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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 2023**

### **SUMMARY**

- The unaudited revenue of the Group amounted to approximately S\$7,900,000 for the six months ended 30 June 2023, representing an increase of approximately S\$3,605,000, or 83.9% as compared with the unaudited revenue of approximately S\$4,295,000 for the six months ended 30 June 2022.
- The unaudited loss of the Group was approximately S\$8,018,000 for the six months ended 30 June 2023 as compared to the unaudited loss of approximately S\$688,000 for the six months ended 30 June 2022.
- Basic and diluted loss per share was S\$1.78 cents for the six months ended 30 June 2023 as compared to the basic and diluted losses per share of S\$0.15 cents for the six months ended 30 June 2022.

The board of directors (the “**Board**”) of TOMO Holdings Limited (the “**Company**”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2023 (the “**Period**”). These interim results have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. These interim results have been reviewed by the Audit Committee of the Company.

The unaudited consolidated results for the six months ended 30 June 2023 are set out as follows:

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 June 2023*

	<i>Notes</i>	<b>Six months ended 30 June</b>	
		<b>2023</b>	<b>2022</b>
		<b>S\$</b>	<b>S\$</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	6	<b>7,900,329</b>	4,295,249
Cost of sales	9	<b>(7,592,381)</b>	(3,868,814)
Gross profit		<b>307,948</b>	426,435
Other income	7	<b>109,076</b>	72,172
Other gains – net	8	<b>13,712</b>	156,610
Selling and distribution expenses	9	<b>(228,018)</b>	(206,810)
Administrative expenses	9	<b>(1,868,677)</b>	(1,134,970)
Impairment loss on investment in associates	14	<b>(6,421,491)</b>	–
Finance income		<b>71,237</b>	731
Finance cost on lease liabilities		<b>(1,818)</b>	(1,788)
<b>Loss before income tax</b>		<b>(8,018,031)</b>	(687,620)
Income tax expenses		<b>–</b>	–
<b>Loss and total comprehensive loss for the period attributable to owners of the Company</b>		<b>(8,018,031)</b>	(687,620)
<b>Loss per share attributable to owners of the Company for the period</b>			
– Basic and diluted ( <i>Singapore cents</i> )	11	<b>(1.78)</b>	(0.15)

## CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2023

	<i>Notes</i>	As at 30 June 2023 S\$ (Unaudited)	As at 31 December 2022 S\$ (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties		3,300,000	3,300,000
Property, plant and equipment	12	949,688	1,019,071
Intangible asset		92,413	95,060
Right-of-use assets	13	63,612	82,696
Investment in associates	14	–	6,421,491
Deferred tax assets		172,000	172,000
		<u>4,577,713</u>	<u>11,090,318</u>
<b>Current assets</b>			
Inventories		357,207	629,745
Trade and other receivables	15	877,004	1,240,623
Financial assets at fair value through profit or loss	16	–	5,000,000
Cash and bank balances		10,728,679	7,015,867
		<u>11,962,890</u>	<u>13,886,235</u>
<b>Total assets</b>		<u><b>16,540,603</b></u>	<u><b>24,976,553</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserve attributable to owners of the Company</b>			
Share capital	17	793,357	793,357
Share premium	17	12,398,264	12,398,264
Other reserve		200,000	200,000
Retained earnings		2,421,141	10,439,172
<b>Total equity</b>		<u><b>15,812,762</b></u>	<u><b>23,830,793</b></u>

		<b>As at 30 June 2023 S\$ (Unaudited)</b>	As at 31 December 2022 S\$ (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	13	<u>26,870</u>	<u>46,473</u>
<b>Current liabilities</b>			
Trade and other payables	18	402,448	221,555
Contract liabilities	19	244,922	810,550
Lease liabilities	13	38,746	37,839
Current income tax liabilities		374	374
Provision		<u>14,481</u>	<u>28,969</u>
		<b>700,971</b>	1,099,287
<b>Total liabilities</b>		<u><b>727,841</b></u>	<u>1,145,760</u>
<b>Total equity and liabilities</b>		<u><b>16,540,603</b></u>	<u>24,976,553</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY***For the six months ended 30 June 2023*

