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## **TOMO Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8463)**

### **THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017**

#### **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “Directors”) of TOMO Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material aspects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*The original announcement is prepared in the English language. This announcement is translated into Chinese. In the event of any inconsistencies between the Chinese and the English version, the latter shall prevail and it is available on the Company’s website at [www.thetomogroup.com](http://www.thetomogroup.com).*

## **SUMMARY**

- The unaudited revenue of the Company and its subsidiaries amounted to approximately S\$10,704,000 for the nine months ended 30 September 2017, representing an increase of approximately S\$900,000 or 9.2% as compared with the revenue of approximately S\$9,804,000 for the nine months ended 30 September 2016.
- The unaudited loss for the period of the Group was approximately S\$214,000 for the nine months ended 30 September 2017 as compared to the profit of approximately S\$2,390,000 for the nine months ended 30 September 2016. By excluding the listing expenses, the Group's total comprehensive income for the nine months ended 30 September 2017 would be approximately S\$2,328,000.
- Basic and diluted loss per share was 0.048 Singapore cents for the nine months ended 30 September 2017 compared to basic and diluted earnings per share of 0.531 Singapore cents for the nine months ended 30 September 2016.
- No dividend is recommended by the Board for the nine months ended 30 September 2017.

## UNAUDITED THIRD QUARTERLY RESULTS

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the three months and nine months ended 30 September 2017 together with the comparative figures for the corresponding periods in 2016 as follows:

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2017

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2017 S\$ (Unaudited)	2016 S\$ (Unaudited)	2017 S\$ (Unaudited)	2016 S\$ (Unaudited)
Revenue	4	<b>3,967,380</b>	3,485,236	<b>10,704,310</b>	9,803,566
Cost of sales	5	<b>(2,270,399)</b>	(2,069,306)	<b>(6,305,611)</b>	(5,979,677)
Gross profit		<b>1,696,981</b>	1,415,930	<b>4,398,699</b>	3,823,889
Other income		<b>2,770</b>	14,356	<b>37,639</b>	56,592
Other losses — net		<b>(186,972)</b>	(8,403)	<b>(187,450)</b>	(64,379)
Selling and distribution expenses	5	<b>(68,896)</b>	(106,861)	<b>(257,230)</b>	(319,876)
Administrative expenses	5	<b>(1,062,611)</b>	(210,451)	<b>(3,641,745)</b>	(616,387)
Finance cost — net		<b>27</b>	27	<b>81</b>	(519)
<b>Profit before income tax</b>		<b>381,299</b>	1,104,598	<b>349,994</b>	2,879,320
Income tax expenses	6	<b>(219,050)</b>	(187,781)	<b>(564,131)</b>	(489,484)
<b>Profit/(loss) and total comprehensive income/(loss) for the period attributable to owners of the Company</b>		<b><u>162,249</u></b>	<u>916,817</u>	<b><u>(214,137)</u></b>	<u>2,389,836</u>
<b>Earnings/(loss) per share attributable to owners of the Company for the period</b>					
— Basic and diluted (Singapore cents)	8	<b><u>0.036</u></b>	<u>0.204</u>	<b><u>(0.048)</u></b>	<u>0.531</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2017

