

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

TOMO HOLDINGS LIMITED

萬馬控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 6928)

(1) MAJOR TRANSACTIONS IN RELATION TO NOTES SUBSCRIPTIONS AND (2) RECTIFICATION OF BREACH OF LISTING RULES

Financial adviser to the Company

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
泓博資本有限公司

NOTES SUBSCRIPTIONS

The Board announces that on 6 December 2022 and 22 December 2022, TOMO-CSE, a wholly-owned subsidiary of the Company, had subscribed for the AUD-linked Notes and the USD-linked Notes in principal amount of S\$2,000,000 and S\$3,000,000, respectively.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for the subscription of the AUD-linked Notes exceeded 5% but was less than 25%, the subscription of the AUD-linked Notes on a standalone basis constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules and should have been subject to the reporting and announcement requirements but are exempt from circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio for the subscription of the USD-linked Notes exceeded 25% but was less than 100%, the subscription of the USD-linked Notes on a standalone basis constituted a major transaction of the Company under Chapter 14 of the Listing Rules and should have been subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As both of the Notes were subscribed by TOMO-CSE and were of similar nature, the corresponding principal amounts of the Notes Subscriptions, both completed within a 12-month period, have been aggregated as if they were one transaction for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As the highest applicable ratio, on an aggregate basis, in respect of the Notes Subscriptions at the relevant period exceeded 25% but was less than 100%, the Notes Subscriptions on an aggregate basis constituted a major transaction of the Company under Chapter 14 of the Listing Rules and should have been subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

With the mistaken beliefs that the Notes were similar in nature to time deposits and in general had low risk exposure which would not constitute transaction(s) as defined under Chapter 14 of the Listing Rules, the Company failed to comply with the applicable reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules in respect of the Notes Subscriptions.

Considering that (i) both of the Notes had been matured and redeemed as of the date of this announcement; and (ii) none of the Shareholders had material interests in the Notes Subscriptions and no Shareholder was required to abstain from voting if the Company were to convene a general meeting for the approval of the Notes Subscriptions, the Company has obtained the written Shareholder's approval from the controlling Shareholder in lieu of the holding of a general meeting in this regard. A circular containing, among others, information in relation to the Notes Subscriptions will be despatched to the Shareholders for their information only on or before 20 June 2023.

RECTIFICATION OF BREACH OF THE LISTING RULES

As disclosed in the section headed "Listing Rules Implications" above in this announcement, the Notes Subscriptions constituted a major transaction of the Company under Chapter 14 of the Listing Rules. Therefore, the failure by the Company to timely report and announce the details of the Notes Subscriptions and to obtain the Shareholders' approval for the Notes Subscriptions constituted breaches of Chapter 14 of the Listing Rules.

The Board wishes to clarify that the abovementioned breaches of the Listing Rules was a one-off incident due to its unintentional and inadvertent oversight. The Company regrets such unintentional breaches of the Listing Rules and reiterates its belief that continuing compliance with the Listing Rules and other applicable regulatory requirements is of utmost importance.

NOTES SUBSCRIPTIONS

The Board announces that on 6 December 2022 and 22 December 2022, TOMO-CSE, a wholly-owned subsidiary of the Company, had subscribed for the AUD-linked Notes and the USD-linked Notes in principal amount of S\$2,000,000 and S\$3,000,000, respectively. The key terms of the Notes Subscriptions are set out as follows.

(1) The AUD-linked Notes

Issue date:	8 December 2022
Issuer:	DBS Bank Ltd.
Aggregate principal amount:	S\$2,000,000
Issue price:	100% of the principal amount
Maturity date:	8 March 2023
Interest:	3.30% per annum
Repayment/payment basis:	Redemption at par, the issuer would redeem all outstanding notes at the final redemption amount on the maturity date
Underlying or related hedging arrangements	Hypothetical hedging transactions in relation to the AUD-linked Notes: (i) a hypothetical AUD/SGD foreign exchange transaction with settlement date matching the issue date of the AUD-linked Notes; (ii) a hypothetical AUD deposit, with value date and maturity date matching the issue date and maturity date of the AUD-linked Notes respectively; and (iii) a hypothetical AUD/SGD foreign exchange forward transaction, with settlement date matching the maturity date of the AUD-linked Notes.

