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BILLION LEGEND COMPANY LIMITED

(Incorporated in the British Virgin Islands with limited liability)

TOMO Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6928)

JOINT ANNOUNCEMENT

- (1) CONDITIONAL AGREEMENT IN RELATION TO THE SALE AND PURCHASE OF THE SHARES IN THE COMPANY;
(2) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY VBG CAPITAL LIMITED FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES IN TOMO HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT); AND
(3) RESUMPTION OF TRADING**

Financial adviser to the Offeror



建泉融資有限公司

VBG Capital Limited

THE SALE AND PURCHASE AGREEMENT

The Board was notified by the Vendor that on 2 June 2021 (after trading hours), the Vendor (as vendor), the Guarantors (as guarantors to the Vendors) and the Offeror (as purchaser) entered into the Sale and Purchase Agreement pursuant to which the Vendor conditionally agreed to sell and the Offeror conditionally agreed to purchase 230,000,000 Shares, representing 51.11% of the total issued share capital of the Company as at the date of this joint announcement, for a total cash consideration of HK\$130,333,000 (being HK\$0.5667 per Sale Share).

Subject to the conditions precedent under the Sale and Purchase Agreement being satisfied or waived, Completion is expected to take place on the Completion Date (or such other date as may be agreed among the parties to the Sale and Purchase Agreement).

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement and immediately prior to Completion, none of the members of the Offeror's Concert Group owns, controls or has direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following Completion, the Offeror's Concert Group will own in aggregate 230,000,000 Shares, representing 51.11% of the total issued share capital of the Company. The Offeror will therefore upon Completion be required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror's Concert Group).

VBG Capital has been appointed as the financial adviser to the Offeror in respect of the Offer. Subject to Completion, VBG Capital will make the Offer for and on behalf of the Offeror in compliance with the Takeovers Code on the following terms:

For each Offer Share HK\$0.5667 in cash

As at the date of this joint announcement, there are 450,000,000 Shares in issue and the Company does not have any outstanding options, warrants or derivatives or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

The Offer will be unconditional in all aspects when it is made and will not be conditional upon acceptances being received in respect of a minimum number of Shares.

Principal terms of the Offer are set out in the section headed "Possible Mandatory Unconditional Cash Offer" of this joint announcement.

Assuming that there is no change in the issued share capital of the Company and based on the offer price of HK\$0.5667 per Share, the Consideration, together with the value of the Offer, are valued at HK\$255,007,000. The Offer will be made to the Offer Shareholders. As the Offeror's Concert Group will hold in aggregate 230,000,000 Shares immediately after Completion, 220,000,000 Shares will be subject to the Offer. Based on the offer price of HK\$0.5667 per Share, the maximum consideration of the Offer would be HK\$124,674,000.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer and will take appropriate steps (including but not limited to placement of Shares) as soon as possible following the close of the Offer to ensure that a sufficient public float exists for the Shares.

FINANCIAL RESOURCES AVAILABLE TO THE OFFEROR

The Offeror will finance and satisfy the aggregate Consideration payable in respect of the Sale Shares and consideration payable under the Offer by its internal resources. VBG Capital, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are and will remain available to the Offeror to satisfy the Consideration payable for the Sale Shares under the Sale and Purchase Agreement and the consideration payable on full acceptance of the Offer.

COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, a composite document containing, among other things, (i) further details on the terms of the Offer; (ii) the recommendation from the Independent Board Committee in respect of the Offer; (iii) the letter from the Independent Financial Adviser in respect of the Offer, together with the acceptance and transfer form, will be despatched to the Shareholders within 21 days from the date of this joint announcement or such later date as the Executive may approve. Further announcement(s) will be made when the Composite Document is despatched.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all the non-executive Directors (namely, Mr. Clarence Tan Kum Wah, Mr. Ng Chee Chin) has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give a recommendation to the Offer Shareholders in respect of the Offer as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

The Independent Financial Adviser to the Independent Board Committee will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code. Further announcement(s) will be made upon the appointment of the Independent Financial Adviser.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 3 June 2021 pending the release of this joint announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 9 June 2021.

