TOMO Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8463)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2019

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 midsized 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$8,085,000 for the six months ended 30 June 2019, representing a decrease of approximately S$341,000, or 4.0% as compared with the revenue of approximately S$8,426,000 for the six months ended 30 June 2018.

- The unaudited profit of the Group was approximately S$1,112,000 for the six months ended 30 June 2019 as compared to the profit of approximately S$1,958,000 for the six months ended 30 June 2018. By excluding the Transfer Listing expenses in 2019, the Group's net profit for the six months ended 30 June 2019 would be approximately S$1,856,000.

- Basic and diluted earnings per share was S$0.25 cents for the six months ended 30 June 2019 as compared to basic and diluted earnings per share of S$0.44 cents for the six months ended 30 June 2018.

- No interim dividend is recommended by the Board for the six months ended 30 June 2019.

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 2019 together with the comparative unaudited figures for the corresponding periods in 2018 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2019

		Three months ended 30 June		Six months ended 30 June	
		2019	2018	**2019**	2018
	Notes	***S$***	*S$*	***S$***	*S$*
		(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Revenue	*4*	**3,905,189**	4,569,620	**8,085,072**	8,425,575
Cost of sales	*7*	**(2,285,422)**	(2,558,523)	**(4,724,548)**	(4,927,367)
Gross profit		**1,619,767**	2,011,097	**3,360,524**	3,498,208
Other income	*5*	**39,412**	1,933	**84,057**	21,028
Other gains/(losses) – net	*6*	**5,776**	493,600	**(58,707)**	22,491
Selling and distribution expenses	*7*	**(104,502)**	(116,829)	**(231,848)**	(206,491)
Administrative expenses	*7*	**(1,209,181)**	(586,930)	**(1,670,729)**	(989,440)
Finance income – net		**26,612**	20,895	**54,704**	43,121
Profit before income tax		**377,884**	1,823,766	**1,538,001**	2,388,917
Income tax expenses	*8*	**(196,576)**	(253,221)	**(426,000)**	(430,435)
Profit and total comprehensive income for the period attributable to owners of the Company		**181,308**	1,570,545	**1,112,001**	1,958,482
Earnings per share attributable to owners of the Company for the period					
– Basic and diluted (Singapore cents)	*10*	**0.04**	0.35	**0.25**	0.44

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2019

	Notes	**As at 30 June 2019 S$ (Unaudited)**	As at 31 December 2018 S$ (Audited)
ASSETS			
Non-current assets			
Investment properties	11	**3,150,000**	3,150,000
Property, plant and equipment	12	**1,196,334**	1,328,115
Right-of-use asset	13	**103,278**	–
		4,449,612	4,478,115
Current assets			
Inventories		**1,170,718**	1,381,437
Trade and other receivables	14	**2,507,045**	3,353,691
Cash and cash equivalents		**18,633,284**	16,472,052
		22,311,047	21,207,180
Total assets		**26,760,659**	25,685,295
EQUITY AND LIABILITIES			
Capital and reserve attributable to equity holders of the Company			
Share capital	15	**793,357**	793,357
Share premium	15	**12,398,264**	12,398,264
Other reserve		**200,000**	200,000
Retained earnings		**10,890,324**	9,778,323
Total equity		**24,281,945**	23,169,944
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		**2,000**	4,000
Lease liabilities	13	**66,795**	–
		68,795	4,000
Current liabilities			
Trade and other payables	16	**1,449,633**	1,522,351
Current income tax liabilities		**922,920**	989,000
Lease liabilities	13	**37,366**	–
Total non-current liabilities		**2,409,919**	2,511,351
Total liabilities		**2,478,714**	2,515,351
Total equity and liabilities		**26,760,659**	25,685,295

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2019

	Note	**Share capital** *S$* *(Unaudited)*	**Share premium** *S$* *(Unaudited)*	**Other reserve** *S$* *(Unaudited)*	**Retained earnings** *S$* *(Unaudited)*	**Total** *S$* *(Unaudited)*
2019						
At 1 January 2019		793,357	12,398,264	200,000	9,778,323	23,169,944
Comprehensive income						
— Profit for the period		–	–	–	(1,112,001)	(1,112,001)
Balance as at 30 June 2019		**793,357**	**12,398,264**	**200,000**	**10,890,324**	**24,281,945**
2018						
At 1 January 2018		793,357	12,398,264	200,000	5,536,226	18,927,847
Comprehensive income						
— Profit for the period		–	–	–	1,958,482	1,958,482
Balance as at 30 June 2018		793,357	12,398,264	200,000	7,494,708	20,886,329

