2025 ANNUAL REPORT

CMON Limited

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

CONTENTS

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
(resigned with effect from 14 November 2025)

Non-executive Directors

Mr. Frederick Chua Oon Kian
Ms. Li Xuejin
Mr. David Preti *(resigned with effect from 14 April 2025)*

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
Ms. Li Xuejin *(appointed with effect from 31 December 2025)*

AUTHORISED REPRESENTATIVES

Mr. Ng Chern Ann
(appointed with effect from 14 November 2025)
Mr. Wong Chun Wing Samuel
(appointed with effect from 28 August 2025)
Ms. Ng Sau Mei *(resigned with effect from 28 August 2025)*
Mr. Koh Zheng Kai
(resigned with effect from 14 November 2025)

JOINT COMPANY SECRETARIES

Mr. Wong Chun Wing Samuel
(appointed with effect from 28 August 2025)
Mr. Chan Chiu Hung Alex
(appointed with effect from 22 October 2025)
Ms. Ng Sau Mei *(resigned with effect from 28 August 2025)*

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 *(CHANGED WITH EFFECT FROM 16 DECEMBER 2025)*

Blk 163 Bukit Merah Central #03–3581
Singapore 150163

PRINCIPAL 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 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**") of CMON Limited (the "**Company**"), I am pleased to present to you the annual report of the Company for the year ended 31 December 2025.

2025 was an exceptionally difficult year for the Group. The financial results reflect the combined impact of significant external headwinds and the deliberate strategic actions we undertook to reposition the business for the long term. I want to be candid with shareholders about where we stand and what we are doing about it.

Our revenue declined by approximately 73.5% to approximately US$9.9 million from approximately US$37.4 million in 2024, and the Group recorded a loss attributable to owners of the Company of approximately US$19.9 million. These results are deeply disappointing, and we take full accountability for the challenges encountered during the year.

Several significant factors drove this outcome. The introduction of US import tariffs on certain Chinese-origin products in the first half of 2025 severely impacted demand from North America, historically our largest market. At the same time, the Group undertook deliberate decisions to rationalise its product portfolio — including the disposal of certain intellectual properties — which, while strategically necessary, resulted in non-cash impairment charges and disposal losses totalling approximately US$8.1 million.

In response, we took decisive action. During 2025, we streamlined our operations significantly — reducing headcount from 81 to 42 employees, relocating our principal place of business to a smaller footprint in Singapore, and undertaking a strategic shift toward Asia as our primary growth market. Asia became the Group's largest market in 2025, contributing 54.4% of total revenue compared to 21.7% in 2024, reflecting the strength of our products and brand in this growing market. This geographic diversification meaningfully reduces our dependence on the US market.

Subsequent to the year end, we completed the disposal of our Singapore office unit and a share placing in February 2026, raising gross proceeds of approximately HK$9.8 million. These actions, combined with ongoing financial support from certain Directors, underpin the Board's assessment that the Group can continue as a going concern.

Looking ahead, our focus in 2026 is to fulfil our obligations to backers, resume crowdfunding activities in the second half of the year with new titles from our current game lines, and continue to grow our distribution in Asia. We remain committed to financial discipline and will not pursue large-scale crowd-funding launches until market conditions — particularly the US trade environment — stabilise.

I wish to express my sincere gratitude to our employees, who have navigated an extraordinarily challenging year with resilience and professionalism. I also thank our shareholders, business partners, and loyal community of players for their continued support. The Board believes the steps taken in 2025 have laid a more sustainable foundation for the Group's future.

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

31 March 2026

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 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:

- 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;

- grow distribution in Asia as a primary strategic market;

- maintain a streamlined operational structure with reduced headcount and a smaller office footprint in line with the Group's current scale of operations; and

- maintain a debt-free position following the full repayment of bank borrowings subsequent to year end, 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

The Group operates as a single operating segment, being the design, development and sales of board games, miniatures and other hobby products.

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

The following table sets out a breakdown of our revenue by geographical markets:

	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
Total	9,907,433	100.0	37,353,249	100.0

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 volume. 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, and gross profit margin decreased to approximately 7.4% from approximately 48.2%. The decrease was primarily due to the lower economies of scale arising from significantly 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, mainly due to the increase in royalty income.

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 (“**CGU**”) have been determined based on the value in use (“**VIU**”) calculation.

The VIU was calculated internally based on the financial forecast approved by the Directors of the Company covering the following 5 years with a pre-tax discount rate of 16% as at 31 December 2025 and the Company engaged Masterpiece Valuation Advisory Limited, an independent and professional valuer in Hong Kong, to perform the valuation of weighted average cost of capital (“**WACC**”) as discount rate to calculate the present value of future cash flow.

No change for the valuation method used compared with last year, both years used VIU method.

Key input changes for the year 2025 are decrease in revenue input and revenue with −4.5% to 15.5% annually decrease/increase for coming 5 years, and a reduction in the gross profit (“**GP**”) ratio of 35.8% to 38.1% for coming 5 years. The decrease in the revenue input was mainly attributable to reduced campaign fulfillment and the disposal of certain intangible properties (“**IP**”) as part of product portfolio rationalization during the year. The decline in the GP ratio reflected softer demand in the wholesale and crowd-funding segments for the reduced revenue and increased shipping costs due to the impact of US import tariffs.

The key changes in assumptions for 2025 are as follows: (i) the terminal value assumption, and (ii) the continued impact of US import tariffs. For the terminal value, there was no perpetual growth and the terminal value of zero. This is because a significant portion of the existing identifiable assets will be fully depreciated and reach the end of its useful life by 2030, no cash flow beyond 5-year period (i.e., after 2030). Regarding tariffs, the assumption is that US import tariffs will continue to affect the Group's financial performance.

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.

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 reduction 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, as well as lower employee-related costs reflecting the Group's reduced headcount.

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 maintained 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, compared to an income tax expense of US$53,869 for the year ended 31 December 2024. The credit arose primarily from the recognition of deferred tax credits following impairments and asset disposals during the 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 increased 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

As at 31 December 2025, the Group's total assets amounted to approximately US$8.8 million, comprising non-current assets of approximately US$4.1 million, current assets of approximately US$3.3 million and assets held for sale of approximately US$1.5 million. Total liabilities amounted to approximately US$12.4 million, of which the majority were current in nature.

As at 31 December 2025, the Group maintained bank and cash balances of approximately US$0.4 million (31 December 2024: approximately US$2.1 million). The Group had short-term bank borrowings of approximately US$1.2 million as at 31 December 2025 (31 December 2024: approximately US$3.0 million) and no long-term bank borrowings (31 December 2024: approximately US$1.0 million). The outstanding bank borrowings primarily related to a mortgage loan secured over the Group's office unit in Singapore, which was fully repaid subsequent to year end upon completion of the disposal of the property in January 2026.