WARNING

Shareholders and potential investors of the Company should note that the Offer is a possible mandatory unconditional cash offer and will only be made if Completion takes place. As Completion is subject to the satisfaction or waiver (as applicable) of the conditions precedent set out in the Sale and Purchase Agreement, it may or may not take place and the Offer may or may not proceed. The Independent Board Committee has yet to consider and evaluate the Offer. This joint announcement is made in compliance with the Takeovers Code for the purpose of, amongst other things, informing Shareholders of the fact that the Company has been informed that the Offer will be made if Completion materialises. The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

The Board was notified by the Vendor that on 2 June 2021 (after trading hours), the Vendor, the Guarantors and the Offeror entered into the Sale and Purchase Agreement pursuant to which the Vendor conditionally agreed to sell and the Offeror conditionally agreed to purchase 230,000,000 Shares, representing 51.11% of the total issued share capital of the Company as at the date of this joint announcement, for a total cash consideration of HK\$130,333,000 (being HK\$0.5667 per Sale Share). Details of the Sale and Purchase Agreement are set out in the section headed “The Sale and Purchase Agreement” below in this joint announcement.

THE SALE AND PURCHASE AGREEMENT

Date:

2 June 2021 (after trading hours)

Parties:

- (i) Vendor: TOMO Ventures Limited;
- (ii) Offeror: Billion Legend Company Limited; and
- (iii) Guarantors: Mr. Siew Yew Khuen and Ms. Lee Lai Fong

The Offeror's Concert Group are third parties independent of, and not connected with, either the Company or any of its connected persons.

The Sale Shares

The Sale Shares comprise a total of 230,000,000 Shares, representing 51.11% of the total issued share capital of the Company as at the date of this joint announcement. Pursuant to the terms of the Sale and Purchase Agreement, the Sale Shares will be acquired by the Offeror free from all Encumbrances and together with all rights and benefits attached and accrued to them at the Completion Date.

Consideration for the Sale Shares

The Consideration for the Sale Shares under Sale and Purchase Agreement is in the aggregate sum of HK\$130,333,000, being HK\$0.5667 per Sale Share, which was agreed between the Offeror and the Vendor after arm's length negotiations, taking into account the unaudited consolidated net asset value per Share as at 31 March 2021, and the financial performance of the Group, and the business prospect of the Group and the sales and installation of passenger vehicle leather upholstery and electronic accessories industry in Singapore.

The Consideration shall be payable by the Offeror to the Vendor in cash in Hong Kong dollars in the following manner:-

- (a) HK\$125,333,000 shall be payable upon Completion; and
- (b) HK\$5,000,000, being the remaining balance of the Consideration, shall be payable within three (3) Business Days following the publication of the Composite Document.

Other than the Consideration for the Sale Shares under Sale and Purchase Agreement, there is no other consideration, compensation or benefits in whatever form provided by the Offeror and its concert parties to the Vendor, its ultimate beneficial owners or their respective concert parties.

Conditions of the Sale and Purchase Agreement

Completion is conditional upon the satisfaction (or waiver by the Offeror, where applicable) of the following conditions on or prior to the Long Stop Date:

