
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **CMON Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



CMON LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1792)

**MAJOR TRANSACTION
DISPOSAL OF PROPERTY IN SINGAPORE**

Unless the context otherwise requires, all capitalised terms used in this circular have the meanings set out in the section headed “Definitions” of this circular. A letter from the Board of the Company is set out on pages 3 to 8 of this circular. Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, the Disposal has been approved by way of the written approval of a closely allied group of Shareholders. This circular is being despatched to our Shareholders for information only.

Singapore, 1 September 2023

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
APPENDIX I — FINANCIAL INFORMATION OF THE GROUP	9
APPENDIX II — VALUATION REPORT ON THE PROPERTY	11
APPENDIX III— GENERAL INFORMATION	16

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Articles of Association”	the articles of association of the Company as amended, supplemented and otherwise modified from time to time
“Board”	the board of Directors
“Company”	CMON Limited, an exempted company incorporated under the laws of the Cayman Islands with limited liability, with its Shares listed on the main board of the Stock Exchange
“Completion”	the completion of the Disposal pursuant to the terms of the Option Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	S\$3,025,000, being the total consideration payable by the Purchaser to the Vendor in respect of the Disposal
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Property by the Vendor to the Purchaser pursuant to the Option Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) who/which is/are independent of, and not connected with, the Company and its connected persons
“Latest Practicable Date”	30 August 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option”	the option to purchase the Property pursuant to the terms and conditions of the Option Agreement
“Option Agreement”	the agreement dated 20 July 2023 entered into between the Vendor and the Purchasers in relation to the grant and exercise of the Option

DEFINITIONS

“Property”	the property situated at 201 Henderson Road #09-23/24, Apex @ Henderson, Singapore 159545
“Purchaser”	Ms. Maria Hartati, an Independent Third Party
“S\$”	Singapore dollars, the lawful currency of Singapore
“Share(s)”	ordinary share(s) with nominal value of HK\$0.00005 each in the share capital of the Company
“Shareholders”	the holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	CMON Global Limited, a private company limited by shares incorporated in the Cayman Islands and an indirect wholly-owned subsidiary of the Company
“%”	per cent

LETTER FROM THE BOARD



CMON LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1792)

Executive Directors:

Mr. Ng Chern Ann

(Chairman and Joint Chief Executive Officer)

Mr. David Doust

(Joint Chief Executive Officer)

Mr. David Preti

Mr. Koh Zheng Kai

Non-executive Director:

Mr. Frederick Chua Oon Kian

Independent non-executive Directors:

Mr. Wong Yu Shan Eugene

Mr. Choy Man

Mr. Leung Yuk Hung Paul

Registered office:

Offices of Conyers Trust Company
(Cayman) Limited

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Headquarters and

principal place of business:

201 Henderson Road #07/08-01

Apex @ Henderson

Singapore 159545

Principal place of business

in Hong Kong:

31/F, Tower Two, Times Square

1 Matheson Street

Causeway Bay

Hong Kong

1 September 2023

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION DISPOSAL OF PROPERTY IN SINGAPORE

1. INTRODUCTION

Reference is made to the announcement dated 20 July 2023 of the Company in relation to the Option Agreement and the transactions contemplated thereunder (the “**Announcement**”).

LETTER FROM THE BOARD

On 20 July 2023 (after trading hours on the Stock Exchange), the Vendor entered into the Option Agreement with and granted the Option to the Purchaser, pursuant to which the Vendor has agreed to sell the Property at the Consideration of S\$3,025,000 to the Purchaser if the Purchaser exercises her Option to purchase the Property within the stipulated time. Pursuant to the Company's announcement dated 3 August 2023, the Purchaser had exercised the Option and paid the deposit of S\$121,000 pursuant to the Option Agreement to purchase the Property from the Vendor.

The Disposal constitutes a major transaction for the Company under the Listing Rules.

As the Company has obtained the written approval for the Disposal from a closely allied group of Shareholders comprising Cansome Limited, Dakkon Holdings Limited, Magumaki Limited and Mr. David Preti, who are collectively beneficially interested in an aggregate of 982,391,154 Shares, which represents approximately 54.40% of issued Shares as at the Latest Practicable Date, the Company will not convene any general meeting to approve the Disposal pursuant to Rule 14.44 of the Listing Rules.

The purpose of this circular is to provide you with, among other things, further details of the Disposal and other information as required by the Listing Rules.

2. OPTION AGREEMENT

A summary of the principal terms of the Option Agreement are as follows:

Date: 20 July 2023

Parties: (i) CMON Global Limited (as Vendor)
(ii) Maria Hartati (as Purchaser)

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Subject matter: The Property is located at 201 Henderson Road #09-23/24, Apex @ Henderson, Singapore 159545.