During the year, the Group continued to strengthen its balance sheet through asset disposals and liability management:

- 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.

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 at a level sufficient to finance the working capital requirements of the Group;
- the completion in February 2026 of the allotment and issuance of 10,320,000 placing shares at HK$0.9500 per share, generating gross proceeds of approximately HK$9.8 million;
- the disposal of the Group's office unit in Singapore at a consideration of S$3,080,000, completed in January 2026;
- the Group's ongoing initiatives to fulfil contract liabilities and reduce operating cash outflows; and
- the Group's plans to implement restructuring initiatives to reduce cash outflow from operating activities.

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 of approximately US$1.2 million, which were fully repaid subsequent to year end.

During 2025, the Company effected a 35-for-1 share consolidation (effective 11 December 2025) and cancelled 361,200,000 previously issued but unpaid subscription shares (effective 28 April 2025). As at 31 December 2025, the Company had 51,600,000 ordinary shares in issue.

The Group's bank borrowings of US$1,094,607 were denominated in Singapore dollars and secured against the Group's office unit. The borrowings bore a fixed interest rate of 3.20% for the period from 3 January 2025 to 2 January 2027, and at floating rates based on SORA for the remaining tenure. Cash and cash equivalents were held primarily in United States dollars, with balances also maintained in Renminbi and Singapore dollars.

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, one crowd-funding project was successfully launched but not yet shipped — *Massive Darkness: Dungeons of Shadowreach*, which raised approximately US$3.2 million (2024: approximately US$4.1 million). The shipment of this project is 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.

During the year, the Group, as vendor, entered into several asset purchase agreements with independent third parties for the sale of intellectual properties and related assets for certain games, including property, plant and equipment, intangible assets, contract liabilities and inventories related to those games, for total considerations of US$5,162,052. All disposals were completed during the year ended 31 December 2025.

INFORMATION ON EMPLOYEES

As at 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).

The Group provides internal training programmes to its employees covering topics including corporate governance and compliance, conflict of interest management, and customer service practices. These programmes are conducted across the Group's offices in Singapore and the PRC.

CHARGES ON ASSETS

As at 31 December 2025, office units with a total net book value of approximately US$1.5 million, reclassified as assets held for sale, and a 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). All charges were released in January 2026 upon completion of the property disposal and full repayment of the related mortgage loan.

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 of the Company dated 25 November 2016 (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 2025, the Group had short-term bank borrowings of approximately US$1.2 million (31 December 2024: approximately US$3.0 million) and no long-term bank borrowings (31 December 2024: approximately US$1.0 million). 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 maintains a good working relationship with its outsourced manufacturers by, amongst others, creating goodwill and honouring payments. The Group will also explore and develop business relationships with other suitable manufacturers as part of its contingency planning.

(ii) **Loss of key personnel** — The Group relies to a significant extent on the executive Directors and certain key senior management. To retain employees, the Group provides a remuneration package that rewards performance and ties to the Group's results. The Group has also implemented controls to minimise the potential loss of key personnel, including ensuring that the executive Directors and certain key senior management do not travel on the same flight. The Group is developing and training potential new management members.

(iii) **Crowd-funding platforms** — Most of the Group's best-selling tabletop games are or have been launched on crowd-funding platforms. To manage this risk, the Group has identified alternative internet crowd-funding platforms and is enhancing its in-house capability to launch tabletop games on its own website if required.

(iv) **Tariff impact on the US market** — The US government maintains additional import tariffs on certain Chinese-origin products. The Group's revenue exposure to the US market has decreased to approximately 21.4% of total revenue for the year ended 31 December 2025, compared to approximately 42.0% 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 US market. The Group intends to maintain its current reduced focus on the US 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. Please refer to the announcements of the Company dated 19 January 2026, 2 February 2026, 3 February 2026 and 12 February 2026 for further details.

(c) **Tariff impact on the US market** — As at the date of this annual report, the US government maintains additional import tariffs on certain Chinese-origin products. Notwithstanding the Group's reduced revenue exposure to the US market, tariff-related uncertainties may continue to affect future export sales, revenue and gross margin performance. The Group intends to maintain its current reduced focus on the US 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.

Saved as disclosed above, there was no significant event after 31 December 2025 that required to be disclosed.

FINAL DIVIDEND

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

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	
	Number of Shares	*Approx. %*	*Number of Shares*	*Approx. %*
Ng Chern Ann[(1)] ("**Mr. Ng**")	12,432,115	24.09	12,432,115	20.08
David Doust[(2)] ("**Mr. Doust**")	7,459,269	14.46	7,459,269	12.05
Frederick Chua Oon Kian[(3)] ("**Mr. Chua**")	5,501,120	10.66	5,501,120	8.88
Cheung Tak Shun Dickson[(4)] ("**Mr. Cheung**")	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	51,600,000	100.00	61,920,000	100.00

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 12,432,115 shares of the Company (the "**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**") was wholly-owned by Mr. Cheung. Brilliant Silver was beneficially interested in 4,980,000 Shares.

DIRECTORS

EXECUTIVE DIRECTORS

Mr. Ng Chern Ann (黃成安), aged 51, 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 62, 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.

NON-EXECUTIVE DIRECTORS

Mr. Frederick Chua Oon Kian (formerly known as "Chua Oon Kian") (蔡穩健), aged 60, 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 38, was appointed as a non-executive Director on 30 December 2024 and a member of the nomination committee of the Company on 31 December 2025. 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 56, 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 Xixi Consultancy Limited (formerly known as 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 60, 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 50, 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.

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.

JOINT COMPANY SECRETARIES

Mr. Wong Chun Wing Samuel (黃俊穎), is the joint company secretary of the Company. Mr. Wong is an assistant manager of the Listing Services Department of TMF Hong Kong Limited and is responsible for provision of corporate secretarial and compliance services to listed company clients. He has over eight years of experience in the company secretarial field. He obtained a bachelor's degree of business administration from The Hang Seng University of Hong Kong in November 2017. Mr. Wong is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Mr. Chan Chiu Hung Alex (陳釗洪), is the joint company secretary of the Company. Mr. Chan has over 28 years of experience in managing companies listed in Hong Kong or overseas. He was an independent non-executive director of Allegro Culture Limited (formerly known as Kingkey Intelligence Culture Holdings Limited, stock code: 550), a company listed on the Main Board of the Stock Exchange from March 2016 to August 2025, China New Holdings Limited (formerly known as Royal Century Resources Holdings Limited, stock code: 8125), a company listed on the GEM of the Stock Exchange, from September 2015 to October 2023. He was a company secretary of CBK Holdings Limited (stock code: 8428), a company listed on the GEM of the Stock Exchange, from April 2021 to September 2024.

