy consumption in our properties, by switching off lights, air-conditioning and other electrical appliances when not in use.

— Incorporate environmentally friendly considerations during product design and production

The Group encourages its designers to incorporate environmentally friendly consideration during product and packaging design stage and works closely with the outsourced manufacturers to minimise product waste and packaging materials.

For further details on our environmental protection policies and performance, please refer to the Group's "Environment, Social and Governance Report" to be published on the websites of the Stock Exchange and the Company.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in Singapore, the PRC and the United States while the Company itself is incorporated in the Cayman Islands and whose shares are listed on the Main Board of the Stock Exchange. The establishment and operations accordingly shall comply with relevant laws and regulations in the above mentioned countries. The Group recognises the importance of compliance with relevant laws and regulations as well as the risk of non-compliance with such requirements. The Group has compliance procedures in place to ensure adherence to applicable laws and regulations which have a significant impact on the Group. During the year ended 31 December 2024 and up to the date of this annual report, to the best knowledge and belief of the Board, the Group has complied in all material respects with the relevant laws and regulations in the Cayman Islands, Singapore, the PRC, the United States and Hong Kong.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Employees

We maintained a good working relationship with our employees and we did not experience any labour disputes for our operations during the year ended 31 December 2024.

CUSTOMERS AND SUPPLIERS

Major Customers

For the year ended 31 December 2024, the Group's sales to its five largest customers accounted for approximately 21.0% of the Group's total revenue. Our five largest customers were wholesalers based in the United States and Europe. As at 31 December 2024, none of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the number of issued shares of the Company) had any interest in the Group's five largest customers.

Major Suppliers

For the year ended 31 December 2024, the Group's five largest suppliers accounted for approximately 78.2% of the Group's total purchases and our single largest supplier accounted for approximately 31.3% of the Group's total purchases. Our five largest suppliers were outsourced manufacturers based in Hong Kong and the PRC. Costs are determined with reference to quotations agreed between the Group and the suppliers on a project to project basis.

As at 31 December 2024, none of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the number of issued shares of the Company) had any interest in the Group's five largest suppliers.

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last five financial years is set out on page 96 of this annual report. This summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2024 are set out in Note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2024 are set out in Note 32 to the consolidated financial statements.

CAPITAL AND RESERVES

Details of movements in the share capital, share premium, retained earnings, capital reserves and other reserves of the Group during the year ended 31 December 2024 are set out on page 50 of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company's reserves available for distribution to equity holders amounted to approximately US$15.5 million (31 December 2023: approximately US$18.5 million).

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group are set out in Note 27 to the consolidated financial statements.

DIRECTORS

The Directors during the year ended 31 December 2024 and up to the date of this annual report are:

Executive Directors

Mr. Ng Chern Ann *(Chairman and Joint Chief Executive Officer)*
Mr. David Doust *(Joint Chief Executive Officer)*
Mr. Koh Zheng Kai

Non-executive Directors

Mr. Frederick Chua Oon Kian
Mr. David Preti *(redesignated from an executive Director to a non-executive Director with effect from 13 September 2024 and later resigned as a non-executive Director with effect from 14 April 2025)*
Ms. Li Xuejin *(appointed on 30 December 2024)*

Independent Non-executive Directors

Mr. Wong Yu Shan Eugene
Mr. Choy Man
Mr. Leung Yuk Hung Paul

In accordance with article 84 of the articles of association of the Company (the "**Articles of Association**"), at each annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation and shall be eligible for re-election, provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

In accordance with article 83(3) of the Articles of Association, any Director appointed by the Board either to fill a casual vacancy or as an addition to the Board shall hold office until the first annual general meeting of the Company after appointment and be subject to re-election at such meeting.

Biographical details of the Directors are set out in the section headed "Directors" of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") from each of the independent non-executive Directors and the Company considers such Directors to be independent for the year ended 31 December 2024 and remain so as of the date of this annual report.

Mr. Wong Yu Shan Eugene, Mr. Choy Man and Mr. Leung Yuk Hung Paul have each made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board is satisfied that, taking into account, inter alia, the valuable independent judgement, advice and objective views contributed by Mr. Wong, Mr. Choy and Mr. Leung, all of them are of such character, integrity and experience commensurate with office of independent non-executive Directors. The Board is not aware of any circumstance that might influence the independence of Mr. Wong, Mr. Choy and Mr. Leung.

DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

Each of Mr. Ng Chern Ann, Mr. David Doust and Mr. Koh Zheng Kai, the executive Directors, has entered into a service agreement with the Company for an initial term of three years commencing from 19 November 2019, being the date of transfer of listing of the shares of the Company from GEM to the Main Board of the Stock Exchange (the "**Transfer of Listing Date**") until terminated by either party by giving not less than three months' notice in writing to the other.

Each of the non-executive Directors (except Mr. David Preti) and the independent non-executive Directors has signed a letter of appointment with the Company for an initial term of three years commencing from the date of their appointment, provided that either party may terminate such appointment at any time by giving at least three months' notice in writing to the other. Mr. David Preti, the former non-executive Director, has entered into a letter of appointment with the Company for an initial term of three years commencing from the date of his redesignation from an executive Director to a non-executive Director until terminated by either party by giving not less than three months' notice in writing to the other.

None of the Directors has a service agreement or a letter of appointment which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No Directors nor any entity connected with them had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party during the year ended or as at 31 December 2024 and up to the date of this annual report.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, at no time during the year ended 31 December 2024 was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18, were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2024 and up to the date of this annual report.

EMOLUMENT POLICY

The remuneration committee of the Company was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices. Details of the emoluments of the Directors and five highest paid individuals during the year ended 31 December 2024 are set out in Note 14 to the consolidated financial statements.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Company are set out in Note 14 to the consolidated financial statements.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules were as follows:

Name	Capacity/ Nature of Interest	Number of Underlying Shares (Unlisted and Physically Settled Equity Derivative) Interested[5]	Total Number of Shares and Underlying Shares Interested	Long/Short Position	Approximate Percentage of Shareholding in the Company (%)
Ng Chern Ann[1] ("**Mr. Ng**")	Interest in controlled corporation/beneficial owner	15,500,000	450,624,039	Long	20.79
David Preti[2] ("**Mr. Preti**")	Interest in controlled corporation/beneficial owner	15,500,000	297,212,691	Long	13.71
David Doust[3] ("**Mr. Doust**")	Interest in controlled corporation/beneficial owner	15,500,000	276,574,424	Long	12.76
Frederick Chua Oon Kian[4] ("**Mr. Chua**")	Interest in controlled corporation/beneficial owner	5,580,000	198,119,232	Long	9.14
Koh Zheng Kai	Beneficial owner	5,800,000	5,800,000	Long	0.27

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. As at 31 December 2024, CA SPV was beneficially interested in 435,124,039 shares of the Company (the "**Shares**") whereas Mr. Ng was beneficially interested in 15,500,000 share options of the Company (the "**Share Options**").

(2) The issued share capital of Magumaki Limited ("**DP SPV**") is wholly-owned by Mr. Preti, the former non-executive Director and the chief operating officer of the Company. As at 31 December 2024, DP SPV was beneficially interested in 107,663,076 Shares, representing approximately 4.97% of issued share capital of the Company, and Mr. Preti was deemed to be interested in the Shares held by DP SPV by virtue of the SFO. As at 31 December 2024, Mr. Preti was also beneficially interested in 174,049,615 Shares and 15,500,000 Share Options. Mr. Preti resigned as a non-executive Director with effect from 14 April 2025.

(3) 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. As at 31 December 2024, DD SPV was beneficially interested in 261,074,424 Shares whereas Mr. Doust was beneficially interested in 15,500,000 Share Options.

(4) Magic Carpet Pre-IPO Fund ("**Magic Carpet**") 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 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.

(5) The interests in the underlying Shares represent interests in Share Options granted to the respective Directors to subscribe for Shares.

Save as disclosed above, as at 31 December 2024, none of the Directors or the chief executives of the Company had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2024, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Capacity/Nature of Interest	Total Number of Shares Interested	Long/Short Position	Approximate Percentage of Shareholding in the Company (%)
CA SPV(1)	Beneficial owner	435,124,039	Long	20.08
DD SPV(2)	Beneficial owner	261,074,424	Long	12.05
Quantum Asset(3)	Interest in controlled corporation	237,759,232	Long	10.97
Magic Carpet(3)	Beneficial owner	237,759,232	Long	10.97
Mr. Chen Fen(4)	Interest in controlled corporation	180,600,000	Long	8.33
Drum Group Limited(4)	Beneficial owner	180,600,000	Long	8.33
Mr. Chen Song(5)	Interest in controlled corporation	180,600,000	Long	8.33
Mana Pool Investments Limited(5)	Beneficial owner	180,600,000	Long	8.33

Notes:

(1) The issued share capital of CA SPV is wholly-owned by Mr. Ng, an executive Director and the sole director of CA SPV. As at 31 December 2024, CA SPV was beneficially interested in 435,124,039 Shares whereas Mr. Ng was beneficially interested in 15,500,000 Share Options.

(2) The issued share capital of DD SPV is wholly-owned by Mr. Doust, an executive Director and the sole director of DD SPV. As at 31 December 2024, DD SPV was beneficially interested in 261,074,424 Shares whereas Mr. Doust was beneficially interested in 15,500,000 Share Options.

(3) 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.

(4) The issued share capital of Drum Group Limited is wholly-owned by Mr. Chen Fen and therefore, Mr. Chen Fen is deemed to be interested in the 180,600,000 Shares held by Drum Group Limited by virtue of the SFO.

(5) The issued share capital of Mana Pool Investments Limited is wholly-owned by Mr. Chen Song and therefore, Mr. Chen Song is deemed to be interested in the 180,600,000 Shares held by Mana Pool Investments Limited by virtue of the SFO.

Save as disclosed above, as at 31 December 2024, the Directors were not aware of any persons (who were not Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

SHARE OPTION SCHEME

In order to incentivise and/or to recognise and acknowledge the contributions that eligible persons have made or may make to our Group, the Company adopted the share option scheme pursuant to written resolutions of the Shareholders passed on 17 November 2016 (the "**Share Option Scheme**").

(i) The participants can be any employee (whether full time or part-time employee) of the Group including any executive Directors, non-executive Directors and independent non-executive Directors, advisors and consultants of the Group.

(ii) The maximum number of Shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 180,600,000 Shares, representing 10% of the total number of Shares in issue as at the date of this annual report.

(iii) No option shall be granted to any eligible person under the Share Option Scheme if any further grant of options would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised and outstanding options) in the 12-month period up to and including such further grant would exceed 1% of the total number of Shares in issue unless such further grant has been separately approved by Shareholders in general meeting in accordance with the Listing Rules and with such grantee and his close associates (or associates if he is a connected person) abstained from voting.

(iv) An offer of grant of an option shall remain open for acceptance by an eligible person for a period of not less than 21 days from the date on which the offer was issued or the date on which the conditions (if any) for the offer are satisfied, provided that such date shall not be more than 10 years after the date of adoption of the Share Option Scheme.