- (a) The Executive and the Stock Exchange having advised that they have no further comment on this joint announcement and its publication on the Stock Exchange's website by the Company in respect of, among others, the Offer to be made by the Offeror under the Takeovers Code;
- (b) each of the warranties and information given by the Vendor remaining true and accurate and not misleading in all material respects up to and including the Completion Date;
- (c) there having been no material breach of the warranties by the Vendor, or if there has been a material breach of the warranties by the Vendor, such breach has been fully remedied by the Vendor within seven (7) Business Days of the Offeror first notifying the Vendor of a claim, "material" shall mean any breach which gives rise to a liability which exceeds HK\$1,000,000;
- (d) all necessary waivers, consents, licenses and/or approvals required to be obtained on the part of the Vendor and each member of the Group in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (e) there having been no breach by the Vendor of certain pre-completion obligations (including but not limited to non-disposal of the Sale Shares or shares of any member of the Group, no modification of issued share capital of the Company, no incurrence of any material liabilities of the Group ("material" shall mean any liability which exceeds HK\$1,000,000), and no distribution of any dividend of the Group);
- (f) no governmental action, court order, proceeding, enquiry or investigation having been taken or made at any time prior to Completion that has the effect of making unlawful or otherwise prohibiting or restricting the transfer of the Sale Shares to the Offeror or any other transaction contemplated under the Sale and Purchase Agreement;

- (g) the Offeror being satisfied that, as at Completion, there has not been any material adverse change in respect of each member of the Group since the date of the Sale and Purchase Agreement (including but not limited to the business, assets, financial position and performance);
- (h) the listing of the Shares on the main board of the Stock Exchange not having been cancelled or withdrawn on or before the Completion Date; and
- (i) trading in the Shares on the Stock Exchange not having been suspended for a period of more than ten (10) consecutive Business Days save for any temporary suspension of trading in the Shares pending release of any announcement or document in connection with the transactions contemplated under the Sale and Purchase Agreement or the general offer arising from the implementation of the transaction contemplated under the Sale and Purchase Agreement as required under the Listing Rules and/or the Takeovers Code.

If any of the above conditions are not satisfied or waived on or before the Long Stop Date, the Sale and Purchase Agreement shall lapse and be of no further effect except those in the surviving provisions as specified therein and no party to the Sale and Purchase Agreement shall have any claim against or liability to the other parties, save in respect of any antecedent breaches of the Sale and Purchase Agreement. Other than the condition (a) above, the Offeror may at its absolute discretion at any time waive by notice in writing to the Vendor any of the conditions (to the extent it is capable of being waived).

Except for such conditions which concern the obtaining of the approval, waiver or consent from the Executive and Stock Exchange which are not capable to be waived, the Offeror may waive any of the closing conditions to the extent permitted at its absolute discretion. The Vendors are not entitled to waive any conditions under the Sale and Purchase Agreement.

Since the Executive and the Stock Exchange have no further comments on the content of this joint announcement and its publication by the Company, as at the date of this joint announcement, condition (a) is considered having been satisfied. As at the date of this joint announcement, neither the Offeror nor the Vendor is aware of any waiver, consent, license or approval that is necessary to be obtained under condition (d) above.

Guarantee

Pursuant to the Sale and Purchase Agreement, the Guarantors irrevocably and unconditionally:

- (a) guarantee to the Offeror the due and punctual performance and observance by the Vendor of all its obligations and undertakings, and the truth and accuracy of the warranties under the Sale and Purchase Agreement; and
- (b) agree to indemnify the Offeror against all losses, damages, costs, liabilities and expenses of whatsoever nature which the Offeror may suffer through or arising from any breach by any of the Vendor in the performance of any obligations, or breach of any warranties under the Sale and Purchase Agreement.

The Guarantors shall be liable for any obligations of the Vendor as if they were the primary obligor and the liability of the Guarantors as aforesaid shall not be released or diminished by any arrangements or alterations of terms (whether of the Sale and Purchase Agreement or otherwise) or any forbearance, neglect or delay in seeking performance of the obligations hereby imposed or any granting of time for such performance.