He obtained his Bachelor of Business Administration (honours) degree in finance from the Hong Kong Baptist University in 1990, and completed an advance diploma in specialist taxation from the Hong Kong Institute of Certified Public Accountants in 2012. Mr. Chan is currently a fellow member of The Chartered Governance Institute in the United Kingdom, a fellow member of The Hong Kong Chartered Governance Institute, a fellow member of the Association of Chartered Certified Accountants, a fellow member of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants, and he possesses the requisite qualification and experience as required under Rule 3.28 of the Rules Governing the Listing of Securities on the Stock Exchange.

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

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 2025 are set out in Note 37 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 31 December 2025 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 2025 (2024: nil).

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the "**AGM**") will be held on Tuesday, 30 June 2026, among others, to receive and adopt the audited consolidated financial statements of the Company for the year ended 31 December 2025 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 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 Shareholders' eligibility 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.

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 2025, 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 page 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 2025 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 2025.

CUSTOMERS AND SUPPLIERS

Major Customers

For the year ended 31 December 2025, the Group's sales to its five largest customers accounted for approximately 32.7% of the Group's total revenue. Our five largest customers were wholesalers based in the United States and Europe. As at 31 December 2025, 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 2025, the Group's five largest suppliers accounted for approximately 85.9% of the Group's total purchases and our single largest supplier accounted for approximately 43.1% 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 2025, 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 2025 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 2025 are set out in Note 33 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 2025 are set out on page 50 of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2025, no reserves of the Company available for distribution to equity holders (31 December 2024: approximately US$15.5 million).

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group are set out in Note 28 to the consolidated financial statements.

DIRECTORS

The Directors during the year ended 31 December 2025 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 *(resigned with effect from 14 November 2025)*

Non-executive Directors

Mr. Frederick Chua Oon Kian
Ms. Li Xuejin
Mr. David Preti *(resigned with effect from 14 April 2025)*

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 2025 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 and Mr. David Doust, 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 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.

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 2025 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 2025 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 2025 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 2025 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 2025, 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[4]	Total Number of Shares and Underlying Shares Interested	Long/Short Position	Approximate Percentage of Shareholding in the Company (%)
Mr. Ng[1]	Interest in controlled corporation/beneficial owner	442,855	12,874,970	Long	24.95
Mr. Doust[2]	Interest in controlled corporation/beneficial owner	442,855	7,902,124	Long	15.31
Mr. Chua[3]	Interest in controlled corporation/beneficial owner	159,428	5,660,548	Long	10.97

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 2025, CA SPV was beneficially interested in 12,432,115 Shares whereas Mr. Ng was beneficially interested in 442,855 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 2025, DD SPV was beneficially interested in 7,459,269 Shares whereas Mr. Doust was 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. ("**Quantum Asset**") which holds 5,501,120 Shares and is beneficially interested in 159,428 Share Options.

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

Save as disclosed above, as at 31 December 2025, 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 2025, 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	12,432,115	Long	24.09
DD SPV[(2)]	Beneficial owner	7,459,269	Long	14.46
Quantum Asset[(3)]	Interest in controlled corporation	5,501,120	Long	10.66
Mr. Cheung[(4)]	Interest in controlled corporation	4,980,000	Long	9.65
Brilliant Silver[(4)]	Beneficial owner	4,980,000	Long	9.65

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 2025, CA SPV was beneficially interested in 12,432,115 Shares whereas Mr. Ng was beneficially interested in 442,855 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 2025, DD SPV was beneficially interested in 7,459,269 Shares whereas Mr. Doust was 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 which holds 5,501,120 Shares and is beneficially interested in 159,428 Share Options.

(4) The issued share capital of Brilliant Silver is wholly-owned by Mr. Cheung and therefore, Mr. Cheung is deemed to be interested in 4,980,000 Shares held by Brilliant Silver by virtue of the SFO.

Save as disclosed above, as at 31 December 2025, 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 5,160,000 Shares, representing 10% of the total number of Shares in issue (excluding treasury shares) 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 7 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 2025 are set out below:

Grantees	Date of grant (dd/mm/yyyy)	Exercise price per Share (HK$)	Exercise period (dd/mm/yyyy)	Number of Shares Options					
				As at 1 January 2025	Share consolidation completed during the year	Granted during the year	Exercised during the year	Forfeited during the year	As at 31 December 2025
Directors/Former Directors									
Ng Chern Ann	13/08/2018	8.120 *(Note 1)*	13/08/2018– 12/08/2028 *(Note 2)*	15,500,000	(15,057,145)	—	—	—	442,855 *(Note 4)*
David Doust	13/08/2018	8.120 *(Note 1)*	13/08/2018– 12/08/2028 *(Note 2)*	15,500,000	(15,057,145)	—	—	—	442,855 *(Note 4)*
David Preti *(Note 5)*	13/08/2018	8.120 *(Note 1)*	13/08/2018– 12/08/2028 *(Note 2)*	15,500,000	(15,057,145)	—	—	(442,855)	—
Koh Zheng Kai *(Note 6)*	13/08/2018	8.120 *(Note 1)*	13/08/2018– 12/08/2028 *(Note 2)*	5,800,000	(5,634,288)	—	—	(165,712)	—
Frederick Chua Oon Kian	13/08/2018	8.120 *(Note 1)*	13/08/2018– 12/08/2028 *(Note 3)*	5,580,000	(5,420,572)	—	—	—	159,428 *(Note 4)*
Grand Total:				57,880,000	(56,226,295)	—	—	(608,567)	1,045,138 *(Note 4)*

Notes:

1. The exercise price was adjusted from HK$0.232 to HK$8.120 upon the share consolidation on the basis that every thirty-five (35) issued and unissued existing Shares of par value of HK$0.00005 each consolidate into one (1) consolidated Share of par value of HK$0.00175 each, with effect from 11 December 2025.

2. 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).

3. 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).

4. The number of Share Options was adjusted due to share consolidation on the basis that every thirty-five (35) issued and unissued existing Shares of par value of HK$0.00005 each consolidate into one (1) consolidated Share of par value of HK$0.00175 each, with effect from 11 December 2025.

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

6. Mr. Koh Zheng Kai resigned as an executive Director with effect from 14 November 2025.

As of 31 December 2025, no Share Options have been exercised, cancelled or lapsed. Therefore, a total of 3,587,433 Shares, representing 5.79% 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 was 88,980,000 and 2,542,285, respectively.

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 1.91%.

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 2025 or which subsisted as at 31 December 2025.

CHANGES TO DIRECTORS' INFORMATION

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 2025, 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 2025, 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 2025 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 2025.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

Save as disclosed in this annual report, as at 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.