	Share capital S\$ (Unaudited)	Share premium S\$ (Unaudited)	Other reserve S\$ (Unaudited)	Retained earnings S\$ (Unaudited)	Total S\$ (Unaudited)
<b>2017</b>					
At 1 January 2017	200,000	—	—	8,135,013	8,335,013
<b>Comprehensive income</b>					
— Loss for the period	—	—	—	(214,137)	(214,137)
<b>Transactions with owners</b>					
— Dividends	—	—	—	(3,000,000)	(3,000,000)
— Reorganisation	(200,000)	—	200,000	—	—
— Issuance of shares by share offer, net of share issuing expenses	198,339	12,993,283	—	—	13,191,622
— Capitalisation of shares	<u>595,018</u>	<u>(595,018)</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Balance as at 30 September 2017</b>	<b><u>793,357</u></b>	<b><u>12,398,265</u></b>	<b><u>200,000</u></b>	<b><u>4,920,876</u></b>	<b><u>18,312,498</u></b>
<b>2016</b>					
At 1 January 2016	200,000	—	—	7,118,927	7,318,927
<b>Comprehensive income</b>					
— Profit for the period	—	—	—	2,389,836	2,389,836
<b>Transactions with owners</b>					
— Dividends	<u>—</u>	<u>—</u>	<u>—</u>	<u>(500,000)</u>	<u>(500,000)</u>
Balance as at 30 September 2016	<u>200,000</u>	<u>—</u>	<u>—</u>	<u>9,008,763</u>	<u>9,208,763</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

*For the nine months ended 30 September 2017*

### 1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 16 January 2017 under the Companies Law of the Cayman Islands. The shares of the Company have been listed on the GEM on 13 July 2017.

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 57/F, The Center, 99 Queen's Road Central, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the (i) design, manufacture, supply and installation of passenger vehicle leather upholstery; and (ii) supply and installation of passenger vehicle electronic accessories.

The unaudited condensed consolidated financial information is presented in Singapore dollars ("S\$"), which is the same as the functional currency of the Company.

Prior to the incorporation of the Company and the completion of the reorganisation (the "Reorganisation") as described below, the principal activities were carried out by TOMO-CSE Autotrim Pte Ltd ("TOMO-CSE" or "Operating Company") a company incorporated in Singapore. TOMO-CSE is controlled by Mr. Siew Yew Khuen ("Mr. David Siew") and Ms. Lee Lai Fong (Ms. Lee) collectively.

In preparation for listing of the Company's shares on the GEM, the Group underwent the Reorganisation to transfer the Listing Business to the Company principally through the following steps:

- a. On 6 January 2017, TOMO Ventures Limited ("TOMO Ventures") was incorporated in the British Virgin Islands ("BVI") by Mr. David Siew and Ms. Lee.
- b. On 16 January 2017, the Company was incorporated in the Cayman Islands with limited liability and with an authorised share capital of HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each. On the same date, one nil-paid ordinary share of the Company was allotted and issued to TOMO Ventures.
- c. On 26 January 2017, TOMO Enterprises Limited ("TOMO Enterprises") was incorporated in the BVI. On the same date, one fully-paid share of TOMO Enterprises, representing its entire issued share capital was allotted and issued to the Company.
- d. On 16 June 2017, Mr. David Siew and Ms. Lee, TOMO Enterprises and the Company entered into a sale and purchase agreement, pursuant to which, Ms. Lee and Mr. David Siew transferred 200,000 shares, representing the entire issued share capital of TOMO-CSE to TOMO Enterprises. The consideration thereof was satisfied by Ms. Lee and Mr. David Siew procuring (a) the allotment and issuance of ninety-nine (99) shares by the Company to TOMO Ventures (as the nominee of Ms. Lee and Mr. David Siew), was credited as fully-paid and (b) the initial share held by TOMO Ventures was credited as fully-paid.

- e. Pursuant to the written resolutions passed on 23 June 2017, upon completion of the Share Offer, the Company was authorised to capitalise a sum of approximately S\$595,018 from the amount standing to the credit of the share premium account of the Company and applied such amount to pay up in full at par of 337,499,900 ordinary shares of the Company (the “Capitalisation Issue”).
- f. In connection with the Listing, 112,500,000 shares of HK\$0.01 each were issued at the offer price of HK\$0.73 with gross proceeds of S\$14,478,764. S\$198,339 was credited to the share capital account and S\$12,993,283 (net of share issuing expenses of S\$1,287,142) was credited to the share premium account.

Upon completion of the Reorganisation, the Company has become the holding company of the other companies comprising the Group.