Completion of the Sale and Purchase Agreement

Completion is conditional upon the fulfillment (or, where applicable, waiver) of the conditions precedent above. Completion will take place within three (3) Business Days after the last of the conditions precedent thereof is fulfilled (or otherwise waived) or at such other date as may be agreed among the parties thereto. An announcement will be made upon Completion in accordance with the Listing Rules and the Takeovers Code.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

The Offer

As at the date of this joint announcement and prior to the Completion, the Offeror's Concert Group did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following Completion, the Offeror's Concert Group, will hold in aggregate 230,000,000 Shares, representing 51.11% of the total issued share capital of the Company. The Offeror will therefore upon Completion be required under Rule 26.1 of the Takeovers Code to make an Offer for all the issued Shares (other than those already owned or agreed to be acquired by it and parties acting in concert with it). Subject to Completion, VBG Capital will make the Offer for and on behalf of the Offeror on the following basis:

For each Offer ShareHK\$0.5667 in cash

As at the date of this joint announcement, there are 450,000,000 Shares in issue and the Company does not have any outstanding options, warrants or securities derivatives which are convertible or exchangeable into Shares, and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Assuming that there is no change in the issued share capital of the Company and based on the offer price of HK\$0.5667 per Share, the Consideration, together with the value of the Offer, are valued at HK\$255,007,000. The Offer will be made to the Offer Shareholders. As the Offeror's Concert Group will hold in aggregate 230,000,000 Shares immediately after Completion, 220,000,000 Shares will be subject to the Offer. As at the date of this joint announcement, none of the Offeror nor any person acting in concert with it has received any irrevocable commitment not to accept the Offer. Based on the offer price of HK\$0.5667 per Share, the maximum consideration of the Offer would be HK\$124,674,000. The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrance and together with all rights and benefits attached thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made. The Company has not declared and has no intention of declaring any dividend or making any distribution before the close of the Offer.

The Offer will be unconditional in all aspects when they are made and will not be conditional upon acceptance being received in respect of a minimum number of the Shares.

Offer Price

The offer price of the Offer of HK\$0.5667 per Offer Share represents:

- a discount of approximately 80.12% on the closing price of HK\$2.850 per Share as quoted on the Stock Exchange on 2 June 2021, being the Last Trading Day;
- a discount of approximately 80.70% on the average closing price of approximately HK\$2.936 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- a discount of approximately 77.64% on the average closing price of approximately HK\$2.534 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- a discount of approximately 64.31% on the average closing price of approximately HK\$1.588 per Share as quoted on the Stock Exchange for the 30 consecutive trading days prior to and including the Last Trading Day;

- a discount of approximately 55.46% over the average closing price of approximately HK\$1.272 per Share as quoted on the Stock Exchange for the last 60 trading days immediately prior to and including the Last Trading Day; and
- a premium of approximately 69.78% over the audited consolidated net asset value of the Group of approximately HK\$0.334 per Share as at 31 December 2020 calculated based on the audited consolidated net asset value of the Group as at 31 December 2020 of approximately HK\$150,206,000 and 450,000,000 Shares in issue as at the date of this joint announcement.

Highest and lowest trading prices

During the six-month period immediately preceding and including the Last Trading Day: (a) the highest closing price of the Shares quoted on the Stock Exchange was HK\$3.00 per Share on 1 June 2021; and (b) the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.76 per Share on 7 Apr 2021.

Total value of the offer

As at the date of this joint announcement, there are 450,000,000 Shares in issue. On the basis of the Offer Price of HK\$0.5667 per Sale Share, the Consideration, together with the value of the Offer, would be valued at HK\$255,007,000.

Immediately after Completion and on the basis that there are 220,000,000 Shares subject to the Offer and assuming that there is no change in the issued share capital of the Company, in the event that the Offer is accepted in full, the aggregate value of the Offer is HK\$124,674,000.

Confirmation of financial resources

The aggregate of the cash amount payable to the Vendor as Consideration for the Acquisition under the Sale and Purchase Agreement is HK\$130,333,000. The maximum amount of cash payable by the Offeror in respect of acceptances of the Offer is HK\$124,674,000, assuming there is no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offer. The Offeror intends to finance the Consideration for the Acquisition and the consideration for the acceptance of the Offer by its internal resources.