(2) The USD-linked Notes

Issue date:	27 December 2022
Issuer:	DBS Bank Ltd.
Aggregate principal amount:	S\$3,000,000
Issue price:	100% of the principal amount
Maturity date:	27 March 2023
Interest:	3.10% per annum
Repayment/payment basis:	Redemption at par, the issuer would redeem all outstanding notes at the final redemption amount on the maturity date
Underlying or related hedging arrangements	<p>Hypothetical hedging transactions in relation to the USD-linked Notes:</p> <ul style="list-style-type: none">(i) a hypothetical USD/SGD foreign exchange transaction with settlement date matching the issue date of the USD-linked Notes;(ii) a hypothetical USD deposit, with value date and maturity date matching the issue date and maturity date of the USD-linked Notes respectively; and(iii) a hypothetical USD/SGD foreign exchange forward transaction, with settlement date matching the maturity date of the USD-linked Notes.

Basis of determination for the consideration

Each of the Notes were linked structural deposit with spot rate of AUD or USD to SGD as the linked indicator. There were no triggering mechanisms of conversion into AUD or USD attached to the Notes. The investment periods of each of the Notes were three months. The principal amount of the Notes and the income generated would be returned upon maturity. The Group had no right of early redemption. As of the date of this announcement, all of the Notes had been redeemed and each of the AUD-linked Notes and the USD-linked Notes generated interest income of S\$16,274 and S\$22,932 to the Company, respectively.

The Directors confirmed that the subscription amount and terms of each of the Notes were determined on normal commercial terms after arm's length negotiation between the Group and DBS having taken into account (i) the then financial status of the Group; (ii) the expected investment return and terms of the Notes; and (iii) the then prevailing market practice. Based on the above, the Directors were of the view that the aggregate consideration for the Notes Subscriptions as a whole was fair and reasonable and on normal commercial terms, and that the entering into of the Notes Subscriptions were in the interest of the Company and its Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE NOTES SUBSCRIPTIONS

The Notes Subscriptions were made for treasury management purpose to maximise return on idle funds of the Group received from its business operations as set forth in the annual report of the Company for the year ended 31 December 2022 published on 19 April 2023. Taking into account (i) the benefits of a better yield through the Notes Subscriptions than current saving or time deposits generally offered by reputable commercial banks in Singapore; (ii) the risk nature and relatively short term of maturity of the Notes; and (iii) that the Notes Subscriptions were funded by internal idle funds which would not affect the sufficiency of working capital of the Group nor hinder the operation of the Group's businesses, the Directors were of the view that the terms and conditions of the Notes were fair and reasonable and in the interest of the Company and its Shareholders as a whole.

INFORMATION ABOUT THE GROUP AND DBS

The Group

The Group is 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.

DBS

DBS is one of the largest financial services groups in Asia, the largest bank in Singapore as measured by assets, and a leading bank in Hong Kong. DBS and its subsidiaries are principally engaged in corporate and consumer banking, treasury and markets, wealth management, securities brokerage, equity and debt fund raising. Beyond the anchor markets of Singapore and Hong Kong, DBS serves corporate, institutional and retail customers through its operations in China, India, Indonesia, Malaysia, Thailand and the Philippines.

As of the dates of the Notes Subscriptions and as of the date of this announcement and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, DBS and its ultimate beneficial owner(s) were Independent Third Parties.

IMPLICATIONS OF THE LISTING RULES

As the highest applicable percentage ratio for the subscription of the AUD-linked Notes exceeded 5% but was less than 25%, the subscription of the AUD-linked Notes on a standalone basis constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules and should have been subject to the reporting and announcement requirements but are exempt from circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio for the subscription of the USD-linked Notes exceeded 25% but was less than 100%, the subscription of the USD-linked Notes on a standalone basis constituted a major transaction of the Company under Chapter 14 of the Listing Rules and should have been subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As both of the Notes were subscribed by TOMO-CSE and were of similar nature, the corresponding principal amounts of the Notes Subscriptions, both completed within a 12-month period, have been aggregated as if they were one transaction for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As the highest applicable ratio, on an aggregate basis, in respect of the Notes Subscriptions at the relevant period exceeded 25% but was less than 100%, the Notes Subscriptions on an aggregate basis constituted a major transaction of the Company under Chapter 14 of the Listing Rules and should have been subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

With the mistaken beliefs that the Notes were similar in nature to time deposits and in general had low risk exposure which would not constitute transaction(s) as defined under Chapter 14 of the Listing Rules, the Company failed to comply with the applicable reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules in respect of the Notes Subscriptions.

