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## **CMON LIMITED**

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

**(Stock Code: 1792)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025**

#### **ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of CMON Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”) together with the comparative figures for the year ended 31 December 2024 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*For the year ended 31 December 2025*

	<i>Notes</i>	<b>2025</b> <i>US\$</i>	2024 <i>US\$</i>
<b>Revenue</b>	3	<b>9,907,433</b>	37,353,249
Cost of sales		<u>(9,169,709)</u>	<u>(19,355,755)</u>
<b>Gross profit</b>		<b>737,724</b>	17,997,494
Other income	4	<b>146,552</b>	105,260
Other gains and losses	5	<b>(8,055,658)</b>	35,646
Changes in fair value of financial assets at fair value through profit or loss		<b>77,000</b>	21,000
Selling and distribution expenses		<b>(4,786,016)</b>	(7,203,069)
General and administrative expenses		<u>(9,290,462)</u>	<u>(13,516,209)</u>
<b>Operating loss</b>		<b>(21,170,860)</b>	(2,559,878)
Finance costs	6	<u>(351,030)</u>	<u>(435,633)</u>
<b>Loss before income tax</b>		<b>(21,521,890)</b>	(2,995,511)
Income tax credit/(expense)	7	<u>1,607,898</u>	<u>(53,869)</u>
<b>Loss for the year</b>	8	<u><b>(19,913,992)</b></u>	<u>(3,049,380)</u>
<b>Other comprehensive income:</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>7,940</u>	<u>2,613</u>
<b>Total other comprehensive income for the year</b>		<u>7,940</u>	<u>2,613</u>
<b>Total comprehensive loss for the year</b>		<u><b>(19,906,052)</b></u>	<u>(3,046,767)</u>

	<i>Notes</i>	<b>2025</b> <i>US\$</i>	2024 <i>US\$</i>
<b>Loss for the year attributable to:</b>			
Owners of the Company		<b>(19,913,968)</b>	(3,047,341)
Non-controlling interests		<b>(24)</b>	(2,039)
		<b><u>(19,913,992)</u></b>	<b><u>(3,049,380)</u></b>
<b>Total comprehensive loss for the year attributable to:</b>			
Owners of the Company		<b>(19,900,374)</b>	(3,043,943)
Non-controlling interests		<b>(5,678)</b>	(2,824)
		<b><u>(19,906,052)</u></b>	<b><u>(3,046,767)</u></b>
			(Restated)
<b>Loss per share</b>			
Basic and diluted	10	<b><u>(0.36)</u></b>	<b><u>(0.05)</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	<b>2025</b> <i>US\$</i>	2024 <i>US\$</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>2,935,621</b>	17,332,703
Right-of-use assets		<b>186,875</b>	1,152,580
Intangible assets		<b>479,646</b>	6,895,431
Deposit placed with a life insurance company		<b>199,400</b>	199,400
Financial assets at fair value through profit or loss		<b>252,000</b>	175,000
Rental deposits	12	<b>23,688</b>	86,941
		<u><b>4,077,230</b></u>	<u>25,842,055</u>
<b>Current assets</b>			
Inventories		<b>1,419,990</b>	2,495,750
Other receivables	11	<b>1,015,621</b>	9,087
Prepayments and deposits	12	<b>405,783</b>	675,958
Bank and cash balances	13	<b>429,931</b>	2,097,742
		<u><b>3,271,325</b></u>	<u>5,278,537</u>
Assets held for sale		<u><b>1,494,925</b></u>	—
		<u><b>4,766,250</b></u>	<u>5,278,537</u>
<b>Current liabilities</b>			
Trade and other payables	14	<b>2,226,798</b>	600,128
Borrowings	15	<b>1,164,629</b>	2,956,437
Amount due to a related party		<b>75,531</b>	47,310
Income tax payable		<b>448,747</b>	378,202
Contract liabilities		<b>7,593,639</b>	5,360,022
Lease liabilities		<b>150,907</b>	291,518
		<u><b>11,660,251</b></u>	<u>9,633,617</u>
<b>Net current liabilities</b>		<u><b>(6,894,001)</b></u>	<u>(4,355,080)</u>
<b>Total assets less current liabilities</b>		<u><b>(2,816,771)</b></u>	<u>21,486,975</u>

	<i>Notes</i>	<b>2025</b> <i>US\$</i>	2024 <i>US\$</i>
<b>Non-current liabilities</b>			
Borrowings	15	—	1,049,710
Lease liabilities		<b>388,448</b>	952,117
Deferred tax liabilities		<b>386,783</b>	3,168,777
		<u>775,231</u>	<u>5,170,604</u>
<b>NET (LIABILITIES)/ASSETS</b>		<b><u>(3,592,002)</u></b>	<b><u>16,316,371</u></b>
<b>Capital and reserves</b>			
Share capital	16	<b>11,700</b>	14,021
Reserves		<b>(3,533,059)</b>	16,367,315
<b>Equity attributable to owners of the Company</b>		<b>(3,521,359)</b>	16,381,336
Non-controlling interests		<b>(70,643)</b>	(64,965)
<b>TOTAL EQUITY</b>		<b><u>(3,592,002)</u></b>	<b><u>16,316,371</u></b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2025*