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2019

	Six months ended 30 June	
	2019	2018
	S$	*S$*
	(Unaudited)	*(Unaudited)*
Net cash generated from operating activities	**2,145,608**	975,225
Net cash generated from investing activities	**29,605**	6,116,698
Net cash used in financing activity	**(13,981)**	–
Net increase in cash and cash equivalents	**2,161,232**	7,091,923
Cash and cash equivalents at beginning of the period	**16,472,052**	9,001,040
Cash and cash equivalents at end of the period	**18,633,284**	16,092,963

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 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) supply and installation of passenger vehicle ("PV") leather upholstery and electronic accessories; and (ii) sales of PV electronic accessories. The revenue is recognised at the point when the goods are delivered to the customers. This condensed consolidated financial information is 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 2019 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 2018.

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 2018, 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 2019:

IFRS 16	Leases
IFRS 17	Insurance Contracts
IAS 7 (Amendment)	Statement of Cash Flows: Disclosure Initiative
IAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses
IFRS 12 (Amendment)	Disclosure of Interests in other Entries

The adoption of the above amendments to standards did not have any significant financial impact on these consolidated financial statements. None of which has significant financial impact to the Group except for IFRS 16.

The Group leases office premise from third party under non-cancellable operating lease agreement. The lease agreement does not impose any covenant, but leased asset may not be used as security for borrowing purposes.

Until the 2018 financial year, payments made under operating lease were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, lease is recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments). The lease payments are discounted using incremental borrowing rate of the Group which the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability; and

- any lease payments made at or before the commencement date.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Group has adopted IFRS 16 Leases from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the simplified transition approach in the standard. Since the operating lease commitment as at 31 December 2018 was a short term lease, it is exempted from IFRS 16. Thus, no reclassifications and the adjustments arising from the new leasing standards are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019 in each territory or region where the lease assets are located. The weighted average discount rate applied to the lease liabilities on 1 January 2019 was 5.25%.

(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 2019 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
IAS 1 and IAS 8 (Amendment)	Definition of material	1 January 2020
IFRS 3 (Amendment)	Definition of a business	1 January 2020
IFRS 17	Insurance Contracts	1 January 2021
Revised Conceptual Framework	Revised Conceptual Framework for Financial Reporting	1 January 2020

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-makers have been identified as the executive 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) PV leather upholstery and (ii) PV electronic accessories. The PV leather upholstery segment mainly represents the business of supplying and installing PV leather upholstery to PV distributors and dealers. The PV electronic accessories segment represents the business of supplying and installing PV electronic accessories to PV distributors and dealers. These PV 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 Six months ended 30 June		Passenger vehicle electronic accessories Six months ended 30 June		Total Six months ended 30 June	
	2019	2018	**2019**	2018	**2019**	2018
	S$	*S$*	***S$***	*S$*	***S$***	*S$*
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Segment revenue	**2,500,804**	2,415,861	**5,584,268**	6,009,714	**8,085,072**	8,425,575
Segment Profit	**751,253**	720,015	**1,679,987**	1,788,748	**2,431,240**	2,508,763
Depreciation	**(44,341)**	(30,912)	**(46,409)**	(47,790)	**(90,750)**	(78,702)
Unallocated expenses:						
Depreciation					**(58,236)**	(41,144)
Transfer Listing expenses					**(744,253)**	–
Profit before income tax					**1,538,001**	2,388,917
Income tax expenses					**(426,000)**	(430,435)
Profit for the period					**1,112,001**	1,958,482
Segment assets	**373,367**	380,988	**1,075,166**	1,107,579	**1,448,533**	1,488,567
Unallocated assets:						
Cash and cash equivalents					**18,633,284**	16,092,963
Trade and other receivables					**2,507,045**	4,383,555
Investment properties					**3,150,000**	–
Property, plant and equipment					**1,001,141**	1,130,925
Right-of-use asset					**20,656**	–
Total assets					**26,760,659**	23,096,010
Segment liabilities	**177,032**	283,858	**275,017**	199,726	**452,049**	483,585
Unallocated liabilities:						
Trade and other payables					**1,080,913**	1,011,663
Deferred tax liabilities					**2,000**	13,000
Current income tax liabilities					**922,920**	701,434
Lease liabilities					**20,832**	–
Total liabilities					**2,478,714**	2,209,681

