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TOMO Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8463)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2018

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that companies listed on GEM are generally small and mid-sized companies, 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”, together with its subsidiaries, the “Group”) 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.

SUMMARY

- The unaudited revenue of the Group amounted to approximately S\$8,426,000 for the six months ended 30 June 2018, representing an increase of approximately S\$1,689,000, or 25.1% as compared with the revenue of approximately S\$6,737,000 for the six months ended 30 June 2017.
- The unaudited profit of the Group was approximately S\$1,958,000 for the six months ended 30 June 2018 as compared to the loss of approximately S\$376,000 for the six months ended 30 June 2017. By excluding the Listing expenses in 2017, the Group's net profit for the six months ended 30 June 2017 would be approximately S\$1,685,000.
- Basic and diluted earnings per share was S\$0.44 cents for the six months ended 30 June 2018 as compared to basic and diluted loss per share of S\$0.11 cents for the six months ended 30 June 2017.
- No interim dividend is recommended by the Board for the six months ended 30 June 2018.

UNAUDITED INTERIM RESULTS

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the three months and six months ended 30 June 2018 together with the comparative unaudited figures for the corresponding periods in 2017 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2018

	Notes	Three months ended		Six months ended	
		30 June		30 June	
		2018	2017	2018	2017
		S\$	S\$	S\$	S\$
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	4	4,569,620	3,958,761	8,425,575	6,736,930
Cost of sales	5	(2,558,523)	(2,356,570)	(4,927,367)	(4,035,212)
Gross profit		2,011,097	1,602,191	3,498,208	2,701,718
Other income		1,933	4,259	21,028	34,869
Other gains — net		493,600	(7)	22,491	(478)
Selling and distribution expenses	5	(116,829)	(114,372)	(206,491)	(188,334)
Administrative expenses	5	(586,930)	(688,683)	(989,440)	(2,579,134)
Finance income — net		20,895	27	43,121	54
Profit before income tax		1,823,766	803,415	2,388,917	(31,305)
Income tax expenses	6	(253,221)	(209,169)	(430,435)	(345,081)
Profit/(loss) and total comprehensive income/(loss) for the period attributable to owners of the Company		<u>1,570,545</u>	<u>594,246</u>	<u>1,958,482</u>	<u>(376,386)</u>
Earnings/(loss) per share attributable to owners of the Company for the period					
— Basic and diluted (Singapore cents)	8	<u>0.35</u>	<u>0.36</u>	<u>0.44</u>	<u>(0.11)</u>

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2018

	<i>Notes</i>	As at 30 June 2018 S\$ <i>(Unaudited)</i>	As at 31 December 2017 S\$ <i>(Audited)</i>
ASSETS			
Non-current assets			
Property, plant and equipment	9	1,450,801	1,151,833
Prepayment	10	<u>165,000</u>	<u>—</u>
Total non-current assets		<u>1,615,801</u>	<u>1,151,833</u>
Current assets			
Inventories		1,168,691	1,046,148
Trade and other receivables and prepayment	10	4,218,555	3,160,236
Fixed deposits		—	6,494,172
Cash and cash equivalents		<u>16,092,963</u>	<u>9,001,040</u>
Total current assets		<u>21,480,209</u>	<u>19,701,596</u>
Total assets		<u>23,096,010</u>	<u>20,853,429</u>
EQUITY AND LIABILITIES			
Capital and reserve attributable to equity holders of the Company			
Share capital	11	793,357	793,357
Share premium		12,398,264	12,398,264
Other reserve		200,000	200,000
Retained earnings		<u>7,494,708</u>	<u>5,536,226</u>
Total equity		<u>20,886,329</u>	<u>18,927,847</u>
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		<u>13,000</u>	<u>13,000</u>
Current liabilities			
Trade and other payables	12	1,495,247	1,323,680
Current income tax liabilities		<u>701,434</u>	<u>588,902</u>
Total current liabilities		<u>2,196,681</u>	<u>1,912,582</u>
Total liabilities		<u>2,209,681</u>	<u>1,925,582</u>
Total equity and liabilities		<u>23,096,010</u>	<u>20,853,429</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2018