(v) A consideration of HK$1.00 is payable to the Company by the eligible person for each acceptance of grant of option(s) and such consideration is not refundable.

(vi) The exercise price in respect of any particular option granted under the Share Option Scheme shall be a price determined by the Board and notified to an eligible person, and shall be at least the highest of: (1) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (2) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the option; and (3) the nominal value of a Share on the date of grant.

(vii) The Share Option Scheme shall be valid and effective for a period of ten years commencing on the date of adoption of the Share Option Scheme, subject to early termination by the Company in general meeting or by the Board, and the remaining life of this scheme is around 1 year and 6 months.

On 13 August 2018, a total of 74,620,000 Share Options were granted to certain Directors and employees of the Company under the Share Option Scheme with an exercise price of HK$0.232 per Share. The closing price of the Shares immediately before the date of grant was HK$0.229.

Particulars of the Share Options under the Share Option Scheme and their movements during the year ended 31 December 2024 are set out below:

				Number of Share Options				
Grantees	**Date of grant (dd/mm/yyyy)**	**Exercise price per share (HK$)**	**Exercise period (dd/mm/yy)**	**As at 1 January 2024**	**Granted during the year**	**Exercised during the year**	**Forfeited during the year**	**As at 31 December 2024**
Directors/Former Director								
Ng Chern Ann	13/08/2018	0.232	13/08/2018–12/08/2028 *(Note 1)*	15,500,000	—	—	—	15,500,000
David Doust	13/08/2018	0.232	13/08/2018–12/08/2028 *(Note 1)*	15,500,000	—	—	—	15,500,000
David Preti *(Note 3)*	13/08/2018	0.232	13/08/2018–12/08/2028 *(Note 1)*	15,500,000	—	—	—	15,500,000
Koh Zheng Kai	13/08/2018	0.232	13/08/2018–12/08/2028 *(Note 1)*	5,800,000	—	—	—	5,800,000
Frederick Chua Oon Kian	13/08/2018	0.232	13/08/2018–12/08/2028 *(Note 2)*	5,580,000	—	—	—	5,580,000
Grand Total:				57,880,000	—	—	—	57,880,000

Notes:

1. These Share Options granted under the Share Option Scheme on 13 August 2018 are subject to the following vesting schedules:

   (a) Up to 33% of the Share Options shall be vested to the grantees after expiration of 12 months from the date of grant (i.e. 13 August 2019);

   (b) Up to 33% of the Share Options shall be vested to the grantees after expiration of 24 months from the date of grant (i.e. 13 August 2020); and

   (c) Up to 34% of the Share Options shall be vested to the grantees after expiration of 36 months from the date of grant (i.e. 13 August 2021).

2. These Share Options granted under the Share Option Scheme on 13 August 2018 are subject to the following vesting schedules:

   (a) Up to 50% of the Share Options shall be vested to the grantees after expiration of 12 months from the date of grant (i.e. 13 August 2019); and

   (b) Up to 50% of the Share Options shall be vested to the grantees after expiration of 24 months from the date of grant (i.e. 13 August 2020).

3. Mr. Preti resigned as a non-executive Director with effect from 14 April 2025.

During the year ended 31 December 2024, no Share Options have been exercised, cancelled or lapsed. Therefore, a total of 146,860,000 Shares, representing 8.13% of the issued share capital of the Company as at the date of this annual report, may fall to be issued upon exercise of the Share Options that have been granted or may be but not yet granted under the Share Option Scheme.

The total number of Share Options available for grant under the scheme mandate of the Share Option Scheme at the beginning and the end of the financial year are both 88,980,000.

The number of Shares that may be issued in respect of options granted under all schemes of the Company during the financial year divided by the weighted average number of the Shares in issue (excluding treasury Shares) during the financial year was approximately 2.67%.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report, the Company did not have any other share scheme and there was no equity-linked agreement that would or might result in the Company issuing Shares, or that required the Company to enter into an agreement that would or might result in the Company issuing Shares, entered into by the Company during the year ended 31 December 2024 or which subsisted as at 31 December 2024.

CHANGES TO DIRECTORS' INFORMATION

Mr. David Preti has been redesignated from an executive Director to a non-executive Director with effect from 13 September 2024 and resigned as a non-executive Director with effect from 14 April 2025 due to his other work commitments.

Ms. Li Xuejin has been appointed as a non-executive Director with effect from 30 December 2024.

Save as disclosed in this annual report, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

NON-COMPETITION UNDERTAKING

Pursuant to the deed of non-competition dated 17 November 2016 (the "**Deed of Non-competition**") entered into by Mr. Ng, Mr. Doust, CA SPV and DD SPV (collectively, the "**Controlling Shareholders**"), each of our Controlling Shareholders severally, irrevocably and unconditionally confirmed that neither of them nor any of their respective close associates is currently interested or engaged or having or holding any right or interests, directly or indirectly in (whether as a shareholder, director, partner, agent or otherwise and whether for profit reward or otherwise) any business, project or business opportunity which is or is likely to compete directly or indirectly with the business currently and from time to time engaged by the Group in the United States, Singapore and any other country or jurisdiction to which the Group provides such products and services and/or in which any member of the Group carries on business (the "**Restricted Activity**") otherwise than through the Group. In addition, the Controlling Shareholders jointly and severally, irrevocably and unconditionally undertook that as long as any of them holds any Shares, each of them shall not, and shall procure that their respective close associates (other than any member of the Group) and/or companies controlled by them (other than any member of the Group) shall not, directly or indirectly, among other things, be interested or involved or engaged in or carry on or be concerned with or acquire or hold any right or interest in the Restricted Activity. The Controlling Shareholders also granted the Company options for new business opportunities related to the Restricted Activity. For details of the Deed of Non-competition, please refer to the section headed "Relationship with Controlling Shareholders" in the Prospectus.

The Company has received confirmations from the Controlling Shareholders confirming their compliance with the Deed of Non-competition during the year ended 31 December 2024 for disclosure in this annual report.

The independent non-executive Directors have reviewed the Deed of Non-competition and based on the information and confirmations provided by or obtained from the Controlling Shareholders, they were satisfied that the Controlling Shareholders have duly complied with the Deed of Non-competition during the year ended 31 December 2024.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

Save as disclosed in this annual report, as at 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.

CONNECTED TRANSACTIONS

During the year ended 31 December 2024, the Group had not entered into any connected transactions nor continuing connected transactions which are required to be disclosed in this annual report pursuant to the Listing Rules.

Related party transactions of the Group are disclosed in Note 35 to the consolidated financial statements. They did not constitute connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules, and the Company is in compliance with the requirements in accordance with Chapter 14A of the Listing Rules.

DONATIONS

During the year ended 31 December 2024, the Group made no charitable and other donations.

SIGNIFICANT LEGAL PROCEEDINGS

During the year ended 31 December 2024, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every Director for the time being shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses incurred or sustained by him as a Director about the execution of the duties or supposed duties of his office or otherwise in relation thereto provided that such indemnity shall not extend to any matter in respect of fraud or dishonesty which may attach to the said Director.

The Company has taken out and maintained insurance in respect of legal action that may be brought against the Directors.

AUDIT COMMITTEE AND REVIEW ON THE ANNUAL RESULTS

The audit committee of the Company (the "**Audit Committee**"), which currently comprises three independent non-executive Directors, 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 and the annual report of the Company for the year ended 31 December 2024.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 29 to 43 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's total issued Shares, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, was held by the public at all times during the year ended 31 December 2024 and as at the latest practicable date prior to the issue of this annual report.

AUDITOR

ZHONGHUI ANDA CPA Limited ("**Zhonghui Anda**") was appointed as the auditor of the Company (the "**Auditor**") for the year ended 31 December 2024. The accompanying financial statements prepared in accordance with International Financial Reporting Standards have been audited by Zhonghui Anda.

Zhonghui Anda shall retire at the AGM and, being eligible, will offer itself for re-appointment. A resolution for the re-appointment of Zhonghui Anda as the Auditor for the year ending 31 December 2025 will be proposed at the AGM. There were no changes in the Company's auditors in the preceding three years.

On behalf of the Board
Ng Chern Ann
Chairman, Joint Chief Executive Officer and Executive Director

Singapore, 30 April 2025

The Board is pleased to present the corporate governance report of the Company for the year ended 31 December 2024.

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 C1 to the Listing Rules as its own code of corporate governance. Save as disclosed in this annual report, 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.

THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, overseeing the Group's strategic decisions and monitoring the Group's business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the Audit Committee, the remuneration committee (the "**Remuneration Committee**") and the nomination committee (the "**Nomination Committee**") (together, the "**Board Committees**"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

During the year ended 31 December 2024, all the Directors had carried out duties in good faith and, to their best knowledge and belief, in compliance with applicable laws and regulations, and had acted in the interest of the Company and the Shareholders as a whole at all times.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

Board Composition

As at the date of this annual report, the Board comprises three executive Directors, two non-executive Directors and three independent non-executive Directors as follows:

Executive Directors:

Mr. Ng Chern Ann *(Chairman and Joint Chief Executive Officer)*
Mr. David Doust *(Joint Chief Executive Officer)*
Mr. Koh Zheng Kai

Non-executive Directors:

Mr. Frederick Chua Oon Kian
Mr. David Preti *(redesignated from an executive Director to a non-executive Director with effect from 13 September 2024 and later resigned as a non-executive Director with effect from 14 April 2025)*
Ms. Li Xuejin *(appointed on 30 December 2024)*

Independent Non-executive Directors:

Mr. Wong Yu Shan Eugene
Mr. Choy Man
Mr. Leung Yuk Hung Paul

The biographies of the Directors are set out under the section headed "Directors" of this annual report.

During the year ended 31 December 2024, the Board has met at all times the requirements under Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

Save as disclosed in the Directors' biographies set out in the section headed "Directors" in this annual report, none of the Directors have any personal relationship (including financial, business, family or other material or relevant relationship) with any other Directors and the chief executives of the Company.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the CG Code provision requiring Directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as the identity of the public companies or organisations and the time involved to the Company, the Directors have agreed to disclose their commitments and any subsequent change to the Company in a timely manner.

DIVERSITY

Board Diversity

The Company believes that the diversity of Board members will be immensely beneficial for the enhancement of the Company's performance. The Company has adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board. The Board Diversity Policy is summarised below:

1. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to age, educational background, professional experience, skills, knowledge and length of service.

2. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

3. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

4. The Nomination Committee will review the Board Diversity Policy from time to time to ensure its continued effectiveness.

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

1. at least one-third of the members of the Board shall be independent non-executive Directors; and

2. at least one of the members of the Board shall have obtained accounting or other professional qualifications.

The Board has achieved the measurable objectives in the Board Diversity Policy.

The Board currently comprises eight Directors. Three of them are independent non-executive Directors, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, whether considered in terms of age, educational background, ethnicity, professional experience, skills, knowledge and length of service.