	Share capital S\$	Share premium S\$	Other reserve S\$	Retained earnings S\$	Total S\$
<b>2023</b>					
As at 1 January 2023 (Audited)	793,357	12,398,264	200,000	10,439,172	23,830,793
Loss and total comprehensive loss – Loss for the period	–	–	–	(8,018,031)	(8,018,031)
As at 30 June 2023 (Unaudited)	<u>793,357</u>	<u>12,398,264</u>	<u>200,000</u>	<u>2,421,141</u>	<u>15,812,762</u>
<b>2022</b>					
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>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

		Six months ended 30 June	
		2023	2022
	Notes	S\$	S\$
		(Unaudited)	(Unaudited)
<b>Cash flow from operating activities</b>			
Loss before income tax		<b>(8,018,031)</b>	(687,620)
Adjustments for:			
– Amortisation of intangible asset		<b>2,647</b>	2,647
– Loss on disposal of property, plant and equipment		–	9,634
– Depreciation of property, plant and equipment	12	<b>69,383</b>	72,062
– Depreciation of right-of-use assets	13	<b>19,084</b>	19,177
– Write-off of inventories		<b>552</b>	409
– Provision for warranty cost		<b>28,975</b>	3,560
– Impairment loss on investment in associates	14	<b>6,421,491</b>	–
– Finance income		<b>(71,237)</b>	(731)
– Finance cost on lease liabilities	13	<b>1,818</b>	1,788
Operating cash outflow before working capital changes		<b>(1,545,318)</b>	(579,074)
Changes in working capital:			
– Inventories		<b>271,986</b>	(10,792)
– Trade and other receivables		<b>363,619</b>	424,609
– Trade and other payables and provision		<b>137,430</b>	(29,808)
– Contract liabilities		<b>(565,628)</b>	287,800
Cash (used in)/generated from operations		<b>(1,337,911)</b>	92,735
Income tax paid		–	(2,566)
Net cash (used in)/generated from operating activities		<b>(1,337,911)</b>	90,169

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<i>Notes</i> <b>S\$</b> <b>(Unaudited)</b>	<b>S\$</b> <b>(Unaudited)</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	–	251,279
Purchase of property, plant and equipment	–	(560,428)
Interest received	<b>71,237</b>	731
Withdrawal of fixed deposits	–	540
Withdrawal of financial assets at fair value through profit or loss	<b>5,000,000</b>	–
	<hr/>	<hr/>
Net cash generated from/(used in) investing activities	<b>5,071,237</b>	(307,878)
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Principal element of lease payment	<b>(18,696)</b>	(18,879)
Interest element of lease payment	<b>(1,818)</b>	(1,788)
	<hr/>	<hr/>
Net cash used in financing activities	<b>(20,514)</b>	(20,667)
	<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,712,812</b>	(238,376)
Cash and cash equivalents at beginning of the period	<b>7,015,867</b>	20,364,047
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of the period</b>	<b>10,728,679</b>	20,125,671
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# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2023

## 1. GENERAL INFORMATION

TOMO Holdings Limited 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 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 7801–7803, 78th Floor, The Center, 99 Queen's Road Central, Central, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries 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 2023.

## 2. BASIS OF PREPARATION

This condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, 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 of Hong Kong Limited (the “Stock Exchange”). The condensed consolidated financial information does not include all information and disclosures required in the financial statements, should be read in conjunction with the Company's consolidated financial statements for the year ended 31 December 2022.

The interim financial report has been prepared in accordance with the same accounting policies adopted in 2022 annual financial statements, except for the accounting policies changes that are expected to be reflected in the 2023 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of condensed consolidated financial information in conformity with IAS 34 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. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted are consistent with those of the Company's consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised International Financial Reporting Standards (“IFRSs”) for the first time for the current period's financial information.

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The new and amended IFRSs has had no material impact on the Group's financial statements for the current and prior periods.

#### **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 2022.

#### **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 2022.

There have been no changes in the risk management policies since 31 December 2022.