	Share capital	Share premium	Other reserve	Retained earnings	Total
<i>Note</i>	<i>S\$</i>	<i>S\$</i>	<i>S\$</i>	<i>S\$</i>	<i>S\$</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
2018					
At 1 January 2018	793,357	12,398,264	200,000	5,536,226	18,927,847
Comprehensive income					
— Profit for the period	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,958,482</u>	<u>1,958,482</u>
Balance as at 30 June 2018	<u>793,357</u>	<u>12,398,264</u>	<u>200,000</u>	<u>7,494,708</u>	<u>20,886,329</u>
2017					
At 1 January 2017	200,000	—	—	8,135,013	8,335,013
Comprehensive income					
— Loss for the period	—	—	—	(376,386)	(376,386)
Transactions with owners					
— Dividends	7	—	—	(3,000,000)	(3,000,000)
Issuance of shares and effect of the Reorganisation	<u>(200,000)</u>	<u>—</u>	<u>200,000</u>	<u>—</u>	<u>—</u>
Balance as at 30 June 2017	<u>—</u>	<u>—</u>	<u>200,000</u>	<u>4,758,627</u>	<u>4,958,627</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2018

	Six months ended 30 June	
	2018	2017
	S\$	S\$
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	1,140,224	571,563
Net cash generated from/(used in) investing activities	5,951,699	(82,174)
Net cash used in financing activities	<u>—</u>	<u>(4,195,679)</u>
Net increase/(decrease) in cash and cash equivalents	7,091,923	(3,706,290)
Cash and cash equivalents at beginning of the period	<u>9,001,040</u>	<u>5,210,089</u>
Cash and cash equivalents at end of the period	<u>16,092,963</u>	<u>1,503,799</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2018

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 16 January 2017 as an exempted company with limited liability under Companies Law Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “Companies Ordinance”) on 16 February 2017. The shares of the Company have been listed on the GEM on 13 July 2017 (the “Listing”).

The Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands, the headquarter and 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 vehicle electronic accessories. These consolidated financial statements are presented in Singapore dollars (“S\$”), unless otherwise stated.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2018 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 consolidated financial statements for the year ended 31 December 2017.

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

3. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the Company's consolidated financial statements for the year ended 31 December 2017, except as mentioned below.

(a) Effect of adopting amendments to standards

The Group has adopted the following amendments to standards which are relevant to the Group's operations and are mandatory for the financial year beginning on or after 1 January 2018:

		Effective for annual periods beginning on or after
IAS 28 (Amendment)	Investment in associates and joint ventures	1 January 2018
IAS 40 (Amendment)	Investment Properties	1 January 2018
IFRS 1 (Amendment)	First time adoption of IFRS	1 January 2018
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
IFRIC 22	Foreign Currency Transactions and Advance Consideration	1 January 2018

The adoption of the above amendments to standards did not have any significant financial impact on these consolidated financial statements.

(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 2018 and have not been early adopted:

		Effective for annual periods beginning on or after
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 9 (Amendment)	Prepayment Features with Negative Compensation	1 January 2019
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019
IFRS 16	Leases	1 January 2019
IFRS 17	Insurance Contracts	1 January 2021

The Group will apply the above new standards, interpretations and amendments to standards when they become effective. The rest of the new standards, interpretations and amendments to standards are not expected to have a significant effect on the condensed consolidated financial information of the Group.

4. 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 two main business segments, namely (i) passenger vehicle leather upholstery; and (ii) passenger vehicle electronic accessories. 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 represents the business of supplying and installing passenger vehicle electronic accessories to passenger vehicle distributors and dealers. These passenger vehicle distributors and dealers are located in Singapore.

Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit/loss before income tax. The adjusted profit/loss before income tax is measured consistently with the Group's profit/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		Total	
	Six months ended		Six months ended		Six months ended	
	30 June		30 June		30 June	
	2018	2017	2018	2017	2018	2017
S\$	S\$	S\$	S\$	S\$	S\$	
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
Segment revenue	<u>2,415,861</u>	<u>2,335,197</u>	<u>6,009,714</u>	<u>4,401,733</u>	<u>8,425,575</u>	<u>6,736,930</u>
Segment Profit	720,015	736,177	1,788,748	1,385,370	2,508,763	2,121,547
Depreciation	(30,912)	(30,792)	(47,790)	(39,595)	(78,702)	(70,387)
<i>Unallocated expenses:</i>						
Depreciation					(41,144)	(21,269)
Listing expenses					—	<u>(2,061,169)</u>
Profit/(loss) before income tax					2,388,917	(31,305)
Income tax expenses					(430,435)	<u>(345,081)</u>
Profit/(loss) for the period					<u>1,958,482</u>	<u>(376,386)</u>