Gender Diversity

The Board has appointed one female Director on 30 December 2024 to achieve gender diversity. The Board and the Nomination Committee will continue to consider qualified candidates in line with the Board Diversity Policy, including with respect to gender diversity, to ensure there is a suitable selection of potential successors to the Board.

As at 31 December 2024, the Group had 81 full-time employees in total comprising 29 females and 52 males (a female-to-male ratio of approximately 1 to 1.8), reflecting a global diversity across the workforce of the Group. The Group is mindful of the importance of diversity, including gender diversity, when assessing the candidacy of its employees, and will ensure that the Group shall continue to follow its commitment to diversity.

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Group's operations and businesses as well as his/her responsibilities under relevant statues, laws, rules and regulations. The Company also provides regular updates on the latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Group's performance, position and prospects to enable the Board as a whole and each Director to discharge his/her duties.

Directors are encouraged to participate in continuous professional development seminars and programmes to develop and refresh their knowledge and skills. The company secretary of the Company has from time to time updated and provided the Directors with written training materials relating to the roles, functions and duties of a director of a listed issuer on the Main Board of the Stock Exchange. The Company has also engaged external legal advisers to provide training to Directors on updates of the Listing Rules as well as the latest changes in relevant rules and regulations.

Ms. Li Xuejin, who has been appointed as a non-executive Director on 30 December 2024, had obtained the legal advice referred to under Rule 3.09D of the Listing Rules from the Company's legal advisor on 30 December 2024 and has confirmed she understood her obligations as a Director.

According to the information provided by the Directors, a summary of trainings received by the Directors throughout the year ended 31 December 2024 is as follows:

Directors	**Nature of Continuous Professional Development Programmes** *(Notes)*
Executive Directors:	
Mr. Ng Chern Ann	C
Mr. David Doust	C
Mr. Koh Zheng Kai	C
Non-executive Directors:	
Mr. Frederick Chua Oon Kian	C
Mr. David Preti *(redesignated from an executive Director to a non-executive Director with effect from 13 September 2024 and later resigned as a non-executive Director with effect from 14 April 2025)*	C
Ms. Li Xuejin *(appointed on 30 December 2024)*	C
Independent Non-executive Directors:	
Mr. Wong Yu Shan Eugene	A, B, C
Mr. Choy Man	C
Mr. Leung Yuk Hung Paul	C

Notes:

A: Attending seminars, meetings, forums and/or briefings

B: Attending trainings related to the duties and responsibilities of a director of a company listed on the Stock Exchange

C: Reading materials relevant to corporate governance, director's duties and responsibilities, Listing Rules and other relevant ordinances and codes

CHAIRMAN AND JOINT CHIEF EXECUTIVE OFFICERS

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.

TERMS OF APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of Mr. Ng Chern Ann, Mr. David Doust and Mr. Koh Zheng Kai, the executive Directors, has entered into a service agreement with the Company for an initial term of three years commencing from the Transfer of Listing Date until terminated by either party by giving not less than three months' notice in writing to the other.

Each of the non-executive Directors (except Mr. David Preti) and independent non-executive Directors has signed a letter of appointment with the Company for an initial term of three years commencing from the date of their appointment, provided that either party may terminate such appointment at any time by giving at least three months' notice in writing to the other. Mr. David Preti, the former non-executive Director, has entered into a letter of appointment with the Company for an initial term of three years commencing from the date of his redesignation from an executive Director to a non-executive Director until terminated by either party by giving not less than three months' notice in writing to the other.

None of the Directors has a service agreement or a letter of appointment which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

BOARD AND BOARD COMMITTEE MEETINGS

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals.

For other Board and Board Committees meetings, reasonable notice is generally given. The agenda and accompanying meeting papers are despatched to the Directors or Board Committees members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board Committees members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman of the Board or the relevant Board Committees prior to the meeting.

Minutes of the Board meetings and Board Committees meetings are recorded in sufficient details about the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors or the Board Committees members. Minutes of the Board meetings and the Board Committees meetings are open for inspection by Directors.

During the year ended 31 December 2024, one general meeting was held and five Board meetings were held. The attendance of each Director at these meetings is set out in the table below:

Directors	Board Meeting(s) Attended/Eligible to Attend	General Meeting Attended/Eligible to Attend
Executive Directors:		
Mr. Ng Chern Ann	5/5	1/1
Mr. David Doust	5/5	1/1
Mr. Koh Zheng Kai	5/5	1/1
Non-executive Directors:		
Mr. Frederick Chua Oon Kian	5/5	1/1
Mr. David Preti *(redesignated from an executive Director to a non-executive Director with effect from 13 September 2024 and later resigned as a non-executive Director with effect from 14 April 2025)*	3/5	0/1
Ms. Li Xuejin *(appointed on 30 December 2024)*	0/0	0/0
Independent Non-executive Directors:		
Mr. Wong Yu Shan Eugene	5/5	1/1
Mr. Choy Man	5/5	1/1
Mr. Leung Yuk Hung Paul	5/5	1/1

COMPLIANCE WITH THE MODEL CODE BY DIRECTORS IN SECURITIES TRANSACTIONS

The Company has adopted 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.

DELEGATION BY THE BOARD

The Board reserves for its decision on all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, risk management and internal control systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters.

The Board has adopted effective mechanisms to ensure independent views and input are available to the Board. Directors are provided with sufficient resources to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently. The Board reviews the implementation and effectiveness of such mechanisms on an annual basis. For the year ended 31 December 2024, the Board considered that the above mechanisms are effective in ensuring that independent views and input are available to the Board.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transaction entered into by the management.

CORPORATE GOVERNANCE FUNCTION

The Board recognises that corporate governance should be the collective responsibility of the Directors which includes:

(a) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(b) to review and monitor the training and continuous professional development of Directors and senior management;

(c) to develop, review and monitor the codes of conduct and compliance manuals applicable to employees and the Directors;

(d) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board and report to the Board on such matters;

(e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report; and

(f) to review and monitor the Company's compliance with the Company's whistleblowing policy.

BOARD COMMITTEES

Audit Committee

The Audit Committee comprises three members, namely Mr. Wong Yu Shan Eugene (chairman), Mr. Choy Man and Mr. Leung Yuk Hung Paul. All three members are independent non-executive Directors.

The principal duties of the Audit Committee include the following:

1. to review the relationship with the auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of the auditor;

2. to review the financial statements and reports and consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function or the auditor before submission to the Board; and

3. to review the adequacy and effectiveness of the Company's financial reporting system, risk management and internal control systems and associated procedures, including the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

Three meetings were held by the Audit Committee during the year ended 31 December 2024 and the attendance of each Audit Committee member at the Audit Committee meetings during the year ended 31 December 2024 is set out in the table below:

Directors	Attended/Eligible to Attend
Mr. Wong Yu Shan Eugene	3/3
Mr. Choy Man	3/3
Mr. Leung Yuk Hung Paul	3/3

During the meetings, the Audit Committee:

(a) reviewed the financial results of the Group for the year ended 31 December 2023 and for the six months ended 30 June 2024 as well as the relevant financial reports;

(b) reviewed the audit report prepared by the auditor relating to accounting issues and major findings in course of audit;

(c) reviewed the financial reporting system, compliance procedures, risk management and internal control systems (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function), risk management systems and processes and the re-appointment of the auditor;

(d) reviewed the external auditor's audit memorandum to the Audit Committee and any material queries or issues raised by the auditor; and

(e) reviewed the remuneration, qualifications and independence of the external auditor.

Nomination Committee

The Nomination Committee currently comprises three members, namely Mr. Choy Man (chairman), Mr. Wong Yu Shan Eugene and Mr. Leung Yuk Hung Paul. All three members are independent non-executive Directors.

The principal duties of the Nomination Committee include the following:

1. to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

2. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

3. to assess the independence of independent non-executive Directors; and

4. to make recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for Directors, in particular the chairman of the Board and the Joint Chief Executive Officers.

The Nomination Committee assesses the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision. The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

Two meetings were held by the Nomination Committee during the year ended 31 December 2024 and attendance of each Nomination Committee member at the Nomination Committee meetings during the year ended 31 December 2024 is set out in the table below:

Directors	Attended/Eligible to Attend
Mr. Choy Man	2/2
Mr. Wong Yu Shan Eugene	2/2
Mr. Leung Yuk Hung Paul	2/2

During the meetings, the Nomination Committee reviewed the Board Diversity Policy, assessed the independence of independent non-executive Directors, considered the re-appointment of the retiring Directors and appointment of the non-executive Director.

The Board adopted a nomination policy (the "**Nomination Policy**") on 21 March 2019, which sets out, among other things, the procedures and criteria for identifying and evaluating a candidate for nomination to the Board for appointment or to the Shareholders for election as a Director. The Nomination Committee shall consider, among others, the following criteria in evaluating and selecting candidates for directorship:

(a) diversity in all its aspects, including but not limited to skills, knowledge, gender, age, ethnicity, cultural and educational background, professional experience and other personal qualities of the candidate;

(b) ability to exercise sound business judgment and possess proven achievement and experience in directorship including effective oversight of and guidance to management;

(c) commitment of the candidate to devote sufficient time for the proper discharge of the duties of a Director. In this regard, the candidate should not be a Director of more than six public companies or organisations; other executive appointments or significant commitments will also be considered;

(d) potential/actual conflicts of interest that may arise if the candidate is selected;

(e) independence of the independent non-executive director candidates must satisfy the independence requirements under the Listing Rules; and

(f) in the case of a proposed re-appointment of an independent non-executive Director, the number of years he/she has already served.

Each proposed appointment, election or re-election of a Director shall be assessed and/or considered against the criteria and qualifications set out in the Nomination Policy by the Nomination Committee which shall recommend its views to the Board for consideration and determination.

The Nomination Committee will from time to time review the Nomination Policy and monitor its implementation to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practice.

Pursuant to Rule 13.92 of the Listing Rules, listed issuers are required to adopt a board diversity policy. The Board has adopted the Board Diversity Policy since 17 November 2016, a summary of which is set out on pages 30 to 31 of this annual report.

Remuneration Committee

The Remuneration Committee comprises three members, namely Mr. Leung Yuk Hung Paul (chairman), Mr. Wong Yu Shan Eugene and Mr. Choy Man. All three members are independent non-executive Directors.

The principal duties of the Remuneration Committee include the following:

1. to make recommendations to the Board on the Company's overall policy and structure for the remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;

2. to review and approve the management's remuneration proposals with reference to the corporate goals and objectives determined by the Board, and assess performance of executive Directors and the terms of their service agreements;

3. to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. These include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

4. to make recommendations to the Board on the remuneration of non-executive Directors;

5. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

6. to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

7. to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

8. to ensure that no Director or any of his/her associates (as defined in the Listing Rules) is involved in deciding his/her own remuneration; and

9. to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

Two meetings were held by the Remuneration Committee during the year ended 31 December 2024 and attendance of each Remuneration Committee member at the Remuneration Committee meetings during the year ended 31 December 2024 is set out in the table below:

Directors	**Attended/Eligible to Attend**
Mr. Leung Yuk Hung Paul	2/2
Mr. Wong Yu Shan Eugene	2/2
Mr. Choy Man	2/2

During the meetings, the Remuneration Committee discussed and reviewed the remuneration packages for Directors and senior management of the Company, made recommendations to the Board on the remuneration packages of individual Directors and senior management, reviewed the Share Option Scheme and their implementation and considered the remuneration of the new Director.

