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TOMO Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code on the Main Board: 6928)
(Stock Code on GEM: 8463)

TRANSFER OF LISTING FROM GEM TO THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Sponsor

Lego Corporate Finance Limited
力高企業融資有限公司

Lego Corporate Finance Limited

On 24 June 2019, a formal application was made by the Company to the Stock Exchange for the Transfer of Listing pursuant to Chapter 9A and Appendix 28 to the Main Board Listing Rules.

The Company has applied for the listing of, and permission to deal in, (i) all the Shares in issue; and (ii) the new Shares which may fall to be issued upon the exercise of the share options which may be granted under the Share Option Scheme, by way of transfer of listing from GEM to the Main Board. The Transfer of Listing will not involve any issue of new Shares.

The approval-in-principle has been granted by the Stock Exchange on 13 December 2019 for the Shares to be listed on the Main Board and delisted from GEM. Immediately prior to the listing of the Shares on the Main Board, the listing of the Shares on GEM will be withdrawn. The last day of dealings in the Shares on GEM (stock code: 8463) will be 20 December 2019. Dealings in the Shares on the Main Board (stock code: 6928) will commence at 9:00 a.m. on 23 December 2019.

As at the date of this announcement, all the applicable pre-conditions for the Transfer of Listing have been fulfilled.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for trading, settlement and registration purpose and will not involve any transfer or exchange of the existing share certificates. No change will be made to the Company's stock short names, the existing share certificates, the board lot size, the trading currency of the Shares and the share registrars and transfer offices of the Company following the Transfer of Listing.

The price and the trading volume of the Shares have been volatile since the GEM Listing on 13 July 2017 and may continue to be volatile upon listing on the Main Board. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

TRANSFER OF LISTING OF THE SHARES FROM GEM TO THE MAIN BOARD

Reference is made to the Company's announcement dated 24 June 2019 in relation to the formal application submitted to the Stock Exchange for the Transfer of Listing pursuant to Chapter 9A and Appendix 28 to the Main Board Listing Rules.

On 24 June 2019, a formal application was made by the Company to the Stock Exchange for the Transfer of Listing. The Company has applied for the listing of, and permission to deal in, (i) all the Shares in issue; and (ii) the new Shares which may fall to be issued upon the exercise of the share options which may be granted under the Share Option Scheme, by way of transfer of listing from GEM to the Main Board. The Transfer of Listing will not involve any issue of new Shares.

The Board is pleased to announce that the Stock Exchange granted its approval-in-principle on 13 December 2019 for the Shares to be listed on the Main Board and delisted from GEM.

All the applicable pre-conditions for the Transfer of Listing have been fulfilled as at the date of this announcement.

REASONS FOR THE TRANSFER OF LISTING

The Company has been listed on GEM since 13 July 2017. The Group is principally engaged in the supply and installation of leather upholstery and electronic accessories for PV in Singapore.

The Directors consider that a listing status of the Company on the Main Board, which is generally perceived to enjoy a premier status by investors, will help strengthen the recognition of the Group among both the existing Shareholders as well as the potential investors, resulting in a broader investor base and higher trading liquidity of the Shares. Further, facilitated by the enhanced status of the Group, the Directors believe that the Transfer of Listing will help promote the profile, brand and product awareness of the Group among external stakeholders, enabling it to reach out to more potential customers and suppliers which may ultimately help foster the business development of the Group and enhance return to the Shareholders in the long run.

In light of the above, the Directors are of the view that the Transfer of Listing is in the interests of the Company and the Shareholders as a whole.

