

2 October 2023

**CRUSHMETRIC Group Limited**  
**(“CRUSHMETRIC”, the “Group” or the “Company”)**

**Interim results for the six months ended 30 June 2023**

**CHIEF EXECUTIVE OFFICER’S STATEMENT**

CRUSHMETRIC Group Limited (AQUIS: CUSH), the consumer design and production group announces the results of the Company and its subsidiaries for the six month period ended 30 June 2023.

The Company was formerly engaged in TCM healthcare, as well as the production and sale of skincare products. The board took the view that the Company would have to change focus in the light of the Covid pandemic. Thus during 2022, the nature of the Company’s operations and its principal activities were changed to acting as the holding company of a group engaged in (i) design and production that integrates shape changing technology (“CRUSH”) into a catalogue of products designed and invented by the artist and co-founder of CRUSHMETRIC Limited, Noah Deledda, and his team. This technology is built on his own series of dented aluminium can sculptures and (ii) the sale and distribution of the CRUSHMETRIC products through online and offline channels worldwide.

This announcement contains inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.

**Financial highlights**

- Revenue for the six months ended 30 June 2023: HK\$1,040,509 (30 June 2022: HK\$7,969,835)
- Gross profit for the six months ended 30 June 2023: HK\$728,143 (30 June 2022: HK\$3,781,756)
- Loss for the six months ended 30 June 2023: HK\$3,813,095 (30 June 2022: HK\$908,874)
- The basic and diluted loss per share for the six months ended 30 June 2023: HK\$0.02 (30 June 2022: HK\$0.01)
- The Group’s cash position as at 30 June 2023: HK\$1,450,559 (30 June 2022: HK\$333,150)

**Review of significant activities**

**(a) CONVERTIBLE BONDS**

**(i) Renewal of Convertible Bond 1: Principal Amount USD650,000**

On 29 June 2023, the Group entered into an extension agreement for the Convertible Bond. The maturity date has been extended to 19 July 2024 and the Coupon payment of the CB will be adjusted to six percent (6%) per annum payable in cash plus three percent (3%) per annum payable in Ordinary Shares of the Group for the first nine months from 20 January 2023 to 19 October 2023 and the Coupon payment of the CB will be six percent (6%) per annum payable in cash plus four percent (4%) per annum payable in Ordinary Shares of the Group for the period from 20 October 2023 to 19 July 2024. All other terms remain unchanged.

**(ii) Convertible Bond 2: Principal Amount SGD250,000**

On 24 February 2023, the Group entered into an agreement to issue an unsecured convertible bond (“the Bond”) to Future Vision Pte. Ltd (“Future”). Future has agreed to subscribe in cash for

the Bond for a principal amount of SGD\$250,000 (approximately £150,820). The Bond has a coupon of ten percent (10%) per annum.

The Bond, at the election of Future may be converted into ordinary shares of the Group (“Underlying shares”) or will otherwise be redeemable at maturity on 23<sup>rd</sup> February 2026. The Bond shall be convertible into the Underlying Shares at an Exchange Price which is calculated at a GBP 0.2 per share where 50% of the Bond can be converted within the first year and the rest can be converted on the Maturity Date at the discretion of Future.

### **(iii) Convertible Bond 3: Principal Amount USD1,000,000**

On 11 April 2023, the Group entered into an agreement with Sky Solar HK Investments Limited (“Sky”) to issue an unsecured convertible bond (“the Bond”) to Sky. Sky agreed to subscribe in cash for the Bond for a principal amount of USD\$1,000,000 (approximately £790,400). The bond has a coupon of ten percent (10%) per annum.

The Bond, at the election of Sky, may be converted into ordinary shares of the Group (“Underlying shares”) or will otherwise be redeemable three years from the date of receipt of the Principal Amount. The Bond shall be convertible into the Underlying Shares at an Exchange Price which is calculated at a GBP 0.2 per share where 50% of the Bond can be converted within the first year, 25% of the Bond can be converted in the second year and the rest of 25% can be converted on the Maturity Date at the discretion of Sky.

### **(b) CHANGE OF WORKING ADDRESS**

On 23 April 2023, one of the Group’s subsidiaries, CRUSHMETRIC eCommerce (HK) Limited entered into a tenancy agreement for a fixed term of two years for a new office located in Hong Kong from which the Group will henceforth carry on its business.