As at the Latest Practicable Date, the Vendor is the legal and beneficial owner of the Property, which had been used as part of the Group's offices and storage. The Property has only been used by the Group itself and thus no net profits, whether before or after taxation, were attributable to the Property in the two preceding financial years. The Property will be delivered vacant upon Completion.

Expiry date of the Option to Purchase: The Option is exercisable by the Purchaser until 4:00 p.m. on 4 August 2023, after which the Option shall expire.

LETTER FROM THE BOARD

Consideration: S\$3,025,000

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to the current market values of comparable properties in the vicinity, the preliminary valuation of the Property indicated by an independent property valuer and prevailing market conditions.

The Directors had reference to the transaction history (on a total and per square foot basis) of properties of the industrial building complex in which the Property is located (i.e. Apex @ Henderson), and took into account the preliminary valuation of the Property indicated to them by Knight Frank Pte. Ltd and consideration of the conditions of the real estate market in context of the current global high interest-rate environment. The offer from the Purchaser was the best offer received for the Property, and was commercially favourable in light of the aforementioned factors considered by the Directors.

The Directors consider the valuation method and assumptions adopted by Knight Frank Pte. Ltd to be fair and reasonable and in line with market standards given, among other matters, the data available to them as aforesaid and the fact that the valuer is reputable, licensed and conducted the valuation pursuant to internationally and domestically accepted standards.

Payment terms:

- (i) S\$30,250, being the Option fee of 1% of the Consideration, was settled in cash on 20 July 2023. If the Option is exercised, such Option fee shall be treated as partial payment towards the Consideration. If the Option is not exercised, such Option fee will be forfeited to the Vendor;
- (ii) S\$121,000, representing 4% of the Consideration, was paid by the Purchaser as deposit upon exercise of the Option on 3 August 2023; and
- (iii) the balance of S\$2,873,750 will be settled in cash upon Completion.

Completion: The Disposal shall be completed on or before the close of business on 13 October 2023.

LETTER FROM THE BOARD

3. REASONS FOR AND BENEFITS OF THE DISPOSAL

The Property is currently not in use by the Group. The Group acquired the Property for S\$3,000,000 on 1 December 2017. The unaudited carrying value of the Property was approximately S\$2.23 million as at 30 June 2023.

The Disposal will increase cash by approximately S\$1 million, reduce bank borrowings by approximately S\$1.9 million and reduce annual cash expenses by approximately S\$0.2 million, by saving on mortgage and interest payments, utilities, building management fees and property tax. The Directors believe that the Disposal represents a good opportunity for the Company to realize the value of the Property at a reasonable price and the proceeds from the Disposal will improve the financial position and increase the general working capital of the Group.

The terms of the Option Agreement were arrived at by the Vendor and the Purchaser after arm's length negotiations and pursuant to market standards for commercial real estate transactions in Singapore. The Directors, including the independent non-executive Directors, consider that the terms of the Option Agreement are on normal commercial terms and fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

4. FINANCIAL EFFECTS OF THE DISPOSAL AND THE USE OF PROCEEDS

The net proceeds arising from the Disposal are approximately S\$2.96 million (after deducting expenses in relation to the Disposal) and will be used for the repayment of the mortgage on the Property. The remaining balance will be applied to the further development of games as part of the Group's business. Specifically, approximately S\$1.9 million will be applied towards the repayment of the mortgage on the Property and the balance of approximately S\$1 million will go towards the working capital of the Group to be applied to the Group's business of games development.

The audited carrying value of the Property as at 31 December 2022 was approximately S\$2.26 million and the unaudited carrying value of the Property was approximately S\$2.23 million as at 30 June 2023. The value of the Property is S\$3,050,000 as per the valuation report on the Property prepared by Knight Frank Pte Ltd, the independent property valuer, as set out in Appendix II to this circular. The Group is expected to record a gain on the Disposal of approximately S\$0.7 million, which is calculated based on the Consideration received by the Group for the Disposal less the audited carrying value of the Property as at 31 December 2022.

Save as disclosed above, the Disposal will not have any material impact on the earnings, assets and liabilities of the Group.

5. INFORMATION OF THE GROUP, THE VENDOR AND THE PURCHASER

The Group is principally engaged in the design, development and sales of board games, miniature war games and other hobby products.

LETTER FROM THE BOARD

The Vendor, an indirect wholly-owned subsidiary of the Company, is principally engaged in the business of publishing and sales of tabletop hobby games, and holds the Property.