## **2. BASIS OF PREPARATION**

This condensed consolidated financial information for the nine months ended 30 September 2017 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 GEM Listing Rules. The condensed consolidated financial information should be read in conjunction with the Company’s combined financial statements for the year ended 31 December 2016, which have been prepared in accordance with IFRS issued by the IASB, as set out in the prospectus of the Company dated 30 June 2017 (the “Prospectus”).

The companies now comprising the Group, were under the control of Mr. David Siew and Ms. Lee, immediately before and after the Reorganisation. For the purpose of this announcement, the financial results for the nine months ended 30 September 2016 has been prepared on a combined basis.

Immediately prior to and after the Reorganisation, the Listing Business as defined in the Prospectus is conducted through the Operating Company. Pursuant to the Reorganisation, the Operating Company together with the Listing Business are transferred to and held by the Company. The Company has not been involved in any other business prior to the Reorganisation and does not meet the definition of a business. The Reorganisation is merely a reorganisation of the Listing Business with no change in management of such business and the ultimate owners of the Listing Business remain the same. Accordingly, the combined financial statements of the companies now comprising the Group is presented using the carrying values of the Listing Business for all periods presented.

## **3. ACCOUNTING POLICIES**

The accounting policies adopted are consistent with those of the Company’s combined financial statements for the year ended 31 December 2016, except as mentioned below.

- (a) Effect of adopting amendments to standards

The following amendments to standards are mandatory for the Group’s financial year beginning on 1 January 2017:

IAS 7 (Amendment)	Statement of Cash Flows: Disclosure Initiative
IAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of these amendments to standards did not result in a significant impact on the results and financial position of the Group.

- (b) New standards and amendments to standards that have been issued but are not effective

The following new standards and amendments to standards have been issued, but are not effective for the Group's financial year beginning on 1 January 2017 and have not been early adopted:

		<b>Effective for annual periods beginning on or after</b>
IAS 28 and IFRS 10 (Amendment)	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	A date to be determined by the IASB
IFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions	1 January 2018
IFRS 4 (Amendment)	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	1 January 2018
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 15 (Amendment)	Clarifications to IFRS 15	1 January 2018
IAS 40 (Amendment)	Investment Properties	1 January 2018
IFRS 16	Leases	1 January 2019
IFRS 17	Insurance Contracts	1 January 2021

The Group is in the process of making an assessment of the impact of these new standards and amendments to standards upon initial application but is not yet in a position to state whether these new standards and amendments to standards would have any significant impact on its results of operations and financial position.

#### 4. REVENUE

The Group's revenue for the three months and nine months ended 30 September 2016 and 2017 are as follows:

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2017</b>	2016	<b>2017</b>	2016
	<b>S\$</b>	S\$	<b>S\$</b>	S\$
	<b>(Unaudited)</b>	<i>(Unaudited)</i>	<b>(Unaudited)</b>	<i>(Unaudited)</i>
<b>Sales and installation of goods:</b>				
Passenger vehicle leather upholstery	<b>1,502,906</b>	1,199,730	<b>3,838,103</b>	3,285,599
Passenger vehicle electronic accessories	<b>2,464,474</b>	2,285,506	<b>6,866,207</b>	6,517,967
	<b><u>3,967,380</u></b>	<u>3,485,236</u>	<b><u>10,704,310</u></b>	<u>9,803,566</u>