CONNECTED TRANSACTIONS

During the year ended 31 December 2025, 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 36 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 2025, the Group made no charitable and other donations.

SIGNIFICANT LEGAL PROCEEDINGS

During the year ended 31 December 2025, 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 2025.

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 2025 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 2025. 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 2026 will be proposed at the AGM. There were no changes in the Company's auditors in the preceding three years

TAX RELIEF

The Company is not aware of any relief from taxation available to Shareholders by reason of their holding of the Shares.

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

Singapore, 31 March 2026

The Board is pleased to present the corporate governance report of the Company for the year ended 31 December 2025.

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 2025. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

THE BOARD

Culture

The Board has established CMON's purpose as a creative and community-driven publisher of quality tabletop games, committed to delivering products that engage and inspire players worldwide. The Board promotes a culture of integrity, accountability and responsible conduct across the Group. All Directors are expected to act with integrity, lead by example and uphold the Group's values in their decision-making. The Board monitors the Group's culture through regular engagement with senior management, reviewing adherence to governance policies — including the Group's Conflict of Interest Policy and Disclosure Governance Policy — and satisfying itself that management's conduct is aligned with the Group's values and strategy. The Board and senior management are committed to acting lawfully, ethically and responsibly in all aspects of the Group's business.

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 2025, 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 two 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 *(resigned with effect from 14 November 2025)*

Non-executive Directors:

Mr. Frederick Chua Oon Kian
Ms. Li Xuejin
Mr. David Preti *(resigned with effect from 14 April 2025)*

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 2025, 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 seven 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 2025, the Group had 42 full-time employees in total comprising 20 females and 22 males (a female-to-male ratio of approximately 1 to 0.9), 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 joint company secretaries of the Company have 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.

According to the information provided by the Directors, a summary of trainings received by the Directors throughout the year ended 31 December 2025 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 *(resigned with effect from 14 November 2025)*	C
Non-executive Directors:	
Mr. Frederick Chua Oon Kian	C
Ms. Li Xuejin	C
Mr. David Preti *(resigned with effect from 14 April 2025)*	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 and Mr. David Doust, 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 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.

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 2025, five Board meetings and three general 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(s) Attended/Eligible to Attend
Executive Directors:		
Mr. Ng Chern Ann	4/5	3/3
Mr. David Doust	5/5	3/3
Mr. Koh Zheng Kai *(resigned with effect from 14 November 2025)*	2/4	1/1
Non-executive Directors:		
Mr. Frederick Chua Oon Kian	4/5	3/3
Ms. Li Xuejin	0/5	1/3
Mr. David Preti *(resigned with effect from 14 April 2025)*	1/1	0/0
Independent Non-executive Directors:		
Mr. Wong Yu Shan Eugene	5/5	3/3
Mr. Choy Man	3/5	2/3
Mr. Leung Yuk Hung Paul	4/5	2/3

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 2025.

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 2025, 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.

Two meetings were held by the Audit Committee during the year ended 31 December 2025 and the attendance of each Audit Committee member at the Audit Committee meetings during the year ended 31 December 2025 is set out in the table below:

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

During the meetings, the Audit Committee:

(a) reviewed the financial results of the Group for the year ended 31 December 2024 and for the six months ended 30 June 2025 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 independent non-executive Directors, namely Mr. Choy Man (chairman), Mr. Wong Yu Shan Eugene and Mr. Leung Yuk Hung Paul, and one non-executive Director, namely Ms. Li Xuejin.

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.

One meeting was held by the Nomination Committee during the year ended 31 December 2025 and attendance of each Nomination Committee member at the Nomination Committee meeting during the year ended 31 December 2025 is set out in the table below:

Directors	Attended/Eligible to Attend
Mr. Choy Man	1/1
Mr. Wong Yu Shan Eugene	1/1
Mr. Leung Yuk Hung Paul	1/1
Ms. Li Xuejin *(appointed on 31 December 2025)*	0/0

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

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 page 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.

One meeting was held by the Remuneration Committee during the year ended 31 December 2025 and attendance of each Remuneration Committee member at the Remuneration Committee meeting during the year ended 31 December 2025 is set out in the table below:

Directors	**Attended/Eligible to Attend**
Mr. Leung Yuk Hung Paul	1/1
Mr. Wong Yu Shan Eugene	1/1
Mr. Choy Man	1/1

During the meeting, 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 and reviewed the Share Option Scheme and their implementation.

Remuneration of Directors

Particulars of the remuneration of the Directors and the five highest paid individuals for the year ended 31 December 2025 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 2025 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 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.

In the opinion of the Directors, the Group should be able to continue as a going concern taking into consideration: (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.

The Company's external auditor, Zhonghui Anda, has issued an unmodified opinion with a "Material Uncertainty Related to the Going Concern" section in the "Independent Auditor's Report". Please refer to the "Independent Auditor's Report" on page 44 of this annual report for details.

The statement by the Auditor regarding its 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 2025, 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 2025, 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 2025.

AUDITOR'S REMUNERATION

The remuneration for the audit services provided by the auditor to the Group during the year ended 31 December 2025 was approximately as follows:

Type of Services	**Amount** (US$)
Audit services	200,000
Non-audit services	
— Circular work for major transaction	16,500
— Others	2,000
Total	**218,500**

JOINT COMPANY SECRETARIES

From 1 January 2025 to 28 August 2025, Ms. Ng Sau Mei ("**Ms. Ng**") served as the company secretary of the Company. On 28 August 2025, Ms. Ng resigned and Mr. Wong Chun Wing Samuel ("**Mr. Wong**") appointed as the company secretary of the Company. On 22 October 2025, Mr. Chan Chiu Hung Alex ("**Mr. Chan**") appointed as the joint company secretary of the Company, and Mr. Wong remains in office and acts as another joint company secretary of the Company.

Mr. Wong is an assistant manager of the listing services department of TMF Hong Kong Limited (a company secretarial services provider). His primary contact person at the Company is Mr. Ng Chern Ann, the Chairman and Joint Chief Executive Officer.

During the year ended 31 December 2025, Mr. Wong and Mr. Chan have 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 2025 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 Blk 163 Bukit Merah Central #03–3581, Singapore 150163 or at chernann@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 2025, there was no change in the memorandum and articles of association of the Company.

中汇
ZHONGHUI

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 2025, 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 2025, 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**"), as applicable to audits of financial statements of public interest entities. We have also 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.

MATERIAL UNCERTAINTY RELATED TO THE 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.