Remuneration of Directors

Particulars of the remuneration of the Directors and the five highest paid individuals for the year ended 31 December 2024 are set out in Note 14 to the consolidated financial statements.

The Remuneration Committee is set up for reviewing the Group's remuneration policy and structure for the remunerations of all Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the year ended 31 December 2024 which give a true and fair view of the affairs of the Group and of the Group's results and cash flows.

The management has provided the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with quarterly updates on the Group's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the Auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the independent auditor's report on pages 44 to 46 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is its responsibility to ensure that the Company establishes and maintains sound risk management and internal control systems within the Group and to review the effectiveness of the systems. Such systems are designed to manage and mitigate risks inherent in the Group's business faced by the Group to an acceptable level, but not eliminate the risk of failure to achieve business objectives, and can only provide reasonable assurance against material misstatement, loss or fraud.

The Board has entrusted the Audit Committee with the responsibility to oversee the risk management and internal control systems of the Group on an on-going basis and to review the effectiveness of the systems annually. The review covers all material controls, including financial, operational and compliance controls.

Under the Company's risk management and internal control structure, the management is responsible for the design, implementation and maintenance of risk management and internal control systems to ensure that, amongst others, (i) appropriate policies and control procedures have been designed and established to safeguard the Group's assets against improper use or disposal; (ii) relevant laws, rules and regulations are adhered to and complied with; and (iii) reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements.

The main features of risk management and internal control structure of the Company are as follows:

- heads of major operation units or departments manage risks through identification and mitigating risks identified in accordance with the internal guidelines approved by the Board and the Audit Committee;

- the management ensures appropriate actions are taken on major risks affecting the Group's businesses and operations; and

- the financial controller reports to the Board, the Audit Committee and the management concerning the effectiveness of risk management and internal control systems.

During the year ended 31 December 2024, major works performed by the management in relation to risk management and internal control include the following:

- each major operation unit or department was responsible for daily risk management activities, including identifying major risks that might impact on the Group's performance, assessing and evaluating the identified risks according to their likely impacts and the likelihood of occurrence, formulating and implementing measures, controls and response plans to manage and mitigate such risks;

- the management, together with the controller's department, monitored and reviewed the risk management and internal control systems on an on-going basis and reported to the Audit Committee regarding the status of the systems;

- the management periodically followed up and reviewed the implementation of the measures, controls and response plans to major risks identified in order to make sure that sufficient attention, monitoring and responses were given to all major risks identified;

- the management reviewed the risk management and internal control systems periodically to identify process and control deficiencies, and designed and implemented corrective actions to address such deficiencies; and

- the management ensured appropriate procedures and measures such as safeguarding assets against unauthorised use or disposition, controlling capital expenditure, maintaining proper accounting records and ensuring the reliability of financial information used for business and publications, etc. are in place.

The Company does not have an internal audit department and is currently of the view that there is no immediate need to set up an internal audit department within the Group in light of the size, nature and complexity of the Group's business. It was decided that the Board would be directly responsible for the internal control of the Group and for reviewing its effectiveness. During the year ended 31 December 2024, the Company engaged an independent third party to conduct an internal control review to ensure the effectiveness and adequacy of the internal control system of the Group.

The Company has maintained internal guidelines for ensuring that inside information is disseminated to the public in an equal and timely manner in accordance with the applicable laws and regulations. Senior executives of the investor relation, corporate affairs and financial control functions of the Group are delegated with responsibilities to control and monitor the proper procedures to be observed on the disclosure of inside information. Access to inside information is at all times confined to relevant senior executives and confined on "need-to-know" basis. Relevant personnel and other professional parties involved are reminded to preserve confidentiality of the inside information until it is publicly disclosed. Other procedures such as pre-clearance on dealing in Company's securities by Directors and designated members of the management, notification of regular blackout period and securities dealing restrictions to Directors and employees, and identification of project by code name have also been implemented by the Company to guard against possible mishandling of inside information within the Group.

The Company has adopted arrangements to facilitate employees and other stakeholders to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters. The Audit Committee reviewed such arrangements regularly and ensured that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action.

The Audit Committee has been reviewing the effectiveness of the risk management and internal control systems of the Company. The review included works such as (i) review of reports submitted by heads of operation units or departments and the management regarding the implementation of the risk management and internal control systems; (ii) periodic discussions with the management and senior executives regarding the effectiveness of the risk management and internal control systems. Such discussions included the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting functions; (iii) review of the internal control review report prepared by the independent third party; (iv) evaluation on the scope and quality of management's on-going monitoring of the risk management and internal control systems; and (v) making recommendations where applicable to the Board and the management on the scope and quality of the management's on-going monitoring of the risk management and internal control systems.

On the basis of the aforesaid, the Audit Committee is not aware of any significant issues that would have an adverse impact on the effectiveness and adequacy of the risk management and internal control systems of the Company, and accordingly the Company considers the systems are effective and adequate during the year ended 31 December 2024.

AUDITOR'S REMUNERATION

The remuneration for the audit services provided by the auditors to the Group during the year ended 31 December 2024 was approximately as follows:

Type of Services	**Amount** (US$)
Audit services	200,000
Total	**200,000**

COMPANY SECRETARY

Ms. Ng Sau Mei ("**Ms. Ng**") serves as the company secretary of the Company. Ms. Ng is a director of the listing services department of TMF Hong Kong Limited (a company secretarial services provider). Her primary contact person at the Company is Mr. Koh Zheng Kai.

During the year ended 31 December 2024, Ms. Ng has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of information, which enables Shareholders and investors to make informed investment decisions.

The general meetings of the Company provide opportunity for the Shareholders to communicate directly with the Directors. The chairman of the Company and the chairmen of each of the Board Committees will attend the general meetings to answer Shareholders' questions. The Auditor will also attend the annual general meetings to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a shareholders' communication policy (the "**Shareholders' Communication Policy**") which aims at establishing a two-way relationship and communication between the Company and the Shareholders and maintains a website of the Company at http://cmon.com, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

The Board reviewed the effectiveness and implementation of the Shareholders' Communication Policy during the year ended 31 December 2024 and considered that it remained effective in enhancing timely, transparent, accurate and open communication between the Company and the Shareholders.

DIVIDEND POLICY

The Board has approved and adopted a dividend policy (the "**Dividend Policy**") on 21 March 2019 in compliance with code provision F.1.1 of the CG Code. It is the policy of the Board, in considering the payment of dividends, to allow Shareholders to participate in the Company's profits whilst preserving the Company's liquidity to capture future growth opportunities.

When considering whether to declare any dividends and determining the dividend amount, the Board will take into consideration, inter alia, the following factors:

(a) the actual and expected financial performance of the Group;

(b) the capital and debt level of the Group;

(c) the general market conditions;

(d) any working capital requirements, capital expenditure requirements and future development plans of the Group;

(e) retained earnings and distributable reserves of the Company and each of the members of the Group;

(f) the liquidity position of the Group;

(g) any restrictions on dividend payouts imposed by any of the Group's lenders;

(h) the statutory and regulatory restrictions which the Group is subject to from time to time; and

(i) any other relevant factors that the Board may deem appropriate.

The payment of the dividends by the Company will also be subject to any restrictions imposed by the applicable laws, rules and regulations as well as the Articles of Association.

The Board will from time to time review the Dividend Policy and may exercise at its absolute and sole discretion to update, amend and/or modify the Dividend Policy at any time as the Board deems fit and necessary. There is no assurance that dividends will be paid in any particular amount for any specific reporting period.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a precedent or administrative matter to be voted by a show of hands. Poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

Convening of extraordinary general meeting and putting forward proposals

Shareholders may put forward proposals for consideration at a general meeting of the Company according to the Articles of Association. Any one or more members holding as at date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or company secretary of the Company, to require an extraordinary general meeting of the Company to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board to convene such meeting shall be reimbursed to the requisitionist(s) by the Company.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the Headquarters of the Company at 201 Henderson Road #07/08–01, Apex @ Henderson, Singapore 159545 or at kai@cmon.com.

CHANGE IN CONSTITUTIONAL DOCUMENTS

The memorandum and articles of association of the Company have been amended and restated with effect from 27 May 2022, the latest version of which is available from the websites of the Company and the Stock Exchange.

During the year ended 31 December 2024, there was no change in the memorandum and articles of association of the Company.

TO THE SHAREHOLDERS OF CMON LIMITED
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of CMON Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 47 to 95, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the "**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

IMPAIRMENT ASSESSMENT OF PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

Refer to notes 17, 18 and 19 to the consolidated financial statements.

The Group tested the amount of property, plant and equipment, right-of use assets and intangible assets for impairment. This impairment test is significant to our audit because the balance of property, plant and equipment, right-of-use assets and intangible assets of US$17,332,703, US$1,152,580 and US$6,895,431 respectively as at 31 December 2024 is material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on assumptions and estimates.

Our audit procedures included, among others:

— Obtaining understanding on the management valuation process, methodology and assessing the identification of the related cash generating units;

— Assessing the arithmetical accuracy of the value-in-use calculations;

— Comparing the actual cash flows with the cash flow projections;

— Checking key assumptions and input data in the valuation model to supporting evidence;

— Challenging the appropriateness of judgements and assumptions such as revenue growth, profit margins, terminal growth rates and discount rates adopted in the valuation process by comparing with the historical results and operational information; and

— Performing sensitivity analyses by making adjustments to the discount rate and revenue growth rate to assess the risk of possible bias in the impairment assessment.

We consider that the Group's impairment test for property, plant and equipment, right-of-use assets and intangible assets is supported by the available evidence.

OTHER INFORMATION

The directors of the Company (the "**Directors**") are responsible for the other information. The other information comprises all the information in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at:

https://www.hkicpa.org.hk/en/Standards-setting/Standards/Our-views/auditre

This description forms part of our auditor's report.