## 5. EXPENSES BY NATURE

	Three months ended		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Costs of inventories	1,752,013	1,637,320	4,815,387	4,693,280
Freight and forwarding charges	2,308	5,532	22,760	17,857
Employee benefit costs	716,610	532,726	1,929,093	1,575,693
Amortisation of intangible asset	2,527	—	2,527	—
Depreciation of property, plant and equipment	45,918	45,908	137,574	117,910
Rental expenses on operating lease	19,503	13,635	49,354	40,417
Commission	7,460	15,527	25,069	41,911
Entertainment	11,550	26,487	47,795	67,004
Motor vehicles expenses	13,798	9,182	37,423	28,140
Insurance	23,590	3,131	56,427	30,008
Advertisement	4,342	3,167	11,251	9,662
Auditor's remuneration	125,000	5,000	135,000	15,000
Warranty cost	42,918	34,283	108,944	97,770
Listing expenses	480,478	—	2,541,674	—
Directors fee	28,480	—	28,480	—
Other operating expenses	125,411	54,720	255,828	181,288
	<u>3,401,906</u>	<u>2,386,618</u>	<u>10,204,586</u>	<u>6,915,940</u>

## 6. INCOME TAX EXPENSES

	Three months ended		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current income tax	219,050	187,781	564,131	485,484
Deferred income tax	—	—	—	4,000
	<u>219,050</u>	<u>187,781</u>	<u>564,131</u>	<u>489,484</u>

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Singapore corporate tax has been provided at the rate of 17% for the year 2017 (2016: 17%) on the chargeable income arising in Singapore during the period after offsetting any tax losses brought forward.



## 7. DIVIDENDS

	Three months ended		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Special dividends				
— declared and paid	<u>—</u>	<u>500,000</u>	<u>3,000,000</u>	<u>500,000</u>

No dividend was paid or proposed by the Company since its incorporation. On 15 June 2017, TOMO-CSE, a wholly-owned subsidiary of the Company declared a special dividend of S\$3,000,000 to its then shareholders, which was settled by cash on 20 June 2017.

The Board does not recommend the payment of any dividend for the nine months ended 30 September 2017.

## 8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Three months ended		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit/(loss) for the period attributable to owners of the Company (S\$)	<b>162,249</b>	916,817	<b>(214,137)</b>	2,389,836
Weighted average number of ordinary shares in issue	<u><b>450,000,000</b></u>	<u>450,000,000</u>	<u><b>450,000,000</b></u>	<u>450,000,000</u>
Basic earnings/(loss) per share (S\$ cents)	<u><b>0.036</b></u>	<u>0.204</u>	<u><b>(0.048)</b></u>	<u>0.531</u>

The calculation of the basic earnings/(loss) per share is based on the profit/(loss) for the period attributable to owners of the Company and the weighted average number of ordinary shares in issue. The number of ordinary shares for the purpose of basic earnings per share for the nine months ended 30 September 2016 and 2017 is based on the assumption that 450,000,000 ordinary shares of the Company are in issue and issuable, as if the Reorganisation was effective on 1 January 2015.

Diluted earnings/(loss) per share for the three months ended 30 September 2016 and 2017 are the same as basic earnings/(loss) per share due to the absence of dilutive potential ordinary shares during the respective periods.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### ***BUSINESS REVIEW***

The Group is principally engaged in providing supply and installation services of leather upholstery and electronic accessories for passenger vehicles in Singapore. The shares of the Company were successfully listed on the GEM by way of share offer (the “Share Offer”) on 13 July 2017.

The passenger vehicle market conditions in Singapore will continue to be challenging due to an expected fall in number of newly registered vehicles in 2017. The Singapore government plans to achieve zero growth rate for cars and motorcycles from February 2018. As the current vehicle growth rate is 0.25 per cent, the Directors understand that the zero growth rate will not have a significant impact on the Certificate of Entitlement (“COE”) quota and premium. This is because the COE quota is largely determined by the number of vehicles deregistered. Despite the uncertainty, the Directors remain cautiously optimistic of the outlook for the Group in 2017, as we have established long standing and well-established relationships with many of our customers in Singapore.

### ***PROSPECTS***

Despite the economic downturn in Singapore and the global uncertainty, the Group and the Directors will continue to strive to achieve its business objectives as stated in the Prospectus. The Group will focus on maintaining its leading position in the Singapore market, while seeking new business opportunities to expand its product offerings and services to existing and new customers.