VBG Capital, as the financial adviser to the Offeror in respect of the Acquisition and the Offer is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the Consideration for the Acquisition and the consideration payable in respect of full acceptance of the Offer.

Effect of accepting the Offer

By accepting the Offer, the Offer Shareholders shall sell their Shares free from all Encumbrances and with all rights and benefits at any time accruing and attached to them, including the rights to receive all dividends and distributions declared, made or paid on or after the date on which the Offer is made.

Acceptance of the Offer by any Offer Shareholders will be deemed to constitute a warranty by such person that all the Shares to be sold by such person under the Offer are free from all Encumbrances and with all rights and benefits at any time accruing and attached to them, including the rights to receive all dividends and distributions declared, made or paid on or after the date on which the Offer is made, that is, the date of posting of the Composite Document.

The Offer will be unconditional in all respects. Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) Business Days of the date of receipt of a duly completed acceptance of the Offer. Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offer complete and valid.

No fractions of a cent will be payable and the amount of the consideration payable to an Independent Shareholder who accepts the Offer will be rounded up to the nearest cent.

Hong Kong stamp duty

The vendor's ad valorem stamp duty at a rate of 0.1% of the market value of the Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the cash amount payable to the relevant Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the vendor's ad valorem stamp duty on behalf of accepting Offer Shareholders and pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares.

Overseas Shareholders

As the Offer to persons not being resident in Hong Kong may be affected by the laws and regulations of the relevant jurisdiction in which they are resident, Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the sole responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consents which may be required, or compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in respect of such jurisdictions).

If the receipt of the Composite Document by the Overseas Shareholders is prohibited by any applicable laws and regulations and may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, will not be despatched to such Overseas Shareholders. In those circumstances, the Offeror will apply for any waivers as may be required pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

Any acceptance of the Offer by such Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the applicable local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt. The Overseas Shareholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

Taxation advice

The Offer Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, the Guarantors and their respective ultimate beneficial owners, directors, advisers, agents or associates, or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

DEALING AND INTERESTS IN SECURITIES OF THE COMPANY

The Offeror confirms that, save as disclosed in (a) to (h) below, as at the date of this joint announcement:

- (a) save for the Sale Shares to be acquired by the Offeror, none of the members of the Offeror's Concert Group owned or had control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities;
- (b) none of the members of the Offeror's Concert Group had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the 6 months prior to the Latest Trading Day up to and including the date of this Announcement;
- (c) save for the Sale and Purchase Agreement, there are no arrangements (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (d) save for the Sale and Purchase Agreement, there are no agreements or arrangements to which any member of the Offeror's Concert Group, is a party which relates to circumstances in which the Offeror may or may not seek to invoke a pre-condition or a condition to the Offer;
- (e) none of the members of the Offeror's Concert Group has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (f) none of the members of the Offeror's Concert Group has received any irrevocable commitment to accept the Offer;
- (g) save for the Consideration paid by the Offeror to the Vendor under the Sale and Purchase Agreement, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the members of the Offeror's Concert Group to the Vendor, its ultimate beneficial owners or any party acting in concert with any of them in connection with the sale and purchase of the Sale Shares; and
- (h) there are no agreements or arrangements in relation to outstanding derivative in respect of the securities in the Company which has been entered into by the members of the Offeror's Concert Group.

There is no understanding, arrangement and agreement or special deal (as defined under Rule 25 of the Takeovers Code) between each of the Vendor, its ultimate beneficial owners and parties acting in concert with any of them on one hand, and the Offeror's Concert Group on the other hand.

There is no understanding, arrangement or agreement or special deal between (1) Shareholders; and (2)(a) Offeror's Concert Group; or (b) the Company, its subsidiaries or associated companies.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this joint announcement, the authorised share capital of the Company was HK\$100,000,000 divided into 10,000,000,000 ordinary shares, and there are 450,000,000 Shares in issue. The Company does not have any outstanding options, warrants or derivatives or convertible rights affecting the Shares.