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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

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$2,935,621, US$186,875 and US$479,646, respectively, as at 31 December 2025 and 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, are 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, 31 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 US$	2024 US$
Revenue	8	9,907,433	37,353,249
Cost of sales		(9,169,709)	(19,355,755)
Gross profit		737,724	17,997,494
Other income	9	146,552	105,260
Other gains and losses	10	(8,055,658)	35,646
Changes in fair value of financial assets at fair value through profit or loss		77,000	21,000
Selling and distribution expenses		(4,786,016)	(7,203,069)
General and administrative expenses		(9,290,462)	(13,516,209)
Operating loss		(21,170,860)	(2,559,878)
Finance costs	11	(351,030)	(435,633)
Loss before income tax		(21,521,890)	(2,995,511)
Income tax credit/(expense)	12	1,607,898	(53,869)
Loss for the year	13	(19,913,992)	(3,049,380)
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		7,940	2,613
Total other comprehensive income for the year		7,940	2,613
Total comprehensive loss for the year		(19,906,052)	(3,046,767)
Loss for the year attributable to:			
Owners of the Company		(19,913,968)	(3,047,341)
Non-controlling interests		(24)	(2,039)
		(19,913,992)	(3,049,380)
Total comprehensive loss for the year attributable to:			
Owners of the Company		(19,900,374)	(3,043,943)
Non-controlling interests		(5,678)	(2,824)
		(19,906,052)	(3,046,767)
			(Restated)
Loss per share	16		
Basic and diluted		(0.36)	(0.05)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 US$	2024 US$
Non-current assets			
Property, plant and equipment	17	2,935,621	17,332,703
Right-of-use assets	18	186,875	1,152,580
Intangible assets	19	479,646	6,895,431
Deposit placed with a life insurance company	20	199,400	199,400
Financial assets at fair value through profit or loss	21	252,000	175,000
Rental deposits	24	23,688	86,941
		4,077,230	25,842,055
Current assets			
Inventories	22	1,419,990	2,495,750
Other receivables	23	1,015,621	9,087
Prepayments and deposits	24	405,783	675,958
Bank and cash balances	25	429,931	2,097,742
		3,271,325	5,278,537
Assets held for sale	26	1,494,925	—
		4,766,250	5,278,537
Current liabilities			
Trade and other payables	27	2,226,798	600,128
Borrowings	28	1,164,629	2,956,437
Amount due to a related party	29	75,531	47,310
Income tax payable		448,747	378,202
Contract liabilities	30	7,593,639	5,360,022
Lease liabilities	31	150,907	291,518
		11,660,251	9,633,617
Net current liabilities		(6,894,001)	(4,355,080)
Total assets less current liabilities		(2,816,771)	21,486,975
Non-current liabilities			
Borrowings	28	—	1,049,710
Lease liabilities	31	388,448	952,117
Deferred tax liabilities	32	386,783	3,168,777
		775,231	5,170,604
NET (LIABILITIES)/ASSETS		(3,592,002)	16,316,371

As at 31 December 2025

	Notes	2025 US$	2024 US$
Capital and reserves			
Share capital	33	11,700	14,021
Reserves		(3,533,059)	16,367,315
Equity attributable to owners of the Company		(3,521,359)	16,381,336
Non-controlling interests		(70,643)	(64,965)
TOTAL EQUITY		(3,592,002)	16,316,371

The consolidated financial statements on pages 47 to 95 were approved by the Board of Directors on 31 March, 2026 and were signed on its behalf.

Ng Chern Ann	**David Doust**
Director	*Director*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	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 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 33)	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
At 1 January 2025	14,021	12,384,133	780,499	881,459	(67,930)	2,389,154	16,381,336	(64,965)	16,316,371
Loss for the year	—	—	—	—	—	(19,913,968)	(19,913,968)	(24)	(19,913,992)
Other comprehensive income/(loss) for the year									
Exchange differences arising on translation of foreign operations	—	—	—	—	13,594	—	13,594	(5,654)	7,940
Total other comprehensive income/(loss) for the year	—	—	—	—	13,594	—	13,594	(5,654)	7,940
Total comprehensive income/(loss) for the year	—	—	—	—	13,594	(19,913,968)	(19,900,374)	(5,678)	(19,906,052)
Forfeiture of share options	—	—	—	(324,379)	—	324,379	—	—	—
Cancellation of shares (note 33)	(2,321)	—	—	—	—	—	(2,321)	—	(2,321)
At 31 December 2025	11,700	12,384,133	780,499	557,080	(54,336)	(17,200,435)	(3,521,359)	(70,643)	(3,592,002)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	2025 US$	2024 US$
Cash flows from operating activities		
Loss before income tax	(21,521,890)	(2,995,511)
Adjustments for:		
Finance costs	351,030	435,633
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
Changes in fair value of financial assets at fair value through profit or loss	(77,000)	(21,000)
Gain on lease termination	(55,238)	(35,646)
Impairment losses on property, plant and equipment	4,621,365	—
Impairment losses on intangible assets	755,078	—
Impairment losses on right-of-use assets	294,186	—
Loss on disposal of intellectual properties and related assets	2,440,267	—
Interest income	(890)	(222)
Operating cash flows before movements in working capital	(8,594,122)	3,444,096
Change in inventories	(1,392,445)	233,147
Change in other receivables	(6,534)	414,743
Change in prepayments and deposits	331,107	1,525,793
Change in contract liabilities	7,277,065	(1,292,350)
Change in trade and other payables	1,626,670	126,730
Cash (used in)/generated from operations	(758,259)	4,452,159
Income tax paid	(1,103,551)	(44,247)
Net cash (used in)/generated from operating activities	(1,861,810)	4,407,912
Cash flows from investing activities		
Purchases of property, plant and equipment	(403,702)	(2,837,456)
Proceeds from disposal of intellectual properties	4,162,052	—
Purchases of intangible assets	(161,219)	(97,548)
Interest received	890	222
Net cash generated from/(used in) investing activities	3,598,021	(2,934,782)

For the year ended 31 December 2025

	2025 US$	2024 US$
Cash flows from financing activities		
New bank borrowings raised	2,037,827	8,892,833
Repayment of bank borrowings	(4,881,080)	(10,696,402)
Repayment of lease liabilities	(247,596)	(318,511)
Advance from a related party	28,221	—
Lease interest paid	(49,999)	(71,254)
Interest paid	(301,031)	(364,379)
Net cash used in financing activities	(3,413,658)	(2,557,713)
Net decrease in bank and cash equivalents	(1,677,447)	(1,084,583)
Effect of foreign exchange rate changes	9,633	3,082
Bank and cash equivalents at beginning of year	2,097,742	3,179,243
Bank and cash equivalents at end of year		
Represented by bank and cash balances	429,928	2,097,742

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 principal activities of its subsidiaries are set out in note 37 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$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 are 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.

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 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.

