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TOMO HOLDINGS LIMITED

萬馬控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6928)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

SUMMARY

- The unaudited revenue of the Group amounted to approximately S\$4,295,000 for the six months ended 30 June 2022, representing an increase of approximately S\$327,000, or 8.3% as compared with the revenue of approximately S\$3,968,000 for the six months ended 30 June 2021.
- The unaudited loss of the Group was approximately S\$688,000 for the six months ended 30 June 2022 as compared to the unaudited profit of approximately S\$255,000 for the six months ended 30 June 2021.
- Basic and diluted losses per share was S\$0.15 cents for the six months ended 30 June 2022 as compared to the basic and diluted earnings per share of S\$0.06 cents for the six months ended 30 June 2021.

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2022 together with the comparative unaudited figures for the corresponding periods in 2021 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Notes	Six months ended 30 June	
		2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Revenue	6	4,295,249	3,967,830
Cost of sales	9	<u>(3,868,814)</u>	<u>(2,804,600)</u>
Gross profit		426,435	1,163,230
Other income	7	72,172	159,961
Other gains — net	8	156,610	20,922
Selling and distribution expenses	9	(206,810)	(144,253)
Administrative expenses	9	(1,134,970)	(848,936)
Finance income		731	135
Finance cost on lease liabilities		<u>(1,788)</u>	<u>(1,026)</u>
(Loss)/profit before income tax		(687,620)	350,033
Income tax expenses		<u>—</u>	<u>(94,992)</u>
(Loss)/profit and total comprehensive (loss)/income for the period attributable to owners of the Company		<u>(687,620)</u>	<u>255,041</u>
(Loss)/earnings per share attributable to owners of the Company for the period			
— Basic and diluted (Singapore cents)	11	<u>(0.15)</u>	<u>0.06</u>

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2022

	<i>Notes</i>	As at 30 June 2022 S\$ (Unaudited)	As at 31 December 2021 S\$ (Audited)
ASSETS			
Non-current assets			
Investment properties		3,000,000	3,000,000
Property, plant and equipment	12	1,086,475	859,022
Intangible asset		97,706	100,353
Right-of-use assets	13	101,780	6,455
		<u>4,285,961</u>	<u>3,965,830</u>
Current assets			
Inventories		453,961	443,578
Amount due from a shareholder	15	93,198	93,197
Trade and other receivables	14	1,046,921	1,472,070
Cash and bank balances		20,125,671	20,364,047
		<u>21,719,751</u>	<u>22,372,892</u>
Total assets		<u>26,005,712</u>	<u>26,338,722</u>
EQUITY AND LIABILITIES			
Capital and reserve attributable to owners of the Company			
Share capital	16	793,357	793,357
Share premium	16	12,398,264	12,398,264
Other reserve		200,000	200,000
Retained earnings		11,621,120	12,308,740
Total equity		<u>25,012,741</u>	<u>25,700,361</u>
LIABILITIES			
Non-current liabilities			
Lease liabilities	13	65,617	–
Deferred tax liabilities		12,000	12,000
		<u>77,617</u>	<u>12,000</u>
Current liabilities			
Trade and other payables	17	387,665	404,583
Contract liabilities	18	468,400	180,600
Lease liabilities	13	36,952	6,945
Current income tax liabilities		3,434	6,000
Provision		18,903	28,233
		<u>915,354</u>	<u>626,361</u>
Total liabilities		<u>992,971</u>	<u>638,361</u>
Total equity and liabilities		<u>26,005,712</u>	<u>26,338,722</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Share capital S\$ (Unaudited)	Share premium S\$ (Unaudited)	Other reserve S\$ (Unaudited)	Retained earnings S\$ (Unaudited)	Total S\$ (Unaudited)
2022					
As at 1 January 2022 (Audited)	793,357	12,398,264	200,000	12,308,740	25,700,361
Loss and total comprehensive loss					
— Loss for the period	—	—	—	(687,620)	(687,620)
As at 30 June 2022 (Unaudited)	<u>793,357</u>	<u>12,398,264</u>	<u>200,000</u>	<u>11,621,120</u>	<u>25,012,741</u>
2021					
As at 1 January 2021 (Audited)	793,357	12,398,264	200,000	12,190,709	25,582,330
Profit and total comprehensive income					
— Income for the period	—	—	—	255,041	255,041
As at 30 June 2021 (Unaudited)	<u>793,357</u>	<u>12,398,264</u>	<u>200,000</u>	<u>12,445,750</u>	<u>25,837,371</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Notes	Six months ended 30 June	
		2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Cash flow from operating activities			
(Loss)/profit before income tax		(687,620)	350,033
Adjustments for:			
— Amortisation of intangible asset		2,647	—
— Loss on disposal of property, plant and equipment		9,634	—
— Depreciation of property, plant and equipment	12	72,062	82,042
— Depreciation of right-of-use assets	13	19,177	19,365
— Write-off of inventories		409	302
— Provision for warranty cost		3,560	36,700
— Finance income		(731)	(135)
— Finance cost on lease liabilities	13	1,788	1,026
Operating cash (outflow)/inflow before working capital changes		(579,074)	489,333
Changes in working capital:			
— Inventories		(10,792)	244,379
— Trade and other receivables		424,609	(1,027,146)
— Trade and other payables and provision		(29,808)	515,996
— Contract liabilities		287,800	—
Cash generated from operations		92,735	222,562
Income tax paid		(2,566)	(262,103)
Net cash generated from/(used in) operating activities		<u>90,169</u>	<u>(39,541)</u>
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		251,279	—
Purchase of property, plant and equipment		(560,428)	(11,850)
Interest received		731	—
Withdrawal of fixed deposits		540	—
Net cash used in investing activities		<u>(307,878)</u>	<u>(11,850)</u>
Cash flows from financing activities			
Principal element of lease payment		(18,879)	(19,945)
Interest element of lease payment		(1,788)	(1,026)
Net cash used in financing activities		<u>(20,667)</u>	<u>(20,971)</u>
Net decrease in cash and cash equivalents		(238,376)	(72,362)
Cash and cash equivalents at beginning of the period		<u>20,364,047</u>	<u>20,638,689</u>
Cash and cash equivalents at end of the period		<u>20,125,671</u>	<u>20,566,327</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2022

