

30 September 2024

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

Interim results for the six months ended 30 June 2024

CHIEF EXECUTIVE OFFICER’S STATEMENT

CRUSHMETRIC Group Limited (AQSE: CUSH), the AQUIS Growth Market Stock Exchange quoted consumer design and production group announces the results of the Company and its subsidiaries for the six-month period ended 30 June 2024.

The nature of the Company’s operations and its principal activities are to act as the holding company of a group engaged in (i) design and production that integrates shape changing technology (“CRUSH”) into a catalogue of products that is 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 2024: HK\$2,942,844 (30 June 2023: HK\$1,040,509)
- Gross profit for the six months ended 30 June 2024: HK\$2,151,571 (30 June 2023: HK\$728,143)
- Loss for the six months ended 30 June 2024: HK\$3,701,514 (30 June 2023: HK\$3,813,095)
- The basic and diluted loss per share for the six months ended 30 June 2024: HK\$0.01 (30 June 2023: HK\$0.02)
- The Group’s cash position as at 30 June 2024: HK\$174,535 (30 June 2023: HK\$1,450,559)

Review of significant activities

(a) Private Placings

In April 2024, the Group raised approximately HK\$546,000 (equivalent to approximately USD70,000 or GBP53,823) through private placings. The proceeds of these subscriptions have been used for general working capital purposes.

(b) Convertible Bond

On 1 August 2024, the Company entered into an extension agreement for the Convertible Bond (“CB”). The maturity date was extended to 19 January 2026 and the coupon rate adjusted to six percent (6%) per annum in terms of cash plus three percent (3%) per annum in terms of the Company’s shares for the period from 20th July 2024 to 19th January 2026. In addition, the principal amount of the CB will be returned to the Investor by instalments from 19th January 2025 to 19th January 2026. All other terms remain unchanged.

Financial review

(i) Income statement items

The Group's revenue for the six months ended 30 June 2024 amounted to HK\$2,942,844, an increase of HK\$1,902,335 or 183% as compared to the six months ended 30 June 2023. It mainly included sale of CRUSHMETRIC products. The Group's gross profits and gross profit margin for the six months ended 30 June 2024 amounted to HK\$2,151,571 and 73.11% (30 June 2022: HK\$728,143 and 69.98%) respectively.

The Group's distribution costs for the six months ended 30 June 2024 amounted to HK\$2,092,950, an increase of HK\$1,981,398 or 1776% as compared to the same period in 2023. The amount mainly consists of around \$1.57 million for events and advertisings to promote the Company's products and approximately \$0.5million paid as commission. The Group's administrative expenses for the six months ended 30 June 2024 amounted to HK\$3,323,278, a decrease of HK\$901,024 or 21.33% as compared to the six months ended 30 June 2023.

The Finance Costs for the six months ended 30 June 2024 amounted to HK\$666,378, this was related to the interest expenses for the convertible bond.

The unaudited net loss for the period ended 30 June 2024 shows a decrease of HK\$111,581 and 2.93% compared to the same period in 2023. This was attributable to the increase of sale and increase of distribution costs by the Group during the period.

(ii) Balance sheet items

The Group's tangible fixed assets mainly comprised of office equipment, increased in amount by HK\$73,774 as at 30 June 2024, compared to the same period in 2023, mainly due to the acquisition of moulds in the December 2023.

The Group's inventories as at 30 June 2024 amounted to HK\$454,849 with an increase of HK\$137,425 over the balance as at 30 June 2023.

The Group's other receivables and prepayments as at 30 June 2023 decreased by HK\$66,100 or 5.52% compared to the same period in 2023.

The Group's trade payables as at 30 June 2024 amounted to HK\$3,199,388 with a decrease of HK\$303,267 over the balance as at 30 June 2023.

The Group's cash and cash equivalents decreased by HK\$1,276,024 as at 30 June 2024 compared to 30 June 2023.

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.

Outlook

The Group's revenue in the first half year of 2024 increased as compared to the same period in 2023 as the Group has spent more resources in social media and marketing partners since the last quarter of 2023. Sales slowed down in the second quarter and we expect sales will pick up in the second half of the

year. We will continue to promote the CRUSHMETRIC series of products. We believe that Tumbler is the Company's biggest and key product which will give the Company better margins.

We will continue to launch different popular colour variations of our SwitchPens and Tumblers to boost sales in the coming year. New design of our CRUSHMETRIC Tumblers will be launched shortly, where we have been collaborating with toy designers. We have also changed the sales strategy so that we will do more B2B and wholesale distribution, which the Board believes will bring more sales revenue and reduce the marketing and logistic costs.

The Board will continue to take all reasonable efforts to ensure that sufficient working capital is maintained. The Board's objective as always is to improve the business of the Group, minimise costs and generate more sales income through online products and at all times to protect and safeguard the best interests of the shareholders.

On behalf of the Board of Directors, I would like to thank our management and staff for the great loyalty and dedication that 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.