DEALINGS IN THE SHARES ON THE MAIN BOARD

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from 13 July 2017, the date on which the Shares were first listed on GEM. Subject to the continued compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the Shares on the Main Board commence, and that all activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The last day of dealings in the Shares on GEM (stock code: 8463) will be 20 December 2019. Dealings in the Shares on the Main Board (stock code: 6928) will commence at 9:00 a.m. on 23 December 2019.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for delivery, trading, settlement and registration purposes, and will not involve any transfer or exchange of the existing share certificates. Currently, the Shares are traded in board lot of 4,000 Shares each and are traded in HK$. The principal share registrar and transfer office of the Company is Conyers Trust Company (Cayman) Limited and the Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited. No change will be made to the Company's stock short names, the existing share certificates, the board lot size, the trading currency of the Shares and the abovementioned share registrars and transfer offices of the Company following the Transfer of Listing.

SHARE OPTION SCHEME

The Share Option Scheme was conditionally adopted by the Company by passing of written resolutions by the then Shareholders on 23 June 2017 to help attract and retain the best available personnel to provide additional incentive to stakeholders of the Group and to promote the success of the business of the Group. Pursuant to the Share Option Scheme, the basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, including the independent non-executive Directors) from time to time on the basis of the participants' contribution or potential contribution to the development and growth of the Group.

As at the date of this announcement, the Company may grant options in respect of a total of 45,000,000 Shares, representing 10% of the share capital of the Company in issue as at 13 July 2017 on which dealing in Shares first commenced on GEM, during the remaining term of the Share Option Scheme. As at the date of this announcement, no options have been granted by the Company under the Share Option Scheme.

The Share Option Scheme will remain effective following the Transfer of Listing and will be implemented in compliance with the requirements of Chapter 17 of the Main Board Listing Rules. The listing of the Shares to be issued under the Share Option Scheme will also be transferred to the Main Board pursuant to Rule 9A.10 of the Main Board Listing Rules.

As at the date of this announcement, there were no outstanding options, warrants or similar rights or convertible equity securities issued by the Company which will be transferred to the Main Board.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Pursuant to Rule 9A.12 of the Main Board Listing Rules, the general mandates granted by the Shareholders at the annual general meeting of the Company held on 9 May 2019 to the Directors to (i) allot and issue new Shares; (ii) repurchase Shares; and (iii) extend the general mandate granted to the Directors to allot, issue and deal with additional Shares by the number of the issued Shares repurchased by the Company will continue to be valid and remain in effect until the earliest of:

(i) the conclusion of the next annual general meeting of the Company; or

(ii) the expiry of the period within which the next annual general meeting of the Company is required to be held by any applicable laws of the Cayman Islands or the Articles of Association; or

(iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors under the relevant resolutions.

SHAREHOLDER DISTRIBUTION AND CONTROLLING SHAREHOLDERS

The Company has engaged an Independent Third Party agent to make enquiry into its shareholding. Based on the information received up to the date of this announcement and to the best knowledge of the Directors upon due inquiry, as at 19 September 2019 (being the latest practicable date for the Company to ascertain the following Shareholders' spread information prior to the Transfer of Listing), (i) the Controlling Shareholders held in aggregate 230,000,000 Shares, representing approximately 51.11% of the entire issued share capital of the Company; and (ii) the identifiable Shareholders (other than the Controlling Shareholders) held an aggregate of 207,121,250 Shares, representing approximately 46.03% of the entire issued share capital of the Company. A total of 392 Shareholders were identified by the search conducted by the agent. The below table sets out the number of identifiable Shareholders and the Shareholders' spread other than the Shares held by the Controlling Shareholders as at 19 September 2019:

	Aggregate number of Shares held by the identifiable Shareholder(s) *(Note 1)*	**Approximate percentage of shareholding to the issued share capital of the Company**
Top identifiable Shareholder *(Note 2)*	19,612,000	4.36%
Top five identifiable Shareholders *(Note 3)*	66,380,000	14.75%
Top ten identifiable Shareholders *(Note 4)*	100,252,000	22.28%
Top 20 identifiable Shareholders *(Note 5)*	138,536,000	30.79%
Top 25 identifiable Shareholders *(Note 6)*	150,772,000	33.50%

Notes:

1. The shareholding search conducted on 19 September 2019 was unable to identify Shareholders holding an aggregate of 12,878,750 Shares, representing approximately 2.86% of the entire issued share capital of the Company (the "**Unidentifiable Shares**").