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Pang Hon Chung
Audit Engagement Director
Practising Certificate Number P05988

Hong Kong, 30 April 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 US$	2023 US$
Revenue	8	37,353,249	45,051,708
Cost of sales		(19,355,755)	(21,436,424)
Gross profit		17,997,494	23,615,284
Other income	9	105,260	62,898
Other gains and losses	10	35,646	(52,414)
Changes in fair value of financial assets at fair value through profit or loss		21,000	(14,000)
Selling and distribution expenses		(7,203,069)	(9,606,817)
General and administrative expenses		(13,516,209)	(12,173,845)
Operating (loss)/profit		(2,559,878)	1,831,106
Finance costs	11	(435,633)	(468,624)
(Loss)/profit before income tax		(2,995,511)	1,362,482
Income tax expense	12	(53,869)	(606,534)
(Loss)/profit for the year	13	(3,049,380)	755,948
Other comprehensive income/(loss):			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		2,613	(10,556)
Total other comprehensive income/(loss) for the year		2,613	(10,556)
Total comprehensive (loss)/income for the year		(3,046,767)	745,392
(Loss)/profit for the year attributable to:			
Owners of the Company		(3,047,341)	755,948
Non-controlling interests		(2,039)	—
		(3,049,380)	755,948
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
		(3,046,767)	745,392
(Loss)/earnings per share	16		
Basic and diluted		(0.0015)	0.0004

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 US$	2023 US$
Non-current assets			
Property, plant and equipment	17	17,332,703	18,585,061
Right-of-use assets	18	1,152,580	1,341,863
Intangible assets	19	6,895,431	8,407,056
Deposit placed with a life insurance company	20	199,400	199,400
Financial assets at fair value through profit or loss	21	175,000	154,000
Rental deposits	24	86,941	89,012
		25,842,055	28,776,392
Current assets			
Inventories	22	2,495,750	2,728,897
Trade and other receivables	23	9,087	421,509
Prepayments and deposits	24	675,958	2,199,680
Bank and cash balances	25	2,097,742	3,179,243
		5,278,537	8,529,329
Current liabilities			
Accruals and other payables	26	600,128	473,398
Borrowings	27	2,956,437	4,342,313
Amount due to a related party	28	47,310	47,310
Income tax payable		378,202	104,653
Contract liabilities	29	5,360,022	6,652,372
Lease liabilities	30	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
Non-current liabilities			
Borrowings	27	1,049,710	1,464,341
Lease liabilities	30	952,117	1,040,386
Deferred tax liabilities	31	3,168,777	3,432,704
		5,170,604	5,937,431
NET ASSETS		16,316,371	19,360,817

As at 31 December 2024

	Notes	2024 US$	2023 US$
Capital and reserves			
Share capital	32	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

The consolidated financial statements on pages 47 to 95 were approved by the Board of Directors on 30 April 2025 and were signed on its behalf.

Ng Chern Ann *Director*	**Koh Zheng Kai** *Director*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to owners of the Company								
	Share capital US$	Share premium US$	Capital reserves US$	Share-based compensation reserves US$	Exchange reserves US$	Retained earnings US$	Subtotal US$	Non-controlling interests US$	Total equity US$
At 1 January 2023	11,700	12,384,133	780,499	881,459	(56,266)	4,680,547	18,682,072	(66,647)	18,615,425
Profit for the year	—	—	—	—	—	755,948	755,948	—	755,948
Other comprehensive (loss)/income for the year									
Exchange differences arising on translation of foreign operations	—	—	—	—	(15,062)	—	(15,062)	4,506	(10,556)
Total other comprehensive (loss)/income for the year	—	—	—	—	(15,062)	—	(15,062)	4,506	(10,556)
Total comprehensive (loss)/income for the year	—	—	—	—	(15,062)	755,948	740,886	4,506	745,392
At 31 December 2023	11,700	12,384,133	780,499	881,459	(71,328)	5,436,495	19,422,958	(62,141)	19,360,817
At 1 January 2024	11,700	12,384,133	780,499	881,459	(71,328)	5,436,495	19,422,958	(62,141)	19,360,817
Loss for the year	—	—	—	—	—	(3,047,341)	(3,047,341)	(2,039)	(3,049,380)
Other comprehensive income/(loss) for the year									
Exchange differences arising on translation of foreign operations	—	—	—	—	3,398	—	3,398	(785)	2,613
Total other comprehensive income/(loss) for the year	—	—	—	—	3,398	—	3,398	(785)	2,613
Total comprehensive income/(loss) for the year	—	—	—	—	3,398	(3,047,341)	(3,043,943)	(2,824)	(3,046,767)
Issuance of shares (note 32)	2,321	—	—	—	—	—	2,321	—	2,321
At 31 December 2024	14,021	12,384,133	780,499	881,459	(67,930)	2,389,154	16,381,336	(64,965)	16,316,371

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	2024 US$	2023 US$
Cash flows from operating activities		
(Loss)/profit before income tax	(2,995,511)	1,362,482
Adjustments for:		
Finance costs	435,633	468,624
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
Changes in fair value of financial assets at fair value through profit or loss	(21,000)	14,000
Gain on lease termination	(35,646)	—
Loss on disposal of property, plant and equipment	—	52,414
Interest income	(222)	(233)
Operating cash flows before movements in working capital	3,444,096	7,519,286
Change in inventories	233,147	(209,286)
Change in trade and other receivables	414,743	(374,417)
Change in prepayments and deposits	1,525,793	(1,034,458)
Change in contract liabilities	(1,292,350)	(1,608,571)
Change in other payables and accruals	126,730	268,876
Cash generated from operations	4,452,159	4,561,430
Income tax paid	(44,247)	—
Net cash generated from operating activities	4,407,912	4,561,430
Cash flows from investing activities		
Purchases of property, plant and equipment	(2,837,456)	(4,808,735)
Proceeds from disposal of property, plant and equipment	—	783,315
Development costs incurred	(97,548)	(538,717)
Interest received	222	233
Net cash used in investing activities	(2,934,782)	(4,563,904)

For the year ended 31 December 2024

	2024 US$	2023 US$
Cash flows from financing activities		
New bank borrowings raised	8,892,833	11,174,165
Repayment of bank borrowings	(10,696,402)	(11,321,491)
Repayment of lease liabilities	(318,511)	(104,320)
Repayment to the ultimate holding company	—	(3)
Lease interest paid	(71,254)	(25,554)
Interest paid	(364,379)	(443,070)
Net cash used in financing activities	(2,557,713)	(720,273)
Net decrease in bank and cash equivalents	(1,084,583)	(722,747)
Effect of foreign exchange rate changes	3,082	2,984
Bank and cash equivalents at beginning of year	3,179,243	3,899,006
Bank and cash equivalents at end of year		
Represented by bank and cash balances	2,097,742	3,179,243

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 principal activities of its subsidiaries are set out in note 36 to the consolidated financial statements.

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

2 GOING CONCERN BASIS

The Group incurred a loss attributable to owners of the Company of US$3,047,341 for the year ended 31 December 2024 and as at 31 December 2024, the Group had net current liabilities of approximately US$4,355,080. Included therein, the Group recorded the contract liabilities of approximately US$5,360,022.

In view of the net current liabilities position, the directors of the Company (the "**Directors**") have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern.

Having considered the cash inflow from operations, the Directors are satisfied that the Group is able to meet in full its financial obligations as they fall due for the foreseeable future.

To mitigate any liquidity issues that might be faced by the Group, the Group has obtained adequate banking facilities from reputable financial institutions to meet its obligations as and when they fall due. Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

3 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.

4 MATERIAL ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB, and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss which are carried at their fair values.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain key assumptions and estimates. It also requires the directors (the "**Directors**") to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in note 5 to the consolidated financial statements.

The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in US$, which is the Company's functional currency and the Group's presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

— Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

— Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

— All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment, are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost included expenditure that is directly attributable to the acquisitions of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost of each asset to their residual values over their estimated useful lives, as follows:

Art, painting and sculpts	3 to 10 years
Computer equipment	5 years
Displays, moulds and tools	3 to 5 years
Furniture and fixtures	5 years
Motor vehicles	3 to 10 years
Office units	50 years
Furniture fittings and equipment	5 years

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and recognised in profit or loss.

Intangible assets

(a) Product development costs

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (directly attributable to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

(i) it is technically feasible to complete the developing/developed product so that it will be available for use or sale;

(ii) management intends to complete the developing/developed product and use or sell it;

(iii) the Group is able to use or sell the developing/developed product;

(iv) it can be demonstrated how the developing/developed product will generate probable future economic benefits;

(v) adequate technical, financial and other resources to complete the development and to use or sell the developing/developed product are available; and

(vi) the expenditure attributable to the developing/developed product during its development can be reliably measured.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Intangible assets (Continued)

(a) Product development costs (Continued)

Other development expenditures that do not meet these criteria are recognised as expenses as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and are stated at historical cost less accumulated amortisation and impairment losses, if any. Amortisation is calculated using the straight-line method to allocate the cost of intangible assets over their estimated useful lives of 5 to 10 years since the products are launched.

(b) Intellectual property rights and licences

Separately acquired intellectual property rights and licences are initially recognised at historical cost. Intellectual property rights and licences acquired in a business combination are recognised at fair value at the acquisition date. Intellectual property rights and licences have finite useful lives and are carried at cost less accumulated amortisation and impairment losses, if any. Amortisation is calculated using the straight-line method to allocate the cost of intellectual property rights and licences over their estimated useful lives of 10 to 20 years since their respective years of launch. Useful lives of these assets are estimated taking into account (i) the number of years since the relevant games in connection with the intellectual property rights and licences were first launched; (ii) sales performance of the relevant games; and (iii) benchmarking against the useful lives of games with similar attributes in the market.

(c) Acquired computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line method over their estimated useful lives of 3 to 5 years.

Leases

The Group as lessee

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis. The principal annual rates are as follows:

Warehouses	3–5 years
Office premises	2–6 years

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below US$5,000.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the Group's obligation specified in the relevant contract is discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified under the following categories:

— Financial assets at amortised cost; and

— Financial assets at fair value through profit or loss.

(i) Financial assets at amortised cost

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

— the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

— the contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial assets (Continued)

(ii) Financial assets at fair value through profit or loss

Financial assets are classified under this category if they do not meet the conditions to be measured at amortised cost and the conditions of debt investments at fair value through other comprehensive income unless the Group designates an equity investment that is not held for trading as at fair value through other comprehensive income on initial recognition.

Financial assets at fair value through profit or loss are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. The fair value gains or losses recognised in profit or loss are net of any interest income and dividend income. Interest income and dividend income are recognised in profit or loss.

Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument ("**lifetime expected credit losses**") for trade receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Other payables

Other payables are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

— the customer simultaneously receives and consumes the benefits provided by the Group's performance;

— the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

— the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

Other revenue

Interest income is recognised on a time-proportion basis using the effective interest method.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

Share-based payments

The Group issues equity-settled share-based payments to certain directors and employees.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Taxation

Income tax represents the sum of the current tax and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/(loss) before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Related parties

A related party is a person or entity that is related to the Group.

(A) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Company or of a parent of the Company.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Related parties (Continued)

(B) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (A).

(vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

Segment reporting

Operating segments and the amounts of each segment item reported in the financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources and assessing the performance of the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of productions processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (Continued)

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or a cash-generating unit is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Events after the reporting period

Events after the reporting period that provide additional information about the Group’s position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5 CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements.

Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the adequate banking facilities at a level sufficient to finance the working capital requirements of the Group. Details are explained in note 2 to consolidated financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Useful lives of property, plant and equipment and amortisation of intangible assets

The Group determines the estimated useful lives and related depreciation or amortisation charges of the Group's property, plant and equipment including displays, moulds and tools, art, painting and sculpts, and its intangible assets including product development costs and intellectual property rights. Such estimations were made by reference to the actual useful lives of assets of similar attributes, and the sales performance of the relevant games as regard to product development costs and intellectual property rights. The management will perform annual review and no significant differences between estimated and actual useful lives have been identified.