##### **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 trade and other receivables and cash 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 uses fair values measured based on market-observable data which any input which have a significant effect on the recorded fair value are observable, either directly or indirectly for determining and disclosing the fair value of the financial asset at fair value through profit or loss. As at 31 December 2022, the Group's financial asset at fair value through profit or loss were measured at fair value and determined as level 1.

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 2023 (31 December 2022: level 1 item).

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 before income tax. The adjusted loss before income tax is measured consistently with the Group's loss 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	
	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	2023	2022	2023	2022	2023	2022	2023	2022
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales and installation of goods	223,145	366,687	835,059	912,985	-	-	1,058,204	1,279,672
Sales of goods	-	-	-	-	6,842,125	3,015,577	6,842,125	3,015,577
<b>Segment revenue</b>	<b>223,145</b>	<b>366,687</b>	<b>835,059</b>	<b>912,985</b>	<b>6,842,125</b>	<b>3,015,577</b>	<b>7,900,329</b>	<b>4,295,249</b>
<b>Segment loss</b>	<b>(42,152)</b>	<b>(50,294)</b>	<b>(159,575)</b>	<b>(126,030)</b>	<b>(1,303,699)</b>	<b>(417,410)</b>	<b>(1,505,426)</b>	<b>(593,734)</b>
Depreciation of property, plant and equipment	(9,423)	(11,451)	(1,177)	(3,930)	(9,621)	(13,010)	(20,221)	(28,391)
Depreciation of right-of-use assets	(15,267)	(15,342)	-	-	-	-	(15,267)	(15,342)
Reportable segment loss	(66,842)	(77,087)	(160,752)	(129,960)	(1,313,320)	(430,420)	(1,540,914)	(637,467)
Unallocated expenses:								
Amortisation of intangible asset							(2,647)	(2,647)
Depreciation of property, plant and equipment							(49,162)	(43,671)
Depreciation of right-of-use assets							(3,817)	(3,835)
Impairment loss on investment in associates							(6,421,491)	-
Loss before income tax							(8,018,031)	(687,620)
Income tax expenses							-	-
<b>Loss for the period</b>							<b>(8,018,031)</b>	<b>(687,620)</b>

	Passenger vehicle leather upholstery		Passenger vehicle electronic accessories		Automotive parts and motor vehicle		Total	
	As at 30 June 2023	As at 31 December 2022	As at 30 June 2023	As at 31 December 2022	As at 30 June 2023	As at 31 December 2022	As at 30 June 2023	As at 31 December 2022
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>Segment assets</b>	<b>173,081</b>	<b>169,527</b>	<b>311,220</b>	<b>314,100</b>	<b>725,894</b>	<b>1,111,604</b>	<b>1,210,195</b>	<b>1,595,231</b>
Unallocated assets:								
Cash and cash equivalents							10,728,679	7,015,867
Financial assets at fair value through profit or loss							-	5,000,000
Trade and other receivables							617,241	423,597
Investment properties							3,300,000	3,300,000
Property, plant and equipment							407,353	936,768
Right-of-use assets							12,722	16,539
Intangible asset							92,413	95,060
Investment in associates							-	6,421,491
Deferred tax assets							172,000	172,000
<b>Total assets</b>							<b>16,540,603</b>	<b>24,976,553</b>
<b>Segment liabilities</b>	<b>83,445</b>	<b>73,960</b>	<b>111,190</b>	<b>14,649</b>	<b>244,922</b>	<b>810,550</b>	<b>439,557</b>	<b>899,159</b>
Unallocated liabilities:								
Trade and other payables							260,305	200,395
Provision							14,481	28,969
Current income tax liabilities							374	374
Lease liabilities							13,124	16,863
<b>Total liabilities</b>							<b>727,841</b>	<b>1,145,760</b>

The Group's revenue for the six months ended 30 June 2022 and 2023 are as follows:

	Six months ended 30 June	
	2023	2022
	S\$	S\$
	(Unaudited)	(Unaudited)
<b>Sales and installation of goods</b>		
– Leather upholstery	223,145	366,687
– Electronic accessories	835,059	912,985
	<b>1,058,204</b>	<b>1,279,672</b>
<b>Sales of goods</b>		
– Automotive parts and motor vehicle	6,842,125	3,015,577
	<b>6,842,125</b>	<b>3,015,577</b>
	<b>7,900,329</b>	<b>4,295,249</b>

## 7. OTHER INCOME

	Six months ended 30 June	
	2023	2022
	S\$	S\$
	(Unaudited)	(Unaudited)
Wages Credit Scheme	–	3,546
Special Employment Credit	32,876	3,076
Rental income	76,200	65,550
	<u>109,076</u>	<u>72,172</u>

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. These incentives are granted in the form of cash payout.

## 8. OTHER GAINS – NET

	Six months ended 30 June	
	2023	2022
	S\$	S\$
	(Unaudited)	(Unaudited)
Foreign exchange gain – net	13,227	91,204
Loss on disposal of property, plant and equipment	–	(9,634)
Others – reversal of unused customer rebate	485	75,040
	<u>13,712</u>	<u>156,610</u>

## 9. EXPENSES BY NATURE

	Six months ended 30 June	
	2023	2022
	S\$	S\$
	(Unaudited)	(Unaudited)
Costs of inventories	7,037,485	3,308,564
Freight and forwarding charges	6,453	4,802
Employee benefit costs ( <i>Note a</i> )	2,023,249	1,424,959
Depreciation of property, plant and equipment	69,383	73,001
Depreciation of right-of-use assets	19,084	19,365
Rental expenses on short-term leases	14,122	10,689
Commission	8,174	9,170
Entertainment	24,773	27,314
Motor vehicles expenses	24,587	19,626
Insurance	44,907	42,531
Advertisement	5,293	5,850
Auditor's remuneration		
– Audit services	59,194	45,625
Legal and professional fees	158,220	122,340
Write-off of inventories	552	409
Provision for warranty cost	28,975	3,560
Other operating expenses	164,625	92,789
	<u>9,689,076</u>	<u>5,210,594</u>
Total cost of sales, selling and distribution expenses and administrative expenses	<u>9,689,076</u>	<u>5,210,594</u>

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

	Six months ended 30 June	
	2023	2022
	S\$	S\$
	(Unaudited)	(Unaudited)
<b>Directors:</b>		
Salaries, allowances and benefits in kind	187,916	203,795
Fees	38,862	50,165
	<u>226,778</u>	<u>253,960</u>
<b>Other employees:</b>		
Salaries, allowances and benefits in kind	1,695,740	1,070,315
Retirement benefit costs – defined contribution plans	66,448	61,635
Others	41,283	39,049
	<u>1,803,471</u>	<u>1,170,999</u>
	<u>2,030,249</u>	<u>1,424,959</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 2023 (30 June 2022: Nil).

## 11. LOSS PER SHARE

	Six months ended 30 June	
	2023	2022
	S\$	S\$
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company (S\$)	<u>(8,018,031)</u>	<u>(687,620)</u>
Weighted average number of ordinary shares in issue	<u>450,000,000</u>	<u>450,000,000</u>
Basic and diluted loss per share (Singapore cents)	<u>(1.78)</u>	<u>(0.15)</u>

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

Diluted loss per share for the six months ended 30 June 2022 and 2023 are the same as basic earnings per share due to the absence of dilutive potential ordinary shares during the respective periods.