Considering that (i) both of the Notes had been matured and redeemed as of the date of this announcement; and (ii) none of the Shareholders had material interests in the Notes Subscriptions and no Shareholder was required to abstain from voting if the Company were to convene a general meeting for the approval of the Notes Subscriptions, the Company has obtained the written Shareholder's approval from the controlling Shareholder in lieu of the holding of a general meeting in this regard. A circular containing, among others, information in relation to the Notes Subscriptions will be despatched to the Shareholders for their information only on or before 20 June 2023.

RECTIFICATION OF BREACH OF THE LISTING RULES

As disclosed above, the Notes Subscriptions constituted a major transaction of the Company under Chapter 14 of the Listing Rules. Therefore, the failure by the Company to timely report and announce the details of the Notes Subscriptions and to obtain the Shareholders' approval for the Notes Subscriptions constituted breaches of Chapter 14 of the Listing Rules.

The Board wishes to clarify that the abovementioned breaches of the Listing Rules was a one-off incident due to its unintentional and inadvertent oversight. The Company regrets such unintentional breaches of the Listing Rules and reiterates its belief that continuing compliance with the Listing Rules and other applicable regulatory requirements is of utmost importance.

REMEDIAL ACTIONS TO BE TAKEN BY THE COMPANY

To prevent the recurrence of similar breaches of the Listing Rules in the future, the Group has reviewed its internal control measures and procedures and has taken the following remedial actions:

- (i) providing regular internal trainings on notifiable transaction(s) to all relevant personnel, including accounting staff and senior management in all business departments of the Group to reinforce and re-explain the relevant requirements of the Listing Rules;
- (ii) strengthening the implementation of its internal control system on transactions, including but not limited to the strengthening of the coordination and reporting arrangements for notifiable transactions among various departments of the Company; and
- (iii) for any potential transaction(s) which may constitute new notifiable transaction(s) of the Group, consulting professional advisers and the Stock Exchange (where necessary) in a timely manner prior to the entering into of such transaction(s) so as to ensure that the Directors' apprehension and interpretation of the Listing Rules are correct and the Group timely complies with the relevant requirements under the Listing Rules.

Going forward, the Company will continue to comply with the procedures of its subscription for notes and make appropriate disclosure in a timely manner to ensure compliance with the Listing Rules.

DEFINITIONS

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

“AUD”	Australian dollars, the lawful currency of Australia
“AUD-linked Notes”	the 3-months fixed rate AUD-linked notes issued by DBS in the principal amount of S\$2,000,000
“Board”	the board of Directors
“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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“DBS”	DBS Bank Ltd.
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party”	third party(ies) independent of the Company and connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	collectively, the AUD-linked Notes and the USD-linked Notes
“Notes Subscriptions”	subscriptions of the Notes
“USD”	United States dollars, the lawful currency of the United States
“USD-linked Notes”	the 3-months fixed rate USD-linked notes issued by DBS in the principal amount of S\$3,000,000

“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“S\$” or “SGD”	Singapore dollars, the lawful currency of Singapore
“TOMO-CSE”	TOMO-CSE Autotrim Pte Ltd, a company incorporated in Singapore with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent

By order of the Board
TOMO Holdings Limited
Ma Xiaoqiu
Chairlady and Executive Director

Hong Kong, 30 May 2023

As at the date hereof, the Board comprises Ms. Ma Xiaoqiu (Chairlady) and Mr. Tsang Chun Ho Anthony as executive Directors; Ms. Liu Xinyi, Ms. Chen Jun, Mr. Choi Tan Yee and Ms. Lyu Qiuqia as non-executive Directors; and Mr. Jin Lailin, Mr. Cheng Wai Hei and Mr. Peng Peng as independent non-executive Directors.