1. GENERAL INFORMATION

TOMO Holdings Limited (“the **Company**”) was incorporated in the Cayman Islands on 16 January 2017 as an exempted company with limited liability under Companies Law Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company is listed on the Main Board of the The Stock Exchange of Hong Kong Limited.

The Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1–1111, Cayman Islands. The principal place of business in Singapore of the Company is Block 3018, Bedok North Street 5, #02–08 Eastlink, Singapore 486132 and the principal place of business in Hong Kong of the Company is Room Nos. 4101–4104, 41/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (the “**Group**”) are principally engaged in the (i) sales and installation of passenger vehicle leather upholstery and electronic accessories; and (ii) sales of electronic accessories, automotive parts and motor vehicle. This condensed consolidated financial information is presented in Singapore dollars (“**S\$**”), unless otherwise stated.

This condensed consolidated financial information has been approved for issue by the Board of Directors on 30 August 2022.

2. BASIS OF PREPARATION

This condensed consolidated financial information for the six months ended 30 June 2022 has been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) issued by the International Accounting Standards Board (the “**IASB**”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The condensed consolidated financial information should be read in conjunction with the Company’s consolidated financial statements for the year ended 31 December 2021.

The preparation of condensed consolidated financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

3. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the Company’s consolidated financial statements for the year ended 31 December 2021, except as mentioned below.

New and revised standards that are adopted

In the current financial period, the Group has adopted all the new and revised IFRSs and International Financial Reporting Interpretations Committee Interpretations (“**IFRIC**”) that are relevant to its operations and effective for the current financial period. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRSs and IFRIC.

The adoption of these new/revised IFRSs and IFRIC did not have any material effect on these financial statements.

4. ESTIMATES

The preparation of condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's consolidated financial statements for the year ended 31 December 2021.

5. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's consolidated financial statements for the year ended 31 December 2021.

There have been no changes in the risk management policies since 31 December 2021.

Fair Value Estimation

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.
- (iii) Level 3: unobservable inputs for the asset or liability.

The carrying amounts of the Group's current financial assets, including amount due from a shareholder, trade and other receivables and bank balances and; current financial liabilities, including trade and other payables, approximate their fair values as at the reporting date due to their short term maturities.

The Group's non-financial assets measured at fair value, including investment properties, are included in level 3 as there are significant unobservable inputs in the valuation technique. The Group does not have level 1 or level 2 items as at 30 June 2022 (31 December 2021: Nil).

Investment properties are carried at fair values at the end of reporting date as determined by independent professional valuers. Valuations are made at each financial statements date based on the properties' highest-and-best-use using the comparison method that considers sales of similar properties that have been transacted in the open market with appropriate adjustments have been made to account for the difference in factors such as locations and property size. The most significant input into this valuation approach is selling price per square metre. The valuation report and fair value changes are reviewed by the directors at each reporting date.

6. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Company's Board of Directors. The executive directors review the performance of the Group's operations mainly from a business operation perspective. The Group is organised into three main business segments, namely (i) passenger vehicle leather upholstery; (ii) passenger vehicle electronic accessories; and (iii) automotive parts and motor vehicle. The passenger vehicle leather upholstery segment mainly represents the business of supplying and installing passenger vehicle leather upholstery to passenger vehicle distributors and dealers. The passenger vehicle electronic accessories segment mainly represents the business of supplying and installing passenger vehicle electronic accessories to passenger vehicle distributors and dealers. The automotive parts and motor vehicle segment mainly represents the business of supplying automotive parts and motor vehicle to passenger vehicle distributors and dealers. Those passenger vehicle distributors and dealers are mainly located in Singapore.