### 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 Blk 163 Bukit Merah Central #03-3581, Singapore 150163.

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

### GOING CONCERN BASIS

The Group incurred a loss attributable to owners of the Company of US\$19,913,968 for the year ended 31 December 2025 and as at 31 December 2025, the Group had net current liabilities of US\$6,894,001 and net liabilities of US\$3,592,002. Included therein, the Group recorded the contract liabilities of US\$7,593,639.

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.

The consolidated financial statements have been prepared on a going concern basis. In the opinion of the Directors, the Group should be able to continue as a going concern taking into consideration of the follows:

- (i) financial support from some directors of the Company at a level sufficient to finance the working capital requirements of the Group;
- (ii) On 12 February 2026, the Company completed the allotment and issuance of 10,320,000 placing shares to not less than six placees, at the placing price of HK\$0.9500 per placing share. The gross proceeds from the placing were approximately HK\$9.8 million;
- (iii) the Group entered into an agreement for the disposal of the Group’s office unit in Singapore at a consideration of S\$3,080,000 (equivalent to US\$2,398,122) which was subsequently completed and received in January 2026;
- (iv) the Group is expected to make steady progress on the fulfilment of the contract liabilities; and
- (v) the Group will be able to implement the restructuring initiatives in order to reduce the cash outflow from the operating activities.

Based on the aforesaid factors, the Directors are satisfied that the Group will have sufficient financial resources to meet all the Group’s financial obligations and to sustain the Group’s ability to continue as a going concern in the foreseeable future. The Directors are therefore of the opinion that it is

appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

## 2. 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 2025. 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.

## 3. REVENUE AND SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's principal activity is the design, development and sales of board games, miniatures and other hobby products, and it has only one operating segment.

**The Group's revenue is analysed as follows:**

	2025 US\$	2024 US\$
Sales of products	9,719,366	33,584,207
Shipping income in connection with sales of products	<u>188,067</u>	<u>3,769,042</u>
Revenue from contracts with customers	<u><u>9,907,433</u></u>	<u><u>37,353,249</u></u>

**Disaggregation of revenue from contracts with customers:**

### *Geographical markets*

	2025 US\$	2024 US\$
North and South America	2,119,388	15,699,195
Europe	2,399,405	12,729,436
Asia	5,388,640	8,091,628
Oceania	<u>—</u>	<u>832,990</u>
	<u><u>9,907,433</u></u>	<u><u>37,353,249</u></u>

Revenue from one customer of the Group represents approximately US\$1,380,682 (2024: US\$4,493,895) of the Group's total revenue during the year ended 31 December 2025.

For the years ended 31 December 2025 and 2024, 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.

#### **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 2025 and 2024, 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:

	<b>2025</b>	2024
	<i>US\$</i>	<i>US\$</i>
Singapore	<b>2,978,870</b>	16,874,912
The People's Republic of China (the "PRC")	<b>143,626</b>	1,552,372
Japan	—	57,999
	<u><b>3,122,496</b></u>	<u>18,485,283</u>

#### 4. OTHER INCOME

	2025 US\$	2024 US\$
Royalty income	128,103	74,379
Interest income from bank	890	222
Government subsidies ( <i>note</i> )	1,541	11,802
Others	16,018	18,857
	<u>146,552</u>	<u>105,260</u>

*Note:* Government subsidies are awarded to the Group by the government authority. No conditions have been applied on such government subsidies from the government authority.

#### 5. OTHER GAINS AND LOSSES

	2025 US\$	2024 US\$
Loss on disposal of intellectual properties and related assets ( <i>note</i> )	(2,440,267)	—
Impairment losses on property, plant and equipment	(4,621,365)	—
Impairment losses on right-of-use assets	(294,186)	—
Impairment losses on intangible assets	(755,078)	—
Gain on early termination of lease	55,238	35,646
	<u>(8,055,658)</u>	<u>35,646</u>

*Note:* During 2025, the Group as the vendor entered into several asset purchase agreements with independent third parties (the “Purchasers”), pursuant to which the Group has agreed to sell the intellectual properties and related assets for certain games including property, plant and equipment, intangible assets, contract liabilities and inventories related to the games at the total considerations of US\$5,162,052 to the Purchasers. The disposals had been completed during the year ended 31 December 2025.