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 5 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 IFRS Accounting Standards. 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.

(ii) 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 2025, if SG$ had strengthened/weakened by 1% against US$ with all other variables including tax rate being held constant, the Group's loss (2024: loss) would have been US$7,783 higher/lower (2024: US$11,727 higher/lower), as a result of currency translation losses/gain on the SG$-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

(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 2025							
Amount due to a related party	N/A	75,531	—	—	—	75,531	75,531
Trade and other payables	N/A	2,226,798	—	—	—	2,226,798	2,226,798
Borrowings	3.20%	1,167,548	—	—	—	1,167,548	1,164,629
		3,469,877	—	—	—	3,469,877	3,466,958
Lease liabilities	4.67%	173.278	207,692	203,233	—	584,203	539,355
At 31 December 2024							
Amount due to a related party	N/A	47,310	—	—	—	47,310	47,310
Trade and other payables	N/A	600,128	—	—	—	600,128	600,128
Borrowings	6.59%	2,997,227	119,784	430,782	893,268	4,441,061	4,006,147
		3,644,665	119,784	430,782	893,268	5,088,499	4,653,585
Lease liabilities	4.97%	346,349	296,482	744,434	—	1,387,265	1,243,635

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 2025, 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$9,666 (2024: post-tax loss increase/decrease by US$33,251).

(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

	2025 US$	2024 US$
Financial assets:		
Financial assets at fair value through profit or loss	252,000	175,000
Financial assets at amortised cost (including cash and cash equivalents)	1,863,463	2,578,326
	2,115,463	2,753,326
Financial liabilities:		
Financial liabilities at amortised cost	3,466,958	4,653,585

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					**Sensitivity/**
	2025	2024			**Significant**	**relationship of**
			Fair value	**Valuation technique and**	**unobservable**	**unobservable**
	US$	US$	**hierarchy**	**key inputs**	**inputs**	**inputs to fair value**
Financial assets at fair value through profit or loss — Convertible bonds	**252,000**	175,000	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 2025 and 2024, 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 (2024: gain) of financial assets at fair value through profit or loss amounted to US$77,000 (2024: US$21,000) are recognised for the year ended 31 December 2025.

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:

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

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	—	832,990
	9,907,433	37,353,249

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.

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 goods is recognised at a point in time when control of the products has been transferred to customers. Payment of the transaction price is due immediately when the customer purchases the products and takes delivery at game conventions. Advance payments received from customers who place orders on the 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:

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

9. OTHER INCOME

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

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

	2025 US$	2024 US$
Loss on disposal of intellectual properties and related assets (note)	(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
	(8,055,658)	35,646

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.

11. FINANCE COSTS

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

12. 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	1,174,096	125,820
	1,174,096	317,796
Deferred tax (note 32)	(2,781,994)	(263,927)
	(1,607,898)	53,869

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.

12. INCOME TAX (CREDIT)/EXPENSE (CONTINUED)

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.

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:

	2025 US$	2024 US$
Loss before income tax	(21,521,890)	(2,995,511)
Tax at the applicable domestic tax rate of respective companies	(3,788,415)	(593,587)
Tax effect of income not taxable for tax purpose	(9,707)	(18,992)
Tax effect of expenses not deductible for tax purpose	103,550	5,722
Tax effect of tax losses not recognised	912,578	595,580
Tax exemptions	—	(42,215)
Under-provision in prior years	1,174,096	125,820
Others	—	(18,459)
Income tax (credit)/expense	(1,607,898)	53,869

13. 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	2,366,774	4,711,774

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	—	56,702	—	56,702
Mr. Ng Chern Ann	—	70,897	6,146	77,043
Mr. Koh Zheng Kai (note i)	—	62,779	7,002	69,781
	—	190,378	13,148	203,526
Non-Executive Directors				
Mr. Frederick Chua Oon Kian	36,459	—	—	36,459
Mr. David Preti (note ii)	91,080	—	—	91,080
Ms. Li Xuejin (note iii)	5,282	—	—	5,282
	132,821	—	—	132,821
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 2025	240,821	190,378	13,148	444,347

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	—	256,197	—	256,197
Mr. Ng Chern Ann	—	245,199	11,352	256,551
Mr. Koh Zheng Kai (note i)	—	174,375	12,234	186,609
Mr. David Preti (note ii)	—	255,220	—	255,220
	—	930,991	23,586	954,577
Non-Executive Director				
Mr. Frederick Chua Oon Kian	35,813	—	—	35,813
Mr. David Preti (note ii)	10,820	—	—	10,820
Ms. Li Xuejin (note iii)	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

Note:

(i) Mr. Koh Zheng Kai has been resigned as an executive Director with effect from 14 November 2025.

(ii) 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.

(iii) 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 1 (2024: 4) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining 4 (2024: 1) individuals are set out below:

	2025 US$	2024 US$
Salaries and allowance	376,328	143,926
Equity-settled share-based payment	—	—
	376,328	143,926

The emoluments fell within the following bands:

	Number of individuals	
	2025	2024
Nil to HK$1,000,000	4	—
HK$1,000,001 to HK$1,500,000	—	1
HK$1,500,001 to HK$2,000,000	—	—

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 2025 (2024: nil).

16. 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 as mentioned in note 33(ii) 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.

17. PROPERTY, PLANT AND EQUIPMENT

	Art, painting & sculpts US$	Computer equipment US$	Displays, moulds & tools US$	Furniture and fixtures US$	Motor vehicles US$	Office units US$	Furniture fittings and equipment US$	Total US$
COST								
At 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 and 1 January 2025	28,234,927	582,158	7,978,253	412,307	189,235	2,104,871	612,120	40,113,871
Additions	403,702	—	—	—	—	—	—	403,702
Reclassification to assets held for sale	—	—	—	—	—	(2,104,871)	—	(2,104,871)
Disposal	(10,726,951)	—	(3,544,281)	—	—	—	—	(14,271,232)
At 31 December 2025	17,911,678	582,158	4,433,972	412,307	189,235	—	612,120	24,141,470
ACCUMULATED DEPRECIATION AND IMPAIRMENT								
At 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 and 1 January 2025	13,228,798	509,089	7,419,578	397,942	160,328	586,523	478,910	22,781,168
Charge for the year	2,783,291	33,028	294,943	9,731	10,214	23,423	32,566	3,187,196
Impairment losses	4,450,147	24,486	70,919	2,834	11,431	—	61,548	4,621,365
Reclassification to assets held for sale	—	—	—	—	—	(609,946)	—	(609,946)
Disposal	(5,377,416)	—	(3,396,518)	—	—	—	—	(8,773,934)
At 31 December 2025	15,084,820	566,603	4,388,922	410,507	181,973	—	573,024	21,205,849
CARRYING AMOUNTS								
At 31 December 2025	2,826,858	15,555	45,050	1,800	7,262	—	39,096	2,935,621
At 31 December 2024	15,006,129	73,069	558,675	14,365	28,907	1,518,348	133,210	17,332,703

Note:

The Group's office units with total carrying amounts of approximately US$1,518,348 as at 31 December 2024 have been pledged to a bank for credit facilities granted to the Group (note 28).