Segment performance is evaluated based on reportable segment results, which is a measure of adjusted (loss)/profit before income tax. The adjusted (loss)/profit before income tax is measured consistently with the Group's (loss)/profit before income tax except that interest income, interest expenses, inter-segment transactions as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude intra-group balances and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude intra-group balances and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

	Passenger vehicle leather upholstery		Passenger vehicle electronic accessories		Automotive parts and motor vehicle		Total	
	As at 30 June		As at 30 June		As at 30 June		As at 30 June	
	2022	2021	2022	2021	2022	2021	2022	2021
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue	<u>366,687</u>	<u>549,502</u>	<u>912,985</u>	<u>2,750,321</u>	<u>3,015,577</u>	<u>668,007</u>	<u>4,295,249</u>	<u>3,967,830</u>
Segment (loss)/profit	(50,294)	63,288	(126,030)	315,531	(417,410)	76,493	(594,734)	455,312
Depreciation of property, plant and equipment	(11,451)	(15,125)	(3,930)	(23,075)	(13,010)	(5,590)	(28,391)	(43,790)
Depreciation of right-of-use assets	<u>(15,342)</u>	<u>(15,492)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(15,342)</u>	<u>(15,492)</u>
Reportable segment (loss)/ profit	(77,087)	32,671	(129,960)	292,456	(430,420)	70,903	(637,467)	396,030
Unallocated expenses:								
Amortisation of intangible asset							(2,647)	–
Depreciation of property, plant and equipment							(43,671)	(42,124)
Depreciation of right-of-use assets							<u>(3,835)</u>	<u>(3,873)</u>
(Loss)/profit before income tax							(687,620)	350,033
Income tax expenses							<u>–</u>	<u>(94,992)</u>
(Loss)/profit for the period							<u>(687,620)</u>	<u>255,041</u>

	Passenger vehicle leather upholstery		Passenger vehicle electronic accessories		Automotive parts and motor vehicle		Total	
	As at 30 June		As at 30 June		As at 30 June		As at 30 June	
	2022	2021	2022	2021	2022	2021	2022	2021
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment assets	269,599	119,596	462,152	434,206	430,205	20,071	1,161,956	573,873
Unallocated assets:								
Cash and cash equivalents							20,125,671	20,566,327
Trade and other receivables							1,046,921	2,482,875
Investment properties							3,000,000	3,000,000
Property, plant and equipment							459,904	803,280
Right-of-use asset							20,356	5,164
Intangible asset							97,706	–
Amount due from a shareholder							93,198	–
Total assets							26,005,712	27,431,519
Segment liabilities	33,351	21,936	38,151	110,044	468,400	–	539,902	131,980
Unallocated liabilities:								
Trade and other payables							338,099	1,201,179
Provision							18,903	100,596
Deferred tax liabilities							12,000	6,000
Current income tax liabilities							3,434	148,909
Lease liabilities							80,633	5,484
Total liabilities							992,971	1,594,148

The Group's revenue for the six months ended 30 June 2021 and 2022 are as follows:

	Six months ended 30 June	
	2022	2021
	S\$	S\$
	(Unaudited)	(Unaudited)
Sales and installation of goods		
— Leather upholstery	366,687	549,502
— Electronic accessories	912,985	2,676,161
	1,279,672	3,225,663
Sales of goods		
— Electronic accessories	—	74,160
— Automotive parts and motor vehicle	3,015,577	668,007
	3,015,577	742,167
	4,295,249	3,967,830

7. OTHER INCOME

	Six months ended 30 June	
	2022	2021
	S\$	S\$
	(Unaudited)	(Unaudited)
Government Grants	—	27,652
Jobs Support Scheme	—	49,097
Wages Credit Scheme	3,546	13,195
Special Employment Credit	3,076	4,467
Rental income	65,550	65,550
	72,172	159,961

Wage Credit Scheme and Special Employment Credit are incentive introduced by the Singapore government to help corporates alleviate business costs in a tight labour market and to support business investments. Government Grants and Jobs Support Scheme are wage support to employers, helping enterprises retain their employees during the Singapore circuit breaker measures as a preventive measure by the Government of Singapore in response to the COVID-19 pandemic. These incentives are granted in the form of cash payout.

8. OTHER GAINS — NET

	Six months ended 30 June	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Foreign exchange gain — net	91,204	20,922
Loss on disposal of property, plant and equipment	(9,634)	—
Others — reversal of unused customer rebate	75,040	—
	<u>156,610</u>	<u>20,922</u>

9. EXPENSES BY NATURE

	Six months ended 30 June	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Costs of inventories	3,308,564	2,114,266
Freight and forwarding charges	4,802	4,054
Employee benefit costs (<i>Note a</i>)	1,424,959	1,136,437
Depreciation of property, plant and equipment	73,001	82,041
Depreciation of right-of-use assets	19,365	19,365
Rental expenses on short-term leases	10,689	205
Commission	9,170	8,204
Entertainment	27,314	25,474
Motor vehicles expenses	19,626	19,358
Insurance	42,531	41,064
Advertisement	5,850	4,875
Auditor's remuneration		
— Audit services	45,625	32,192
Legal and professional fees	122,340	102,855
Write-off of inventories	409	302
Provision for warranty cost	3,560	36,700
Other operating expenses	92,789	170,397
	<u>5,210,594</u>	<u>3,797,789</u>
Total cost of sales, selling and distribution expenses and administrative expenses		