The Group will revise the depreciation and amortisation charge where useful lives are different from those previously estimated, or it will write off or write down obsolete assets related to the games that have been discontinued to publish or whenever events or circumstances indicate that the carrying value may not be recoverable.

(b) Impairment of property, plant and equipment, right-of-use assets and intangible assets

Property, plant and equipment, right-of-use assets and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the present value of estimated future cash flows. Where the future cash flows are less than expected or there are unfavourable events and change in facts and circumstance which result in revision of future estimate cash flows, a material impairment loss may arise.

(c) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions. The Group will reassess the estimates by the end of each reporting period.

5 CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (Continued)

(d) Impairment loss for bad and doubtful debts

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade receivables, prepayments and other receivables, including the current creditworthiness and the past collection history of each customer and debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade receivables, prepayments and other receivables and doubtful debt expenses in the year in which such estimate has been changed. If the financial conditions of the debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(e) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(f) Fair value of financial assets at fair value through profit or loss

In the absence of quoted market prices in an active market, the Group engages third party qualified valuer to perform the valuation and estimate the fair value of the Group's convertible bonds in Monsoon Digital Pte. Ltd. ("**Monsoon**"), details of which are set out in note 7 to the consolidated financial statements, by considering information from a variety of sources, including the latest published financial information, the historical data on market volatility as well as the price and industry and sector performance of Monsoon.

6 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as some of its business transactions, assets and liabilities are denominated in Singapore dollars (the "**SG$**"). The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Directors manage its currency risk by closely monitoring the movement of the foreign currency rates and considering hedging significant foreign currency exposure should such need arise.

For the year ended 31 December 2024, if SG$ had strengthened/weakened by 1% against US$ with all other variables including tax rate being held constant, the Group's loss (2023: profit) would have been US$11,727 higher/lower (2023: US$20,961 lower/higher), as a result of currency translation losses/gain on the SG$-denominated financial liabilities (including borrowings).

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

The carrying amount of the bank and cash balances, trade and other receivables, deposits and financial assets at fair value through profit or loss included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The Group's trade receivables are primarily related to sales to wholesale customers. The Group has policies in place to ensure that products are sold to wholesale customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. Normally the Group does not require collaterals from trade debtors. Management makes periodic collective assessment as well as 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 relevant debtors.

The credit risk on bank and cash balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

In order to minimise credit risk, the Directors have delegated a team to be responsible for the determination of credit limits, credit approvals and other monitoring procedures. In addition, the Directors review the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

— internal credit rating;

— external credit rating;

— actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;

— actual or expected significant changes in the operating results of the borrower;

— significant increases in credit risk on other financial instruments of the same borrower;

— significant changes in the value of the collateral or in the quality of guarantees or credit enhancements; and

— significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due.

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group normally categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 360 days past due. Where loans or receivables have been written off, the Group, if practicable and economical, continues to engage in enforcement activity to attempt to recover the receivable due.

The Group uses two categories for non-trade receivables which reflect their credit risk and how the loan loss provision is determined for each of the categories. In calculating the expected credit loss rates, the Group considers historical loss rates for each category and adjusts for forward looking data.

Category	**Definition**	**Loss Provision**
Performing	Low risk of default and strong capacity to pay	12 month expected losses
Non-performing	Significant increase in credit risk	Lifetime expected losses

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis, based on undiscounted cash flows, of the Group's financial liabilities is as follows:

	Weighted average effective interest rate	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total undiscounted cash flow	Carrying amount
	%	US$	US$	US$	US$	US$	US$
At 31 December 2024							
Amount due to a related party	N/A	47,310	—	—	—	47,310	47,310
Borrowings	6.59%	2,997,227	119,784	430,782	893,268	4,441,061	4,006,147
		3,044,537	119,784	430,782	893,268	4,488,371	4,053,457
Lease liabilities	4.97%	346,349	296,482	744,434	—	1,387,265	1,243,635
At 31 December 2023							
Amount due to a related party	N/A	47,310	—	—	—	47,310	47,310
Borrowings	6.24%	4,543,836	501,133	470,006	989,128	6,504,103	5,806,654
		4,591,146	501,133	470,006	989,128	6,551,413	5,853,964
Lease liabilities	4.82%	448,462	336,447	648,057	175,095	1,608,061	1,427,813

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank borrowings and lease liabilities. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances and variable-rate bank borrowings. The Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances, prevailing interest rate and Singapore Overnight Rate Average ("**SORA**") arising from the Group's SGD denominated borrowings. The Group aims at keeping borrowings at variable rates. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed and floating rates and ensure they are within reasonable range.

As at 31 December 2024, if interest rates at that date had been 100 basis points higher/lower with all other variables held constant, consolidated post-tax loss for the year would increase/decrease by US$33,251 (2023: post-tax profit decrease/increase by US$48,195).

(e) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

(f) Categories of financial instruments at 31 December

	2024 US$	2023 US$
Financial assets:		
Financial assets at fair value through profit or loss	175,000	154,000
Financial assets at amortised cost (including cash and cash equivalents)	2,578,326	4,025,057
	2,753,326	4,179,057
Financial liabilities:		
Financial liabilities at amortised cost	4,053,457	5,853,964

7 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value for the instruments with significant unobservable inputs under Level 3, the Group engages third party qualified valuers to perform valuation. The management of the Group work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Some of the Group's financial instruments are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial instrument are determined (in particular, the valuation technique and inputs used) as well as the level of the fair value hierarchy into which the fair value measurements are categorized (level 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

Financial assets

	Fair value as at		Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Sensitivity/ relationship of unobservable inputs to fair value
	2024 US$	2023 US$				
Financial assets at fair value through profit or loss — Convertible bonds	**175,000**	154,000	Level 3	Income approach. The discount cash flow method was used to capture future economic benefits or the present value of the future expected cash flows to be derived from the ownership of these investments	Discount rate, taking into account of weighted average cost of capital determined using a Capital Asset Pricing Model.	The higher the discount rate, the lower the fair value and vice versa.

During the years ended 31 December 2024 and 2023, there were no transfer between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfer between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Fair value gain (2023: loss) of financial assets at fair value through profit or loss amounted to US$21,000 (2023: US$14,000) are recognised for the year ended 31 December 2024.

8 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
	37,353,249	45,051,708

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 were 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 products are delivered as this is the point in time that the consideration is unconditional.

8 REVENUE AND SEGMENT INFORMATION (CONTINUED)

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 — 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.

At 31 December 2024 and 2023, the total non-current assets other than intangible assets, financial assets at fair value through profit or loss, 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	—
	18,485,283	19,926,924

9 OTHER INCOME

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

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.

10 OTHER GAINS AND LOSSES

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

Note: On 20 July 2023, the Group as the Vendor entered into an option agreement with and granted the option to an independent third party (the "**Purchaser**"), pursuant to which the Group has agreed to sell the property situated at Singapore (the "**Property**") at the consideration of SG$3,025,000 (equivalent to US$2,166,946) to the Purchaser if the Purchaser exercises her option to purchase the Property within the stipulated time. The disposal had been completed on 13 October 2023. For further details, please refer to the announcement of the Company dated 20 July 2023 and 3 August 2023, and the circular of the Company dated 1 September 2023.

11 FINANCE COSTS

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

12 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	—
	317,796	61,602
Deferred tax (note 31)	(263,927)	544,932
	53,869	606,534

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.

12 INCOME TAX EXPENSE (CONTINUED)

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.

The reconciliation between the income tax expense and the product of (loss)/profit before tax multiplied by the weighted average tax rate of the consolidated companies is as follows:

	2024 US$	2023 US$
(Loss)/profit before income tax	(2,995,511)	1,362,482
Tax at the applicable domestic tax rate of respective companies	(593,587)	208,086
Tax effect of income not taxable for tax purpose	(18,992)	(4,095)
Tax effect of expenses not deductible for tax purpose	5,722	328,172
Tax effect of tax losses not recognised	595,580	87,586
Tax exemptions	(42,215)	(13,215)
Under-provision in prior years	125,820	—
Others	(18,459)	—
Income tax expense	53,869	606,534

13 (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

14 DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

(a) The emoluments of each director were as follows:

	Fees US$	Salaries US$	Retirement benefits scheme contributions US$	Total US$
Executive Directors				
Mr. David Doust	—	256,197	—	256,197
Mr. Ng Chern Ann	—	245,199	11,352	256,551
Mr. Koh Zheng Kai	—	174,375	12,234	186,609
Mr. David Preti (note i)	—	255,220	—	255,220
	—	930,991	23,586	954,577
Non-Executive Directors				
Mr. Frederick Chua Oon Kian	35,813	—	—	35,813
Mr. David Preti (note i)	10,820	—	—	10,820
Ms. Li Xuejin (note ii)	1,120	—	—	1,120
	47,753	—	—	47,753
Independent Non-executive Directors				
Mr. Wong Yu Shan Eugene	36,000	—	—	36,000
Mr. Choy Man	36,000	—	—	36,000
Mr. Leung Yuk Hung Paul	36,000	—	—	36,000
	108,000	—	—	108,000
Total for 2024	155,753	930,991	23,586	1,110,330

14 DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (CONTINUED)

(a) The emoluments of each director were as follows: (Continued)

	Fees US$	Salaries US$	Retirement benefits scheme contributions US$	Total US$
Executive Directors				
Mr. David Doust	—	240,686	—	240,686
Mr. Ng Chern Ann	—	240,686	8,879	249,565
Mr. Koh Zheng Kai	—	167,117	14,891	182,008
Mr. David Preti	—	131,560	—	131,560
	—	780,049	23,770	803,819
Non-Executive Director				
Mr. Frederick Chua Oon Kian	34,413	—	—	34,413
	34,413	—	—	34,413
Independent Non-executive Directors				
Mr. Wong Yu Shan Eugene	36,000	—	—	36,000
Mr. Choy Man	36,000	—	—	36,000
Mr. Leung Yuk Hung Paul	36,000	—	—	36,000
	108,000	—	—	108,000
Total for 2023	142,413	780,049	23,770	946,232

Notes:

(i) Mr. David Preti has been redesignated from an executive director to a non-executive director with effect from 13 September 2024 and resigned as an non-executive director with effect from 14 April 2025.

(ii) Ms. Li Xuejin has been appointed as a non-executive director with effect from 30 December 2024.

14 DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (CONTINUED)

(b) Five highest paid individuals

The five highest paid individuals in the Group during the year included 4 (2023: 3) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining 1 (2023: 2) individuals are set out below:

	2024 US$	2023 US$
Salaries and allowance	143,926	457,961
Equity-settled share-based payment	—	—
	143,926	457,961

The emoluments fell within the following bands:

	Number of individuals	
	2024	2023
HK$1,000,001 to HK$1,500,000	1	—
HK$1,500,001 to HK$2,000,000	—	2

During the year, no emoluments were paid by the Group to any of the Directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

15 DIVIDENDS

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

16 (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.