## 12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties	Lightings, renovations, furniture & fittings	Machinery & motor vehicles	Office equipment, software & computer	Total
	S\$	S\$	S\$	S\$	S\$
<b>As at 31 December 2022 (Audited)</b>					
Cost	1,150,227	61,199	1,341,257	250,561	2,803,244
Accumulated depreciation	<u>(732,664)</u>	<u>(52,306)</u>	<u>(757,702)</u>	<u>(241,501)</u>	<u>(1,784,173)</u>
Net book amount	<u>417,563</u>	<u>8,893</u>	<u>583,555</u>	<u>9,060</u>	<u>1,019,071</u>
<b>Six months ended 30 June 2023 (Unaudited)</b>					
Opening net book amount	417,563	8,893	583,555	9,060	1,019,071
Depreciation	<u>(21,287)</u>	<u>(1,743)</u>	<u>(41,219)</u>	<u>(5,134)</u>	<u>(69,383)</u>
Closing net book amount	<u>396,276</u>	<u>7,150</u>	<u>542,336</u>	<u>3,926</u>	<u>949,688</u>
<b>As at 30 June 2023 (Unaudited)</b>					
Cost	1,150,227	61,199	1,341,257	250,561	2,803,244
Accumulated depreciation	<u>(753,951)</u>	<u>(54,049)</u>	<u>(798,921)</u>	<u>(246,635)</u>	<u>(1,853,556)</u>
Net book amount	<u>396,276</u>	<u>7,150</u>	<u>542,336</u>	<u>3,926</u>	<u>949,688</u>

### 13. RIGHT-OF-USE ASSET/LEASE LIABILITIES

	As at 30 June 2023 S\$ (Unaudited)	As at 31 December 2022 S\$ (Audited)
<b>Right-of-use asset</b>		
Leasehold property	<u>63,612</u>	<u>82,696</u>
<b>Lease liabilities</b>		
– Non-current liabilities	26,870	46,473
– Current liabilities	<u>38,746</u>	<u>37,839</u>
	<u>65,616</u>	<u>84,312</u>
<b>Depreciation charge of right-of-use asset</b>		
Leasehold property	<u>19,084</u>	<u>38,261</u>
Interest expense included in finance cost	1,818	4,044
Expenses relating to short-term leases	<u>14,122</u>	<u>23,488</u>

The total cash outflow for leases during the six months ended 30 June 2023 was S\$34,350 (31 December 2022: S\$64,666).

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. INVESTMENT IN ASSOCIATES

	As at 30 June 2023 S\$ (Unaudited)	As at 31 December 2022 S\$ (Audited)
Share of net assets	17,526	17,526
Goodwill on acquisition	<u>6,403,965</u>	<u>6,403,965</u>
	<b>6,421,491</b>	6,421,491
Less: Impairment loss	<u>(6,421,491)</u>	<u>–</u>
	<u>–</u>	<u>6,421,491</u>

Particulars of the associates are as follows:

Name	Place of registration/ incorporation and business	Percentage of ownership interest attributable of the Group		Proportion of voting power held		Principal activities
		As at	As at	As at	As at	
		30 June 2023 %	31 December 2022 %	30 June 2023 %	31 December 2022 %	
Ocean Dragon Group Limited and its subsidiary	Hong Kong	<u>49</u>	<u>49</u>	<u>49</u>	<u>49</u>	Provision of electric charging solutions

During the year ended 31 December 2022, the Group acquired 49% of the issued share capital of Ocean Dragon Group Limited (together with its wholly owned subsidiary, Hua Bright International Limited, the “**Target Group**”) (the “**Acquisition**”) and the Target Group was accounted for as investment in associates of the Company in the consolidated financial statements of the Company. During the six months ended 30 June 2023, the Board raised concerns on the genuineness of the Acquisition and the Target Group, details of which are set out in the announcements of the Company dated 24 April 2023, 12 May 2023 and 7 June 2023. A special investigation committee, comprising Mr. Tsang Chun Ho Anthony, an executive Director, and Ms. Chen Jun and Mr. Choi Tan Yee, both being non-executive Directors, who were not involved in approving the Acquisition, has been formed to undertake investigation on matters pertaining to the Acquisition. The Company has also reported the case to the Hong Kong Police Force and the investigation is still in progress as at the date of this announcement. Based on the latest information currently available to the Group up to the date of this announcement and the assessment of the Board, the Board considers that the Group is unlikely to recover value from the Target Group as the Company could not access to the substances of the Target Group, and hence the investment in the Target Group would be fully impaired.