(a) Employee benefit expenses during the periods are as follows:

	Six months ended 30 June	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Directors:		
Salaries, allowances and benefits in kind	203,795	316,736
Discretionary bonuses	—	49,700
Retirement benefit costs — defined contribution plans	—	15,922
Fees	50,165	32,057
	<u>253,960</u>	<u>414,415</u>
Other employees:		
Salaries, allowances and benefits in kind	1,070,315	624,222
Retirement benefit costs — defined contribution plans	61,635	46,355
Others	39,049	51,445
	<u>1,170,999</u>	<u>722,022</u>
	<u>1,424,959</u>	<u>1,136,437</u>

10. DIVIDENDS

No dividend has been paid or declared by the Company since its incorporation.

The Board does not recommend the payment of a dividend for the six months ended 30 June 2022 (30 June 2021: Nil).

11. (LOSS)/EARNINGS PER SHARE

	Six months ended 30 June	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
(Loss)/profit for the period attributable to owners of the Company (S\$)	(687,620)	255,041
Weighted average number of ordinary shares in issue	<u>450,000,000</u>	<u>450,000,000</u>
Basic and diluted (loss)/earnings per share (Singapore cents)	<u>(0.15)</u>	<u>0.06</u>

The calculation of the basic earnings per share is based on the profit/(loss) for the periods attributable to owners of the Company and the weighted average number of ordinary shares in issue.

Diluted (loss)/earnings per share for the six months ended 30 June 2021 and 2022 are the same as basic earnings per share due to the absence of dilutive potential ordinary shares during the respective periods.

12. PROPERTY, PLANT & EQUIPMENT

During the six months ended 30 June 2022, the Group acquired property, plant and equipment of S\$560,428 (30 June 2021: S\$11,850).

	Leasehold properties	Lightings, Renovations, Furniture & Fittings	Machinery & Motor vehicles	Office equipment, Software & Computer	Total
	S\$	S\$	S\$	S\$	S\$
At 31 December 2021 (Audited)					
Cost	1,150,227	57,219	1,189,818	250,561	2,647,825
Accumulated depreciation	<u>(690,090)</u>	<u>(48,811)</u>	<u>(820,386)</u>	<u>(229,516)</u>	<u>(1,788,803)</u>
Net book amount	<u>460,137</u>	<u>8,408</u>	<u>369,432</u>	<u>21,045</u>	<u>859,022</u>
Six months ended 30 June 2022 (Unaudited)					
Opening net book amount	460,137	8,408	369,432	21,045	859,022
Additions	–	–	560,428	–	560,428
Disposals	–	–	(260,913)	–	(260,913)
Depreciation	<u>(21,287)</u>	<u>(3,328)</u>	<u>(40,856)</u>	<u>(6,591)</u>	<u>(72,062)</u>
Closing net book amount	<u>438,850</u>	<u>5,080</u>	<u>628,091</u>	<u>14,454</u>	<u>1,086,475</u>
At 30 June 2022 (Unaudited)					
Cost	1,150,227	57,219	1,341,258	250,561	2,799,265
Accumulated depreciation	<u>(711,377)</u>	<u>(52,139)</u>	<u>(713,167)</u>	<u>(236,107)</u>	<u>(1,712,790)</u>
Net book amount	<u>438,850</u>	<u>5,080</u>	<u>628,091</u>	<u>14,454</u>	<u>1,086,475</u>

13. RIGHT-OF-USE ASSET/LEASE LIABILITIES

	As at 30 June 2022 S\$ (Unaudited)	As at 31 December 2021 S\$ (Unaudited)
Right-of-use asset		
Leasehold property	<u>101,780</u>	<u>6,455</u>
Lease liabilities		
— Non-current liabilities	65,617	—
— Current liabilities	<u>36,952</u>	<u>6,945</u>
Depreciation charge of right-of-use asset		
Leasehold property	<u>19,177</u>	<u>38,729</u>
Interest expense included in finance cost	1,788	1,523
Expenses relating to short-term leases	<u>10,689</u>	<u>4,596</u>

The total cash outflow for leases during the six months ended 30 June 2022 was S\$31,356 (31 December 2021: S\$46,539).

The Group leases office premise from third parties under non-cancellable operating lease agreement. There was no option for renewal of the above operating lease agreement.