	Passenger vehicle leather upholstery		Passenger vehicle electronic accessories		Total	
	As at 30 June 2018 S\$ (Unaudited)	As at 31 December 2017 S\$ (Audited)	As at 30 June 2018 S\$ (Unaudited)	As at 31 December 2017 S\$ (Audited)	As at 30 June 2018 S\$ (Unaudited)	As at 31 December 2017 S\$ (Audited)
Segment assets	<u>380,988</u>	<u>361,542</u>	<u>1,107,579</u>	<u>1,063,607</u>	<u>1,488,567</u>	<u>1,425,149</u>
<i>Unallocated assets:</i>						
Cash and cash equivalents					16,092,963	9,001,040
Trade and other receivables					4,383,555	3,160,236
Property, plant and equipment					1,130,925	772,832
Fixed deposits					—	6,494,172
Total assets					<u>23,096,010</u>	<u>20,853,429</u>
Segment liabilities	<u>283,858</u>	<u>154,422</u>	<u>199,726</u>	<u>340,486</u>	<u>483,584</u>	<u>494,908</u>
<i>Unallocated liabilities:</i>						
Trade and other payables					1,011,663	828,772
Deferred tax liabilities					13,000	13,000
Current income tax liabilities					701,434	588,902
Total liabilities					<u>2,209,681</u>	<u>1,925,582</u>

The Group's revenue for the three months and six months ended 30 June 2017 and 2018 are as follows:

	Three months ended 30 June		Six months ended 30 June	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales and installation of goods:				
Passenger vehicle leather upholstery	1,069,429	1,409,930	2,415,861	2,335,197
Passenger vehicle electronic Accessories	<u>3,500,191</u>	<u>2,548,831</u>	<u>6,009,714</u>	<u>4,401,733</u>
	<u>4,569,620</u>	<u>3,958,761</u>	<u>8,425,575</u>	<u>6,736,930</u>

5. EXPENSES BY NATURE

	Three months ended 30 June		Six months ended 30 June	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Costs of inventories	2,082,312	1,843,097	3,984,143	3,063,374
Freight and forwarding charges	6,174	10,514	12,395	20,452
Employee benefit costs (<i>Note a</i>)	756,918	630,552	1,405,623	1,212,483
Depreciation of property, plant and equipment	61,354	44,750	119,845	91,656
Rental expenses on operating lease	12,986	14,367	27,695	29,851
Commission	4,873	9,785	12,179	17,609
Entertainment	24,455	28,228	39,589	36,245
Motor vehicles expenses	9,154	11,984	20,928	23,625
Insurance	8,414	6,860	30,861	32,837
Travelling expenses	17,351	20,695	22,337	22,753
Advertisement	6,284	3,086	10,484	6,909
Auditor's remuneration				
— Audit services	37,917	5,000	75,417	10,000
Legal and professional fees	71,169	730	139,938	1,210
Provision for warranty cost	36,993	38,232	57,617	66,026
Listing expenses	—	426,997	—	2,061,196
Other operating expenses	<u>125,928</u>	<u>64,748</u>	<u>164,247</u>	<u>106,454</u>
	<u>3,262,282</u>	<u>3,159,625</u>	<u>6,123,298</u>	<u>6,802,680</u>

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

	Three months ended 30 June		Six months ended 30 June	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Directors:				
Salaries, allowances and benefits in kind	202,720	141,598	376,120	283,195
Retirement benefit costs — defined contribution plans	8,146	7,020	14,446	14,280
Fees	32,700	—	65,400	—
	<u>243,566</u>	<u>148,618</u>	<u>455,966</u>	<u>297,475</u>
Other employees:				
Salaries, wages and allowances	410,554	415,723	787,838	785,928
Retirement benefit costs — defined contribution plans	25,693	26,412	51,812	51,787
Others	77,105	39,799	110,007	77,293
	<u>513,352</u>	<u>481,934</u>	<u>949,657</u>	<u>915,008</u>
	<u>756,918</u>	<u>630,552</u>	<u>1,405,623</u>	<u>1,212,483</u>

6. INCOME TAX EXPENSES

	Three months ended 30 June		Six months ended 30 June	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current income tax	<u>253,221</u>	<u>209,169</u>	<u>430,435</u>	<u>345,081</u>

The Company was 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.