## 15. TRADE AND OTHER RECEIVABLES

	As at 30 June 2023 S\$ (Unaudited)	As at 31 December 2022 S\$ (Audited)
<b>Trade receivables (Note a)</b>		
– Third parties	<u>504,311</u>	<u>142,224</u>
<b>Deposit, prepayment and other receivables</b>		
– Rental and other deposits	6,269	5,569
– Advance payment to suppliers	259,763	817,026
– Other receivables	<u>106,661</u>	<u>275,804</u>
	<u>372,693</u>	<u>1,098,399</u>
	<u><b>877,004</b></u>	<u><b>1,240,623</b></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 2023 S\$ (Unaudited)	As at 31 December 2022 S\$ (Audited)
Unbilled revenue	2,138	48,775
1 to 30 days	190,953	89,051
31 to 60 days	129,722	2,793
61 to 90 days	65,342	696
Over 90 days	<u>116,156</u>	<u>909</u>
	<u><b>504,311</b></u>	<u><b>142,224</b></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 as at 31 December 2022 and 30 June 2023.

## 16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2023 S\$	As at 31 December 2022 S\$
Financial assets designated at financial assets at fair value through profit or loss		
SGD fixed rate USD-linked note	–	3,000,000
SGD fixed rate AUD-linked note	–	2,000,000
	<u>–</u>	<u>5,000,000</u>

The financial assets at fair value through profit or loss included SGD fixed rate USD-linked note and SGD fixed rate AUD-linked note issued by Bank.

These two SGD fixed rate USD-linked note and SGD fixed rate AUD-linked note amounted to \$2,000,000 and \$3,000,000 and carried interest rates 3.3% and 3.1% respectively.

These notes involved the derivatives and client intended to trade for these notes. Hence, they were classified as financial assets at fair value through profit or loss.

They have therefore been classified as level 1 in the fair value hierarchy as the market values with observable inputs from the markets.

During the six months ended 30 June 2023, these two SGD fixed rate USD-linked note and SGD fixed rate AUD-linked note were fully settled,

## 17. SHARE CAPITAL

The share capital of the Group as at 30 June 2023 and 31 December 2022 represented the share capital of the Company.

	Number of ordinary shares	Share capital S\$	Share premium S\$
<b>As at 30 June 2023 (unaudited) and 31 December 2022 (audited)</b>			
– 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>

## 18. TRADE AND OTHER PAYABLES

	As at 30 June 2023 S\$ (Unaudited)	As at 31 December 2022 S\$ (Audited)
<b>Trade payables (Note a)</b>		
– Third parties	142,142	21,160
<b>Other payables and accruals</b>		
– Accrued operating expenses	191,177	136,171
– Goods and services tax payables	39,057	33,663
– Others	30,072	30,561
	<u>260,306</u>	<u>200,395</u>
	<u>402,448</u>	<u>221,555</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 2023 S\$ (Unaudited)	As at 31 December 2022 S\$ (Audited)
1 to 30 days	33,388	21,160
31 to 60 days	1,609	–
61 to 90 days	107,145	–
	<u>142,142</u>	<u>21,160</u>

## 19. CONTRACT LIABILITIES

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

The following table provides information about contract liabilities balances as at 30 June 2023 and 31 December 2022:

	As at 30 June 2023 S\$ (Unaudited)	As at 31 December 2022 S\$ (Audited)
Trade receivable from contracts with customers	–	142,224
Contract liabilities	244,922	668,326
	<u>244,922</u>	<u>810,550</u>

As at 30 June 2023, contract liabilities decreased significantly because the Company billed and received consideration ahead in respect of sales of motor vehicles to customers.

## 20. 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 six months ended 30 June 2022 and 2023:

<b>Name</b>	<b>Relationship with the Group</b>
Mr. Siew Yew Khuen (“ <b>Mr. David Siew</b> ”)	The former shareholder and former executive director of the Company and the director of a subsidiary
Ms. Lee Lai Fong (“ <b>Ms. Lee</b> ”)	The former shareholder and former executive director of the Company and the director of a subsidiary
Billion Legend Company Limited	A controlling 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 six months ended 30 June 2022 and 2023.