14. TRADE & OTHER RECEIVABLES

	As at 30 June 2022 S\$ (Unaudited)	As at 31 December 2021 S\$ (Audited)
Trade receivables (<i>Note a</i>)		
— Third parties	<u>356,049</u>	<u>201,593</u>
Deposit, prepayment and other receivables		
— Rental and other deposits	24,459	7,384
— Advance payment to suppliers	557,366	467,773
— Prepayment of operating expenses	109,047	163,675
— Other receivables	—	631,645
	<u>690,872</u>	<u>1,270,477</u>
	<u><u>1,046,921</u></u>	<u><u>1,472,070</u></u>

The carrying amounts of trade and other receivable approximate their fair values.

(a) Trade receivables

The Group normally grants credit terms to its customers ranging from 0 to 30 days. The aging analysis of the trade receivables based on invoice date is as follows:

	As at 30 June 2022 S\$ (Unaudited)	As at 31 December 2021 S\$ (Audited)
Unbilled revenue	27,134	31,484
1 to 30 days	219,611	162,983
31 to 60 days	104,403	3,702
61 to 90 days	1,584	193
Over 90 days	<u>3,317</u>	<u>3,231</u>
	<u><u>356,049</u></u>	<u><u>201,593</u></u>

The carrying amounts of the Group's trade receivables are denominated in S\$.

The Group does not hold any collateral as security.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. No material loss allowance was recognised at 31 December 2021 and 30 June 2022.

15. AMOUNT DUE FROM A SHAREHOLDER

The non-trade amount due from a shareholder is unsecured, interest-free and repayable from demand.

16. SHARE CAPITAL

The share capital of the Group as at 30 June 2022 and 31 December 2021 represented the share capital of the Company.

	Number of ordinary shares	Share capital S\$	Share premium S\$
As at 30 June 2022 (unaudited) and 31 December 2021 (audited)			
— Authorised	10,000,000,000	17,822,268	—
— Issued and fully paid	450,000,000	793,357	12,398,264
	<u>450,000,000</u>	<u>793,357</u>	<u>12,398,264</u>

17. TRADE & OTHER PAYABLES

	As at 30 June 2022 S\$ (Unaudited)	As at 31 December 2021 S\$ (Audited)
Trade payables (Note a)		
— Third parties	<u>49,566</u>	<u>60,824</u>
Other payables and accruals		
— Accrued operating expenses	271,006	281,625
— Goods and services tax payables	33,919	39,134
— Others	<u>33,174</u>	<u>23,000</u>
	<u>338,099</u>	<u>343,759</u>
	<u>387,665</u>	<u>404,583</u>

The carrying amounts of trade and other payables approximate to their fair values.

(a) Trade payables

Trade payables are non-interest bearing and are normally settled on 30 days' terms. The aging analysis of the trade payables based on invoice date is as follows:

	As at 30 June 2022 S\$ (Unaudited)	As at 31 December 2021 S\$ (Audited)
1 to 30 days	49,566	60,675
31 to 60 days	—	149
	<u>49,566</u>	<u>60,824</u>

18. CONTRACT LIABILITIES

Contract liabilities relate to advance consideration received from customers. Contract liabilities are recognized as revenue as (or when) the Company satisfies the performance obligations under its contracts.

The following table provides information about contract liabilities balances during the six months ended 30 June 2022:

	As at 30 June 2022 S\$ (Unaudited)	As at 31 December 2021 S\$ (Audited)
Trade receivable from contracts with customers	356,049	201,593
Contract liabilities	468,400	180,600
	<u>468,400</u>	<u>180,600</u>

During the six months ended 30 June 2022, contract liabilities decreased significantly due to the Company billed and received consideration ahead in respect of sales of motor vehicles to customers.

19. RELATED PARTY TRANSACTIONS

For the purposes of this unaudited condensed consolidated financial information, parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions. Related parties may be individuals (being members of key management personnel, significant shareholder and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

The directors are of the view that the following parties were related parties that had material transactions or balances with the Group during the periods ended 30 June 2021 and 2022:

Name	Relationship with the Group
Mr. Siew Yew Khuen (“ Mr David Siew ”)	The former shareholder and former executive director of the Company and the director of a subsidiary
Ms. Lee Lai Fong (“ Ms Lee ”)	The former shareholder and former executive director of the Company and the director of a subsidiary
Billion Legend Company Limited	A corporate shareholder of the Company

In addition to the related party information disclosed above, the following set out the significant transactions carried out between the Group and its related parties in the ordinary course of business during the periods ended 30 June 2021 and 2022.

20. COMMITMENTS

Non-cancellable operating lease – where the Group is a lessor

The Group has entered into commercial property leases on its investment properties. These non-cancellable leases have remaining lease terms of between one and two years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum rental receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	As at 30 June 2022 S\$ (Unaudited)	As at 31 December 2021 S\$ (Audited)
– No later than 1 year	56,050	111,400
– Later than 1 year and not later than 5 years	23,400	37,050
	79,450	148,450

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

The Group is principally engaged in the (i) supply and installation of passenger vehicle leather upholstery and electronic accessories; and (ii) sales of electronic accessories, automotive parts and motor vehicle. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited on 13 July 2017 (the “**Listing Date**”) and were transferred to be listed on the Main Board of the Stock Exchange on 23 December 2019.