2. As there is no Shareholder, other than the Controlling Shareholders, holding 5% or more of the total issued share capital of the Company according to the Disclosure of Interests Online System on the website of the Stock Exchange, only a portion of the Unidentifiable Shares (if any) could be partially or wholly held by the top identifiable Shareholder. Accordingly, the maximum aggregate number of Shares held by the top identifiable Shareholder would be no more than 22,500,000 Shares, representing no more than 5% of the entire issued share capital of the Company.

3. Assuming that the Unidentifiable Shares were all held by the top five identifiable Shareholders, the aggregate number of Shares held by them will be 79,258,750 Shares, representing approximately 17.61% of the entire issued share capital of the Company.

4. Assuming that the Unidentifiable Shares were all held by the top ten identifiable Shareholders, the aggregate number of Shares held by them will be 113,130,750 Shares, representing approximately 25.14% of the entire issued share capital of the Company.

5. Assuming that the Unidentifiable Shares were all held by the top 20 identifiable Shareholders, the aggregate number of Shares held by them will be 151,414,750 Shares, representing approximately 33.65% of the entire issued share capital of the Company.

6. Assuming that the Unidentifiable Shares were all held by the top 25 identifiable Shareholders, the aggregate number of Shares held by them will be 163,650,750 Shares, representing approximately 36.37% of the entire issued share capital of the Company.

7. Percentages are subject to rounding.

PUBLIC FLOAT

Notwithstanding the effect on shareholding distribution that may be brought by the Unidentifiable Shares, the Directors confirm that (i) at least 25% of the total issued share capital of the Company was held by the public (as defined in the Main Board Listing Rules) as at the date of this announcement; (ii) the Company has at least 300 Shareholders; and (iii) not more than 50% of the Shares held by the public are held by the three largest public Shareholders. Accordingly, the public float requirements have been maintained in compliance with Rule 8.08 of the Main Board Listing Rules.

As at the date of this announcement, 51.11% of the entire issued share capital of the Company is beneficially owned by TOMO Ventures, which is legally and beneficially owned as to 51.00% by Ms. Lee and 49.00% by Mr. David Siew. Accordingly, for the purposes of the Main Board Listing Rules and the GEM Listing Rules, TOMO Ventures, Ms. Lee and Mr. David Siew are considered to be a group of Controlling Shareholders as at the date of this announcement.

SHAREHOLDING CHANGES

At the time of the listing of the Company on 13 July 2017, 75.00% of the entire issued share capital of the Company was legally and beneficially owned by TOMO Ventures, which was in turn legally and beneficially owned as to 51.00% by Ms. Lee and 49.00% by Mr. David Siew. Accordingly, for the purposes of the Main Board Listing Rules and the GEM Listing Rules, TOMO Ventures, Ms. Lee and Mr. David Siew were considered to be a group of Controlling Shareholders at the time of listing of the Company on GEM. On 25 January 2018 and 26 January 2018, TOMO Ventures disposed of an aggregate of 107,500,000 Shares, representing approximately 23.89% of the issued share capital of the Company on the open market. After the aforementioned transactions in relation to the Shares, the shareholding information of the Company as at the date of this announcement is set forth in the table below:

Name of Shareholder	Capacity/nature of interest	Total interests in ordinary Shares	Total interests in underlying Shares	Aggregate interests	Approximate % of the shareholding of the Company *(Note)*
Mr. David Siew	Interest in controlled corporation *(Note)*	230,000,000	–	230,000,000	51.11
Ms. Lee	Interest in controlled corporation *(Note)*	230,000,000	–	230,000,000	51.11
TOMO Ventures	Beneficial owner *(Note)*	230,000,000	–	230,000,000	51.11

Note:

The entire issued share capital of TOMO Ventures was legally and beneficially owned as to 51.00% by Ms. Lee and as to 49.00% by Mr. David Siew. Accordingly, Ms. Lee and Mr. David Siew were deemed to be interested in 230,000,000 Shares held by TOMO Ventures by virtue of the SFO. As at the Latest Practicable Date, Ms. Lee and Mr. David Siew were spouses and were therefore deemed to be interested in all the Shares they were respectively interested in by herself/himself or through TOMO Ventures pursuant to the SFO.