#### 6. FINANCE COSTS

	2025 US\$	2024 US\$
Interest on lease liabilities	49,999	71,254
Interest on borrowings	301,031	364,379
	<u>351,030</u>	<u>435,633</u>

## 7. INCOME TAX (CREDIT)/EXPENSE

	2025 US\$	2024 US\$
Current tax		
— Singapore Corporate Income Tax		
— Provision for the year	—	191,976
— Under-provision in prior years	<u>1,174,096</u>	<u>125,820</u>
	<u>1,174,096</u>	<u>317,796</u>
Deferred tax	<u>(2,781,994)</u>	<u>(263,927)</u>
	<u>(1,607,898)</u>	<u>53,869</u>

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the years ended 31 December 2025 and 2024. No provision for Hong Kong Profits Tax has been made for the years ended 31 December 2025 and 2024 as the Group did not generate any assessable profits arising in Hong Kong during the years ended 31 December 2025 and 2024.

Other jurisdictions mainly included Singapore, Japan and the United States. Taxation arising in other jurisdictions of which Singapore is at 17% (2024: 17%), Japan is at 10.3% (2024: 10.3%) and the United States is at 21% (2024: 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 2025 and 2024.

## 8. LOSS FOR THE YEAR

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

	2025 US\$	2024 US\$
Cost of inventories	5,963,431	13,093,441
Shipping and handling charges	2,020,268	3,952,503
Employee benefit expenses	2,844,420	4,018,198
Auditor’s remuneration	200,000	200,000
Merchant account fee	143,219	1,331,426
Royalty expenses	1,701,965	2,292,574
Marketing expenses	765,164	920,943
Depreciation of property, plant and equipment	3,187,196	4,089,814
Depreciation of right-of-use assets	270,112	361,855
Amortisation of intangible assets	1,141,662	1,609,173
Game development expenses	<u>2,366,774</u>	<u>4,711,774</u>

## 9. DIVIDENDS

The Board did not recommend any payment of dividends for the year ended 31 December 2025 (2024: nil).

## 10. LOSS PER SHARE

### Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of US\$19,913,968 (2024: US\$3,047,341) and the weighted average number of ordinary shares of 54,908,055 (2024: 58,367,213 (restated)) both as adjusted to reflect the impact of share consolidation during 2025.

### Diluted loss per share

The effects of all potential ordinary shares are anti-dilutive for the years ended 31 December 2025 and 2024.

## 11. OTHER RECEIVABLES

	2025 <i>US\$</i>	2024 <i>US\$</i>
Other receivables	<u>1,015,621</u>	<u>9,087</u>

As at 31 December 2025, included in other receivables mainly represents of US\$1,000,000 are receivables from disposal of intellectual properties.

## 12. PREPAYMENTS AND DEPOSITS

	2025 <i>US\$</i>	2024 <i>US\$</i>
Advances to suppliers	93,712	87,507
Prepaid royalties and game development costs	109,902	398,754
Other prepayments	7,346	4,541
Deposits	<u>218,511</u>	<u>272,097</u>
	<u>429,471</u>	<u>762,899</u>
Analysed as:		
Non-current	23,688	86,941
Current	<u>405,783</u>	<u>675,958</u>
	<u>429,471</u>	<u>762,899</u>

### 13. BANK AND CASH BALANCES

As at 31 December 2025, the bank and cash balances of the Group denominated in Renminbi (“RMB”) amounted to US\$113,689 (2024: US\$88,857). Conversion of RMB into foreign currencies is subject to the PRC’s Foreign Exchange Control Regulations.

### 14. TRADE AND OTHER PAYABLES

	<i>Notes</i>	<b>2025</b> <i>US\$</i>	2024 <i>US\$</i>
Trade payables	(a)	<u>863,383</u>	—
Accruals for audit fee		<b>200,000</b>	200,000
Amount due to a director	(b)	<b>600,050</b>	—
Other accrued operating expenses		<u>563,365</u>	<u>400,128</u>
		<u>1,363,415</u>	<u>600,128</u>
		<u><b>2,226,798</b></u>	<u>600,128</u>

*Notes:*

(a) The following is an aging analysis of trade payables presented based on the invoice date at the end of each reporting period:

	<b>2025</b> <i>US\$</i>	2024 <i>US\$</i>
Within 30 days	—	—
31–90 days	<b>71,646</b>	—
Over 90 days but within 1 year	<u>791,737</u>	—
	<u><b>863,383</b></u>	—

(b) The amount due to a director is unsecured, interest-free and has no fixed repayment terms.