## 21. 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:

	<b>As at 30 June 2023 S\$ (Unaudited)</b>	<b>As at 31 December 2022 S\$ (Audited)</b>
– No later than 1 year	<b>57,650</b>	142,650
– Later than 1 year and not later than 5 years	<b>83,600</b>	74,800
	<b>141,250</b>	217,450

## 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 (the “**Listing**”) 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 2023 recorded an increase of approximately 83.9% as compared to the corresponding period in 2022, which was mainly due to a increase in the sales of automotive parts and motor vehicles and offset by a decrease in the sales of passenger vehicle leather upholstery and passenger vehicle electronic accessories.

However, the Group’s gross profit for the six months ended 30 June 2023 recorded a decrease of approximately 27.9% as compared to the same period in 2022, mainly due to the increase in logistic costs for importation of the motor vehicles from overseas,

The Directors and management of the Company will remain focused on our business objectives. We will continue to provide our customers with innovative products and excellent services. 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 2023 (the “**Current Period**”) was approximately S\$7,900,000 as compared to approximately S\$4,295,000 for the six months ended 30 June 2022 (the “**Corresponding Period**”), representing an increase of approximately S\$3,605,000 or 83.9%. Such increase was mainly attributable to the sales of automotive parts and motor vehicles and offset by a decrease in the sales of passenger vehicle leather upholstery and passenger vehicle electronic accessories of 39.1% and 8.5% respectively.

## **Gross profit**

The Group's gross profit fell by approximately S\$118,000 or 27.7% from approximately S\$426,000 for the Corresponding Period to approximately S\$308,000 for the Current Period. The gross profit margin fell from approximately 9.9% for the Corresponding Period to approximately 3.9% for the Current Period. Such decreases were mainly due to the change in the product mix, attributable to (i) the Group's reduction in sales and installation of leather upholstery and electronic accessories which entailed higher profit margin; and (ii) the increase in sales of automotive parts and motor vehicles which entailed lower profit margin as a result of the higher logistic costs for the importation of the motor vehicles from overseas in the Current Period.

## **Other income**

Other income had increased by approximately S\$37,000 from approximately S\$72,000 for the Corresponding Period to approximately S\$109,000 for the Current Period. Such an increase was mainly attributed to the higher special employment credit granted by the Singapore government.

## **Other gains – net**

Other gains decreased by approximately S\$143,000 from approximately S\$157,000 of net gains for the Corresponding Period to approximately S\$14,000 of net gains for the Current Period. 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.

## **Selling and distribution expenses**

Selling and distribution expenses had increased by approximately S\$21,000 from approximately S\$207,000 for the Corresponding Period to approximately S\$228,000 for the Current Period. The increase of the costs is mainly attributable to the increase in employee benefit costs and travelling expenses.

## **Administrative expenses**

Administrative expenses had increased by approximately S\$734,000 from approximately S\$1,135,000 for the Corresponding Period to approximately S\$1,869,000 for the Current Period. The increase of administrative expenses was mainly due to the increase in employee benefit costs, motor vehicles expenses and legal and professional fees.

## **LOSS FOR THE PERIOD**

The Group reported loss of approximately S\$8,018,000 for the Current Period. There was a loss of approximately S\$688,000 for the Corresponding Period.

The increase in net loss was mainly attributable to the following reasons:

- (i) The increase in employee benefits costs from approximately S\$1,425,000 in the Corresponding Period to approximately S\$2,030,000 in the Current Period, mainly due to the increase in salary for the management as an incentive to improve the business of the Group in the Current Period;
- (ii) The decrease in gross profit in the Current Period mainly due to the increase in sales of motor vehicles which entailed lower gross profit margin as a result of the higher logistic costs for importation of motor vehicles from overseas; and
- (iii) The impairment loss on investment in associates of approximately S\$6,421,000 in relation to the acquisition of 49% equity interest in the Target Group in 2022.