Singapore profits tax has been provided at the rate of 17% on the estimated assessable profit for the year 2018 (2017: 17%).

7. DIVIDENDS

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

Dividends during the period ended 30 June 2017 represented dividends declared by the remaining companies now comprising the Group to the then equity holders of the respective companies for the period ended 30 June 2017.

The Board does not recommend the payment of a dividend for the six months ended 30 June 2018.

8. EARNINGS/(LOSS) PER SHARE

	Three months ended 30 June		Six months ended 30 June	
	2018 <i>(Unaudited)</i>	2017 <i>(Unaudited)</i>	2018 <i>(Unaudited)</i>	2017 <i>(Unaudited)</i>
Profit/(loss) for the period attributable to owners of the Company (S\$)	1,570,545	594,246	1,958,482	(376,386)
Weighted average number of ordinary shares in issue	<u>450,000,000</u>	<u>337,500,000</u>	<u>450,000,000</u>	<u>337,500,000</u>
Basic and diluted earnings/(loss) per share (S\$ cents)	<u>0.35</u>	<u>0.18</u>	<u>0.44</u>	<u>(0.11)</u>

The weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share has been determined on the assumption that the Reorganisation and Capitalisation Issue had been effective from 1 January 2017.

The calculation of the basic earnings/(loss) per share is based on the profit for the periods attributable to equity holders of the Company and the weighted average number of ordinary shares in issue. The number of ordinary shares for the purpose of basic earnings/(loss) per share for the period ended 30 June 2017 is based on the assumption that 337,500,000 ordinary shares of the Company are in issue and issuable, as if the Reorganisation was effective on 1 January 2017.

Diluted earnings/(loss) per share for the six months ended 30 June 2017 and 2018 are the same as basic earnings/(loss) per share due to the absence of dilutive potential ordinary shares during the respective periods.

9. PROPERTY, PLANT & EQUIPMENT

During the six months ended 30 June 2018, the Group acquired property, plant and equipment of approximately S\$419,000 (30 June 2017: approximately S\$82,000).

	2018 S\$ (Unaudited)	2017 S\$ (Unaudited)
Net book value		
At 1 January	1,151,833	1,077,489
Additions	418,813	82,224
Depreciation	<u>(119,845)</u>	<u>(91,656)</u>
At 30 June	<u><u>1,450,801</u></u>	<u><u>1,068,057</u></u>

10. TRADE & OTHER RECEIVABLES AND PREPAYMENT

	As at 30 June 2018 S\$ (Unaudited)	As at 31 December 2017 S\$ (Audited)
<i>Non-current asset</i>		
Prepayment		
— Prepayment of acquisition of property, plant & equipment	<u><u>165,000</u></u>	<u><u>—</u></u>
<i>Current assets</i>		
Trade receivables (Note a)		
— Third parties	<u><u>4,067,708</u></u>	<u><u>3,027,091</u></u>
Deposit, prepayment and other receivables		
— Rental and other deposits	5,953	5,803
— Advance payment to suppliers	143,106	120,275
— Prepayment of operating expenses	—	353
— Interest receivables	<u>1,788</u>	<u>6,714</u>
	<u><u>150,847</u></u>	<u><u>133,145</u></u>
Total trade & other receivables and prepayment — current	<u><u>4,218,555</u></u>	<u><u>3,160,236</u></u>

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

(a) **Trade receivables**

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

	As at 30 June 2018 S\$ <i>(Unaudited)</i>	As at 31 December 2017 S\$ <i>(Audited)</i>
Unbilled revenue	989,355	516,848
1 to 30 days	1,648,490	1,215,179
31 to 60 days	1,411,239	1,157,195
61 to 90 days	13,268	115,859
Over 90 days	5,356	22,010
	<u>4,067,708</u>	<u>3,027,091</u>

As at 30 June 2018, trade receivables of S\$1,429,863 (2017: S\$1,295,064) were past due but not impaired. These relate to a number of independent customers for whom there is no significant financial difficulty and based on past experience, the overdue amounts can be recovered.