The Group's revenue for the three months and six months ended 30 June 2018 and 2019 are as follows:

	Three months ended 30 June		**Six months ended 30 June**	
	2019	2018	**2019**	2018
	S$	*S$*	***S$***	*S$*
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Supply and installation of goods				
— Leather upholstery	**1,039,882**	1,069,429	**2,500,804**	2,415,861
— Electronic accessories	**2,520,307**	3,500,191	**5,239,268**	6,009,714
	3,560,189	4,569,620	**7,740,072**	8,425,575
Sales of goods				
— Electronic accessories	**345,000**	–	**345,000**	–
	3,905,189	4,569,620	**8,085,072**	8,425,575

5. OTHER INCOME

	Three months ended 30 June		**Six months ended 30 June**	
	2019	2018	**2019**	2018
	S$	*S$*	***S$***	*S$*
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Wages Credit Scheme	**–**	–	**7,401**	16,117
Special Employment Credit	**–**	1,933	**3,456**	4,911
Rental income	**39,412**	–	**73,200**	–
	39,412	1,933	**84,057**	21,028

Wage Credit Scheme and Special Employment Credit are incentive introduced by the Singapore government to help companies alleviate business costs in a tight labour market and to support business investments. These incentives are granted in the form of cash payout.

6. OTHER GAINS/(LOSSES) – NET

	Three months ended 30 June		**Six months ended 30 June**	
	2019	2018	**2019**	2018
	S$	*S$*	***S$***	*S$*
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Foreign exchange gains/(loss) — net	**5,776**	493,600	**(77,563)**	22,491
Others	**–**	–	**18,856**	–
	5,776	493,600	**(58,707)**	22,491

7. EXPENSES BY NATURE

	Three months ended 30 June		**Six months ended 30 June**	
	2019	2018	**2019**	2018
	S$	*S$*	***S$***	*S$*
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Costs of inventories	**1,831,148**	2,082,312	**3,771,162**	3,984,143
Freight and forwarding charges	**7,102**	6,174	**11,646**	12,395
Employee benefit costs *(Note a)*	**700,523**	756,918	**1,430,646**	1,405,623
Depreciation	**80,692**	61,354	**148,986**	119,845
Rental expenses	**1,304**	12,986	**16,851**	27,695
Commission	**4,842**	4,873	**9,692**	12,179
Entertainment	**15,330**	24,455	**43,446**	39,589
Motor vehicles expenses	**14,288**	9,154	**23,865**	20,928
Insurance	**17,061**	8,414	**47,145**	30,861
Travelling expenses	**21,851**	17,351	**27,880**	22,337
Advertisement	**6,075**	6,284	**9,194**	10,484
Auditor's remuneration				
— Audit services	**28,401**	37,917	**80,101**	75,417
Legal and professional fees	**83,951**	71,169	**135,500**	139,938
Write-off of inventories	**1,565**	–	**2,005**	–
(Reversal)/provision for warranty cost	**(3,422)**	36,993	**27,257**	57,617
Transfer listing expenses	**744,253**	–	**744,253**	–
Other operating expenses	**44,141**	125,928	**97,496**	164,247
Total cost of sales, selling and distribution expenses and administrative expenses	**3,599,105**	3,262,282	**6,627,125**	6,123,298

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

Directors:				
Salaries, allowances and benefits in kind	**190,053**	202,720	**395,043**	376,120
Retirement benefit costs — defined contribution plans	**6,300**	8,146	**14,550**	14,446
Fees	**26,951**	32,700	**53,881**	65,400
	223,304	243,566	**463,474**	455,966
Other employees:				
Salaries, wages and allowances	**411,880**	410,554	**838,997**	787,838
Retirement benefit costs — defined contribution plans	**28,200**	25,693	**56,653**	51,812
Others	**37,139**	77,105	**71,522**	110,007
	477,219	513,352	**967,172**	949,657
	700,523	756,918	**1,430,646**	1,405,623

8. INCOME TAX EXPENSES

	Three months ended 30 June		**Six months ended 30 June**	
	2019	2018	**2019**	2018
	S$	*S$*	***S$***	*S$*
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Current income tax	**198,576**	253,221	**428,000**	430,435
Deferred income tax	**(2,000)**	–	**(2,000)**	–
	196,576	253,221	**426,000**	430,435

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 2019 (2018:17%).