The Purchaser is an individual who is a registered architect in Singapore by profession. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser is an Independent Third Party.

6. LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 25% but all of them are under 75%, the Disposal constitutes a major transaction for the Company under the Listing Rules, and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder or any of their respective associates has a material interest in the Disposal, thus no Shareholder is required to abstain from voting for the resolution if the Company were to convene an extraordinary general meeting to approve the Disposal.

7. WRITTEN SHAREHOLDERS' APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, written Shareholders' approval may be accepted in lieu of holding a general meeting to approve the Disposal. The Company has obtained the written approval for the Disposal from a closely allied group of Shareholders comprising Cansome Limited, Dakkon Holdings Limited, Magumaki Limited and Mr. David Preti, who are respectively beneficially interested in 435,124,039 Shares, 261,074,424 Shares, 112,143,076 Shares and 174,049,615 Shares, and collectively beneficially interested in an aggregate of 982,391,154 Shares, which represents approximately 54.40% of issued Shares as at the Latest Practicable Date. Mr. Ng Chern Ann, Mr. David Doust and Mr. David Preti are the executive Directors. Mr. Ng Chern Ann and Mr. David Doust respectively wholly own Cansome Limited and Dakkon Holdings Limited, and had entered into a confirmatory letter dated 15 July 2015 pursuant to which they confirmed they shall continue to act in concert in exercising their voting rights over any company in the Group. Mr. David Preti wholly owns Magumaki Limited. Notwithstanding that Mr. David Preti is not in the same concert group as Mr. Ng Chern Ann and Mr. David Doust, he is and has since 2016 been a fellow executive of the Group who is also closely involved in the Group's day-to-day business operations. As such, the three work and consult one another closely with regard to the Group's business affairs and often contemplate and come to business decisions together. Indeed, with respect to this Disposal, the three had discussed the transaction and collectively arrived at the decision to pursue the Disposal. Given the relatively small number of members in this closely allied group, the nature of their business association as executives of the Group and the fact that each of them have been direct or indirect Shareholders since the Company's listing and have, in that time, voted in the same manner at the Company's general meetings, it is the Board's view that Mr. Ng Chern Ann,

LETTER FROM THE BOARD

Mr. David Doust and Mr. David Preti would be a closely allied group of Shareholders as contemplated under Rule 14.45. As such, no general meeting will be convened for the purpose of approving the Disposal pursuant to Rule 14.44 of the Listing Rules.

8. RECOMMENDATION

For the reasons set out above, the Directors consider that the terms of the Disposal are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Notwithstanding that no general meeting of the Company will be convened to approve the Disposal, the Board would recommend that Shareholders vote in favour of the relevant ordinary resolution regarding the Disposal if the Company were to convene a general meeting for the approval of the Disposal.

9. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully
By order of the Board
CMON Limited
Ng Chern Ann

Chairman, Joint Chief Executive Officer and Executive Director

1. FINANCIAL SUMMARY OF THE GROUP

Further information about the Group is disclosed in the last three (3) published annual reports, copies of which can be located at the hyperlinks below:

For the year ended	Hyperlink	Principal relevant pages
31 December 2022	https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042705044.pdf	45–90
31 December 2021	https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0425/2022042501047.pdf	46–90
31 December 2020	https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0427/2021042701393.pdf	49–94

2. WORKING CAPITAL

The Directors are of the opinion that, after taking into account its available financial resources, the Group has sufficient working capital for its requirements for the next twelve (12) months from the date of this circular. The Company has also received the working capital sufficiency confirmation letter from the auditors pursuant to Rule 14.66(12) of the Listing Rules.

3. INDEBTEDNESS

As at the close of business of 30 June 2023, being the latest practicable date for the purpose of determining the indebtedness of the Group prior to the printing of this circular, the Group had outstanding bank borrowings of approximately US\$7.3 million, which were mainly secured on the property located at 201 Henderson Road #07/08–01, Apex @ Henderson, Singapore 159545 and the Property, a corporate guarantee from the Company, deposits pledged with a life insurance company and a charge over all fixed deposits placed with the relevant bank.