The shareholding structure of the Company immediately before and after the Completion:

	Immediately before Completion and as at the date of this joint announcement		Immediately after the Completion and before the Offer	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Offeror and its concert parties	—	—	230,000,000	51.11
Vendor and its concert parties	230,000,000	51.11	—	—
Offer Shareholders	220,000,000	48.89	220,000,000	48.89
Total	<u>450,000,000</u>	<u>100.00</u>	<u>450,000,000</u>	<u>100.00</u>

INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and its issued shares were listed on GEM of the Stock Exchange on 13 July 2017 and were transferred to be listed on the Main Board of the Stock Exchange on 23 December 2019. The Group is principally engaged in the (1) sales and installation of passenger vehicle leather upholstery and electronic accessories and (2) sales of electronic accessories in Singapore.

Set out below is a summary of the audited consolidated financial results of the Group for the financial years ended 31 December 2019 and 31 December 2020, prepared in accordance with the relevant accounting principles and financial regulations applicable to the International Financial Report Standards:

	As at/for the financial year ended	
	31 December 2019	31 December 2020
	(audited)	(audited)
	(\$\$'000)	(\$\$'000)
Revenue	16,487	6,185
Profit before tax	3,069	273
Profit for the year/period	2,239	173
Net assets	25,409	25,582

INFORMATION ON THE OFFEROR

The Offeror was incorporated in the British Virgin Islands with limited liability as an investment holding company. As at the date of this joint announcement, the Offeror is wholly and beneficially owned by Ms. Ma Xiaoqiu (“**Ms. Ma**”). Ms. Ma is the sole director of the Offeror.

Ms. Ma, age 60, is a seasoned investor with over 20 years’ experience in the area of culture and tourism, technology and healthcare. Ms. Ma has invested in majority interest in a chip manufacturer (深圳市豐源芯科技產業控股有限公司), a medical and healthcare services (深圳天成銘道醫學科技股份有限公司) and a movie making company (深圳秋豪影視有限公司). Ms. Ma was responsible for the management, business development, and assessment of the companies’ investment projects in the areas of culture and tourism, technology and healthcare. Ms. Ma has since gained extensive experience in corporate management, development and investment evaluation. Ms. Ma is also the legal representative or an executive director of the abovementioned companies. Ms. Ma is a non-executive Chairman of China Ding Yi Feng Company Limited, a company listed on the Main Board of the Stock Exchange, principally engaged in the investments of listed and unlisted securities (stock code: 0612) and Fullwealth International Group Holdings Limited, a company listed on the Main Board of the Stock Exchange principally engaged in the civil engineering and building works in Hong Kong and education and training business in the PRC (stock code: 1034). Ms. Ma currently spends approximately 10% of her time as non-executive chairman for the two companies. Her responsibilities include formulate corporate strategies, planning and business development and oversee the governance of the two companies.

INTENTIONS OF THE OFFEROR REGARDING THE GROUP

The Offeror intends to continue the employment of the existing management and employees of the Group (except for a proposed change to the members of the Board at such time permitted under the Listing Rules and the Takeovers Code). The Offeror also intends to continue the existing principal business of the Group immediately following Completion. However, the Offeror also intends to review the operation and business activities of the Group to formulate a long-term business strategy for the Group. Subject to the results of such review, the Offeror may explore other business and/or seek to expand the geographical coverage of the principal business of the Group. However, as of the date of this joint announcement, no opportunities have been identified and Ms. Ma has no intention to change the Company's business focus or alter the geographical coverage of the leather upholstery business and electronic accessories business within the Group. While Ms. Ma does not have immediate experience in similar business of the Group, Ms. Ma's experience in formulate corporate strategies, planning and business development in, among other things, technology-related area shall be valuable in the digital age and assist the Group in the transformation to/tap into e-commerce business. In addition, Ms. Ma believes her previous investment experience, especially her network in the PRC, can add value to the future development of the Group. For example, Ms. Ma's experience in culture and technology, together with her business networks in PRC, may add value to the sourcing of leather and electronic accessories, and provide some insights in the Group's sales and marketing efforts and the upgrade of information technology system, as disclosed in the management discussion and analysis section of the Company's 2020 annual report. Save for the Offeror's intention regarding the Group as set out above, (i) the Offeror has no intention to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business; and (ii) as at the date of this joint announcement, no investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understandings or negotiation in relation to the injection of any assets or business into the Group.