### ***FINANCIAL REVIEW***

#### **Revenue**

Total revenue of the Group for the nine months ended 30 September 2017 (the “Current Period”) was approximately S\$10,704,000 as compared to approximately S\$9,804,000 for the nine months ended 30 September 2016 (the “Corresponding Period”), representing an increase of approximately S\$900,000 or 9.2%. Such increase was attributable to the increase in the demand of leather upholstery and safety and security accessories.

#### **Gross Profit**

As a result of increase in sales, the Group’s gross profit rose by approximately S\$575,000 or 15.0% from approximately S\$3,824,000 for the nine months ended 30 September 2016 to approximately S\$4,399,000 for the nine months ended 30 September 2017. Despite the economic slowdown, the Group still succeeded in maintaining the gross profit margin of approximately 41.1% for the nine months ended 30 September 2017 which is close to approximately 39.0% for the nine months ended 30 September 2016. It was mainly due to reduction of direct material cost and also the ability of the Group to maintain its selling prices despite the economic slowdown.

### **Other income**

Other income has decreased by approximately S\$19,000 from approximately S\$57,000 for the nine months ended 30 September 2016 to approximately S\$38,000 for the nine months ended 30 September 2017. Such decrease was mainly due to lower Singapore government incentives granted under the Wages Credit Scheme and Productivity and Innovation Credit Scheme.

### **Other losses — net**

Other losses have increased by approximately S\$123,000 from approximately S\$64,000 for the nine months ended 30 September 2016 to approximately S\$187,000 for the nine months ended 30 September 2017. Other losses mainly represent foreign exchange losses resulted 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 costs**

Selling and distribution costs have decreased by approximately S\$63,000 from approximately S\$320,000 for the nine months ended 30 September 2016 to approximately S\$257,000 for the nine months ended 30 September 2017. The decrease of the costs mainly attributable to lower entertainment expenses, commissions and employee benefit costs.

### **Administrative Expenses**

Administrative expenses increased by approximately S\$3,026,000 from approximately S\$616,000 for the nine months ended 30 September 2016 to S\$3,642,000 for the nine months ended 30 September 2017. The increase of administrative expenses was mainly due to the increase of payment of professional fees due to listing of the Company's shares on the Stock Exchange of approximately S\$2,542,000, an increase in professional fees of approximately S\$249,000 to ensure on going compliance with relevant rules and regulations after listing and an increase in employee benefit costs by approximately S\$205,000.

### ***(LOSS)/PROFIT FOR THE PERIOD***

The Group reported loss for the period of approximately S\$214,000 for the nine months ended 30 September 2017. The profit decreased by approximately S\$2,604,000 from approximately S\$2,390,000 for the Corresponding Period. By excluding the listing expenses, the Group's total comprehensive income for the nine months ended 30 September 2017 would be approximately S\$2,328,000.

**INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION**

As at 30 September 2017, the interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) held by the Directors and chief executive of the Company (the “Chief Executive”) which have been 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 were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or as otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

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

<b>Name of directors</b>	<b>Capacity/ Nature of interests (Note 1)</b>	<b>Number of share held</b>	<b>Percentage of shareholding (Note 2)</b>
Mr. David Siew	Interest of a controlled corporation	337,500,000	75.0%
Ms. Lee	Interest of a controlled corporation	337,500,000	75.0%

*Notes:*

1. The 337,500,000 shares of the Company are held by TOMO Ventures. The entire issued share capital of TOMO Ventures is legally and beneficially owned as to 51.0% by Ms. Lee and as to 49.0% by Mr. David Siew. Accordingly, Ms. Lee and Mr. David Siew are deemed to be interested in 337,500,000 shares of the Company held by TOMO Ventures by virtue of the SFO. Ms. Lee and Mr. David Siew are spouses and are therefore deemed to be interested in all the Shares they are respectively interested in (by him/herself or through TOMO Ventures) pursuant to the SFO.
2. The percentage is calculated on the basis of 450,000,000 shares of the Company in issue as at the date of this announcement.