Save as disclosed above and for intra-group liabilities, as at 30 June 2023, the Group did not have any material outstanding (i) debt securities, whether issued and outstanding, authorised or otherwise created but unissued, or term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Group or by third parties) or unsecured; (ii) other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured; (iii) mortgage or charges; or (iv) guarantees or other contingent liabilities.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Despite macroeconomic uncertainties resulting from factors such as softening global economic growth, high level of inflation rate and geo-political conflict, we remain optimistic about the growth and development of the tabletop games industry. Despite the uncertainties mentioned above, demand for our products remains robust, as can be seen from the outcomes of our crowdfunding, which is one of our key sales channels, and the interest in our products at various tabletop games conventions in our key markets such as USA, Europe, China, and Thailand. This demand will help the Group grow its sales not just in its new markets, but also in its existing markets. The Group sells new products through Kickstarter, a crowdfunding platform, as disclosed in its annual reports and other disclosures. The Group collects the sales proceeds upfront and then applies the proceeds towards the manufacture of the products, which are then shipped to the customers typically within 9 to 12 months of the collection of sales proceeds.

5. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there has been no material adverse change in the financial or trading position or outlook of the Group since 31 December 2022, the date to which the latest published audited financial statements of the Group were made up, up to and including the Latest Practicable Date.

The following is the text of the valuation report prepared for the purpose of incorporation in this circular received from Knight Frank Pte Ltd, an independent professional valuer, in connection with the valuation of the Property to be disposed of by the Vendor. Terms defined in this appendix applies to this appendix only.

Valuation Certificate

Property	:	201 Henderson Road #09-23/24 Apex @ Henderson Singapore 159545 (the "Property")
Instructing Party/ Relying Party	:	CMON Limited
Purpose of Valuation	:	Disclosure to the stock exchange for the proposed sale.
Legal Description	:	Strata Lot No. : U71832C Mukim : 1
Tenure	:	Estate in Perpetuity
Interest Valued	:	Freehold interest
Basis of Valuation	:	Market Value on existing use basis and with vacant possession.
Registered Owner	:	CMON Global Limited
Legal Encumbrance	:	The Property is mortgaged to DBS Bank Ltd.
Master Plan 2019 Zoning	:	"Business 1" with a gross plot ratio of 2.5 According to the Master Plan Written Statement 2019, Business 1 (B1) zoning refers to areas used or intended to be used mainly for clean industry, light industry, public utilities, and telecommunication uses and other public installations for which the relevant authority does not impose a nuisance buffer greater than 50m. General industrial uses that are able to meet the nuisance buffer requirements imposed by the relevant authority for general industries may be allowed in the B1 zones, subject to evaluation by the relevant authority and the competent authority.
Brief Description	:	Apex @ Henderson is located at the southern junction of Henderson Road and Jalan Bukit Merah, some 3.0 km from the City Centre. The development comprises a 9-storey ramp-up multi-user light industrial building accommodating a total of 77 standard production units, 21 sky terrace production units, 16 showroom units and a staff canteen. Recreational facilities provided within the subject development include indoor gymnasium, 25-metre lap pool, children's pool, dip pool, pool deck, wet deck, outdoor fitness stations, jacuzzi pool, sauna room, steam room, changing rooms and pool shower, grand pavilion, sheltered pavilions, jogging track, barbecue pits, soccer hard court and half basketball court. It was completed in 2015. The Property is a sky terrace production unit with a mezzanine level located on the 9th storey and 9th storey mezzanine.
Summary of Inspection	:	The inspection was conducted on 26 July 2023 by Woo Ai Lian. The inspection included all the areas within the Property. As stated in the General Terms of Business for Valuations attached, we have not undertaken a structural building survey. We have assumed that the building is in sound order and free from structural faults, rot, infestation or other defects, and that the services are in a satisfactory condition. At the date of inspection, the Property appeared to be in an average condition. No urgent or significant defects or items of disrepair were noted which would be likely to give rise to substantial expenditure in the foreseeable future or which fall outside the scope of the normal annual maintenance programme. <i>Note : We noted during the site inspection that part of the strata void area at the mezzanine level was covered by timber decking supported by metal trusses. For the purpose of this valuation, we did not take into account the extension.</i> Important Notice <i>We have not been provided with a structural survey, nor an expert report on the plant and equipment. Our valuation is conditional on the structure and service installations of the improvements being free from any defects requiring material capital expenditure, other than that stated herein. If this is incorrect or should there be a material revision to the capital expenditure information noted within, our valuation would change.</i> <i>Our valuation is conditional upon the property complying with all statutory and local government regulations and building codes. We are not, however, experts in this area and should you wish to confirm compliance, verification may be sought from an appropriately qualified consultant.</i>
Occupancy	:	The Property is currently owner-occupied.
Strata Floor Area (SFA)	:	316.0 sm (3,401 sf) approximately, including strata void area of 116.0 sm (1,249 sf). <i>Source: Subsidiary Strata Certificate of Title from the Singapore Land Authority.</i>

Knight Frank Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315
Tel: +65 6222 1333 Fax: +65 6224 5843 Reg.No: 198205243Z CEA Licence No: L3005536J

KnightFrank.com.sg

Other Offices:

Knight Frank Property Asset Management Pte Ltd 160 Paya Lebar Road #05-05 Orion@Paya Lebar Singapore 409022
KF Property Network Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315

Valuation Certificate cont.