## 15. BORROWINGS

	2025 US\$	2024 US\$
Bank borrowings	<u>1,164,629</u>	<u>4,006,147</u>

The borrowings are repayable as follows:

	2025 US\$	2024 US\$
On demand or within one year	1,164,629	2,956,437
In the second year	—	87,476
In the third to fifth years, inclusive	—	262,427
After five years	—	699,807
	<u>1,164,629</u>	<u>4,006,147</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>—</u>	<u>(2,956,437)</u>
Amount due for settlement after 12 months	<u>1,164,629</u>	<u>1,049,710</u>

As at 31 December 2025, including in the bank borrowings, the amount of US\$1,094,607 (2024: US\$1,137,186) will mature in 2037, bears interest rate at Singapore Overnight Rate Average (“SORA”) in-arrears +4.00% for the period from 3 November 2024 to 2 January 2025, fixed rate at 3.20% for the period from 3 January 2025 to 2 January 2027 and at SORA in-advance +3.00% for the remaining tenures (2024: same) and are secured by first mortgage over the Group’s office units and a corporate guarantee from the Company. The Group’s office units was subsequently disposed in January 2026 and the amount of US\$1,094,607 was repayable in January 2026 to release the charges and classified as current liabilities.

As at 31 December 2025, including in the bank borrowings, the amount of US\$70,022 (2024: US\$328,422) will mature within one year, bears fixed interest at 4.3% (2024: 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 US\$2,540,539 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. There was no trade loans for the year ended 31 December 2025.

The Group uses certain bank borrowings as its supplier finance arrangement as at 31 December 2024. 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.

	As at 31 December 2025	As at 31 December 2024
Carrying amount of liabilities		
of which suppliers have received payment	N/A	2,540,539
Range of payment due dates after invoice dates		
— Supplier finance arrangement liabilities	N/A	Within 120 days
— Comparable trade payable not part of the supplier finance arrangement	N/A	Within 30 days

## 16. SHARE CAPITAL

	Number of shares of the Company	Share capital US\$
<b>Authorised</b>		
Ordinary share capital of HK\$0.00005 each at 1 January 2024, 31 December 2024 and 1 January 2025	7,600,000,000	49,147
Increase in authorised share capital of HK\$0.00005 each	<u>27,400,000,000</u>	<u>176,069</u>
	35,000,000,000	225,216
Share consolidation ( <i>Note (ii)</i> )	<u>(34,000,000,000)</u>	<u>—</u>
Ordinary share capital of HK\$0.00175 each at 31 December 2025	<u><b>1,000,000,000</b></u>	<u><b>225,216</b></u>
<b>Issued</b>		
Ordinary shares at 1 January 2024	1,806,000,000	11,700
Issuance of shares ( <i>Note (i)</i> )	<u>361,200,000</u>	<u>2,321</u>
Ordinary shares at 31 December 2024 and 1 January 2025	2,167,200,000	14,021
Share cancellation ( <i>Note (i)</i> )	(361,200,000)	(2,321)
Share consolidation ( <i>Note (ii)</i> )	<u>(1,754,400,000)</u>	<u>—</u>
Ordinary shares at 31 December 2025	<u><b>51,600,000</b></u>	<u><b>11,700</b></u>
<b>Issued but not fully paid</b>		
Ordinary shares at 1 January 2024	—	—
Issuance of shares ( <i>Note (i)</i> )	<u>361,200,000</u>	<u>2,321</u>
Ordinary shares at 31 December 2024 and 1 January 2025	361,200,000	2,321
Share cancellation ( <i>Note (i)</i> )	<u>(361,200,000)</u>	<u>(2,321)</u>
Ordinary shares at 31 December 2025	<u><b>—</b></u>	<u><b>—</b></u>

*Notes:*

- (i) 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 proceeds of the Subscription from the Subscribers. The ordinary shares issued as at 6 May 2024 were regarded as non-fully paid issued ordinary shares 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 11) 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.

The Company received the legal advice from the legal adviser, signed deed of surrender and received 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.

- (ii) Effective on 11 December 2025, every thirty-five (35) issued and unissued existing shares of the Company were consolidated into one (1) consolidated share.

## **17. EVENTS AFTER THE REPORTING PERIOD**

### **(a) Disposal of office unit**

During the year ended 31 December 2025, the Group entered into an agreement for the disposal of the Group’s office unit in Singapore at a consideration of S\$3,080,000 (equivalent to US\$2,398,122). The disposal was subsequently completed and the proceeds received in January 2026. The related mortgage loan was fully repaid upon completion of the disposal.

### **(b) Placing of new shares**

On 12 February 2026, the Company completed the allotment and issuance of 10,320,000 placing shares to not less than six places, at the placing price of HK\$0.9500 per placing share. The gross proceeds from the placing are approximately HK\$9.8 million.