9. 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 2019.

10. EARNINGS PER SHARE

	Three months ended 30 June		Six months ended 30 June	
	2019	2018	**2019**	2018
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Profit for the period attributable to equity holders the Company (S$)	**181,308**	1,570,545	**1,112,001**	1,958,482
Weighted average number of ordinary shares in issue	**450,000,000**	450,000,000	**450,000,000**	450,000,000
Basic and diluted earnings per share (Singapore cents)	**0.04**	0.35	**0.25**	0.44

The calculation of the basic earnings 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.

Diluted earnings per share for the six months ended 30 June 2018 and 2019 are the same as basic earnings per share due to the absence of dilutive potential ordinary shares during the respective periods.

11. INVESTMENT PROPERTIES

	As at 30 June 2019	As at 31 December 2018
	S$	*S$*
	(Unaudited)	*(Audited)*
Investment properties	**3,150,000**	3,150,000

The following amounts are recognised in the condensed consolidated statement of comprehensive income:

	Three months ended 30 June		Six months ended 30 June	
	2019	2018	**2019**	2018
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Rental income	**39,412**	–	**73,200**	–
Direct operating expenses arising from properties that generated rental income	**2,812**	–	**5,624**	–

12. PROPERTY, PLANT & EQUIPMENT

During the six months ended 30 June 2019, the Group acquired property, plant and equipment of approximately S$4,000 (30 June 2018: approximately S$419,000).

	2019	2018
	S$	*S$*
	(Unaudited)	*(Audited)*
Net book value		
1 January	**1,328,115**	1,151,833
Additions	**4,295**	418,813
Depreciation	**(136,076)**	(119,845)
At 30 June	**1,196,334**	2,450,801

13. RIGHT-OF-USE ASSET/LEASE LIABILITIES

	As at 30 June 2019
	S$
	(Unaudited)
Right-of-use asset	
At the beginning of the period	–
Additions	116,188
Depreciation	(12,910)
At the end of the period	103,278
Lease liabilities	
At the beginning of the period	–
Additions	116,188
Repayment	(13,981)
Interest charge	1,954
At the end of the period	104,161

	As at 30 June 2019 S$ (Unaudited)
Lease liabilities	
– Non-current liabilities	66,795
– Current liabilities	37,366
	104,161

The following amounts are recognised in the condensed consolidated statement of comprehensive income:

	Three months ended 30 June		**Six months ended 30 June**	
	2019	2018	**2019**	2018
	S$	*S$*	***S$***	*S$*
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Depreciation	**9,682**	–	**12,910**	–
Finance cost	**1,446**	–	**1,954**	–

14. TRADE & OTHER RECEIVABLES

	As at 30 June 2019 ***S$*** ***(Unaudited)***	As at 31 December 2018 *S$* *(Audited)*
Trade receivables *(Note a)*		
— Third parties	**2,395,572**	3,277,511
Deposit, prepayment and other receivables		
— Rental and other deposits	**5,645**	5,953
— Advance payment to suppliers	**82,445**	56,483
— Prepayment of operating expenses	**690**	13,744
— Interest receivables	**22,693**	–
	111,473	76,180
	2,507,045	3,353,691

The carrying amounts of trade and other receivables 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 2019	As at 31 December 2018
	S$	*S$*
	(Unaudited)	*(Audited)*
Unbilled revenue	**447,064**	739,983
1 to 30 days	**1,049,844**	1,308,753
31 to 60 days	**820,705**	1,093,291
61 to 90 days	**74,440**	131,043
Over 90 days	**3,519**	4,441
	2,395,572	3,277,511

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

The maximum exposure to credit risk at the reporting date is the carrying value of the receivables mentioned above. 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 recognized at 31 December 2018 and 30 June 2019.

15. SHARE CAPITAL AND SHARE PREMIUM

The share capital of the Group as at 31 December 2018 and the share capital of the Group as at 30 June 2019 represented the share capital of the Company.