17 PROPERTY, PLANT AND EQUIPMENT

	Art, painting & sculpts	Computer equipment	Displays, moulds & tools	Furniture and fixtures	Motor vehicles	Office units	Furniture fittings and equipment	Total
	US$	US$	US$	US$	US$	US$	US$	US$
COST								
At 1 January 2023	20,743,407	548,868	7,978,253	412,307	189,235	4,614,889	490,739	34,977,698
Additions	4,778,679	30,056	—	—	—	—	—	4,808,735
Disposals	—	—	—	—	—	(2,510,018)	—	(2,510,018)
At 31 December 2023 and 1 January 2024	25,522,086	578,924	7,978,253	412,307	189,235	2,104,871	490,739	37,276,415
Additions	2,712,841	3,234	—	—	—	—	121,381	2,837,456
At 31 December 2024	28,234,927	582,158	7,978,253	412,307	189,235	2,104,871	612,120	40,113,871
ACCUMULATED DEPRECIATION AND IMPAIRMENT								
At 1 January 2023	7,354,465	422,437	6,006,467	377,050	139,920	766,025	426,395	15,492,759
Charge for the year	2,534,135	46,467	776,685	11,203	10,204	75,244	35,315	3,489,253
Disposal	—	—	—	—	—	(290,658)	—	(290,658)
At 31 December 2023 and 1 January 2024	9,888,600	468,904	6,783,152	388,253	150,124	550,611	461,710	18,691,354
Charge for the year	3,340,198	40,185	636,426	9,689	10,204	35,912	17,200	4,089,814
At 31 December 2024	13,228,798	509,089	7,419,578	397,942	160,328	586,523	478,910	22,781,168
CARRYING AMOUNTS								
At 31 December 2024	15,006,129	73,069	558,675	14,365	28,907	1,518,348	133,210	17,332,703
At 31 December 2023	15,633,486	110,020	1,195,101	24,054	39,111	1,554,260	29,029	18,585,061

Note:

The Group's office units with total carrying amounts of approximately US$1,518,348 as at 31 December 2024 (2023: approximately US$1,554,260) have been pledged to a bank for credit facilities granted to the Group (note 27). During the year ended 31 December 2023, the Group disposed a property in Singapore with a carrying amount of US$2,219,360 and the charge have been released.

17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment assessment

Due to the loss from the Group during the year ended 31 December 2024, the management of the Group concluded there was indication for impairment and conducted impairment assessment on certain property, plant and equipment, right-of-use assets and intangible assets with finite useful lives with carrying amounts of US$17,332,703, US$1,152,580 and US$6,895,431 respectively. The Group estimates the recoverable amounts of the cash-generating units to which the assets belongs when it is not possible to estimate the recoverable amount individually, including allocation of corporate assets when reasonable and consistent basis can be established.

The recoverable amounts of the cash-generating unit have been determined based on the value in use calculation. The calculation uses cash flow projections based on the financial forecast approved by the director of the Company covering the following 5 years with a pre-tax discount rate is 16% as at 31 December 2024. The cash flows beyond 5-year period are extrapolated using 3% growth rate for the relevant industry. Another key assumption for the value in use calculated is the budgeted gross margin, which is determined based on the cash-generating unit's pass performance and management expectation for the market development. The estimated cash flow and discount rate are subjected to higher degree of estimation uncertainties due to uncertainty on the volatility in financial markets, including potential disruptions of the Group's operations.

Based on the result of the assessment, management of the Group determined that the carrying amount of the relevant assets does not exceed the recoverable amount based on the value in use and believes that any reasonably possible change in any of these assumptions would not result in significant impairment loss, and concluded that no impairment loss has been recognised.

18 RIGHT-OF-USE ASSETS

Disclosures of lease-related items:

	2024 US$	2023 US$
At 31 December:		
Right-of-use assets		
— Warehouses	214,660	164,800
— Office premises	937,920	1,177,063
	1,152,580	1,341,863
Year ended 31 December:		
Depreciation of right-of-use assets		
— Warehouses	69,022	110,253
— Office premises	292,833	86,738
	361,855	196,991
Lease interests	71,254	25,554
Expenses related to short-term leases	1,063	15,402
Additions to right-of-use assets	330,880	1,314,919
Decrease in right-of-use assets in relation to termination of lease	155,644	—
Total cash outflow for leases	390,828	145,276

The Group leases various warehouses and office premises. Lease agreements are typically made for fixed periods of 2–6 years (2023: 2–6 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

For the year ended 31 December 2024

19 INTANGIBLE ASSETS

	Intellectual property rights and licences US$	Product development costs US$	Computer software US$	Total US$
COST				
At 1 January 2023	12,038,967	9,885,075	226,440	22,150,482
Additions	—	538,717	—	538,717
At 31 December 2023 and 1 January 2024	**12,038,967**	**10,423,792**	**226,440**	**22,689,199**
Additions	**—**	**97,548**	**—**	**97,548**
At 31 December 2024	**12,038,967**	**10,521,340**	**226,440**	**22,786,747**
ACCUMULATED AMORTISATION AND IMPAIRMENT				
At 1 January 2023	6,067,486	6,061,813	217,089	12,346,388
Amortisation for the year	861,859	1,068,572	5,324	1,935,755
At 31 December 2023 and 1 January 2024	**6,929,345**	**7,130,385**	**222,413**	**14,282,143**
Amortisation for the year	**861,634**	**743,896**	**3,643**	**1,609,173**
At 31 December 2024	**7,790,979**	**7,874,281**	**226,056**	**15,891,316**
CARRYING AMOUNTS				
At 31 December 2024	**4,247,988**	**2,647,059**	**384**	**6,895,431**
At 31 December 2023	5,109,622	3,293,407	4,027	8,407,056

20 DEPOSIT PLACED WITH A LIFE INSURANCE COMPANY

	2024 US$	2023 US$
Deposit placed with a life insurance company	199,400	199,400

During the year ended 31 December 2021, the Group entered into life insurance policies with an insurance company to insure an executive director. Under the policy, the beneficiary and policy holder is the Company and the total insured sum is approximately US$200,000. The deposits placed with a life insurance company was pledged to a bank for credit facilities granted to the Group (note 27).

The insurance company will pay the Group interest rate of 3.5% 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 79 years, excluding the financial effect of surrender charge.

The Directors considered that the possibility of terminating the policy during the 1st to 79th policy year was low and the expected life of the life insurance policy remained unchanged since the initial recognition, accordingly, the difference between the carrying amount of deposit placed with a life insurance company as at inception date and the gross premium paid plus accumulated interest earned and minus the insurance premium charge of the life insurance policy is insignificant.

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 US$	2023 US$
Financial assets at fair value through profit or loss — Convertible bonds issued by Monsoon	175,000	154,000

On 14 February 2022 ("**Issue Date**"), the Group subscribed the convertible bonds issued by the related company, Monsoon, with the total principal amount of US$280,000 and at an interest rate of 2% per annum. The convertible bonds will due on the fifth anniversary of the Issue Date.

The Group has engaged an independent valuer, Masterpiece Valuation Advisory Limited, to determine the fair values of the convertible bonds as at 31 December 2024 and 2023. For the fair value measurement of the convertible bond, please refer to note 7.

22 INVENTORIES

	2024 US$	2023 US$
Trading merchandise	2,495,750	2,728,897

23 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
	—	375,608

Reconciliation of loss allowance for trade receivables:

	2024 US$	2023 US$
At beginning of year	—	1,240
Written-off	—	(1,240)
At end of year	—	—

23 TRADE AND OTHER RECEIVABLES (CONTINUED)

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$)	20,246	355,362	375,608
Loss allowance (US$)	—	—	—

24 PREPAYMENTS AND DEPOSITS

	2024	2023
	US$	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
	762,899	2,288,692
Analysed as:		
Non-current	**86,941**	89,012
Current	**675,958**	2,199,680
	762,899	2,288,692

25 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.

26 ACCRUALS AND OTHER PAYABLES

	2024	2023
	US$	US$
Accruals for audit fee	**200,000**	120,000
Other accrued operating expenses	**400,128**	353,398
	600,128	473,398

27 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	699,807	764,396
	4,006,147	5,806,654
Less: Amount due for settlement within 12 months (shown under current liabilities)	(2,956,437)	(4,342,313)
Amount due for settlement after 12 months	1,049,710	1,464,341

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 SORA in-arrears +4.00% for the period from 3 November 2024 to 2 January 2025, fixed rate at 3.20% for the period form 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 (note 17) 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 secured by corporate guarantees from the Company and its subsidiary.

As at 31 December 2024, including in the bank borrowings, trade loans amounting to US2,540,539 (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 (note 20).

The Group uses certain bank borrowings as its supplier finance arrangement. The banks settle the Group's accounts payable to its suppliers directly and the Group will repay the bank borrowings on a date later than the invoice payment due date. The terms of these bank borrowings are within 120 days from date of drawing of the bank borrowings.

27 BORROWINGS (CONTINUED)

	As at 31 December 2024	As at 31 December 2023
Carrying amount of liabilities	2,540,539	3,281,174
of which suppliers have received payment	2,540,539	N/A
Range of payment due dates after invoice dates		
— Supplier finance arrangement liabilities	Within 120 days	N/A
— Comparable trade payable not part of the supplier finance arrangement	Within 30 days	N/A

28 AMOUNT DUE TO A RELATED PARTY

The amount due is unsecured, interest-free and repayable on demand.

29 CONTRACT LIABILITIES

Disclosures of revenue-related items:

	As at 31 December 2024 US$	As at 31 December 2023 US$	As at 1 January 2023 US$
Contract liabilities	5,360,022	6,652,372	8,260,943
Transaction prices allocated to performance obligations unsatisfied at end of year and expected to be recognised as revenue in:			
— 2024	—	6,652,372	
— 2025	5,360,022	—	
	5,360,022	6,652,372	

Significant changes in contract liabilities during the year:

	2024 Contract liabilities US$	2023 Contract liabilities US$
Increase due to operations in the year	18,525,077	24,066,195
Transfer of contract liabilities to revenue	(19,817,427)	(25,674,766)

29 CONTRACT LIABILITIES (CONTINUED)

Significant changes in contract liabilities during the year: (Continued)

A contract liability represents the Group's obligation to transfer products or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customers.