### **(c) Tariff impact on the U.S. market**

As at the date of this announcement, the U.S. government maintains additional import tariffs on certain Chinese-origin products. The Group’s revenue exposure to the U.S. market has decreased to approximately 21.4% of total revenue for the year ended 31 December 2025, compared to approximately 42% in the prior year, reflecting the Group’s deliberate strategic pivot toward Asia. Notwithstanding this reduced exposure, tariff-related uncertainties may continue to affect future export sales, revenue and gross margin performance in the U.S. market. The Group intends to maintain its current reduced focus on the U.S. market until the trade environment stabilises and market conditions improve. Subject to market conditions, the Group intends to resume crowdfunding activities in the second half of 2026 with new titles from its current game lines.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Model and Business Overview

We are a hobby games publisher specialising in developing and publishing mainly tabletop games (including board games and miniature war games). We also started developing and launching mobile games since 2015.

We publish both self-owned games and licensed games. We also distribute third-party tabletop games. We sell our tabletop games mainly through 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 results announcement, we offer a total of 116 games, comprising 110 board games, 3 miniature war games, 2 mobile games and 1 computer game.

For the financial year under review, our revenue was approximately US\$9.9 million, decreasing from approximately US\$37.4 million for the previous financial year. Total comprehensive loss for the year attributable to equity holders of the Company was approximately US\$19.9 million, increasing from approximately US\$3.0 million for the year ended 31 December 2024. The loss for the financial year was primarily driven by a significant decline in revenue, impairment losses on property, plant and equipment, right-of-use assets and intangible assets, and a loss on disposal of intellectual properties and related assets as part of the Group's strategic portfolio restructuring.

During the financial year under review, we launched one crowd-funding game, namely *Massive Darkness: Dungeons of Shadowreach*, raising approximately US\$3.2 million.

### Long-term Strategies and Outlook

In light of the continued uncertainty in the global market, particularly the instability arising from US import tariffs on certain products since the first half of 2025, the Group has taken decisive steps to restructure its operations and strengthen its financial position.

Our current strategy is to:

- 1) reduce exposure to large-scale crowd-funding launches in the near term, focusing on fulfilment of games already committed to backers, with plans to resume crowdfunding activities in the second half of 2026 with new titles from current game lines;
- 2) grow distribution in Asia as a primary strategic market;
- 3) maintain a streamlined operational structure with reduced headcount and a smaller office footprint in line with the Group's current scale of operations; and

- 4) maintain a debt-free position following the full repayment of bank borrowings, significantly reducing the Group's financial liabilities and improving its financial resilience.

We remain committed to becoming a quality developer and publisher of tabletop games and believe the strategic refocus toward Asia and selective game development will position the Group more sustainably for the future.

## **FINANCIAL REVIEW**

### **Overall Performance**

During the year ended 31 December 2025, the Group operated under a challenging business environment marked by weaker market demand, lower sales volumes and ongoing industry volatility. As a result, the Group recorded a loss attributable to owners of the Company of approximately US\$19.9 million (2024: approximately US\$3.0 million). As at 31 December 2025, the Group was in a net liabilities position of approximately US\$3.6 million (2024: net assets of approximately US\$16.3 million), with net current liabilities of approximately US\$6.9 million (2024: approximately US\$4.4 million).

In light of these results, management continued to focus on cost discipline, balance sheet optimisation and liquidity management, while implementing strategic actions to streamline operations and strengthen the Group's long-term sustainability.

### **Revenue**

The Group's revenue decreased by approximately 73.5% to approximately US\$9.9 million for the year ended 31 December 2025 from approximately US\$37.4 million for the year ended 31 December 2024. The reduction was mainly attributable to:

- softer demand in the wholesale and crowd-funding segments, particularly in North America following the introduction of US import tariffs on certain products since the first half of 2025;
- reduced fulfilment and shipping activities in line with lower sales volume; and
- the Group's deliberate efforts to rationalise its product portfolio and intellectual property assets, focusing on titles with clearer long-term commercial prospects.

During the year, the Group launched one crowd-funding game, namely *Massive Darkness: Dungeons of Shadowreach*, raising approximately US\$3.2 million.

During the year, Asia became the Group's largest market, reflecting the Group's strategic pivot toward Asian distribution. North America and Europe, which had historically been the dominant markets, recorded significant declines, in part due to ongoing trade uncertainty and weaker consumer demand.

	Year ended 31 December			
	2025		2024	
	US\$	%	US\$	%
North and South America	2,119,388	21.4	15,699,195	42.0
Europe	2,399,405	24.2	12,729,436	34.1
Asia	5,388,640	54.4	8,091,628	21.7
Oceania	—	—	832,990	2.2
<b>Total</b>	<b>9,907,433</b>	<b>100.0</b>	<b>37,353,249</b>	<b>100.0</b>

### Cost of Sales

Cost of sales decreased by approximately 52.6% from approximately US\$19.4 million for the year ended 31 December 2024 to approximately US\$9.2 million for the year ended 31 December 2025. The decrease was mainly due to the decrease in sales. Cost of inventory decreased by approximately 54.5% from approximately US\$13.1 million for the year ended 31 December 2024 to approximately US\$6.0 million for the year ended 31 December 2025.