REASONS FOR THE DISPOSAL

In connection with the GEM Listing, the Company had issued 112,500,000 new Shares to raise a net amount of proceeds of approximately HK$79.4 million. The Controlling Shareholders did not sell any sale Shares as part of the GEM Listing and accordingly, no funds were received by them upon the GEM Listing. Ms. Lee and Mr. David Siew have always intended to acquire a modest property to live comfortably in after over 24 years of hard work to bring the success of the Group to where it is now. Ms. Lee and Mr. David Siew started to search for a suitable property in around 2017, to which at the time they already had sufficient funds to purchase a property, but with additional funds, they could purchase a property with a better package at their choice of location. Given that they consider it was unwise to create additional liabilities through loans and personally guarantees given their ages (62 and 60 respectively), after seeking professional advices at the relevant time, they understood that they could raise additional funds for the purchase of a property by selling certain portion of their Shares on the condition that they will not cease to be the Controlling Shareholders.

Mr. David Siew was approached by various brokerages who separately agreed to act as the middleman/ broker throughout the Disposal of an aggregate of 107,500,000 Shares by charging general brokerage commission. The net proceeds of such sale was used to acquire a residential property in Singapore in March 2018, which Mr. David Siew and Ms. Lee currently reside. A certain amount of the balance was set aside for the acquisition of other properties in Singapore for investment purposes and a further amount had been set aside to acquire a property for Mr. David Siew and Ms. Lee's son who was married this year.

The sell down of the 107,500,000 Shares was done through brokerages, of which 67,500,000 Shares and 40,000,000 Shares were disposed of off exchange and on exchange, respectively. Save for the agreements entered into with respect to the opening of brokerage accounts, the Controlling Shareholders and the brokerages have not entered into other agreements separately in relation to the Disposal, which conforms to the industry norm. The Controlling Shareholders did not have the identities of the purchasers of the Shares at the time of the disposal. The price for the sale of the 107,500,000 Shares was HK$0.80 per Share, which was finally arrived at solely based on the discussions and negotiations between Mr. David Siew, Ms. Lee and the brokers, who all agreed on the necessity to applying a deeper discount to the then market price of the Shares in order to sell a large amount of Shares in the open market, as compared to the initial selling price proposed by the Controlling Shareholders. So far as the Controlling Shareholders are aware, there are no relationship, agreements, arrangements, understanding or undertakings between the Controlling Shareholders and the purchasers of the Shares. The following shows the process on how the Shares were sold through the brokerages as far as the Controlling Shareholders are aware:- (i) the brokerage(s) telephoned Mr. David Siew and/or Ms. Lee when it/they had an interested buyer in the Shares and informed them on the number of Shares that the buyer was interested in and that they would proceed with selling the Shares at HK$0.80 per Share as discussed; (ii) the sale was done through the brokerage(s) where the buyers would pay the selling price of the Shares to the brokerage(s); and (iii) without having the Shares transferred to the brokerages throughout the disposal process, after deducting the general brokerage commission from the funds received from the buyers, the brokerages transferred the same to the Controlling Shareholders' bank account(s).

There has been no change in control of the Company since its listing on GEM and up to the date of this announcement.