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) which was subsequently completed in January 2026. The disposed office units was reclassified to "Assets held for sale" in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". The charge was released in January 2026.

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment assessment

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 with carrying amounts of US$2,935,621, US$186,875 and US$479,646 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 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 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, 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.

18. RIGHT-OF-USE ASSETS

Disclosures of lease-related items:

	2025 US$	2024 US$
At 31 December:		
Right-of-use assets		
— Warehouses	46,911	214,660
— Office premises	139,964	937,920
	186,875	1,152,580
Year ended 31 December:		
Depreciation of right-of-use assets		
— Warehouses	58,075	69,022
— Office premises	212,037	292,833
	270,112	361,855
Lease interests	49,999	71,254
Expenses related to short-term leases	7,574	1,063
Additions to right-of-use assets	80,358	330,880
Decrease in right-of-use assets in relation to termination of lease	480,237	155,644
Impairment losses on right-of-use assets	294,186	—
Total cash outflow for leases	305,169	390,828

The Group leases various warehouses and office premises. Lease agreements are typically made for fixed periods of 2 – 4 years (2024: 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.

19. INTANGIBLE ASSETS

	Intellectual property rights and licences US$	Product development costs US$	Computer software US$	Total US$
COST				
At 1 January 2024	12,038,967	10,423,792	226,440	22,689,199
Additions	—	97,548	—	97,548
At 31 December 2024 and 1 January 2025	12,038,967	10,521,340	226,440	22,786,747
Additions	—	52,726	108,493	161,219
Disposal	(8,835,828)	(6,656,569)	—	(15,492,397)
At 31 December 2025	3,203,139	3,917,497	334,933	7,455,569
ACCUMULATED AMORTISATION AND IMPAIRMENT				
At 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 and 1 January 2025	7,790,979	7,874,281	226,056	15,891,316
Amortisation for the year	762,160	358,130	21,372	1,141,662
Disposal	(6,002,399)	(4,809,734)	—	(10,812,133)
Impairment loss	398,965	302,601	53,512	755,078
At 31 December 2025	2,949,705	3,725,278	300,940	6,975,923
CARRYING AMOUNTS				
At 31 December 2025	253,434	192,219	33,993	479,646
At 31 December 2024	4,247,988	2,647,059	384	6,895,431

20. DEPOSIT PLACED WITH A LIFE INSURANCE COMPANY

	2025 US$	2024 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 28).

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

	2025 US$	2024 US$
Financial assets at fair value through profit or loss — Convertible bonds issued by Monsoon	252,000	175,000

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 2025 and 2024. For the fair value measurement of the convertible bond, please refer to note 7.

22. INVENTORIES

	2025 US$	2024 US$
Trading merchandise	1,419,990	2,495,750

23. OTHER RECEIVABLES

	2025 US$	2024 US$
Other receivables	1,015,621	9,087

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

24. PREPAYMENTS AND DEPOSITS

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

25. 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.

26. ASSETS HELD FOR SALE

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) which was subsequently completed in January 2026. The disposed office units was reclassified to "Assets held for sale" in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

For the year ended 31 December 2025

27. TRADE AND OTHER PAYABLES

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

Notes:

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

	2025 US$	2024 US$
Within 30 days	—	—
31–90 days	71,646	—
Over 90 days but within 1 year	791,737	—
	863,383	—

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

28. BORROWINGS

	2025 US$	2024 US$
Bank borrowings	1,164,629	4,006,147

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
	1,164,629	4,006,147
Less: Amount due for settlement within 12 months (shown under current liabilities)	—	(2,956,437)
Amount due for settlement after 12 months	1,164,629	1,049,710

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 (note 17) 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 US2,540,539 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 (note 20). 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.

28. BORROWINGS (CONTINUED)

	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 liabilities	N/A	Within 30 days

29. AMOUNT DUE TO A RELATED PARTY

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

30. CONTRACT LIABILITIES

Disclosures of revenue-related items:

	As at 31 December 2025 US$	As at 31 December 2024 US$	As at 1 January 2024 US$
Contract liabilities	7,593,639	5,360,022	6,652,372
Transaction prices allocated to performance obligations unsatisfied at end of year and expected to be recognised as revenue in:			
— 2025	—	5,360,022	
— 2026	7,593,639	—	
	7,593,639	5,360,022	

Significant changes in contract liabilities during the year:

	2025 Contract liabilities US$	2024 Contract liabilities US$
Increase due to operations in the year	8,662,759	18,525,077
Decrease due to disposal of intellectual properties and related assets	(5,043,448)	—
Transfer of contract liabilities to revenue	(1,252,251)	(19,817,427)

30. 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.

31. LEASE LIABILITIES

	2025 US$	2024 US$
Lease liabilities payable:		
Within one year	150,907	291,518
Within a period of more than one year but not more than two years	193,187	254,879
Within a period of more than two years but not more than five years	195,261	697,238
	539,355	1,243,635
Less: Amount due for settlement within 12 months (shown under current liabilities)	(150,907)	(291,518)
Amount due for settlement after 12 months	388,448	952,117

At 31 December 2025, the average effective borrowing rate was 4.67% (2024: 4.97%). Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

32. DEFERRED TAX LIABILITIES

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

	Accelerated tax depreciation US$
At 1 January 2024	3,432,704
Charge to consolidated profit or loss (note 12)	(263,927)
At 31 December 2024 and 1 January 2025	3,168,777
Credit to consolidated profit or loss (note 12)	(2,781,994)
At 31 December 2025	386,783

At the end of the 31 December 2025, the Group has unused tax losses of approximately US$9,061,356 (2024: US$4,655,169) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

33. SHARE CAPITAL

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

33. SHARE CAPITAL (CONTINUED)

Note:

(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 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.

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.

34. SHARE-BASED PAYMENTS

Employee options

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.