### Gross Profit and Gross Profit Margin

Gross profit decreased by approximately 95.9% to approximately US\$0.7 million for the year ended 31 December 2025 from approximately US\$18.0 million for the year ended 31 December 2024. The decrease was primarily due to lower economies of scale arising from reduced revenue, while certain fixed costs in production and fulfilment could not be proportionately reduced. Management remains focused on improving margin quality through disciplined project selection, tighter cost controls and enhanced supply-chain planning.

### Other Income

Other income increased to US\$146,552 for the year ended 31 December 2025 from US\$105,260 for the year ended 31 December 2024, which was mainly due to the increase in royalty income.

## **Selling and Distribution Expenses**

Selling and distribution expenses decreased to approximately US\$4.8 million for the year ended 31 December 2025 from approximately US\$7.2 million for the year ended 31 December 2024. This was primarily caused by the decrease in merchant account expenses, royalties and salaries due to the decrease in sales.

## **General and Administrative Expenses**

General and administrative expenses decreased to approximately US\$9.3 million for the year ended 31 December 2025 from approximately US\$13.5 million for the year ended 31 December 2024. The decrease was primarily caused by a decrease in game development expenses to approximately US\$2.4 million for the year ended 31 December 2025 from approximately US\$4.7 million for the year ended 31 December 2024.

## **Other Gains and Losses**

Other gains and losses decreased to loss approximately US\$8.1 million for the year ended 31 December 2025 from US\$35,646 for the year ended 31 December 2024, which was mainly due to the impairment losses on property, plant and equipment, right-of-use assets and intangible assets of approximately US\$5.7 million and loss on disposal of intellectual properties and related assets of approximately US\$2.4 million incurred for the year ended 31 December 2025.

Due to the loss from the Group during the year ended 31 December 2025, 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. 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 of 16% as at 31 December 2025. Another key assumption for the value in use calculated is the budgeted gross margin, which is determined based on the cash-generating unit's past 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, the impairment of property, plant and equipment, right-of-use assets and intangible assets recognised for the year of US\$4,621,365, US\$294,186 and US\$755,078, respectively.

In addition, the Group recorded a loss on disposal of certain intellectual properties and related assets as part of its broader portfolio optimisation efforts. These actions, while negatively impacting short-term results, were undertaken to strengthen the Group's operational focus and reduce future cost burden.

### **Finance Costs**

Finance costs decreased to US\$351,030 for the year ended 31 December 2025 from US\$435,633 for the year ended 31 December 2024, reflecting lower average borrowings during the year.

### **Income Tax Credit/Expense**

The Group recognised an income tax credit of approximately US\$1.6 million for the year ended 31 December 2025 from income tax expenses of US\$53,869 for the year ended 31 December 2024, primarily arising from the recognition of deferred tax credits following impairments and asset disposals.

### **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\$19.9 million for the year ended 31 December 2025 from approximately US\$3.0 million for the year ended 31 December 2024.

## **LIQUIDITY AND FINANCIAL RESOURCES**

### **Financial Position**

As at 31 December 2025, the Group's total assets amounted to approximately US\$8.8 million, comprising non-current assets, current assets and assets held for sale. Total liabilities amounted to approximately US\$12.4 million, of which the majority were current in nature.

During the year, the Group continued to strengthen its balance sheet through asset disposals and liability management, including the reclassification of certain assets held for sale in accordance with accounting standards.

## **Liquidity and Cash Flows**

The Group continued to closely monitor liquidity and cash flows throughout the year.

- Net cash used in operating activities amounted to approximately US\$1.9 million.
- Cash inflows from investing activities were generated mainly from the disposal of intellectual properties and related assets.
- Cash outflows from financing activities reflected repayments of borrowings and lease liabilities.

As a result of continued debt repayments during the year, the Group had fully repaid its bank borrowings, which primarily related to a mortgage loan, subsequent to year end, thereby significantly reducing its financial liabilities and improving its financial resilience.

As at 31 December 2025, the Group maintained bank and cash balances of approximately US\$0.4 million.

## **Going Concern**

Notwithstanding the loss recorded during the year and the net current liabilities position as at 31 December 2025, the Directors have prepared the consolidated financial statements on a going concern basis. In making this assessment, the Directors have considered, among others:

- Ongoing financial support from some directors;
- The completion of a share placing subsequent after the end of the Reporting Period;
- The disposal of the Group's office unit in Singapore subsequent after the end of the Reporting Period;
- The Group's ongoing initiatives to fulfil contract liabilities and reduce operating cash outflows; and
- The Group will implement restructuring initiatives to reduce operating cash outflows.