	Number of Ordinary share	**Share capital**	**Share premium**
		S$	*S$*
As at 31 December 2018 and 30 June 2019			
— Authorised	10,000,000,000	17,822,268	–
— Issued and fully paid	450,000,000	793,357	12,398,264

16. TRADE & OTHER PAYABLES

	As at 30 June 2019	As at 31 December 2018
	S$	*S$*
	(Unaudited)	*(Audited)*
Trade payables *(Note a)*		
— Third parties	**368,720**	481,721
Other payables and accruals		
— Accrued operating expenses	**202,374**	344,329
— Accrued transfer listing expenses	**430,000**	–
— Provision for warranty cost *(Note b)*	**241,321**	263,885
— Goods and services tax payables	**182,818**	161,390
— Others	**24,400**	271,026
	1,080,913	1,040,630
	1,449,633	1,522,351

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 30 days' terms.

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

	As at 30 June 2019	As at 31 December 2018
	S$	*S$*
	(Unaudited)	*(Audited)*
1 to 30 days	**368,720**	481,721

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 2019	As at 30 June 2018
	S$	*S$*
	(Unaudited)	*(Audited)*
At the beginning of the period	**263,885**	281,003
Provisions utilised	**(49,821)**	(57,617)
Provisions made	**27,257**	57,617
At the end of the period	**241,321**	281,003

17. 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 2018 and 2019:

Name	**Relationship with the Group**
Mr. Siew Yew Khuen (“Mr. David Siew”)	A shareholder and executive director of the Company
Ms. Lee Lai Fong (“Ms. Lee ”)	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 2018 and 2019.

(a) Key management compensation

Key management includes executive directors of the Company. 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	
	2019	2018	**2019**	2018
	S$	*S$*	***S$***	*S$*
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Salaries, allowances and benefits in kind	**174,663**	187,600	**364,200**	361,000
Retirement benefit costs — defined contribution plans	**6,300**	8,146	**14,550**	14,446
	180,963	195,746	**378,750**	375,446

18. OPERATING LEASE COMMITMENTS

Operating lease commitments — as lessor

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

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

	As at 30 June 2019	As at 31 December 2018
	S$	*S$*
	(Unaudited)	*(Audited)*
— No later than 1 year	**110,400**	134,400
— Later than 1 year and not later than 5 years	**12,300**	65,600
	122,700	200,000

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the (i) supply and installation of PV leather upholstery and electronic accessories; and (ii) sales of PV electronic accessories 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 traffic congestion, Singapore government controls the total number of vehicles in use by limiting the quota of COE. The COE allows the holder to own a vehicle for an initial period of 10 years, after which he must deregister his vehicle or extend his COE. The monthly COE quota, which is released every three months by the LTA, consists of (i) the replacement COE from vehicles deregistered in the preceding three-month period; (ii) the provision for a growth per annum for population of vehicles of certain categories based on the population as at the end of the preceding year; and (iii) the adjustment for changes in certain factors including but not limited to the taxi populations and the expired COE.

The Singapore government has implemented a zero growth rate for the population of the cars and motorcycles from February 2018 pared down from 0.25% in 2017 and introduced the Vehicular Emissions Scheme (the "VES") on 1 July 2018. The VES was introduced to reduce harmful vehicle emissions. The worst performing pollutant determines the vehicle's band and its corresponding VES rebate or surcharge. Notwithstanding the above, based on the historical COE breakdowns published by the LTA, the monthly COE is primarily affected by the number of replacements of de-registered vehicles, whereas other components have a relatively insignificant impact upon this number.

The Directors believe that the zero growth rate and the VES will not have a significant impact on the quota of COE. Though the COE quota is expected to decrease in the near future due to the cyclicality of the demand for new PVs. According to the Frost & Sullivan Report, the resulting adverse impacts on the B2B market are expected to be partially offset by the expected upward trend of the sales volume of used PVs. Meanwhile, the B2C PV interior modification market in Singapore is expected to grow steadily as more demand would be driven by, among others, the constantly increasing number of ageing PVs in Singapore, PV owners' higher expectations on both the interior appearance and functionality of PV accessories, the increasingly diversified and advanced electronic accessories, and the growing number of used PV sales due to the COE limitation. With the combined effects from both the B2B and B2C markets, the total size of the PV interior modification market in Singapore is expected to increase in the near future. In line with the above industry trends, in order to capture the previous rapid growth in the B2B market and prepare for the operation of the B2C business in the near future, since the GEM Listing, the Group has been primarily focusing on the development of its B2B business as well as gaining B2C experience and exposure at relatively low cost by partnering with certain B2C leading players' workshops and actively expanding its product to meet various market needs. Going forward, the Group is planning to allocate more resources and efforts into its B2C business in order to seize the opportunities for further expansion and growth. In addition, the Group has been making considerable marketing efforts to promote its products to the used PV segments and will continue to introduce innovative and niche products to the new PV market in order to enhance the profitability.