## **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 2023, the Group had net current assets of approximately S\$11,262,000 (31 December 2022: S\$12,787,000) including cash and bank balances of approximately S\$10,729,000 (31 December 2022: S\$7,016,000). The current ratio, being the ratio of current assets to current liabilities, was approximately 17.1 times as at 30 June 2023 (31 December 2022: 12.6 times). The increase in the current ratio was mainly due to the lower balances of contract liabilities as at 30 June 2023 compared to 31 December 2022.

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 2023 (31 December 2022: Nil). There was no borrowing cost incurred during the six months ended 30 June 2023 (31 December 2022: 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 of the Company dated 30 June 2017. Referring to an announcement of the Company dated 14 August 2023, the Board has resolved to update the use of the remaining net proceeds in the amount of approximately S\$390,000 from the Listing.

The continual impact of COVID-19 pandemic and the slowing economic growth have curtailed progress of the Group's business scale expansion. 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 remaining 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 2023 is set out as follow:

	<b>Planned use of net proceeds updated from the Listing Date to 30 June 2023 S\$</b>	<b>Actual utilised amount up to 30 June 2023 S\$</b>	<b>Unutilised net proceeds as at 30 June 2023 S\$</b>	<b>Updated expected timeline of full utilization of the balance Revised allocation of unutilized net proceeds S\$</b>
<b>Use of proceeds from the Listing</b>				
Upgrade existing facilities, acquire new machinery and premises	5,160	4,770	390	-- --
Strengthen our sales and marketing efforts	1,760	1,760	--	-- --
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	1,600	--	390 End of 2023
	<u>10,300</u>	<u>9,910</u>	<u>390</u>	<u>390</u>

The remaining net proceeds as at 30 June 2023 had been currently placed in interest-bearing deposits in bank in Hong Kong and Singapore.

Save for disclosed above, the Board does not anticipate further change to the plan as to the use of proceeds.

## **EMPLOYEE INFORMATION**

As at 30 June 2023, the Group had 47 employees (31 December 2022: 49), comprising of 2 executive Directors (31 December 2022: 1), 4 non-executive Directors (31 December 2022: 3), 3 independent non-executive Directors (31 December 2022: 4), 1 senior management (31 December 2022: 2), 12 administrative employees (31 December 2022: 12) and 25 technicians (31 December 2022: 27).

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\$2,030,000 for the Current Period (Corresponding Period: S\$1,425,000).

## **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**

As at 30 June 2023, 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 director regard ultimate controlling party of the Company to be Ms. Ma Xiaoqiu.

## **CHARGES ON THE GROUP'S ASSETS**

As at 30 June 2023, leasehold properties with carrying values totaling approximately S\$396,000 (31 December 2022: S\$418,000) 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 2023, 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\$335,000 (31 December 2022: S\$280,000) 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 Current Period, 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 of Billion Legend Company Limited ("**Billion Legend**") is legally and beneficially owned 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 2023, 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:

<b>Name</b>	<b>Capacity/Nature of interests</b>	<b>Number of shares held</b> <i>(Note 1)</i>	<b>Approximately percentage of shareholding of the Company</b>
Ms. Ma Xiaoqiu	Interest in controlled corporation <i>(Note 2)</i>	230,000,000 (L)	51.11%
Billion Legend	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 of Billion Legend is legally and beneficially owned 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 2023.

## **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 Current Period 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 or any of its subsidiaries has not redeemed, purchased or sold any of its shares during the Current Period and 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 2023 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 Current Period 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 Current Period and up to the date of this announcement.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the Current Period.

## **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 Mr. Cheng Wai Hei. The other members of the Audit Committee are Mr. Jin Lailin and Mr. Peng Peng. 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 financial results of the Group for the Current Period 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**  
**Ms. Ma Xiaoqiu**  
*Chairlady and Executive Director*

Hong Kong, 30 August 2023

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

**Executive Directors**

Ms. Ma Xiaoqiu (*Chairlady*)

Mr. Tsang Chun Ho Anthony

**Non-executive Directors**

Ms. Liu Xinyi

Ms. Chen Jun

Mr. Choi Tan Yee

Ms. Lyu Qiuja

**Independent non-executive Directors**

Mr. Jin Lailin

Mr. Cheng Wai Hei

Mr. Peng Peng