## **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 2025, 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. As at 31 December 2025, the Group had outstanding bank borrowings, which were fully repaid subsequent to year end.

## **NEW GAMES AND THEIR IMPACT ON FINANCIAL PERFORMANCE**

During the year ended 31 December 2025, crowd-funding projects shipped by the Group contributed approximately US\$0.2 million (2024: approximately US\$20.0 million) to the Group's revenue.

During the year ended 31 December 2025, crowd-funding projects which were successfully launched but not shipped amounted to approximately US\$3.2 million (2024: approximately US\$4.1 million). The shipments of these projects are expected to take place in the first half of 2027.

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS**

During the year ended 31 December 2025, the Group had no significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures.

## **INFORMATION ON EMPLOYEES**

As of 31 December 2025, the Group had 42 employees (31 December 2024: 81). 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 2025 amounted to approximately US\$2.8 million (2024: approximately US\$4.0 million).

## **CHARGES ON ASSETS**

As at 31 December 2025, office units with a total net book value of approximately US\$1.5 million which was reclassified as assets held for sale and deposit pledged with a life insurance company of US\$199,400 were charged as collateral for the Group's bank borrowings (31 December 2024: approximately US\$1.5 million and US\$199,400, respectively). The charges were released in January 2026.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS**

As at the date of this annual results announcement, the Group does not have any concrete plan for material investments. However, as stated in the prospectus of the Company dated 25 November 2016, 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 2025, the Group had short-term and long-term bank borrowings of approximately US\$1.2 million (31 December 2024: approximately US\$3.0 million) and nil (31 December 2024: approximately US\$1.0 million), respectively. The bank borrowings primarily related to a mortgage loan secured over the Group's office unit, which was fully repaid subsequent to year end following completion of the disposal of the property.

As at 31 December 2025, the gearing ratio of the Group, calculated as total liabilities divided by total assets was approximately 140.6% (31 December 2024: approximately 47.6%).

## **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 2025, the Group did not have any significant contingent liabilities (31 December 2024: nil).

## **COMMITMENTS**

The Group had no capital commitments as at 31 December 2024 and 2025.

## **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 2025, 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.

### **(iv) Tariff impact on the U.S. market**

The U.S. government maintains additional import tariffs on certain Chinese-origin products. Notwithstanding this reduced exposure, tariff-related uncertainties may continue to affect future export sales, revenue and gross margin performance in the U.S. market. The Group intends to maintain its current reduced focus on the U.S. market until the trade environment stabilises and market conditions improve. Subject to market conditions, the Group intends to resume crowdfunding activities in the second half of 2026 with new titles from its current game lines.

## **EVENTS OCCURRED AFTER 31 DECEMBER 2025**

### **(a) Disposal of office unit**

During the year ended 31 December 2025, the Group entered into an agreement for the disposal of the Group's office unit in Singapore at a consideration of S\$3,080,000 (equivalent to US\$2,398,122). The disposal was subsequently completed and the proceeds received in January 2026. The related mortgage loan was fully repaid upon completion of the disposal.

### **(b) Placing of new shares**

On 12 February 2026, the Company completed the allotment and issuance of 10,320,000 placing shares to not less than six placees, at the placing price of HK\$0.9500 per placing share. The gross proceeds from the placing are approximately HK\$9.8 million.

### **(c) Tariff impact on the U.S. market**

As at the date of this announcement, the U.S. government maintains additional import tariffs on certain Chinese-origin products. The Group's revenue exposure to the U.S. market has decreased to approximately 21.4% of total revenue for the year ended 31 December 2025, compared to approximately 42% in the prior year, reflecting the Group's deliberate strategic pivot toward Asia. Notwithstanding this reduced exposure, tariff-related uncertainties may continue to affect future export sales, revenue and gross margin performance in the U.S. market. The Group intends to maintain its current reduced focus on the U.S. market until the trade environment stabilises and market conditions improve. Subject to market conditions, the Group intends to resume crowdfunding activities in the second half of 2026 with new titles from its current game lines.

## **FINAL DIVIDEND**

The Board did not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: nil).

## 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 annual general meeting of the Company to be held on Tuesday, 30 June 2026 (the “**AGM**”), the register of members of the Company will be closed from Thursday, 25 June 2026 to Tuesday, 30 June 2026 (both days inclusive), during which no transfer of shares will be effected. The record date for determining the entitlement of the Shareholders to attend and vote at the AGM will be Tuesday, 30 June 2026. 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 Wednesday, 24 June 2026.

## 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) as its own code of corporate governance. Save as disclosed in this annual results announcement, the Company has, to the best knowledge of the Board, complied with all applicable code provisions of the CG Code during the year ended 31 December 2025. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

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.