Ivor Colin Shrago

Chairman

For further information, please contact:-

CRUSHMETRIC
ONG Ban Poh Michael - Chief Executive Officer
Lilian Lo - Acting Chief Financial Officer

Tel: +852 2110 4221

Aquis Growth Market Corporate Adviser
PETERHOUSE CAPITAL LIMITED

Tel: +44 (0)20 7469 0930

CRUSHMETRIC Group Limited
Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2024

	<i>The Group</i>		
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	<i>6 months ended 30 June 2024</i>	<i>6 months ended 30 June 2023</i>	<i>Year ended 31 December 2023</i>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
From continuing operations			
Revenue	2,942,844	1,040,509	6,884,086
Cost of sales	(791,273)	(312,366)	(1,887,742)
Gross profit	2,151,571	728,143	4,996,344
Other revenue	42,336	679,246	46,191
Distribution costs	(2,092,950)	(111,552)	(3,768,216)
Administrative expenses	(3,323,278)	(4,224,302)	(8,040,362)
Foreign exchange gains/(losses), net	(58,045)	(386,192)	(723,045)
Operating loss	(3,280,366)	(3,314,657)	(7,489,088)
Impairment loss for goodwill			(58,798,718)
Impairment loss on trade receivable	244,880	-	(171,135)
Profit on disposal of subsidiaries			242,357
Finance costs	(666,378)	(502,141)	(1,642,123)
Interest income	322	3,703	4,681
Loss before taxation	(3,701,542)	(3,813,095)	(67,854,026)
Taxation	28	-	(1,709)
Loss for the period/year	(3,701,514)	(3,813,095)	(67,855,735)
Other comprehensive income			
Exchange differences arising from translation	347,366	485,461	278,675
Total comprehensive result for the period/year	(3,354,148)	(3,327,634)	(67,577,060)
Loss for the period/year attributable to:			
Equity holders of the parent entity	(3,580,551)	(3,913,831)	(66,925,167)
Non-controlling interests	(120,963)	100,736	(930,568)
	(3,701,514)	(3,813,095)	(67,855,735)
Total comprehensive loss for the period/year attributable to:			
Equity holders of the parent entity	(3,233,185)	(3,428,370)	(66,646,492)
Non-controlling interests	(120,963)	100,736	(930,568)
	(3,354,148)	(3,327,634)	(67,577,060)
Loss per share - from continuing operations (HK\$)			
Basic and diluted	(0.01)	(0.02)	(0.28)

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\$3,580,551 (For the six months ended 30 June 2023: Loss of HK\$3,913,831; For the 12 months ended 31 December 2023: Loss of HK\$66,925,167) and the weighted average number of ordinary shares of 240,006,424 (For the six months ended 30 June 2023 weighted average number of ordinary shares of 239,933,283; For the 12 months ended 31 December 2023: 239,933,283) in issue during the period.

CRUSHMETRIC Group Limited
Consolidated Statement of Financial Position
As at 30 June 2024

	<i>Unaudited</i> <i>As at 30</i> <i>June 2024</i>	<i>Unaudited</i> <i>As at 30 June</i> <i>2023</i>	<i>Audited</i> <i>As at 31</i> <i>December</i> <i>2023</i>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Assets			
<i>Non-current assets</i>			
Fixed assets	259,165	185,391	300,001
Other intangible assets	-	-	-
Right-of-use assets	492,649	199,389	718,150
Goodwill	235,194,874	293,993,592	235,194,874
	235,946,688	294,378,372	236,213,025
<i>Current assets</i>			
Inventories	454,849	317,424	402,018
Trade receivables	218,745	904,977	9,411
Other receivables and prepayments	1,131,184	1,197,284	1,116,808
Cash and cash equivalents	174,535	1,450,559	521,605
	1,979,313	3,870,244	2,049,842
Total assets	237,926,001	298,248,616	238,262,867
Equity and liabilities			
<i>Equity</i>			
Share capital	1,873,593	1,870,234	1,870,234
Share premium	392,993,101	392,450,040	392,450,040
Reserve	(211,448,686)	(144,997,379)	(208,215,501)
Equity attributable to the parent entity	183,418,008	249,322,895	186,104,773
Non-controlling interest	(1,592,007)	(440,910)	(1,471,970)
Total equity	181,826,001	248,881,985	184,632,803
Liabilities			
<i>Current liabilities</i>			
Trade payables	3,199,388	3,502,655	3,249,124
Other payables and accruals	33,882,872	28,174,956	30,883,251
Taxation payable	59,302	57,594	59,302
Amount due to directors	3,095,274	2,927,984	3,076,886
Lease liabilities	227,653	204,648	377,946
Borrowings	15,352,143	14,498,794	15,622,396
	55,816,632	49,366,631	53,268,905
<i>Non-Current liabilities</i>			
Lease liabilities	283,368	-	361,159
Total liabilities	56,100,000	49,366,631	53,630,064
Total equity and liabilities	237,926,001	298,248,616	238,262,867

The Group’s consolidated financial statements for the six months ended 30 June 2023 and 2024 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 2023 have been adopted in the preparation of the Group's unaudited consolidated financial statements for the six months ended 30 June 2024.