The ageing analysis of the trade receivables based on due date is as follows:

	As at 30 June 2018 S\$ <i>(Unaudited)</i>	As at 31 December 2017 S\$ <i>(Audited)</i>
Not yet past due	<u>2,637,845</u>	<u>1,732,027</u>
Past due but not impaired		
— 1 to 30 days	1,411,239	1,157,195
— 31 to 60 days	13,268	115,859
— Over 60 days	5,356	22,010
	<u>1,429,863</u>	<u>1,295,064</u>
	<u>4,067,708</u>	<u>3,027,091</u>

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

The maximum exposure to credit risk in the financial period is the carrying value of the receivables mentioned above. The Group does not hold any collateral as security.

11. SHARE CAPITAL

The share capital of the Group as at 31 December 2017 and the share capital of the Group as at 30 June 2018 represented the share capital of the Company.

	Number of Ordinary share	Share capital S\$
Authorised:		
At 31 December 2017 and 30 June 2018	<u>10,000,000,000</u>	<u>17,822,268</u>
Issued and fully paid:		
At 31 December 2017 and 30 June 2018	<u>450,000,000</u>	<u>793,357</u>

12. TRADE & OTHER PAYABLES

	As at 30 June 2018 S\$ (Unaudited)	As at 31 December 2017 S\$ (Audited)
Trade payables (Note a)		
— Third parties	<u>483,585</u>	<u>494,908</u>
Other payables and accruals		
— Accrued operating expenses	220,294	375,798
— Provision for warranty cost (Note b)	281,003	281,003
— Goods and services tax payables	204,533	168,349
— Others	<u>305,832</u>	<u>3,622</u>
	<u>1,011,662</u>	<u>828,772</u>
	<u>1,495,247</u>	<u>1,323,680</u>

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

(a) **Trade payables**

Trade payables are non-interest bearing and are normally settled on 60 days' terms.

The aging analysis of the trade payables based on invoice date is as follows:

	As at 30 June 2018 S\$ (Unaudited)	As at 31 December 2017 S\$ (Audited)
1 to 30 days	483,585	491,787
31 to 60 days	<u>—</u>	<u>3,121</u>
	<u>483,585</u>	<u>494,908</u>

The carrying amounts of the Group's trade payables are denominated in S\$, United States Dollar and Malaysian Ringgit. The carrying amounts of trade payables approximate their fair values.

(b) **Provision for warranty cost**

The movement in provision for warranty cost is as follows:

	As at 30 June 2018 S\$ (Unaudited)	As at 31 December 2017 S\$ (Audited)
At the beginning of the period	281,003	228,957
Provisions utilised	(57,617)	(179,282)
Provisions made	<u>57,617</u>	<u>231,328</u>
At the end of the period	<u>281,003</u>	<u>281,003</u>

13. RELATED PARTY TRANSACTIONS

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

The directors are of the view that the following parties were related parties that had material transactions or balances with the Group during the periods ended 30 June 2017 and 2018:

Name	Relationship with the Group
Mr. Siew Yew Khuen	A shareholder and executive director of the Company
Ms. Lee Lai Fong	A shareholder and executive director of the Company
Mr. Siew Yew Wai	An executive director of the Company

In addition to the related party information disclosed above, the following set out the significant transactions carried out between the Group and its related parties in the ordinary course of business during the periods ended 30 June 2017 and 2018.

(a) Key management compensation

Key management includes executive directors of the Group. The compensation paid or payable to key management for employee services is disclosed as follows:

	Three months ended 30 June		Six months ended 30 June	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Salaries, allowances and benefits in kind	202,720	141,598	376,120	283,195
Retirement benefit costs — defined contribution plans	<u>8,146</u>	<u>7,020</u>	<u>14,446</u>	<u>14,280</u>
	<u><u>210,866</u></u>	<u><u>148,618</u></u>	<u><u>390,566</u></u>	<u><u>297,475</u></u>

14. COMMITMENT

The Group had the following capital commitment at the end of the reporting period:

	As at 30 June 2018 S\$ <i>(Unaudited)</i>	As at 31 December 2017 S\$ <i>(Audited)</i>
Contracted, but not provided for:		
— Consideration of acquisition of properties	<u><u>3,135,000</u></u>	<u><u>—</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

To alleviate the traffic congestion, Singapore government controls the total number of vehicles in use by limiting the COE quota. From 2011 to 2013, the COE quota was reduced due to declining number of deregistered passenger vehicles and thus resulted in higher COE premiums. From 2014 to 2017, there was a marked increase in the number of deregistered vehicles as well as newly registered passenger vehicles. In 2017, the number of newly registered passenger vehicles increased by approximately 5.0% from 87,504 units in 2016 to 91,922 units. This is mainly due to the high number of passenger vehicles reaching their ten-year COE period and have to be deregistered to make way for a new replacement COE.