## COMPLIANCE WITH THE MODEL CODE BY DIRECTORS IN SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 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 2025.

## PLACING OF NEW SHARES UNDER GENERAL MANDATE

References are made to the announcements of the Company dated 19 January 2026, 2 February 2026, 3 February 2026 and 12 February 2026 in relation to, among others, the placing of new shares under general mandate by the Company (the “**Announcements**”).

All the conditions set out in the placing agreement had been fulfilled and completion of the placing (the “**Completion**”) took place on 12 February 2026. An aggregate of 10,320,000 placing shares, representing approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the placing shares immediately upon the Completion, had been successfully placed to not less than six placees, at the placing price of HK\$0.9500 per placing share pursuant to the terms of the placing agreement, the supplemental letter and the second supplemental agreement.

The shareholding structures of the Company immediately before and immediately after the Completion are set out as follows:

	Immediately before the Completion		Immediately after the Completion	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Ng Chern Ann <sup>(1)</sup> (“ <b>Mr. Ng</b> ”)	12,432,115	24.09	12,432,115	20.08
David Doust <sup>(2)</sup> (“ <b>Mr. Doust</b> ”)	7,459,269	14.46	7,459,269	12.05
Frederick Chua Oon Kian <sup>(3)</sup> (“ <b>Mr. Chua</b> ”)	5,501,120	10.66	5,501,120	8.88
Cheung Tak Shun Dickson <sup>(4)</sup> (“ <b>Mr. Cheung</b> ”)	4,980,000	9.65	4,980,000	8.04
The Placees	—	—	10,320,000	16.67
Other public Shareholders	21,227,496	41.14	21,227,496	34.28
Total	<u>51,600,000</u>	<u>100.00</u>	<u>61,920,000</u>	<u>100.00</u>

*Notes:*

- (1) The issued share capital of Cansome 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 12,432,115 Shares whereas Mr. Ng is beneficially interested in 442,855 share options of the Company (the “**Share Options**”).
- (2) 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 7,459,269 Shares whereas Mr. Doust is beneficially interested in 442,855 Share Options.
- (3) Mr. Chua, a non-executive Director, beneficially owns approximately 99.99% of the issued share capital of Quantum Asset Management Pte. Ltd. which holds 5,501,120 Shares and is beneficially interested in 159,428 Share Options.
- (4) The issued share capital of Brilliant Silver Investments Limited (“**Brilliant Silver**”) is wholly-owned by Mr. Cheung. Brilliant Silver is beneficially interested in 4,980,000 Shares.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

There was no purchase, sale or redemption by the Company or any of its subsidiaries of any listed securities (including sale of treasury shares, if any) of the Company during the Reporting Period.

As at 31 December 2025, the Company did not hold any treasury shares.

## **DIRECTORS’ AND CONTROLLING SHAREHOLDERS’ INTERESTS IN COMPETING BUSINESS**

During the year ended 31 December 2025, none of the Directors, controlling Shareholders or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

## **AUDIT COMMITTEE**

The audit committee of the Company has reviewed with the management the accounting policies and practices adopted by the Group and discussed with the management internal control and financial reporting matters of the Company, including the review of the Group’s audited consolidated financial results for the year ended 31 December 2025.

## **SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and related notes thereto for the year ended 31 December 2025 as set out in this annual results announcement have been agreed by the auditor of the Company, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2025. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on this annual results announcement.

## **AN EXTRACT OF INDEPENDENT AUDITOR'S REPORT**

The Company has engaged ZHONGHUI ANDA CPA Limited as independent auditor (the "Auditor") to audit the consolidated financial statements of the Group for the year ended 31 December 2025 and the following is an extract of the auditor's report on the Group's consolidated financial statements for the year ended 31 December 2025. The auditor's report will be contained in the annual report of the Company for the year ended 31 December 2025 to be published by the Company on or before 30 April 2026.

### **"Material Uncertainty Related to Going Concern**

We draw attention to note 2 to the consolidated financial statements which states that the Group incurred a loss attributable to owners of the Company of US\$19,913,968 for the year ended 31 December 2025 and as at 31 December 2025, the Group had net current liabilities of US\$6,894,001 and net liabilities of US\$3,592,002. Included therein, the Group recorded the contract liabilities of US\$7,593,639. These conditions indicate a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

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

The annual report of the Company for the year ended 31 December 2025 will be sent to the Shareholders and available on the Company's website (<http://cmon.com>) and the designated website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) in due course.

By Order of the Board

**CMON Limited**

**Ng Chern Ann**

*Chairman, Joint Chief Executive Officer and Executive Director*

Singapore, 31 March 2026

*As at the date of this announcement, the executive Directors are Mr. Ng Chern Ann and Mr. David Doust; 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.*