34. SHARE-BASED PAYMENTS (CONTINUED)

Employee options (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 as at 1 January 2024, 31 December 2024, 1 January 2025	Share consolidation completed during the year	Forfeited during the year	Outstanding as at 31 December 2025	Grant date	Validity period (both dates inclusive)	Exercisable period (both dates inclusive)	Exercise price (after share consolidation)
Mr. NG Chern Ann	Executive Director	5,115,000	(4,968,858)	—	146,142	13/8/2018	13/8/2018 to 12/8/2028	13/8/2019 to 12/8/2028	HK$8.120
		5,115,000	(4,968,858)	—	146,142	13/8/2018	13/8/2018 to 12/8/2028	13/8/2020 to 12/8/2028	HK$8.120
		5,270,000	(5,119,429)	—	150,571	13/8/2018	13/8/2018 to 12/8/2028	13/8/2021 to 12/8/2028	HK$8.120
Mr. David Doust	Executive Director	5,115,000	(4,968,858)	—	146,142	13/8/2018	13/8/2018 to 12/8/2028	13/8/2019 to 12/8/2028	HK$8.120
		5,115,000	(4,968,858)	—	146,142	13/8/2018	13/8/2018 to 12/8/2028	13/8/2020 to 12/8/2028	HK$8.120
		5,270,000	(5,119,429)	—	150,571	13/8/2018	13/8/2018 to 12/8/2028	13/8/2021 to 12/8/2028	HK$8.120
Mr. Koh Zheng Kai	Executive Director#	1,933,333	(1,878,096)	(55,237)	—	13/8/2018	13/8/2018 to 12/8/2028	13/8/2019 to 12/8/2028	HK$8.120
		1,933,333	(1,878,096)	(55,237)	—	13/8/2018	13/8/2018 to 12/8/2028	13/8/2020 to 12/8/2028	HK$8.120
		1,933,334	(1,878,096)	(55,238)	—	13/8/2018	13/8/2018 to 12/8/2028	13/8/2021 to 12/8/2028	HK$8.120
Mr. Frederick Chua Oon Kian	Non-executive Director	2,790,000	(2,710,286)	—	79,714	13/8/2018	13/8/2018 to 12/8/2028	13/8/2019 to 12/8/2028	HK$8.120
		2,790,000	(2,710,286)	—	79,714	13/8/2018	13/8/2018 to 12/8/2028	13/8/2020 to 12/8/2028	HK$8.120
Mr. David Preti	Executive Director/ Non-executive Director*	5,166,666	(5,019,048)	(147,618)	—	13/8/2018	13/8/2018 to 12/8/2028	13/8/2019 to 12/8/2028	HK$8.120
		5,166,666	(5,019,048)	(147,618)	—	13/8/2018	13/8/2018 to 12/8/2028	13/8/2020 to 12/8/2028	HK$8.120
		5,166,668	(5,019,049)	(147,619)	—	13/8/2018	13/8/2018 to 12/8/2028	13/8/2021 to 12/8/2028	HK$8.120
		57,880,000	(56,226,295)	(608,567)	1,045,138				

34. SHARE-BASED PAYMENTS (CONTINUED)

For the year ended 31 December (Continued)

	2024	2025
Exercisable at the end of the year	57,880,000	1,045,138
Weighted average exercise price (HK$)	0.232	8.120
Weighted average remaining contractual life of options outstanding at the end of the year	3.62 years	2.62 years

Koh Zheng Kai has been resigned as an executive Director with effect from 14 November 2025.

* 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.

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

	Share option granted on 13 August 2018
Valuation date	13/8/2018
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

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY AND RESERVES OF THE COMPANY

	2025 US$	2024 US$
Non-current assets		
Investments in subsidiaries	—	12,071,980
Current assets		
Amounts due from subsidiaries	12,741,478	20,602,212
Current liabilities		
Amounts due to subsidiaries	16,262,837	16,292,856
Net current (liabilities)/assets	(3,521,359)	4,309,356
Net (liabilities)/assets	(3,521,359)	16,381,336
Capital and reserves		
Share capital	11,700	14,021
Reserve	(3,533,059)	16,367,315
Total equity	(3,521,359)	16,381,336

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

	Capital reserves US$	Share premium US$	Share-based compensation reserve US$	Accumulated losses US$	Total US$
At 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 and 1 January 2025	54,193,547	12,384,133	881,459	(51,091,824)	16,367,315
Total comprehensive loss for the year	—	—	—	(19,900,374)	(19,900,374)
Forfeiture of share options	—	—	(324,379)	324,379	—
At 31 December 2025	54,193,547	12,384,133	557,080	(70,667,819)	(3,533,059)

36. 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:

	2025 US$	2024 US$
Salaries and allowances	807,527	1,230,670
Contributions to retirement benefits schemes	13,148	23,586
	820,675	1,254,256

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

37. 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 2025	Percentage of ownership interest/voting power 2024	Principal activities
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
佛山戲夢桌游貿易有限公司	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

38. 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 a related party	Borrowings	Lease liabilities	Total liabilities from financing activities
	US$	US$	US$	US$
At 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 and 1 January 2025	**47,310**	**4,006,147**	**1,243,635**	**5,297,092**
Changes in cash flows				
New bank borrowings raised	**—**	**2,037,827**	**—**	**2,037,827**
Repayment of bank borrowings	**—**	**(4,881,080)**	**—**	**(4,881,080)**
Repayment of lease liabilities	**—**	**—**	**(247,596)**	**(247,596)**
Interest paid	**—**	**(301,031)**	**—**	**(301,031)**
Lease interest paid	**—**	**—**	**(49,999)**	**(49,999)**
Advance from a related party	**28,221**	**—**	**—**	**28,221**
Non-cash changes				
Additions of lease liabilities	**—**	**—**	**80,358**	**80,358**
Termination of lease	**—**	**—**	**(535,475)**	**(535,475)**
Interest expenses (note 11)	**—**	**301,031**	**49,999**	**351,030**
Exchange difference	**—**	**1,735**	**(1,567)**	**168**
At 31 December 2025	**75,531**	**1,164,629**	**539,355**	**1,779,515**

39. 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, an aggregate of 10,320,000 placing shares have been successfully placed 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.

40. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Directors on 31 March 2026.

FINANCIAL SUMMARY

RESULTS — Year ended 31 December:

	2021	2022	2023	2024	2025
Revenue	37,786,352	45,337,007	45,051,708	37,353,249	**9,907,433**
Gross Profit	14,486,401	18,416,170	23,615,284	17,997,494	**737,724**
(Loss)/profit before income tax	816,306	1,002,986	1,362,482	(2,995,511)	**(21,521,890)**
(Loss)/profit for the year attributable to Owners of the Company	421,086	579,571	755,948	(3,047,341)	**(19,913,968)**

FINANCIAL POSITION — As at 31 December:

	2021	2022	2023	2024	2025
Total assets	36,603,681	37,678,807	37,305,721	31,120,592	**8,843,480**
Total liabilities	18,507,340	19,063,382	17,944,904	14,804,221	**12,435,482**
Total equity	18,096,341	18,615,425	19,360,817	16,316,371	**(3,592,002)**