Save as disclosed above, as at 30 September 2017, 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 Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

## **INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY**

So far as the Directors are aware, as at the 30 September 2017, other than the Directors and the Chief Executive, no substantial shareholders are noted will have or be deemed or taken to have an interest and/or short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO, or who will be, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group.

As at the date of this announcement, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person or corporation (other than the Directors and the Chief Executives) who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 or Part XV of the SFO.

## **SHARE OPTION SCHEME**

A share option scheme (the “Share Option Scheme”) was adopted by the 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. During the period from 23 June 2017 to the date of this announcement, no share options were granted by the Company.

## **RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed under the paragraphs headed “INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION” and “SHARE OPTION SCHEME” in this announcement, at no time during the nine months ended 30 September 2017 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.

## **COMPETING INTERESTS**

As at the date of this announcement, none of the Directors, the substantial shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

## **COMPLIANCE ADVISER’S INTERESTS**

As at the date of this announcement, save and except for the compliance adviser’s agreement entered into between the Company and Fortune Financial Capital Limited (the “Compliance Adviser”) dated 7 March 2017, neither the Compliance Adviser nor its directors, employees or close associates had any interests in relation to the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

## **DIRECTORS’ SECURITIES TRANSACTIONS**

The Company has adopted the required standard of dealings (the “Required Standard of Dealing”) set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiries of all the Directors, each of them have confirmed that they have complied with the Required Standard of Dealings throughout the period from the 13 July 2017, the date of the listing of the share of the Company on the GEM (the “Listing Date”), to the date of this announcement. No incident of non-compliance was noted by the Company during such period.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

The issued shares of the Company were listed on GEM on 13 July 2017. Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities after the Listing Date 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 15 to the GEM Listing Rules (the “CG Code”).

Throughout the nine months ended 30 September 2017, to the best knowledge of the Board, the Company had complied with the code provisions in the CG Code, save for the deviation from the code provisions A.2.1 as explained below:

Pursuant to A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Given the current corporate structure, there is no separation between the roles of the chairman and the chief executive officer of the Company. Since October 1995, Mr. David Siew has been managing the Group’s business and supervising the overall operations of the Group. The Directors believe that the vesting of the roles of chairman of the Board and chief executive officer of the Company in Mr. David Siew is beneficial to the business operations and management of the Group and will provide a strong

and consistent leadership to the Group. Accordingly, the Company has not segregated the roles of the chairman of the Board and the chief executive officer of the Company as required by A.2.1 of the CG Code.

## **DIVIDEND**

The Board does not recommend the payment of dividend for the nine months ended 30 September 2017.

## **AUDIT COMMITTEE**

The Audit Committee of the Company (the “Audit Committee”) has been established with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Mr. Gary Chan Ka Leung. The other members of the Audit Committee are Mr. Clarence Tan Kum Wah and Mr. Lim Cher Hong. 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 consolidated results of the Group for the nine months ended 30 September 2017 and is of the opinion that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By order of the Board of  
**TOMO HOLDINGS LIMITED**  
**Siew Yew Khuen**  
*Chairman and Chief Executive Officer*

Hong Kong, 10 November 2017

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

*Executive Directors*

Mr. Siew Yew Khuen (*Chairman and Chief Executive Officer*)

Ms. Lee Lai Fong (*Compliance Officer*)

Mr. Siew Yew Wai

*Independent non-executive Directors*

Mr. Clarence Tan Kum Wah

Mr. Gary Chan Ka Leung

Mr. Lim Cher Hong

*This announcement will remain on the “Latest Company Announcements” page of the GEM website ([www.hkgem.com](http://www.hkgem.com)) for at least 7 days from the date of its publication and on the website of the Company ([www.thetomogroup.com](http://www.thetomogroup.com)). 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.*