The Singapore government has plans to achieve zero growth rate for the population of the cars and motorcycles from February 2018 pared down from 0.25% in 2017. The Directors understand that the zero growth rate will not have a significant impact on the COE quota and premium as COE quota is largely determined by the number of deregistered vehicles. The number of passenger vehicles reaching their ten-year COE period will remain high in 2018. The Land Transport Authority projected newly registered passenger vehicles will reach 81,258 units for 2018.

The passenger vehicle market conditions in Singapore will continue to be challenging due to an expected fall in number of newly registered vehicles in 2018. Despite the uncertainty, the Directors remain cautiously optimistic of the outlook for the Group in 2018, as we have established long standing and well-established relationships with many of our customers in Singapore.

PROSPECTS

Notwithstanding 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 issued by the Company dated 30 June 2017 (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.

The Group has entered into the Options to Purchase in respect of the acquisition of the properties, located at 8 Kaki Bukit Avenue 4, #02-03/04/05 Premier @ Kaki Bukit, Singapore 415875. The completion of the acquisition will take place on or before 28 August 2018. The new premises are expected to serve as showroom, workshop and warehouse of the Group which are ideally located in automotive zone and they are in close proximity to our existing customers in Ubi and Kaki Bukit. For details, please refer to the Companys’ announcement dated 1 June 2018.

FINANCIAL REVIEW

Revenue

Total revenue of the Group for the six months ended 30 June 2018 (the “Current Period”) was approximately S\$8,426,000 as compared to approximately S\$6,737,000 for the six months ended 30 June 2017 (the “Corresponding Period”), representing an increase of approximately S\$1,689,000 or 25.1%. Such increase was attributable to the increase in the demand of leather upholstery, navigation system and safety and security accessories.

Gross Profit

As a result of increase in sales, the Group’s gross profit rose by approximately S\$796,000 or 29.5% from approximately S\$2,702,000 for the six months ended 30 June 2017 to approximately S\$3,498,000 for the six months ended 30 June 2018. Despite the economic slowdown, the Group still succeeded in maintaining the gross profit margin of approximately 41.5% for the six months ended 30 June 2018 which was close to the gross profit margin for the six months ended 30 June 2017, which was approximately 40.1%. It was mainly due to reduction of direct material cost and also the ability of the Group to maintain in its selling prices despite the economic slowdown.

Other income

Other income had decreased by approximately S\$14,000 from approximately S\$35,000 for the six months ended 30 June 2017 to approximately S\$21,000 for the six months ended 30 June 2018. Such decrease was mainly due to lower Singapore government incentives granted under the Wages Credit Scheme, Special Employment Credit and Productivity and Innovation Credit Bonus.

Other gains — net

Other gains had increased by approximately S\$23,000 from losses of approximately S\$1,000 for the six months ended 30 June 2017 to approximately S\$22,000 for the six months ended 30 June 2018. Other gains mainly represent foreign exchange gains 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 Expenses

Selling and distribution expenses had increased by approximately S\$18,000 from approximately S\$188,000 for the six months ended 30 June 2017 to approximately S\$206,000 for the six months ended 30 June 2018. The increase of the costs was mainly attributable to higher entertainment expenses, business promotion expenses, commissions and employee benefit costs.

Administrative Expenses

Administrative expenses decreased by approximately S\$1,590,000 from approximately S\$2,579,000 for the six months ended 30 June 2017 to approximately S\$989,000 for the six months ended 30 June 2018. The decrease of administrative expenses was mainly due to payment of professional fees in relation to the Listing in 2017 and offset by the increase in professional fees to ensure on going compliance with relevant and applicable rules and regulations since the Listing up to 30 June 2018 (30 June 2017: NIL) and the increase in employee benefits costs.

PROFIT/(LOSS) FOR THE PERIOD

The Group reported profit of approximately S\$1,958,000 for the Current Period. The profit increased by approximately S\$2,334,000 from loss of approximately S\$376,000 for the Corresponding Period. By excluding the Listing expenses in 2017, the Group's net profit for the six months ended 30 June 2017 would be approximately S\$1,685,000.