30 LEASE LIABILITIES

	2024 US$	2023 US$
Lease liabilities payable:		
Within one year	291,518	387,427
Within a period of more than one year but not more than two years	254,879	292,687
Within a period of more than two year but not more than five years	697,238	576,332
Within a period of more than five years	—	171,367
	1,243,635	1,427,813
Less: Amount due for settlement within 12 months (shown under current liabilities)	(291,518)	(387,427)
Amount due for settlement after 12 months	952,117	1,040,386

At 31 December 2024, the average effective borrowing rate was 4.97% (2023: 4.82%). Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

31 DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities recognised by the Group:

	Accelerated tax depreciation US$
At 1 January 2023	2,887,772
Charge to consolidated profit or loss (note 12)	544,932
At 31 December 2023 and 1 January 2024	3,432,704
Credit to consolidated profit or loss (note 12)	(263,927)
At 31 December 2024	3,168,777

At the end of the 31 December 2024, the Group has unused tax losses of approximately US$4,655,169 (2023: US$1,563,129) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

32 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 and 1 January 2024	1,806,000,000	11,700
Issuance of shares (note)	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 and 1 January 2024	—	—
Issuance of shares (note)	361,200,000	2,321
Ordinary shares at 31 December 2024	361,200,000	2,321

Note:

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 Company did not receive the aggregate net proceed of the Subscription from the Subscribers. The ordinary shares issued as at 6 May 2024 were regarded as non-fully paid issued ordinary share 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 23) 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.

33 SHARE-BASED PAYMENTS

The share option scheme (the "**Share Option Scheme**") is designed to provide long-term incentives for senior management and above (including executive directors) to deliver long-term shareholder returns. Under the Share Option Scheme, participants are granted options which vest over a period of 1 to 3 years. Participation in the scheme is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Once vested, the options remain exercisable until the expiry of the validity period.

33 SHARE-BASED PAYMENTS (CONTINUED)

The following tables disclose the movements in the Company's number of share options during the years:

For the year ended 31 December

	Position held in the Company	Outstanding at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	Grant date	Validity period (both dates inclusive)	Exercisable period (both dates inclusive)	Exercise price
Mr. Ng Chern Ann	Executive Director	5,115,000	13/8/2018	13/8/2018 to 12/8/2028	13/8/2019 to 12/8/2028	HK$0.232
		5,115,000	13/8/2018	13/8/2018 to 12/8/2028	13/8/2020 to 12/8/2028	HK$0.232
		5,270,000	13/8/2018	13/8/2018 to 12/8/2028	13/8/2021 to 12/8/2028	HK$0.232
Mr. David Doust	Executive Director	5,115,000	13/8/2018	13/8/2018 to 12/8/2028	13/8/2019 to 12/8/2028	HK$0.232
		5,115,000	13/8/2018	13/8/2018 to 12/8/2028	13/8/2020 to 12/8/2028	HK$0.232
		5,270,000	13/8/2018	13/8/2018 to 12/8/2028	13/8/2021 to 12/8/2028	HK$0.232
Mr. Koh Zheng Kai	Executive Director	1,933,333	13/8/2018	13/8/2018 to 12/8/2028	13/8/2019 to 12/8/2028	HK$0.232
		1,933,333	13/8/2018	13/8/2018 to 12/8/2028	13/8/2020 to 12/8/2028	HK$0.232
		1,933,334	13/8/2018	13/8/2018 to 12/8/2028	13/8/2021 to 12/8/2028	HK$0.232
Mr. Frederick Chua Oon Kian	Non-executive Director	2,790,000	13/8/2018	13/8/2018 to 12/8/2028	13/8/2019 to 12/8/2028	HK$0.232
		2,790,000	13/8/2018	13/8/2018 to 12/8/2028	13/8/2020 to 12/8/2028	HK$0.232
Mr. David Preti	Executive Director/ Non-executive Director*	5,166,666	13/8/2018	13/8/2018 to 12/8/2028	13/8/2019 to 12/8/2028	HK$0.232
		5,166,666	13/8/2018	13/8/2018 to 12/8/2028	13/8/2020 to 12/8/2028	HK$0.232
		5,166,668	13/8/2018	13/8/2018 to 12/8/2028	13/8/2021 to 12/8/2028	HK$0.232
		57,880,000				

	2024	2023
Exercisable at the end of the year	57,880,000	57,880,000
Weighted average exercise price (HK$)	0.232	0.232
Weighted average remaining contractual life of options outstanding at the end of the year	3.62 years	4.62 years

No share options were granted, exercised, lapsed or forfeited during the years ended 31 December 2024 and 2023.

* David Preti has been redesignated from an executive director to a non-executive director with effect from 13 September 2024 and resigned as an non-executive director with effect from 14 April 2025.

33 SHARE-BASED PAYMENTS (CONTINUED)

These fair value were calculated using binominal option pricing model. The inputs into the model are as follows:

	Share option granted on 13 August 2018
Valuation date	13 August 2018
Expected volatility	50.096%
Expected life	10 years
Risk free rate	2.104%
Expected dividend yield	0.000%
Underlying stock price	HK$0.232
Fair value of share option	HK$8,870,000

34 STATEMENT OF FINANCIAL POSITION OF THE COMPANY AND RESERVES OF THE COMPANY

	2024 US$	2023 US$
Non-current assets		
Investments in subsidiaries	**12,071,980**	14,100,989
Current assets		
Amounts due from subsidiaries	**20,602,212**	20,608,770
Current liabilities		
Accruals and other payables	**—**	30,020
Amounts due from subsidiaries	**16,292,856**	16,262,836
	16,292,856	16,292,856
Net current assets	**4,309,356**	4,315,914
Net assets	**16,381,336**	18,416,903
Capital and reserves		
Share capital	**14,021**	11,700
Reserve	**16,367,315**	18,405,203
Total equity	**16,381,336**	18,416,903

34 STATEMENT OF FINANCIAL POSITION OF THE COMPANY AND RESERVES OF THE COMPANY (CONTINUED)

The followings are the movements of the Company's reserve:

	Capital reserves	Share premium	Share-based compensation reserve	Accumulated losses	Total
	US$	US$	US$	US$	US$
At 1 January 2023	54,193,547	12,384,133	881,459	(49,023,916)	18,435,223
Total comprehensive income for the year	—	—	—	(30,020)	(30,020)
At 31 December 2023 and 1 January 2024	**54,193,547**	**12,384,133**	**881,459**	**(49,053,936)**	**18,405,203**
Total comprehensive loss for the year	**—**	**—**	**—**	**(2,037,888)**	**(2,037,888)**
At 31 December 2024	**54,193,547**	**12,384,133**	**881,459**	**(51,091,824)**	**16,367,315**

35 RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the year:

(a) Balances with related party

The related company, Monsoon, issued a convertible bond for a loan of US$280,000 and at an interest rate of 2% per annum. A director, Mr. Ng Chern Ann, has control over the related company.

(b) Compensation of key management personnel:

	2024	2023
	US$	US$
Salaries and allowances	**1,230,670**	1,380,423
Contributions to retirement benefits schemes	**23,586**	23,770
	1,254,256	1,404,193

Further details of the director's emoluments are included in note 14.

36 PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's principal subsidiaries at the end of the reporting period are as follow:

Name of subsidiary	Place of incorporation/ place of operation	Particulars of issued capital and registered capital	Percentage of ownership interest/voting power		Principal activities
			2024	2023	
CMON Production Limited	British Virgin Islands/ Singapore	US$1	100%	100%	Investment holding
CMON Global Limited	Cayman Island/ Singapore	US$1	100%	100%	Publishing and sale of tabletop hobby games
CMON Pte. Ltd.	Singapore/Singapore	US$500,000	100%	100%	Publishing and sale of tabletop hobby games
CMON Inc.	United States ("**USA**")/ USA	US$1	100%	100%	Distribution of tabletop hobby games
CMON Conventions Inc.	USA/USA	US$1	100%	100%	Organisation of game conventions
CMON Games Inc.	Canada/Canada	Canada Dollar100	100%	100%	Provision of sales administrative services
CMON Hong Kong Limited	Hong Kong/Hong Kong	HK$1	100%	100%	Dormant
Geekfunder Inc.	USA/USA	US$100	100%	100%	Dormant
CMON Asia Pte. Ltd.	Singapore/Singapore	US$1,000	100%	100%	Dormant
佛山戲夢桌遊貿易有限公司	PRC/PRC	US$350,000	100%	100%	Provision of sales administrative services
戲夢未來(北京)文化科技有限公司	PRC/PRC	RMB51,000	51%	51%	Dormant
CMON Japan 合同會社	Japan/Japan	JPY100,000	100%	100%	Dormant

37 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

The following table shows the Group's changes in liabilities arising from financing activities during the year:

	Amount due to the ultimate holding company US$	Amount due to a related party US$	Borrowings US$	Lease liabilities US$	Total liabilities from financing activities US$
At 1 January 2023	3	47,310	7,337,611	282,170	7,667,094
Changes in cash flows					
New bank borrowings raised	—	—	11,174,165	—	11,174,165
Repayment of bank borrowings	—	—	(11,321,491)	—	(11,321,491)
Repayment of lease liabilities	—	—	—	(104,320)	(104,320)
Repayment of amount due to the ultimate holding company	(3)	—	—	—	(3)
Interest paid	—	—	(443,070)	—	(443,070)
Lease interest paid	—	—	—	(25,554)	(25,554)
Non-cash changes					
Additions of lease liabilities	—	—	—	1,314,919	1,314,919
Disposal of property, plant and equipment	—	—	(1,383,631)	—	(1,383,631)
Interest expenses (note 11)	—	—	443,070	25,554	468,624
Exchange difference	—	—	—	(64,956)	(64,956)
At 31 December 2023 and 1 January 2024	—	47,310	5,806,654	1,427,813	7,281,777
Changes in cash flows					
New bank borrowings raised	—	—	8,892,833	—	8,892,833
Repayment of bank borrowings	—	—	(10,696,402)	—	(10,696,402)
Repayment of lease liabilities	—	—	—	(318,511)	(318,511)
Interest paid	—	—	(364,379)	—	(364,379)
Lease interest paid	—	—	—	(71,254)	(71,254)
Non-cash changes					
Additions of lease liabilities	—	—	—	330,880	330,880
Termination of lease	—	—	—	(191,290)	(191,290)
Interest expenses (note 11)	—	—	364,379	71,254	435,633
Exchange difference	—	—	3,062	(5,257)	(2,195)
At 31 December 2024	—	47,310	4,006,147	1,243,635	5,297,092

38 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.

39 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Directors on 30 April 2025.

FINANCIAL SUMMARY

	Year ended 31 December				
	2020	2021	2022	2023	2024
	US$	US$	US$	US$	US$
Revenue	25,138,861	37,786,352	45,337,007	45,051,708	37,353,249
Gross Profit	9,350,439	14,486,401	18,416,170	23,615,284	17,997,494
(Loss)/profit before income tax	(4,847,320)	816,306	1,002,986	1,362,482	(2,995,511)
(Loss)/profit for the year attributable to Owners of the Company	(4,903,877)	421,086	579,571	755,948	(3,047,341)

	As at 31 December				
	2020	2021	2022	2023	2024
	US$	US$	US$	US$	US$
Total assets	34,362,500	36,603,681	37,678,807	37,305,721	31,120,592
Total liabilities	16,739,751	18,507,340	19,063,382	17,944,904	14,804,221
Total equity	17,622,749	18,096,341	18,615,425	19,360,817	16,316,371