The Group experienced challenging business operation conditions with the impact of the continuation of novel coronavirus (“**COVID 19**”) pandemic, global supply chains distortions, rising of global inflation as well as change of business mix. Both business and consumer sentiment are remained weak coupled with the increase in business operating costs, the Group’s current performance has been negatively impacted.

Based on the unaudited financial information of the Group, its total revenue for the six months ended 30 June 2022 recorded an increase of approximately 8.3% as compared to the same period in 2021, which was mainly due to a increase in the sales of automotive parts and motor vehicles and offset by a decrease in the passenger vehicle leather upholstery and passenger vehicle electronic accessories.

Going forward, we expect to face even greater headwinds. As we witness vast geopolitical uncertainty and tensions rising across the world, barriers to free trade punishing businesses with global supply chains, and the COVID-19 virus continuing to ravage across continents, these events have brought forth the spectra of recession, and we must be prepared for the downturn that will likely follow.

However, our business is resilient. We have weathered storms before, and we will weather them again. We are confident that with the appropriate measures, we will come out of this difficult time even stronger, finding opportunities for us to sow the seeds for future successes. While the coming year will be tough on all of us, we are certain that we can benefit from this in the long run.

The Directors and management of the Company will remain focused in our business objectives. We will continue to provide our customers with innovative products and excellent service. We are confident of making good progress with our marketing strategy and will deliver better operating performance for the future.

FINANCIAL REVIEW

Revenue

Total revenue of the Group for the six months ended 30 June 2022 (the “**Current Period**”) was approximately S\$4,295,000 as compared to approximately S\$3,968,000 for the six months ended 30 June 2021 (the “**Corresponding Period**”), representing an increase of approximately S\$327,000 or 8.3%. Such increase was mainly attributable to the sales of automotive parts and motor vehicles and offset by a decrease in the passenger vehicle leather upholstery and passenger vehicle electronic accessories of 33.3% and 66.8% respectively.

Gross profit

The Group’s gross profit fell by approximately S\$737,000 or 63.3% from approximately S\$1,163,000 for the Corresponding Period to approximately S\$426,000 for the Current Period. The gross profit margin fell from approximately 29.3% for the Corresponding Period to approximately 9.9% for the Current Period. This was mainly due to the economic slowdown and pandemic as well as the Group’s reduction in sales and installation of leather upholstery and electronic accessories in higher profit margin from Corresponding Period to increase in sales of automotive parts and motor vehicles which are lower in profit margin in the Current Period.

Other income

Other income had decreased by approximately S\$88,000 from approximately S\$160,000 for the six months ended 30 June 2021 to approximately S\$72,000 for the six months ended 30 June 2022. Such a decrease was mainly attributed to lower in Singapore government COVID-19 Support Grants such as Jobs Support Scheme, Foreign Worker Levy Rebate, Rental Relief Framework.

Other gains — net

Other gains increased by approximately S\$136,000 from approximately S\$21,000 of net gains for the six months ended 30 June 2021 to approximately S\$157,000 of net gains for the six months ended 30 June 2022. Other gains mainly represent foreign exchange gains resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies. In addition, for the six months ended 30 June 2022, there is reversal of unused customer rebate.

Selling and distribution expenses

Selling and distribution expenses had increased by approximately S\$63,000 from approximately S\$144,000 for the six months ended 30 June 2021 to approximately S\$207,000 for the six months ended 30 June 2022. The increase of the costs is mainly attributable to higher salary and related expenses.

Administrative expenses

Administrative expenses had increased by approximately S\$286,000 from approximately S\$849,000 for the six months ended 30 June 2021 to approximately S\$1,135,000 for the six months ended 30 June 2022. The increase of administrative expenses was mainly due to higher salary and related expenses offset by reduction of professional fees in relation to the transfer of listing of the shares of the Company on the GEM to the Main Board in 2020.

(LOSS)/PROFIT FOR THE PERIOD

The Group reported loss of approximately S\$688,000 for the Current Period. There was a profit of approximately S\$255,000 for the Corresponding Period.

PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT

The Group is subject to a number of risks in the Group's business and the Group believes that risk management is important to the Group's success. Key business risks include, among others, the decrease or loss of business with our largest customer, maintaining of our reputation and customer services, stable supply of technicians and foreign workers for our services, reliance on suppliers for the PV leather upholstery and electronic accessories, and single market business strategy. Our revenue is substantially derived from sales to our largest customers and any decrease or loss of business with any Singapore subsidiaries of the largest customer, or our failure to maintain our reputation and customer services could materially and adversely affect our business, financial conditions and results of our operations. We also heavily rely on a single market in developing our business and our business may be materially affected by the limitation of COE availability.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The capital of the Group comprises ordinary shares only.