Valuation Approach : Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

We have valued the Property primarily by using the Direct Comparison Method. In this method, a comparison is made with sales of similar properties in the subject development and in the same district within the past 12 months. The sales transactions are shown below:

Property	SFA (sm)	Price	Rate (S\$psm)	Date of Sale	Remarks
201 Henderson Rd #09-20/21 Apex @ Henderson	269	S\$2,760,000	S\$10,260 over SFA or (S\$15,082 over SFA excluding strata void area)	June 2023	<ul style="list-style-type: none"> 2015 SFA includes strata void area of 86 sm.
2 Alexandra Road #06-04 Delta House	507	S\$6,900,000	S\$13,609 over SFA	June 2023	<ul style="list-style-type: none"> 1980s
201 Henderson Rd #07-19 & #08-19 Apex @ Henderson	286	S\$2,790,000	S\$9,755 over SFA or (S\$18,000 over SFA excluding strata void area)	May 2023	<ul style="list-style-type: none"> 2015 SFA includes strata void area of 131 sm.
201 Henderson Rd #09-22 Apex @ Henderson	235	S\$2,530,000	S\$10,766 over SFA or (S\$15,150 over SFA excluding strata void area)	October 2022	<ul style="list-style-type: none"> 2015 SFA includes strata void area of 68 sm.

Data Source: Realis and Strata Certified Plan from the Singapore Land Authority.

The market comparable range from S\$9,755 psm to S\$13,609 psm over SFA or S\$13,609 psm to S\$18,000 psm over SFA excluding strata void area. Adjustments are made, where appropriate, for differences in date of sale, location, floor area, floor level, age, building specifications, type of property, etc. before arriving at the value of the Property. We are of the opinion that the derived Market Value of the Property based on Direct Comparison Method at the unit rate after considering the strata void area at S\$15,250 psm (or S\$9,652 psm based on SFA) is fair and reasonable and can be supported by the sales transactions.

Source of Information : We have carried out site inspection, conducted title searches, rely upon the information provided by CMON Limited, made relevant inquiries and investigations as we deem necessary to provide you with the assessment of its Market Value.

Date of Issue : 23 August 2023

Valuation Date : 31 July 2023

Market Value : **S\$3,050,000**
(Singapore Dollars Three Million And Fifty Thousand Only)
This valuation is exclusive of GST.

Market Value on SFA : S\$9,652 psm (S\$897 psf)

Market Value on SFA excluding strata void area : S\$15,250 psm (S\$1,417 psf)

Assumptions, Disclaimers, Limitations & Qualifications : *This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of the certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorised, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority.*

The valuation is carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Practice Guidelines and International Valuation Standards (IVS), and all codes, standards and requirements of professionalism have been met. The valuation certificate analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. This valuation certificate has been vetted as part of Knight Frank Pte Ltd's quality assurance procedures.

The firm is acting in this capacity as an independent contractor and not as an employee or agent of CMON Limited nor is the firm authorised by implication or otherwise, to represent the firm as CMON Limited's employee or agent. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event. The valuer, on behalf of Knight Frank Pte Ltd, with the responsibility for this valuation certificate is Woo Ai Lian, MSISV. We certify that the valuers undertaking this valuation on behalf of Knight Frank Pte Ltd, is authorised to practise as valuers and have at least 30 years continuous experience in valuing similar types of properties.

Prepared by : Knight Frank Pte Ltd

Sherri Fong
B.Sc.(Estate Management) Hons.,MSISV
Senior Director, Valuation & Advisory
Appraiser's Licence No: AD 041-2008950C
For and on behalf of Knight Frank Pte Ltd

General Terms of Business for Valuations

These General Terms of Business and our Terms of Engagement letter together form the agreement between us ("Agreement"). The following General Terms of Business apply to all valuations and appraisals undertaken by Knight Frank Pte Ltd unless specifically agreed otherwise in the Terms of Engagement letter and so stated within the main body of the valuation report and/or certificate.

1. Knight Frank Pte Ltd ("the company")

Knight Frank Pte Ltd is a privately owned company with registration number 198205243Z. Any work done by an individual is in the capacity as an employee of the Company.

Our GST registration number is M2-0058829-X.