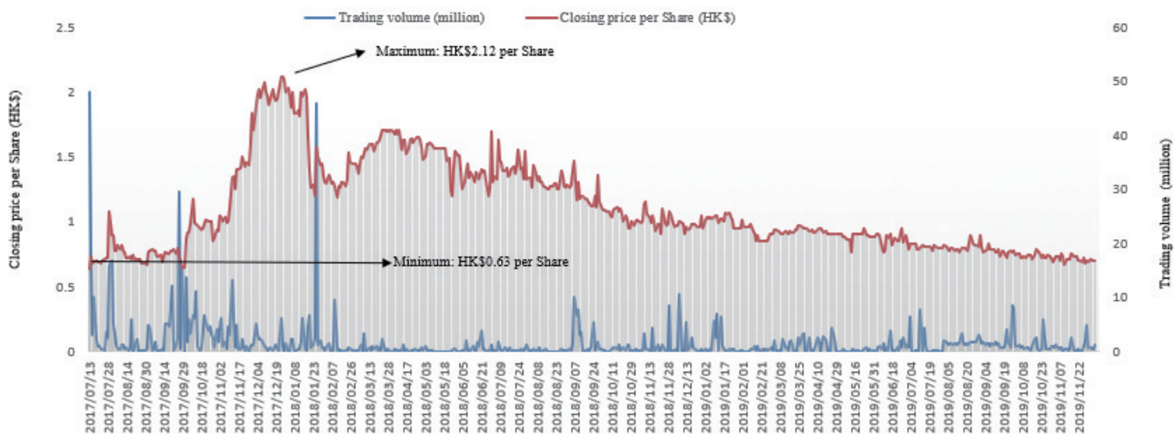
SHARE PRICE VOLATILITY

The closing price of the Shares has been volatile since the GEM Listing on 13 July 2017. The final offer price per Share was determined at HK$0.73. The highest and lowest closing prices at which the Shares have traded on GEM since 13 July 2017 up to and including the Latest Practicable Date were HK$2.12 (i.e. on 22 December 2017 and 27 December 2017) and HK$0.63 (i.e. on 13 July 2017), respectively. During the aforesaid period, the closing price per Share had risen for a maximum of approximately 190.4% (by comparing the offer price and the highest closing price) and fallen to a minimum of approximately 13.7% (by comparing the offer price and the lowest closing price).

On the other hand, during the period from the date of the GEM Listing on 13 July 2017 up to and including the Latest Practicable Date, the daily trading volume of the Shares ranged from nil to approximately 47.9 million Shares with an average of approximately 1.5 million Shares, respectively representing nil, approximately 10.6% and approximately 0.3% of the entire issued share capital of the Company as at the Latest Practicable Date. In addition, the average daily trading volume of the Shares for the 30 trading days immediately preceding and up to the Latest Practicable Date was approximately 0.8 million, representing approximately 0.2% of the entire issued share capital of the Company as at the Latest Practicable Date.

Based on its information, knowledge and belief, the Board confirmed that it is not aware of any reasons for the aforesaid movements of the price or trading volume of the Shares, or any information that is required to be disclosed under Part XIVA of the SFO.

The following chart sets forth the volatility of the closing price and trading volume of the Shares since the GEM Listing on 13 July 2017 up to and including the Latest Practicable Date.



The price and the trading volume of the Shares have been volatile since the GEM Listing on 13 July 2017 and may continue to be volatile upon transfer of listing to the Main Board. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

COMPETING INTERESTS

As at the date of this announcement, none of the Controlling Shareholders or the Directors or their respective associates has any interest in a business which competes or may compete, either directly or indirectly, with the business of the Group pursuant to Rules 8.10(1) and 8.10(2) of the Main Board Listing Rules.

NO CHANGE IN PRINCIPAL BUSINESS

There has been no change in the principal business of the Group since the listing of the Company on GEM and up to the date of this announcement. As at the date of this announcement, the Board has no plan to change the nature of the business of the Group up to and following the Transfer of Listing.