As at 30 June 2022, the Group had net current assets of approximately S\$20,804,000 (31 December 2021: S\$21,747,000) including cash and bank balances of approximately S\$20,126,000 (31 December 2021: S\$20,364,000). The current ratio, being the ratio of current assets to current liabilities, was approximately 23.7 times as at 30 June 2022 (31 December 2021: 35.7 times). The decrease in the current ratio was mainly due to the higher balances of trade and other payables as at 30 June 2022 compared to 31 December 2021.

The Group's operations were financed principally by revenues generated from business operations and available cash and cash equivalents. The Group did not have any debt as at 30 June 2022 (31 December 2021: NIL). There was no borrowing cost incurred during the period ended 30 June 2022 (31 December 2021: NIL), hence, no gearing ratio of the Group was presented.

USE OF PROCEEDS

The net proceeds from the Share Offer were approximately S\$10,300,000 after deducting the Listing related expenses. These proceeds were intended to be applied in the manner as described in the section headed “Future Plans and Use of Proceeds” in the Prospectus. Referring to an announcement of the Company dated 19 March 2021, the Board has resolved to update the use of the remaining proceeds from the Listing.

The outbreak of COVID-19 has been rapidly evolving globally and has significantly impacted the global economic. In light of these uncertainties and the market conditions, the Group’s operation and financial performance may be materially and adversely affected. Accordingly, the Group needs to adopt a more effective policy to maintain its existing business operations and cash flow liquidity.

The Board believes that the reallocation of the unutilised net proceeds will enable a better utilisation of the net proceeds as this will provide higher level of flexibility for the Group to manage its asset and liability against the current unstable business environment and is favourable to the Group’s long term business development. The Board will continue to assess the impact of the COVID-19 pandemic and the economic trend of Singapore on the operations of the Group.

An analysis of the amount utilised up to 30 June 2022 is set out as follow:

	Planned use of net proceeds Updated from the Listing Date to 30 June 2022 S\$'000	Actual utilised amount up to 30 June 2022 S\$'000	Unutilised net proceeds as at 30 June 2022 S\$'000	Revised allocation of unutilized net proceeds S\$'000	Updated expected timeline of full utilization of the balance
Upgrade existing facilities, acquire new machinery and premises	5,160	4,740	420	–	End of 2022
Strengthen our sales and marketing efforts	1,760	1,630	130	–	End of 2022
Expand our product offerings	1,430	1,430	–	–	–
Upgrade and integrate of our information technology system	350	350	–	–	–
Working capital and general corporate use	1,600	1,460	140	–	End of 2022
	<u>10,300</u>	<u>9,610</u>	<u>690</u>	<u>–</u>	

The remaining net proceeds as at 30 June 2022 had been placed in interest-bearing deposits in bank in Hong Kong and Singapore.

As at the date of this announcement, the Board does not anticipate any change to the plan as to the use of proceeds.

EMPLOYEE INFORMATION

As at 30 June 2022, the Group had 48 employees (31 December 2021: 51), comprising of 1 executive Director (31 December 2021: 1), 3 non-executive Directors (31 December 2021: 3), 4 independent non-executive Directors (31 December 2021: 4), 2 senior managements (31 December 2021: 2), 12 administrative employees (31 December 2021: 11) and 26 technicians (31 December 2021: 30).

Our employees are remunerated according to their job scope and responsibilities. For our technicians in passenger vehicle leather upholstery and accessories business, we offer incentives in addition to their salary. We offer bonuses for all employees, if their performance is satisfactory. We also believe in promoting internally as this promotes employee satisfaction and enables us to improve our service quality to our customers and enjoy a low employee turnover rate. We review the performance of our employees on a regular basis for salary and promotion appraisals.

Total staff costs, including directors' emolument, amounted to approximately S\$1,425,000 for the period ended 30 June 2021 (30 June 2021: S\$1,136,000).

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

There was no material acquisition or disposal of subsidiaries and affiliated companies during the Current Period.

IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 30 June 2022, the directors consider the immediate parent of the Company to be Billion Legend Company Limited, which is incorporated in the British Virgin Islands. This entity does not produce financial statements available for public use.

The directors regard ultimate controlling party of the Company to be Ma Xiaoqiu.

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2022, leasehold properties with carrying values totaling S\$438,850 (31 December 2021: S\$460,137) were pledged to secure the Group's banking facilities.

FOREIGN EXCHANGE EXPOSURE

The turnover and business costs of the Group were principally denominated in Singapore dollars. The Group has exposure to foreign exchange risk as a result of purchases that are denominated in currencies other than Singapore Dollar (“S\$”) and recognised assets and liabilities denominated in currencies other than S\$. The foreign currencies giving rise to this risk are primarily the Hong Kong Dollar (“HK\$”), the United States Dollar (“US\$”) and Malaysia Ringgit (“MYR”). As at 30 June 2022, if the foreign currencies had weakened or strengthened by 10% against the S\$ with all other variables held constant, post-tax profit for the Current Year would have been S\$274,000 (31 December 2021: S\$34,000) lower/higher, as a result of foreign exchange losses/gains on translation of HK\$ and US\$ denominated cash and bank balances.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the period ended 30 June 2022, there was no significant investment held by the Group.