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 major customers, 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 substantially derived from sales to our major customers and any decrease or loss of business with any Singapore subsidiaries of the major customers and failure to maintain reputation and customer services could materially and adversely affect our business, financial conditions and results of operations. We also highly rely on a single market in developing our business and our business may be materially affected by the limitation on COE availability.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The capital of the Group comprises ordinary shares only.

As at 30 June 2018, the Group had net current assets of approximately S\$19,284,000 (31 December 2017: approximately S\$17,789,000) including cash and bank balances of approximately S\$16,093,000 (31 December 2017: approximately S\$15,495,000). The current ratio, being the ratio of current assets to current liabilities, was approximately 9.8 times as at 30 June 2018 (31 December 2017: approximately 10.3 times). The decrease in the current ratio was mainly due to the higher balances of other payables and income tax payables as at 30 June 2018 compared to 31 December 2017.

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 2018 (31 December 2017: NIL). There was no finance cost incurred during the six months ended 30 June 2018 (31 December 2017: NIL), hence no gearing ratio of the Group was presented.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison of the Group's business objectives as set out in the Company's prospectus dated 30 June 2017 with the Group's actual business progress up to 30 June 2018:

Business objectives up to 30 June 2018 as set out in the Prospectus

Actual business progress up to 30 June 2018

Upgrade existing facilities, acquire new machinery and premises

- | | |
|--|---|
| <ul style="list-style-type: none">● Acquire and renovate new premises to use as a showroom and workshop for PV leather upholstery and electronic accessories | <p>The Group is in the process of finalising the acquisition of new premises to use as a showroom, workshop and warehouse for PV leather upholstery and electronic accessories.</p> |
| <ul style="list-style-type: none">● Buy new machinery such as sewing machine, lockstitch machine, pattern stitcher, skiving machine and embroidery machine; and motor vehicles | <p>The Group had acquired new machineries, tools and motor vehicle.</p> |
| <ul style="list-style-type: none">● Upgrade existing PV leather upholstery work bay, renovate showroom and replace dated office furniture, upgrading safety and security features and electrical wiring of work area | <p>The Group had appointed a Consultant for the renovation of existing showroom and warehouse. The Group is in the process of discussion and reviewing the renovation plan.</p> |

Strengthen our sales and marketing efforts

- | | |
|---|--|
| <ul style="list-style-type: none">● Place advertisements in magazines, social media, websites and participate in motor roadshows to increase awareness of our brand and showcase our products | <p>The Group is in the process of exploring and identifying an appropriate consultant.</p> |
|---|--|

**Business objectives up to 30 June 2018
as set out in the Prospectus**

**Actual business progress up to
30 June 2018**

Expand our product offerings

- (i) Source new products and create more interactive demonstration displays for presentation to existing and potential customers; and (ii) Recruit and train additional sales and marketing personnel, technicians and customer service personnel

The Group is actively sourcing for latest and innovative products and performing product testing, to stay ahead of market trend and needs.

The Group had recruited a Sales Manager to support the sales and marketing function as well as customer service.

The Group is in the process of looking for additional appropriate experienced personnel.

Upgrade and integrate of our information technology system

- Migrate accounting record to new ERP system and implement automated payroll system, point of sale system and fixed assets management system

The Group had implemented and migrated accounting record to a new ERP system and automated payroll system.

The Group is in the process of exploring and identifying appropriate system for point of sale system and fixed assets management system.

USE OF PROCEEDS

The net proceeds from the Share Offer were approximately S\$10,328,000 after deducting the Listing related expenses. These proceeds are intended to be applied in the manner as described in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

An analysis of the amount utilised up to 30 June 2018 is set out as follow:

	Planned use of net proceeds from the Listing Date to 30 June 2018 S\$	Actual utilised amount up to 30 June 2018 S\$	Total remaining use of net proceeds as at 30 June 2018 S\$	Total use of net proceeds S\$
Upgrade existing facilities, acquire new machinery and premises	3,740,000	590,000	4,470,000	5,060,000
Strengthen our sales and marketing efforts	620,000	250,000	1,480,000	1,730,000
Expand our product offerings	590,000	20,000	1,380,000	1,400,000
Upgrade and integrate of our information technology system	340,000	140,000	760,000	900,000
Working capital and general corporate use	<u>1,010,000</u>	<u>1,010,000</u>	<u>—</u>	<u>1,010,000</u>
	<u><u>6,300,000</u></u>	<u><u>2,010,000</u></u>	<u><u>8,090,000</u></u>	<u><u>10,100,000</u></u>

The remaining net proceeds as at 30 June 2018 had been placed in interest-bearing deposits in bank in Hong Kong.