PUBLICATION OF RESULTS

Upon completion of the Transfer of Listing, the Company will cease the practice of reporting financial results on a quarterly basis and will follow the relevant requirements of the Main Board Listing Rules, which include publishing its interim results and annual results within two months and three months from the end of the relevant period or financial year, respectively. The Board is of the view that the investors and the Shareholders will continue to have access to relevant information on the Company following the reporting requirements under the Main Board Listing Rules.

SUMMARY OF GROUP BUSINESS

Principal business

The Group has not changed its principal businesses since its listing on GEM on 13 July 2017, and has been principally engaged in (i) the supply and installation of PV leather upholstery; and (ii) the supply and installation of PV electronic accessories, which is further classified into two sub-segments, namely (a) navigation and multimedia accessories sub-segment; and (b) safety and security accessories sub-segment.

The following table sets out the Group's revenue by product category for the Track Record Period:

	For the year ended 31 December						For the nine months ended 30 September			
	2016		2017		2018		2018		2019	
	Revenue	Contribution to total revenue	Revenue	Contribution to total revenue	Revenue	Contribution to total revenue	Revenue	Contribution to total revenue	Revenue	Contribution to total revenue
	S$	%	S$	%	S$	%	S$	%	S$	%
	(Audited)		(Audited)		(Audited)		(Unaudited)		(Unaudited)	
PV leather upholstery	4,482,232	34.3	5,318,452	36.6	5,124,366	28.8	3,796,051	28.8	3,342,434	27.8
PV electronic accessories										
–Navigation and multimedia	3,904,966	29.9	2,567,596	17.7	4,498,073	25.2	4,064,578	30.8	2,551,586	21.2
–Safety and security	4,694,512	35.9	6,648,241	45.7	8,195,838	46.0	5,336,177	40.4	6,128,638	51.0
Total	**13,081,710**	**100.0**	**14,534,289**	**100.0**	**17,818,277**	**100.0**	**13,196,806**	**100.0**	**12,022,658**	**100.0**

Business model

The Group's revenue is derived from the supply and installation services of PV leather upholstery and electronic accessories. The Group provides its installation services both in its workshop and at its customers' vehicle preparation centres. Customers of the Group are primarily authorised PV distributors and dealers who sell the new PV to end individual buyers, as well as corporate customers such as car rental companies and individual owners of new or used PV. After presenting the extensive range of products to customers according to their preferences and requirements, the Group's customers shall decide on the type or brand of the PV leather upholstery or electronic accessories. The Group offers a competitive pricing to its customers, taking into consideration the market availability of the comparable products. After acceptance of the price quotations, customers will then place purchase orders with the Group.

Installation of PV leather upholstery and electronic accessories are entirely undertaken by the permanent teams and the mobile teams of the Group in Singapore. After all installations, stringent quality checks are conducted by the Group before the PV are handed over to the customers through visual inspections and checks of fitting of the PV leather upholstery and/or the installed electronic accessories functions. If the requirements of the Group are not met, the PV leather upholstery will be uninstalled from the PV and sent back to the suppliers for replacements, whereas the PV electronic accessories will be uninstalled and replaced with another set from the inventories of the Group immediately.

MAJOR CUSTOMERS AND SUPPLIERS

Customers

The Group's customers include authorised PV distributors and dealers who have engaged it for the supply and installation of PV leather upholstery and electronic accessories, corporate customers such as car rental companies, as well as individual car owners.

Set out below are the details of the five largest customers of the Group and their background information during the Track Record Period.