Based on the unaudited financial information of the Group, its total revenue for the six months ended 30 June 2019 recorded a slight decrease of approximately 4.0% as compared to the same period in 2018, which was mainly due to a decrease in the demand for the navigation and multimedia accessories as a result of an impending change of PV models sold by the largest customer, which has led to the development of new compatible navigation systems by the Group and a declining demand for the existing navigation systems, offset by an increase in demand for leather upholstery and safety and security accessories.

Despite the above and the potential decline in the B2B market in the near future, considering the generally positive future prospect of the overall PV interior modification market in Singapore and the existing leading position of the Group therein, as well as the Group's focus on the B2C market in the future, the Directors remain positive on the demand for the Company's services and products in the future and consider that the abovementioned initiatives of the Singapore government, namely the implementation of zero growth rate for the population of cars and motorcycles and the Vehicular Emission Scheme will not have a significant impact on the performance of the Company.

The Directors remain cautiously optimistic of the outlook for the Group in 2019, 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.

FINANCIAL REVIEW

Revenue

Total revenue of the Group for the six months ended 30 June 2019 (the "Current Period") was approximately S$8,085,000 as compared to approximately S$8,426,000 for the six months ended 30 June 2018 (the "Corresponding Period"), representing a decrease of approximately S$341,000 or 4.0%. Such decrease was attributable to the decrease in the demand of navigation system as a result of an impending change of PV models, offset by an increasing demand for the leather upholstery from our existing customers, who have also supplied PVs to fleet customers and car rental companies in addition to their individual customers.

Gross profit

As a result of the decrease in sales, the Group's gross profit has fallen by approximately S$138,000 or 5.1% from approximately S$3,498,000 for the six months ended 30 June 2018 to approximately S$3,360,000 for the six months ended 30 June 2019. Despite the economic slowdown, the Group still succeeded in maintaining the gross profit margin of approximately 41.6% for the six months ended 30 June 2019 which was close to the gross profit margin for the six months ended 30 June 2018, which was approximately 41.5%.

Other income

Other income had increased by approximately S$63,000 from approximately S$21,000 for the six months ended 30 June 2018 to approximately S$84,000 for the six months ended 30 June 2019. Such an increase was mainly related to rental income from the investment properties acquired in August 2018, despite lower Singapore government incentives granted under the Wages Credit Scheme and Special Employment Credit.

Other gains/(losses) – net

Other losses – net had increased by approximately S$81,000 from approximately S$22,000 of net gains for the six months ended 30 June 2018 to approximately S$59,000 of net losses for the six months ended 30 June 2019. Other losses mainly represent foreign exchange losses 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, offset by the incentives received from suppliers.

Selling and distribution expenses

Selling and distribution expenses had increased by approximately S$26,000 from approximately S$206,000 for the six months ended 30 June 2018 to approximately S$232,000 for the six months ended 30 June 2019. The increase of the costs is mainly attributable to higher entertainment expenses and employee benefit costs.

Administrative expenses

Administrative expenses increased by approximately S$682,000 from approximately S$989,000 for the six months ended 30 June 2018 to approximately S$1,671,000 for the six months ended 30 June 2019. The increase of administrative expenses was mainly due to the increase of professional fees in relation to the transfer of listing of the shares of the Company on the GEM to the Main Board (the "Transfer Listing"), offset by the decrease in stamp duty for the acquisition of investment properties and retirement benefits paid to an employee in 2018.

PROFIT FOR THE PERIOD

The Group reported profit was approximately S$1,112,000 for the Current Period. The profit decreased by approximately S$846,000 from approximately S$1,958,000 for the Corresponding Period. By excluding the Transfer Listing expenses in 2019, the Group's net profit for the six months ended 30 June 2019 would be approximately S$1,856,000.

