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CMON LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1792)

FINDINGS OF THE SCENARIO ANALYSIS REPORT

References are made to the announcements of CMON Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 22 May 2025, 25 June 2025 and 14 July 2025 in respect of the findings of the scenario analysis report to be rendered by the IC Review Expert (the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcements.

The Company would like to update the Shareholders and potential investors of the Company in respect of the observations and recommendations of the IC Review Expert which was issued by the IC Review Expert on 29 July 2025, the summary of which is set out below:

THE ISSUE OF THE SUBSCRIPTION SHARES

(1) Non-compliance with internal control policy

Observations:	According to Company’s policy and Company’s correspondences with the Stock Exchange, the decision to allot the Subscription Shares was delegated to Mr. Koh Zheng Kai, and he should follow the Company’s policy to obtain joint CEOs’ confirmations after verifying Share Subscription funds receipt. However, Mr. Koh Zheng Kai did not comply with Company’s policy by 1) failing to ensure the receipt of the Share Subscription funds; 2) not obtaining joint CEOs’ written confirmations, before issuing and allotting shares.
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Recommendations: The IC Review Expert recommends that the Company establishes clear communication protocols and reporting mechanism to management and the Board, to ensure timely update of key matters and prompt escalation of abnormalities.

In addition, the IC Review Expert recommends that compliance training should be provided to the Board, management and key employees to enhance policy awareness and ensure adherence. The IC Review Expert recommends that the Company establishes disciplinary measures to mitigate the risks of non-compliance by management or employees.

(2) Oversight in ensuring accuracy in Company public filing

Observations: The “Next Day Disclosure Return” published on 6 May 2024 contained inaccuracies.

Recommendations: The IC Review Expert recommends that the Company implements adequate review and verification procedures, specifying the type of supporting documentation to be provided for validation prior to filing any public records.

(3) Board meeting minutes

Observations: Mr. Ng Chern Ann’s concerns and dissenting views were not included in the Board meeting minutes dated 13 April 2024. Furthermore, there was no record indicating that the Board meeting minutes were circulated to the Board for their comments and records.

Recommendations: The IC Review Expert recommends that compliance training in relation to the Board meeting minutes stipulated in the Listing Rules should be provided to the company secretary and his supervisor in the Company to ensure completeness of meeting minutes, and complying with the procedural requirements of distributing draft and final versions of the minutes to the Directors.

(4) Background of the two Subscribers and Assessing Payment Capability of the Subscribers and Follow-up

Observations: No written records have been retained in respect of the background of the two Subscribers. During the interview with Mr. David Doust, he represented that he checked one of the ultimate beneficial owners' bank statements during the physical meeting in the PRC but did not retain any records to facilitate follow-up actions.

Recommendations: The IC Review Expert recommends that the Company enhances its policy by specifying the requirement of performing background check on third parties including potential investors; the responsible department/personnel based on the nature of transaction; and retaining the supporting documents of the background check results.

THE DELAY IN THE PUBLICATION OF THE FINANCIAL RESULTS OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2024

Observations: It is noted that due to 1) the staff shortage within the finance team and 2) the outstanding matter of the Share Subscription, the Company's publication of the 2024 annual results announcement and the dispatch of the 2024 annual report were delayed.

To address the staffing shortage, the Company is currently recruiting additional personnel, with plans to hire one more senior accountant and one more accountant.

Recommendations: The IC Review Expert recommends that the Company expedites the recruitment process to resolve the current staffing shortage.

Meanwhile, the IC Review Expert recommends that the Company prepares a financial statement closing checklist, including relevant account closing operation matters, standard operating procedure for key accounts, check points, deadlines, owner and responsibilities of each position, to ensure the account closing process and relevant check points are duly followed and completed in a timely manner. In the event that there is gap in staffing, the Company should develop back up plans to mitigate risks of possible delay in providing financial information by seeking external support when necessary.

VIEWS OF THE AUDIT COMMITTEE AND THE BOARD

Having considered the Scenario Analysis Report, both the audit committee of the Company (the “**Audit Committee**”) and the Board agree with the observations as well as the recommendations of the IC Review Expert and are of the view that the recommendations of the IC Review Expert would be able to address the deficiencies identified. The Group will implement the recommendations and enhance the Group’s internal controls in respect of the overall management and operations of the Group in order to ensure compliance with the Listing Rules in the future.

The Group expects to implement the recommendations within 2 months of the Scenario Analysis Report given that as disclosed in the Announcements, the IC Review Expert will conduct a follow-up review on the Company’s implementation of the IC Review Expert’s recommendations within 2 months after issuance of the Scenario Analysis Report.

By order of the Board

CMON Limited

Ng Chern Ann

Chairman, Joint Chief Executive Officer and Executive Director

Singapore, 30 July 2025

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