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

EMPLOYEE INFORMATION

As at 30 June 2018, the Group had 56 employees (31 December 2017: 54), comprising of 4 executive Directors (31 December 2017: 3), 2 senior managements (31 December 2017: 3), 8 administrative employees (31 December 2017: 7) and 42 technicians (31 December 2017: 41).

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, provided their performance is satisfactory. We also believe in promoting internally as this promotes employee satisfaction and enables us to improve 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 amounted to approximately S\$1,406,000 for the periods ended 30 June 2018 (2017: approximately S\$1,212,000).

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.

CHARGES ON THE GROUP'S ASSETS

The Group did not arrange any charge of assets with any financial institution in Singapore and Hong Kong as at 30 June 2018 (31 December 2017: NIL).

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\$”). The foreign currencies giving rise to this risk are primarily the United States Dollar (“US\$”) and Malaysia Ringgit (“MYR”). As at 30 June 2018, if the foreign currencies had weakened or strengthened by 10% against the S\$ with all other variables held constant, post-tax profit for the period ended 30 June 2018 would have been S\$336,103 (31 December 2017: S\$1,027,337) lower/higher, as a result of foreign exchange gains/losses on translation of HK\$ denominated deposits and no financial instrument for hedging was employed.

COMMITMENTS

(a) Operating lease commitment

The Group leases office premise from third party under non-cancellable operating lease agreement.

The future aggregate minimum lease payments under non-cancellable operating lease in respect of office premise is as follows:

	As at 30 June 2018 S\$ <i>(Unaudited)</i>	As at 31 December 2017 S\$ <i>(Audited)</i>
— Within 1 year	29,064	42,912
— More than 1 year and not later than 5 years	<u>—</u>	<u>7,266</u>

(b) Capital commitment

The Group had the following capital commitment at the end of the reporting period:

	As at 30 June 2018 S\$ <i>(Unaudited)</i>	As at 31 December 2017 S\$ <i>(Audited)</i>
Contracted, but not provided for:		
— Consideration of acquisition of properties	<u>3,135,000</u>	<u>—</u>

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the six months ended 30 June 2018, 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 the 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 Securities and Futures Ordinance (the "SFO") 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 he is taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the GEM Listing Rules:

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

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

Notes:

1. 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 230,000,000 Shares 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 in issue as at the date of this announcement.

Save as disclosed above, as at 30 June 2018, 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

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

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

Name	Capacity/Nature of interests	Number of shares held	Approximately percentage of shareholding of the Company
Mr. David Siew	Interest of a controlled corporation (<i>Note 1</i>)	230,000,000	51.11%
Ms. Lee	Interest of a controlled corporation (<i>Note 1</i>)	230,000,000	51.11%
TOMO Ventures	Beneficial owner	230,000,000	51.11%
China Ocean	Interest of a controlled corporation (<i>Note 2</i>)	30,000,000	6.67%
Golden Thai	Beneficial owner	30,000,000	6.67%

Notes:

1. 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 230,000,000 Shares 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 entire issued share capital of Golden Thai Marine Products Group Limited (“Golden Thai”) is legally and beneficially owned indirectly by China Ocean Fishing Holdings Limited (“China Ocean”). Accordingly, China Ocean is deemed to be interested in 30,000,000 Shares held by Golden Thai 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 2018.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraphs headed “DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION” and “SHARE OPTION SCHEME” in this announcement, at no time during the six months ended 30 June 2018 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 controlling shareholders (as defined in the GEM Listing Rules) of the Company and their respective associates (as defined in the GEM Listing Rules) had 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 confirmed that he/she had complied with the Required Standard of Dealings for the six months ended 30 June 2018. 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 six months ended 30 June 2018, 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.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2018.

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 condensed consolidated results of the Group for the six months ended 30 June 2018 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, 6 August 2018

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

Mr. Zha Jianping

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) for at least 7 days from the date of its publication and on the website of the Company (www.thetomogroup.com).