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 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 2019, the Group had net current assets of approximately S$19,901,000 (31 December 2018: S$18,696,000) including cash and bank balances of approximately S$18,633,000 (31 December 2018: S$16,472,000). The current ratio, being the ratio of current assets to current liabilities, was approximately 9.3 times as at 30 June 2019 (31 December 2018: 8.4 times). The increase in the current ratio was mainly due to the higher balances of cash and cash equivalent and lower other payables and income tax payables as at 30 June 2019 compared to 31 December 2018.

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 2019 (31 December 2018: NIL). There was no finance cost incurred during the period ended 30 June 2019 (31 December 2018: NIL), hence, no gearing ratio of the Group is 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 2019:

Business objectives up to 30 June 2019 as set out in the Prospectus	Actual business progress up to 30 June 2019
Upgrade existing facilities, acquire new machinery and premises	
• Acquire new tools and leather cutting machine.	The Group has acquired new machineries and tools.
• Fit out heavy duty shelving in storage area of existing premises for PV electronic accessories and leather upholstery.	The Group has appointed a Consultant for the renovation of its existing showroom and warehouse. The Group is in the process of discussing and reviewing the renovation plan.
• Acquire and renovate new premises to use as a showroom and workshop for PV leather upholstery and electronic accessories.	The Group has acquired new premises for its showroom and workshop. However, the previous landlord had entered into lease agreement with a tenant expiring in 2020.
• Buy new machinery such as sewing machine, lockstitch machine, pattern stitcher, skiving machine and embroidery machine; and commercial vehicles.	The Group has acquired new machineries and commercial vehicles.
• 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.	The Group has appointed a Consultant for the renovation of its existing showroom and warehouse. The Group is in the process of discussing and reviewing the renovation plan.
• Acquire and renovate the new premises to use as a warehouse.	The Group has acquired new premise for its warehouse. However, the previous landlord had entered into lease agreement with a tenant expiring in 2020.
• Implement logistics management to maximise effective use of space, equipment and labour.	The Group has appointed a Consultant for logistics management. The Group is in the process of discussing and reviewing the plan.

Business objectives up to 30 June 2019 as set out in the Prospectus	Actual business progress up to 30 June 2019
Strengthen our sales and marketing efforts	
• Engage a branding consultant to redefine our branding identity for B2C market and advertising our PV leather upholstery and electronic accessories to appeal to corporate and retail customers.	The Group is in the process of exploring and identifying an appropriate consultant.
• Visit, make presentation to, and develop relationships with existing and potential customers.	The Group is actively engaging with existing and potential customers to promote the products and services and building up a long-term relationship.
• Place advertisements in magazines, social media, websites and participate in motor roadshows to increase awareness of our brand and showcase our products.	The Group is in the process of exploring and identifying an appropriate consultant.
• Enhance and improve our website content with more product information through digital search and social media and printing of brochures for our retail customers.	The Group has appointed a Consultant for the enhancement and improvement of its website content and product brochures to our customers.
• Implement online platform to provide direct sales to retail customers.	The Group has appointed a Consultant for its online platform. The Group is in the process of discussing and reviewing the plan.
• Increase advertising expenditure and organise live demonstrations of our PV electronic accessories in our showroom and continue to participate in motor roadshows.	The Group is in the process of exploring and identifying an appropriate consultant. The Group is actively organising live demonstrations of our PV electronic accessories to our existing customers, and within their showroom as well.

Business objectives up to 30 June 2019 as set out in the Prospectus	Actual business progress up to 30 June 2019
Expand our product offerings	
• Conduct market and design search on market trend of new PV leather upholstery and electronic accessories.	The Group is actively sourcing for the latest innovative products and performing product testing to stay ahead of market trend and needs.
• Recruit and train additional sales and marketing personnel, technicians and customer service personnel.	The Group has recruited a Customer Service Officer and a Marketing Associate to support its sales and marketing functions as well as customer service. The Group is actively looking for additional appropriate experienced personnel for the expansion of the Group.
• Source new products and create more interactive demonstration displays for presentation to existing and potential customers.	The Group is actively sourcing for the latest innovative products and product demonstration displays in its customers' showrooms.
• Focus on retaining and training current and new hires to equip them with skills and knowledge of the products.	The Group is actively providing product knowledge trainings and workshops to improve the product-related skills and knowledge of the products of its employees.
• Continue to source new products and create more interactive demonstration displays for presentation to existing and potential customers.	The Group is actively sourcing for the latest innovative products and performing product testing, to stay ahead of market trend and needs. The Group frequently presents the product demonstrations to its existing customers and walk-in customers to our showroom.