2. Limitations on Liability

The Valuer's responsibility in connection with this valuation report and/or certificate is limited to the party to whom the valuation report and/or certificate is addressed for the stated purpose. The Valuer disclaims all responsibility and will accept no liability to any third party for the whole or any part of its contents saved on the basis of written and agreed instructions; this will incur an additional fee.

Our maximum total liability for any direct loss or damage whether caused by our negligence or breach of contract or otherwise is limited to the lower of S\$1 million or 3 times Knight Frank Pte Ltd's fee under the instruction.

We do not accept liability for any indirect or consequential loss (such as loss of profits).

3. Disclosure and Publication

If our opinion of value is disclosed to persons other than the addressees of our valuation report and/or certificate, the basis of valuation should be stated. Reproduction of this valuation report and/or certificate in any manner whatsoever in whole or in part or any reference to it in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any websites) without the Valuer's prior written approval of the form and context in which may appear is prohibited.

4. Our Fees

If any invoice remains unpaid after the date on which it is due to be paid, we reserve the right to charge interest, calculated daily, from the date when payment was due until payment is made at 1.5% per month. If we should find it necessary to use legal representatives or collection agents to recover monies due, you will be required to pay all costs and disbursements so incurred.

If before the valuation is concluded :-

- (a) you end this instruction, we will charge abortive fees; or
- (b) you delay the instruction by more than [1] month or materially alter the instruction so that additional work is required at any stage we will charge additional fees,

And in each case such fees will be calculated on the basis of reasonable time and expenses incurred.

Where the valuation is for loan security purposes, and we agree to accept payment of our fee from the borrower, the fee remains due from yourselves until payment is received by us. Additionally, payment of our fee is not conditional upon the loan being drawn down or any conditions of the loan being met.

5. Valuation Standards

Valuations and appraisals will be carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Practice Guidelines and International Valuation Standards (IVS), and all codes, standards and requirements of professionalism will be met.

6. Valuation Basis

Valuations and appraisals are carried out on a basis appropriate to the purpose for which they are intended and in accordance with the relevant definitions, commentary and assumptions outlined in the valuation report and/or certificate. The basis of valuation will be agreed with you for the instruction.

The opinion expressed in this valuation report and/or certificate is made strictly in accordance with the terms and for the purpose expressed therein and the values assessed and any allocation of values between portions of the property need not be applicable in relation to some other assessment.

7. Titles and Burdens

We do not read documents of title although, where provided, we consider and take account of matters referred to in solicitor's reports or certificates of title. We would normally assume, unless specifically informed and stated otherwise, that each property has good and marketable title and that all documentation is satisfactorily drawn and that there are no unusual outgoing, planning proposals, onerous restrictions or regulatory intentions which affect the property, nor any material litigation pending.

All liens and encumbrances, if any, affecting the property have been disregarded unless otherwise stated and it is assumed that the current use of the property is not in contravention of any planning or other governmental regulation or law.

The Valuer does not warrant to the party to whom the valuation report and/or certificate is addressed and any other person the title or the rights of any person with regard to the property.

8. Disposal Costs and Liabilities

No allowance is made in our valuation for expenses of realisation or for taxation which may arise in the event of a disposal and our valuation is expressed as exclusive of any GST that may become chargeable. Properties are valued disregarding any mortgages or other charges.

9. Sources of Information

We rely upon the information provided to us, by the sources listed, as to details of tenure and tenancies (subject to "leases" below), planning consents and other relevant matters, as summarised in our valuation report and/or certificate. We do not check with the relevant government departments or other appropriate authorities on the legality of the structures, approved gross floor area or other information provided to us. We assume that this information is complete and correct and the Valuer shall not be held responsible or liable if this should prove not to be so.

Unless otherwise stated, all information has been obtained by our search of records and examination of documents or by enquiry from Government departments or other appropriate authorities. When it is stated in this valuation report and/or certificate that information has been supplied to the Valuer by another party, this information is believed to be reliable and the Valuer shall not be held responsible or liable if this should prove not to be so.

10. Boundaries

Plans accompanying valuation report are for identification purposes and should not be relied upon to define boundaries, title or easements. The extent of the site is outlined in accordance with information given to us and/or our understanding of the boundaries.

11. Planning and Other Statutory Regulations

Enquiries of the relevant planning authorities in respect of matters affecting the property, where considered appropriate, are normally only obtained verbally and this information is given to us, and accepted by us, on the basis that it should not be relied upon. Where reassurance is required on planning matters, we recommend that formal written enquiries should be undertaken by the client's solicitors who should also confirm the position with regard to any legal matters referred to in our report. We assume that properties have been constructed, or are being constructed, and are occupied or used in accordance with the appropriate consents and that there are no outstanding statutory notices.