## **Financial review**

### ***(i) Income statement items***

The Group’s revenue for the six months ended 30 June 2023 amounted to HK\$1,040,509, a decrease of HK\$6,929,326 or 86.94% as compared to the six months ended 30 June 2022. This was attributable to decreased revenue generated from sales of CRUSHMETRIC SwitchPens by approximately HK\$5,626,000. The Group’s gross profits and gross profit margin for the six months ended 30 June 2023 amounted to HK\$728,143 and 69.98% (30 June 2022: HK\$3,781,756 and 47.45%) respectively.

The Group’s distribution costs for the six months ended 30 June 2023 amounted to HK\$111,552, a decrease of HK\$102,640 or 47.92% as compared to the same period in 2022. The Group’s administrative expenses for the six months ended 30 June 2023 amounted to HK\$4,224,302, a decrease of HK\$320,487 or 8.21% as compared to the six months ended 30 June 2022.

The Finance Costs for the six months ended 30 June 2023 amounted to HK\$502,141, this was related to the interest expenses for the convertible bond.

The unaudited net loss for the period ended 30 June 2023 shows an increase of HK\$2,904,221 and 319.54% compared to the same period in 2022. This was attributable to the decrease of sales and increase of administrative expenses by the Group during the period.

The Directors do not recommend the payment of a dividend in respect of the period.

The interim results have not been reviewed by the Company’s auditor.

**(ii) Balance sheet items**

The Group's tangible fixed assets mainly comprised office equipment, decreased in amount by HK\$144,031 as at 30 June 2023, compared to the same period in 2022, mainly due to the depreciation in value of office equipment.

The Group's inventories as at 30 June 2023 amounted to HK\$317,424 with a decrease of HK\$78,084 over the balance as at 30 June 2022.

The Group's other receivables and prepayments as at 30 June 2022 decreased by HK\$149,971 or 7.17% compared to the same period in 2021.

The Group's trade payables as at 30 June 2023 amounted to HK\$3,502,655 with a decrease of HK\$4,846,272 over the balance as at 30 June 2022, this was mainly due to the acquisition of a vendor in December 2022.

The Group's cash and cash equivalents increased by HK\$1,117,409 as at 30 June 2023 compared to 30 June 2022.

**Outlook**

The Company has transformed its business to a consumer product Group that is focused on selling various innovative products to the market.

We've faced a decrease in sales in the first half years as the Company has dedicated more resources for new product research and preparation. We took some time in searching for social media and marketing partners better suited to the marketing and distribution online, of the CRUSHMETRIC series of products through both our own website as well as Amazon and other marketing partners. We believe these partnerships will help the Company reach out to a more targeted audience and customers that will result in increased revenue in the second half of the coming year.

The launch of our new product - the Tumbler, was delayed but we are confident that it will be launched by the end of the year and we expect this to result improved sales and better returns. The Group will continue to focus on promoting and generating more sales from the CRUSHMETRIC series of products which we have launched; together with the Tumbler to be launched soon.

The Board will continue to take all reasonable efforts to ensure that sufficient working capital is maintained. The Board's objective is the same as previous years, which is to protect and safeguard as well as improve the business, to minimise cost and generate more sales income through online products.

On behalf of the Board of Directors, I would like to thank our management and staff for the great loyalty and dedication they continue to show through these delicate times. I would also like to extend our utmost appreciation to all our partners, shareholders, customers, business associates and suppliers, for their continued support.

The Directors of the Company accept responsibility for the contents of this announcement.

Ivor Colin Shrago  
Chairman

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**CRUSHMETRIC Group Limited**  
**Consolidated Statement of Comprehensive Income**  
**For the six months ended 30 June 2023**