Business objectives up to 30 June 2019 as set out in the Prospectus	Actual business progress up to 30 June 2019
Upgrade and integrate of our information technology system	
• Upgrade existing servers and implement a new ERP system, electronic documentation and cloud back up storage.	The Group has upgraded its existing servers, implemented a new ERP system and cloud back up storage. The Group has appointed a Consultant for the electronic documentation. The Group is in the process of discussing and reviewing the plan.
• Migrate accounting record to new ERP system and implement automated payroll system, point of sale system and fixed assets management system.	The Group has migrated its accounting record to a new ERP System and implemented fixed assets management system. The Group has appointed a Consultant for its automated payroll system and point of sale system. The Group is in the process of discussing and reviewing the plan.
• Implement mobile job order system and warehouse and inventory tracking system.	The Group has appointed a Consultant for its mobile job order system and warehouse and inventory tracking system. The Group is in the process of discussing and reviewing the plan.
• Maintenance of information technology systems and addition of equipment at headquarters and vehicle preparation centres and/or mobile van fleet	The Group has appointed a Consultant for its information technology systems. The Group is in the process of discussing and reviewing the plan.

USE OF PROCEEDS

The net proceeds from the Share Offer were approximately S$10,300,000 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 2019 is set out as follow:

	Planned use of net proceeds from the Listing Date to 30 June 2019	**Actual utilised amount up to 30 June 2019**	**Total remaining use of net proceeds as at 30 June 2019**	**Total use of net proceeds**
	S$	*S$*	*S$*	*S$*
Upgrade existing facilities, acquire new machinery and premises	5,160,000	4,010,000	1,150,000	5,160,000
Strengthen our sales and marketing efforts	1,410,000	570,000	840,000	1,760,000
Expand our product offerings	1,150,000	920,000	230,000	1,430,000
Upgrade and integrate of our information technology system	920,000	190,000	730,000	920,000
Working capital and general corporate use	1,030,000	1,030,000	–	1,030,000
	9,670,000	6,720,000	2,950,000	10,300,000

The remaining net proceeds as at 30 June 2019 have been placed in interest-bearing deposits in a 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 2019, the Group had 57 employees (31 December 2018: 57), comprising of four executive Directors (31 December 2018: four), two senior managements (31 December 2018: two), nine administrative employees (31 December 2018: nine) and 42 technicians (31 December 2018: 42).

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

Total staff costs, including directors' emolument, amounted to approximately S$1,431,000 for the period ended 30 June 2019 (2018: S$1,406,000).

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

As at 30 June 2019, leasehold properties with carrying values totalling S$566,572 (31 December 2018: S$587,859) 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 arising mainly from the exposure of S$ against HK$. Foreign exchange risk arises mainly from recognised assets. As at 30 June 2019, if the HK$ had weakened or strengthened by 10% against the S$ with all other variables held constant, post-tax profit for the year would have been approximately S$223,000 (31 December 2018: S$315,000) lower/higher as a result of foreign exchange losses/gains mainly on translation of HK$ denominated cash and bank balances.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the period ended 30 June 2019, 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 2019, 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** *(Note 1)*	**Number of shares held**	**Approximately percentage of shareholding of the Company** *(Note 2)*
Mr. David Siew	Interest of a controlled corporation *(Note 2)*	230,000,000 (L)	51.11%
Ms. Lee	Interest of a controlled corporation *(Note 2)*	230,000,000 (L)	51.11%
TOMO Ventures	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 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.

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 2019.

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 2019 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

During the period and up to the date of this announcement, none of the Directors or the controlling shareholders or their respective associates (as defined in the GEM Listing Rules) of the Company had any interests in any businesses which competed with or might compete 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 THE COMPANY'S LISTED SECURITIES

The listed securities of the Company were listed on GEM on 13 July 2017. Neither the Company nor any of its subsidiaries had purchased, sold and redeemed any of the Company's listed securities after the Listing 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 2019.

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. Ng Chee Chin. 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 2019 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 2019

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. Ng Chee Chin

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