12. Property Insurance

Our valuation assumes that the property would, in all respects, be insurable against all usual risks at normal, commercially acceptable premiums.

13. Building Areas and Age

Where so instructed, areas provided from a quoted source will be relied upon. Where the age of the building is estimated, this is for guidance only.

14. Structural Condition

Building structural and ground condition surveys are detailed investigations of the building, the structure, technical services and ground and soil conditions undertaken by specialist building surveyors or engineers and fall outside the normal remit of a valuation. Since we will not have carried out any of these investigations, except where separately instructed to do so, we are unable to report that the property is free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials. We do reflect the contents of any building survey report referred to us or any defects or items of disrepair of which we are advised or which we note during the course of our valuation inspections but otherwise assume properties to be free from defect.

15. Ground Conditions

We assume there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the building constructed or to be constructed thereon.

16. Environmental Issues

Investigations into environmental matters would usually be commissioned of suitably qualified environmental specialists by most responsible purchasers of higher value properties or where there was any reason to suspect contamination or a potential future liability. Furthermore, such investigation would be pursued to the point at which any inherent risk was identified and quantified before a purchase proceeded. Anyone averse to risk is strongly recommended to have a property environmental investigation undertaken and, besides, a favourable report may be of assistance to any future sale of the property. Where we are provided with the conclusive results of such investigations, on which we are instructed to rely, these will be reflected in our valuations with reference to the source and nature of the enquiries. We would endeavour to point out any obvious indications or occurrences known to us of harmful contamination encountered during the course of our valuation enquiries.

We are not, however, environmental specialists and therefore we do not carry out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation will be on the assumption that the property is unaffected.

17. Leases

The client should confirm to us in writing if they require us to read leases. Where we do read leases reliance must not be placed on our interpretation of these documents without reference to solicitors, particularly where purchase or lending against the security of a property is involved.

18. Covenant

We reflect our general appreciation of potential purchasers' likely perceptions of the financial status of tenants. We do not, however, carry out detailed investigations as to the financial standing of the tenants, except where specifically instructed, and assume, unless informed otherwise, that in all cases there are no significant arrears of payment and that they are capable of meeting their obligations under the terms of leases and agreements.

19. Loan Security

Where instructed to comment on the suitability of property as a loan security we are only able to comment on any inherent property risk. Determination of the degree and adequacy of capital and income cover for loans is the responsibility of the lender having regard to the terms of the loan.

20. Build Cost Information

Where our instruction requires us to have regard to build cost information, for example in the valuation of properties with development potential, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We do not hold ourselves out to have expertise in assessing build costs and any property valuation advice provided by us will be stated to have been arrived at in reliance upon the build cost information supplied to us by you. In the absence of any build cost information supplied to us, we may have regard to published build cost information. There are severe limitations on the accuracy of build costs applied by this approach and professional advice on the build costs should be sought by you. The reliance which can be placed upon our advice in these circumstances is severely restricted. If you subsequently obtain specialist build cost advice, we recommend that we are instructed to review our advice.

21. Reinstatement Assessments

A reinstatement assessment for insurance purposes is a specialist service and we recommend that separate instructions are issued for this specific purpose. If advice is required as a check against the adequacy of existing cover this should be specified as part of the initial instruction. Any indication given is provided only for guidance and must not be relied upon as the basis for insurance cover. Our reinstatement assessment should be compared with the owner's and if there is a material difference, then a full reinstatement valuation should be considered.

22. Attendance in Court

The Valuer is not obliged to give testimony or to appear in Court with regard to this valuation report and/or certificate, with reference to the property unless specific arrangement has been made therefor.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, 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 as set out in Appendix 10 to the Listing Rules were as follows:

Name	Capacity/Nature of Interest	Number of Underlying Shares (Unlisted and Physically Settled Equity Derivative) Interested ⁽⁵⁾	Total Number of Shares and Underlying Shares Interested	Long/Short Position	Approximate Percentage of Shareholding in the Company (%)
Ng Chern Ann ⁽¹⁾ (“Mr. Ng”)	Interest in controlled corporation/ interest of a party to an agreement/beneficial owner	31,000,000	727,198,463	Long	40.27
David Doust ⁽²⁾ (“Mr. Doust”)	Interest in controlled corporation/ interest of a party to an agreement/beneficial owner	31,000,000	727,198,463	Long	40.27
Frederick Chua Oon Kian ⁽³⁾ (“Mr. Chua”)	Interest in controlled corporation/ beneficial owner	5,580,000	328,249,232	Long	18.18
David Preti ⁽⁴⁾ (“Mr. Preti”)	Interest in controlled corporation/ beneficial owner	15,500,000	301,692,691	Long	16.71
Koh Zheng Kai	Beneficial owner	5,800,000	5,800,000	Long	0.32