The Offeror intends to nominate new director(s) to the Board with effect from the earliest time permitted under the Takeovers Code. As at the date of this joint announcement, the Offeror has not reached any final decision as to who will be nominated as new director(s) of the Company. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and the Listing Rules and further announcement(s) will be made as and when appropriate.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public at all times, or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares. Therefore, it should be noted that upon close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares. The Directors and the proposed new director(s) by the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. The Offeror intends to maintain the listing of the Shares on the main board on the Stock Exchange and will take appropriate steps (including but not limited to placement of Shares) as soon as possible following the close of the Offer to ensure that a sufficient public float exists for the Shares.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee, comprising all the non-executive Directors (namely, Mr. Clarence Tan Kum Wah, Mr. Ng Chee Chin), has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give a recommendation to the Offeror Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

The Independent Financial Adviser to the Independent Board Committee will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code. Further announcement(s) will be made upon the appointment of the Independent Financial Adviser.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the offeree's board circular in the Composite Document to be posted.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among others, (i) further details of the Offer; (ii) the recommendation from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in respect of the terms of the Offer and as to the acceptance of the Offer; and (iv) the relevant form(s) of acceptance and transfer, will be despatched to the Shareholders within calendar 21 days after the date of this joint announcement or such later date as the Executive may approve. Further announcement(s) will be made when the Composite Document is despatched.

As there is a pre-condition (that is, the Completion of the Acquisition) to the making of the Offer, if the Vendor and the Offeror are unable to complete the Acquisition and despatch the Composite Document within 21 days from the date of this Announcement under Rule 8.2 of the Takeovers Code, an application will be made by the Offeror and the Company for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to within 7 days from the Completion Date or 14 July 2021, whichever is earlier.

The Offer Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Offer Shareholders in respect the terms of the Offer and as to the acceptance of the Offer.

TRADING SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 3 June 2021 pending the release of this joint announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 9 June 2021.

DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company or the Offeror (including persons holding 5% or more of a class of relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) are reminded to disclose their dealings in any relevant securities of the Company pursuant to the requirements of the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNING

Shareholders and potential investors of the Company should note that the Offer is a possible mandatory unconditional cash offer and will only be made if Completion takes place. As Completion is subject to the satisfaction or waiver (as applicable) of the conditions precedent set out in the Sale and Purchase Agreement, it may or may not take place and the Offer may or may not proceed. The Independent Board Committee has yet to consider and evaluate the Offer. This joint announcement is made in compliance with the Takeovers Code for the purpose of, amongst other things, informing Shareholders of the fact that the Company has been informed that the Offer will be made if Completion takes place. The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

“Acquisition”	the purchase of the Sale Shares by the Offeror from the Vendor in accordance with the terms and conditions of the Sale and Purchase Agreement
“acting in concert” or “concert parties”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“Company”	TOMO Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose ordinary shares are listed on the main board of the Stock Exchange (stock code: 6928)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date of Completion, which shall take place within three (3) Business Days immediately after the date on which the last of the conditions precedent to Completion pursuant to the Sale and Purchase Agreement is fulfilled or waived (or such other date as shall be agreed among the parties to the Sale and Purchase Agreement)