CONTINGENT LIABILITIES

No material contingent liability had come to the attention of the Directors in the Current Period.

EVENT AFTER THE REPORTING PERIOD

Up to the date of this announcement, there was no significant event relevant to the business or financial performance of the Group that come to the attention of the Directors after the Current Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

As at the date of this announcement, the interests or short positions of Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were 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 are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to standards of dealing by Directors contained in the Listing Rules, were as follows:

Long position in ordinary shares of HK\$0.01 each of the Company

Name of Director	Capacity/Nature of interest	Number of shares held (Note 1)	Approximately percentage of shareholding of the Company
Ms. Ma Xiaoqiu	Interest of a controlled corporation (Note 2)	230,000,000 (L)	51.11%

Notes:

1. The letter “L” denotes the person’s long position in the relevant Shares.
2. The entire issued share capital Billion Legend Company Limited (“Billion Legend”) is legally and beneficially owned as to 100% by Ms. Ma Xiaoqiu. Accordingly, Ms. Xiaoqiu is deemed to be interested in 230,000,000 Shares held by Billion Legend by virtue of the SFO.

Save as disclosed above, as at 30 June 2022, none of the Directors or Chief Executive had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have 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 he was taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Model Code to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS’ INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

Up to the date of this announcement, the persons/entities who have interests or short positions in the Shares and underlying Shares of the Company which have been disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept by the Company under section 336 of the SFO, are as follows:

Name	Capacity/Nature of interests	Number of shares held (Note 1)	Approximately percentage of shareholding of the Company
Ms. Ma Xiaoqiu	Interest in controlled corporation (Note 2)	230,000,000 (L)	51.11%
Billion Legend Company Limited	Beneficial owner	230,000,000 (L)	51.11%

Notes:

1. The Letter “L” denotes the person’s long position in the relevant Shares.
2. The entire issued share capital Billion Legend Company Limited (“**Billion Legend**”) is legally and beneficially owned as to 100% by Ms. Ma Xiaoqiu. Accordingly, Ms. Ma Xiaoqiu is deemed to be interested in 230,000,000 Shares held by Billion Legend by virtue of the SFO.

SHARE OPTION SCHEME

A share option scheme (the “**Share Option Scheme**”) has been adopted by passing of written resolutions by the then shareholders of the Company and was effective on 23 June 2017. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years from the date of its adoption. No share options have been granted under the Share Option Scheme since its effective date up to 30 June 2022.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraphs headed “**DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION**” and “**SHARE OPTION SCHEME**” in this announcement, at no time during the six months ended 30 June 2022 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

COMPETITION AND CONFLICT OF INTERESTS

Except for the interests in the Group, none of the directors, the substantial shareholders or the management shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group or has any other conflict of interests with the Group during the Current Period.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURE

Apart from the Share Option Scheme, at no time during the Current Period was the Company or any associated corporation a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age 18, had any right to subscribe for the shares in, or debentures of, the Company, or had exercise any such rights.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its shares during the Current Period. Neither the Company nor any of its subsidiaries had purchased, sold and redeemed any of the Company's listed securities up to the date of this announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance its corporate value. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code in Appendix 14 to the Listing Rules (the "CG Code").

Throughout the six months ended 30 June 2022 and up to the date of this announcement, to the best knowledge of the Board, the Company had complied with the code provisions in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code of conduct for securities transactions. Following specific enquiries of all Directors, all Directors confirm that they have complied with the required standards of dealing as set out in the Model Code throughout the six months ended 30 June 2022 and up to the date of this announcement.

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in the Model Code for Securities transactions by Directors of listed Issuers as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all the Directors, all the Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the six months ended 30 June 2022 and up to the date of this announcement.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2022.

AUDIT COMMITTEE

The Audit Committee of the Company (the “**Audit Committee**”) has been established with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code as set out in Appendix 14 to the Listing Rules. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Ms. Lee Kit Ying. The other members of the Audit Committee are Mr. Jin Lailin and Mr. Wang Zhongmin. The primary duty of the Audit Committee is to review and supervise the Company’s financial reporting process, the internal control systems of the Group and the monitoring of continuing connected transactions. All members of the Audit Committee are appointed by the Board.

The Audit Committee had reviewed the unaudited condensed consolidated results of the Group for the six months ended 30 June 2022 and is of the opinion that such results complied with the applicable accounting standards, the requirements under the Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By Order of the Board of
TOMO HOLDINGS LIMITED
Ma Xiaoqiu
Executive Director

Hong Kong, 30 August 2022

As at the date of this announcement, the Directors are:

Executive Directors

Ms. Ma Xiaoqiu (*Chairlady*)

Non-executive Directors

Ms. Liu Xinyi

Mr. Wong Chun Man (*Vice-Chairman*)

Ms. Lyu Qiujia

Independent non-executive Directors

Mr. Jin Lailin

Ms. Lee Kit Ying

Mr. Wang Zhongmin

Mr. Peng Peng