- (1) The issued share capital of Cangsome Limited (“CA SPV”) is wholly-owned by Mr. Ng. CA SPV is beneficially interested in 435,124,039 shares whereas Mr. Ng is beneficially interested in 15,500,000 share options of the Company (the “Share Options”). Pursuant to the acting-in-concert arrangement, Mr. Ng is deemed to be interested in the shares held by CA SPV and Dakkon Holdings Limited (“DD SPV”) and 15,500,000 Share Options held by Mr. Doust by virtue of the SFO.
- (2) The issued share capital of DD SPV is wholly-owned by Mr. Doust. DD SPV is beneficially interested in 261,074,424 shares whereas Mr. Doust is beneficially interested in 15,500,000 Share Options. Pursuant to the acting-in-concert arrangement, Mr. Doust is deemed to be interested in the shares held by DD SPV and CA SPV and 15,500,000 Share Options held by and Mr. Ng by virtue of the SFO.
- (3) Magic Carpet Pre-IPO Fund (“Magic Carpet”) is a private equity investment fund managed by Quantum Asset Management Pte. Ltd. (“Quantum Asset”) on a discretionary basis. Quantum Asset holds the only issued ordinary share of Magic Carpet and the preference shares in the capital of Magic Carpet are held by investors. Mr. Chua, our non-executive Director, beneficially owns approximately 99.99% of the issued share capital of Quantum Asset and is therefore deemed to be interested in the shares held by Quantum Asset by virtue of the SFO. Mr. Chua is a director of Magic Carpet.
- (4) The issued share capital of Magumaki Limited (“DP SPV”) is wholly-owned by Mr. Preti. Therefore, Mr. Preti is deemed to be interested in the shares held by DP SPV by virtue of the SFO. Mr. Preti is also beneficially interested in 174,049,615 Shares and 15,500,000 Share Options.
- (5) The interests in the underlying shares represent interests in Share Options granted to the respective Directors to subscribe for shares.

Save as disclosed above, as at the Latest Practicable Date, 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.

3. LITIGATION

As at the Latest Practicable Date, 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.

4. DIRECTORS’ SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or be determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES

As at the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, 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 that need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

6. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Company were made up), acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group.

As at the Latest Practicable Date, none of the Directors were materially interested in any contract or arrangement entered into by any member of the Group subsisting at such date and which was significant in relation to the business of the Group.

7. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has been named in this circular or has given its opinion or advice which is contained in this circular:

Name	Qualification
Knight Frank Pte Ltd	Independent professional property valuer

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report and the reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above expert was not interested beneficially or otherwise in any shares or securities in any of subsidiaries or associated corporation (within the meaning of Part XV of the SFO) of the Company and did not have any rights, whether legally enforceable or not, or option to subscribe for or to nominate persons to subscribe for any shares or securities in any of subsidiaries or associated corporations of the Company nor did they have any interests, either direct or indirect, in any assets which have been, since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. MATERIAL CONTRACT

The following material contract (not being contract entered into in the ordinary course of business) had been entered into by the Group after the date of two years before the date of Announcement and up to and including the Latest Practicable Date:

- a) the Option Agreement.

9. GENERAL

- a) The company secretary of the Company is Ms. NG Sau Mei, who is a director of TMF Hong Kong Limited (a company secretarial services provider). She is a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.
- b) The address of the registered office of the Company is at Offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681 Grand Cayman KY1-1111, Cayman Islands. The headquarters and principal place of business is at 201 Henderson Road #07/08-01, Apex @ Henderson, Singapore 159545. The principal place of business in Hong Kong is at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.
- c) The branch share registrar and the transfer office of the Company in Hong Kong is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- d) In case of inconsistency, the English text of this circular shall prevail over the Chinese text.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be published on the respective websites of the Company (<http://cmon.com>) and the Stock Exchange (www.hkexnews.hk) for a period of fourteen (14) days from the date of this circular:

- a) the material contract referred to under the paragraph headed “Material Contracts” in this Appendix III;
- b) the valuation report on the Property prepared by Knight Frank Pte Ltd as set out in Appendix II to this circular and the corresponding expert consent statement by Knight Frank Pte Ltd; and
- c) this circular.