“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Independent Shareholders in connection with the Offer in compliance with the Takeovers Code containing, among other things, details of the Offer (accompanied by the forms of acceptance and transfer) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser of the Company
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	The amount of HK\$130,333,000, being consideration payable by the Offeror to the Vendor for the acquisition of the Sale Shares
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Encumbrances”	any charge, mortgage, lien, option, equitable right, power of sale, pledge, hypothecation, retention of title, right of pre-emption, right of first refusal or other third-party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“GEM”	GEM of the Stock Exchange
“Group”	the Company together with its subsidiaries
“Guarantors”	Mr. Siew Yew Khuen and Ms. Lee Lai Fong, the legal and beneficial owners of the entire issued share capital of the Vendor
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the independent board committee of the Board, comprising Mr. Clarence Tan Kum Wah, Mr. Ng Chee Chin, being all the independent non-executive Directors, which has been formed for the purpose of advising the Offer Shareholders in respect of the Offer
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company (with approval from the Independent Board Committee) to advise the Independent Board Committee in respect of the terms of the Offer and as to the acceptance of the Offer
“International Financial Report Standards”	international accounting standards issued by the International Accounting Standards Board
“Last Trading Day”	2 June 2021, being the last trading day immediately prior to the suspension of trading in the Shares pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the thirtieth (30 th) calendar day after the date of the Sale and Purchase Agreement, or such later date as agreed by the parties thereto
“Offer”	the possible mandatory unconditional cash offer to be made by VBG Capital, for and on behalf of the Offeror, to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror’s Concert Group)
“Offer Shares”	any of the 220,000,000 Shares that are subject to the Offer
“Offer Shareholder(s)” or “Independent Shareholder(s)”	holder(s) of Share(s), other than the Offeror’s Concert Group
“Offeror”	Billion Legend Company Limited, a company incorporated in the British Virgin Islands with limited liability, being the purchaser under the Sale and Purchase Agreement. Ms. Ma Xiaoqiu is the sole director and sole ultimate beneficial shareholder of the Offeror

“Offeror’s Concert Group”	the Offeror and its associates and parties acting in concert with any of them
“Overseas Shareholder(s)”	Shareholder(s) whose address(es), as shown on the register of members of the Company is/are outside Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Sale and Purchase Agreement”	the conditional agreement for the sale and purchase of Shares dated 2 June 2021 and entered into by and among the Vendor, the Guarantors and the Offeror in relation to the sale and purchase of the Sale Shares
“Sale Shares”	230,000,000 Shares conditionally agreed to be sold by the Vendor and conditionally agreed to be acquired by the Offeror pursuant to the terms and conditions of the Sale and Purchase Agreement, representing 51.11% of the entire issued share capital of the Company as at the date of this joint announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in issued of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“VBG Capital”	VBG Capital Limited, a licensed corporation to carry on type 6 (advising on corporate finance) regulated activities under the SFO, one of the financial adviser to the Offeror

“Vendor”

TOMO Ventures Limited, a company incorporated in the British Virgin Islands with limited liability, is wholly and beneficially owned by Mr. Siew Yew Khuen and Ms. Lee Lai Fong who are executive Directors and hold 230,000,000 Shares, representing 51.11% of the total issued share capital of the Company as at the date of this joint announcement

“%”

per cent.

By order of the board of directors of
Billion Legend Company Limited
Ma Xiaoqiu
Sole Director

By order of the Board of
TOMO Holdings Limited
Siew Yew Khuen
Chairman and Chief Executive Officer

Hong Kong, 8 June 2021

As at the date of this joint announcement, Ms. Ma Xiaoqiu is the sole director of the Offeror. As the sole director of the Offeror, Ms. Ma Xiaoqiu accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Vendor, the Guarantors, the Directors and the Group) and confirm, having made all reasonable inquiries, that to the best of her knowledge, opinions expressed in this joint announcement (other than that expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

The Directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement, other than that relating to the Offeror's Concert Group, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the Board comprises Mr. Siew Yew Khuen, Ms. Lee Lai Fong, Mr. Siew Yew Wai and Mr. Zha Jianping as executive Directors, and Mr. Clarence Tan Kum Wah, Mr. Ng Chee Chin as independent non-executive Directors.