	<i>The Group</i>		
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	<i>6 months ended 30 June 2023</i>	<i>6 months ended 30 June 2022</i>	<i>Year ended 31 December 2022</i>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
<b>From continuing operations</b>			
<b>Revenue</b>	1,040,509	7,969,835	10,826,825
Cost of sales	(312,366)	(4,188,079)	(6,422,471)
Impairment loss on inventory	-	-	-
<b>Gross profit</b>	728,143	3,781,756	4,404,354
Other revenue	679,246	125,108	1,646,139
Distribution costs	(111,552)	(214,192)	(393,306)
Administrative expenses	(4,224,302)	(3,903,815)	(11,049,827)
Foreign exchange gains/(losses), net	(386,192)	(117,317)	(266,084)
<b>Operating loss</b>	(3,314,657)	(328,460)	(5,658,724)
Impairment loss on trade receivable	-	(24,830)	(45,759)
Finance costs	(502,141)	(555,945)	(86,398)
Interest income	3,703	361	433
<b>Loss before taxation</b>	(3,813,095)	(908,874)	(5,790,448)
Taxation	-	-	(57,594)
<b>Loss for the period/year</b>	(3,813,095)	(908,874)	(5,848,042)
Other comprehensive income			
Exchange differences arising from translation	485,461	550,758	1,010,343
<b>Total comprehensive result for the period/year</b>	(3,327,634)	(358,116)	(4,837,699)
<b>Loss for the period/year attributable to:</b>			
Equity holders of the parent entity	(3,913,831)	(904,339)	(5,595,532)
Non-controlling interests	100,736	(4,535)	(252,510)
	(3,813,095)	(908,874)	(5,848,042)
<b>Total comprehensive loss for the period/year attributable to:</b>			
Equity holders of the parent entity	(3,428,370)	(353,581)	(4,585,189)
Non-controlling interests	100,736	(4,535)	(252,510)
	(3,327,634)	(358,116)	(4,837,699)
<b>Loss per share - from continuing operations (HK\$)</b>			
Basic and diluted	(0.02)	(0.01)	(0.06)

## **Loss per share – from continuing operations**

The calculation of basic loss per share is based on the consolidated loss attributable to the equity holders of the parent entity of HK\$3,913,831 (For the six months ended 30 June 2022: Loss of HK\$904,339; For the 12 months ended 31 December 2022: Loss of HK\$5,595,532) and the weighted average number of ordinary shares of 239,933,283 (For the six months ended 30 June 2022 weighted average number of ordinary shares of 85,606,051; For the 12 months ended 31 December 2022: 89,655,922) in issue during the period.

**CRUSHMETRIC Group Limited**  
**Consolidated Statement of Financial Position**  
**As at 30 June 2023**

	<i>Unaudited</i> <i>As at 30</i> <i>June 2023</i>	<i>Unaudited</i> <i>As at 30 June</i> <i>2022</i>	<i>Audited</i> <i>As at 31</i> <i>December</i> <i>2022</i>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
<b>Assets</b>			
<b><i>Non-current assets</i></b>			
Fixed assets	185,391	41,360	221,258
Other intangible assets	-	2,678,572	-
Right-of-use assets	199,389	266,793	370,640
Goodwill	293,993,592	-	293,993,592
	<b>294,378,372</b>	<b>2,986,725</b>	<b>294,585,490</b>
<b><i>Current assets</i></b>			
Inventories	317,424	395,508	341,561
Trade receivables	904,977	2,051,407	757,271
Other receivables and prepayments	1,197,284	1,940,336	1,162,149
Cash and cash equivalents	1,450,559	333,150	128,658
	3,870,244	4,720,401	2,389,639
<b>Total assets</b>	<b>298,248,616</b>	<b>7,707,126</b>	<b>296,975,129</b>
<b>Equity and liabilities</b>			
<b><i>Equity</i></b>			
Share capital	1,870,234	668,509	1,870,234
Share premium	392,450,040	97,084,716	392,450,040
Reserve	(144,997,379)	(137,337,401)	(141,569,009)
Equity attributable to the parent entity	249,322,895	(39,584,176)	252,751,265
Non-controlling interest	(440,910)	(293,671)	(541,646)
<b>Total equity</b>	<b>248,881,985</b>	<b>(39,877,847)</b>	<b>252,209,619</b>
<b>Liabilities</b>			
<b><i>Current liabilities</i></b>			
Trade payables	3,502,655	8,348,927	4,319,057
Other payables and accruals	28,174,956	29,911,001	31,961,020
Taxation payable	57,594	-	57,594
Amount due to directors	2,927,984	3,448,023	2,930,515
Lease liabilities	204,648	453,305	275,620
Borrowings	14,498,794	5,423,717	5,106,144
	<b>49,366,631</b>	<b>47,584,973</b>	<b>44,649,950</b>
<b><i>Non-Current liabilities</i></b>			
Lease liabilities	-	-	115,560
<b>Total liabilities</b>	49,366,631	47,584,973	44,765,510
<b>Total equity and liabilities</b>	<b>298,248,616</b>	<b>7,707,126</b>	<b>296,975,129</b>

The Group’s consolidated financial statements for the six months ended 30 June 2022 and 2023 disclosed above have neither been audited nor reviewed by the Company’s auditors.

The same accounting policies and methods of computation as included in the Group's consolidated financial statements for the year ended 31 December 2022 have been adopted in the preparation of the Group's unaudited consolidated financial statements for the six months ended 30 June 2023.