For the year ended 31 December 2016

Customers	Location	Principal business activities	Year in which business relationship with the Group commenced	Product purchased	Credit terms	Contribution to the total revenue of the Group *(approximate %)* *(Note 8)*
Customer Group A *(Note 1)*	Singapore	Distribution and/or retail of vehicles, and provision of after-sales services	1995	Supply and installation of PV leather upholstery and PV accessories	30 days	78.1
Customer B *(Note 2)*	Singapore	Distribution of vehicles	2007	Supply and installation of PV leather upholstery and PV accessories	30 days	4.3
Customer C *(Note 3)*	Singapore	Dealer of vehicles	2001	Supply and installation of PV leather upholstery and PV accessories	30 days	3.8
Customer D *(Note 4)*	Singapore	Dealer of vehicles	2006	Supply and installation of PV leather upholstery and PV accessories	30 days	3.7
Customer E *(Note 5)*	Singapore	Dealer of vehicles	2010	Supply and installation of PV leather upholstery and PV accessories	30 days	2.2
Total						**92.1**

For the year ended 31 December 2017

Customers	Location	Principal business activities	Year in which business relationship with the Group commenced	Product purchased	Credit terms	Contribution to the total revenue of the Group *(approximate %)* *(Note 8)*
Customer Group A *(Note 1)*	Singapore	Distribution and/or retail of vehicles, and provision of after-sales services	1995	Supply and installation of PV leather upholstery and PV accessories	30 days	76.1
Customer E *(Note 5)*	Singapore	Dealer of vehicles	2010	Supply and installation of PV leather upholstery and PV accessories	30 days	5.0
Customer D *(Note 4)*	Singapore	Dealer of vehicles	2006	Supply and installation of PV leather upholstery and PV accessories	30 days	4.9
Customer F *(Note 6)*	Singapore	Dealer of vehicles	2012	Supply and installation of PV leather upholstery	30 days	4.4
Customer C *(Note 3)*	Singapore	Dealer of vehicles	2001	Supply and installation of PV leather upholstery	30 days	2.7
Total						**93.1**

For the year ended 31 December 2018

Customers	Location	Principal business activities	Year in which business relationship with the Group commenced	Product purchased	Credit terms	Contribution to the total revenue of the Group *(approximate %)* *(Note 8)*
Customer Group A *(Note 1)*	Singapore	Distribution and/or retail of vehicles, and provision of after-sales services	1995	Supply and installation of PV leather upholstery and PV accessories	30 days	81.1
Customer Group G *(Note 7)*	Malaysia	Wholesale, retail sales and installation of car accessories	2018	Supply of PV accessories	Prepayment	5.3
Customer E *(Note 5)*	Singapore	Dealer of vehicles	2010	Supply and installation of PV leather upholstery and PV accessories	30 days	4.5
Customer D *(Note 4)*	Singapore	Dealer of vehicles	2006	Supply and installation of PV leather upholstery and PV accessories	30 days	4.0
Customer F *(Note 6)*	Singapore	Dealer of vehicles	2012	Supply and installation of PV leather upholstery	30 days	0.8
Total						**95.7**

For the nine months ended 30 September 2019

Customers	Location	Principal business activities	Year in which business relationship with the Group commenced	Product purchased	Credit terms	Contribution to the total revenue of the Group *(approximate %)* *(Note 8)*
Customer Group A *(Note 1)*	Singapore	Distribution and/or retail of vehicles, and provision of after-sales services	1995	Supply and installation of PV leather upholstery and PV accessories	30 days	74.9
Customer Group G *(Note 7)*	Malaysia	Wholesale, retail sales and installation of car accessories	2018	Supply of PV accessories	Prepayment	11.9
Customer D *(Note 4)*	Singapore	Dealer of vehicles	2006	Supply and installation of PV leather upholstery and PV accessories	30 days	4.3
Customer E *(Note 5)*	Singapore	Dealer of vehicles	2010	Supply and installation of PV leather upholstery and PV accessories	30 days	2.3
Customer F *(Note 6)*	Singapore	Dealer of vehicles	2012	Supply and installation of PV leather upholstery	30 days	2.0
Total						**95.4**

Notes:

(1) Customer Group A is one of the largest authorised PV distributors and dealers in Singapore and is listed on the Singapore Exchange Limited. According to the Frost & Sullivan Report, Customer Group A was the largest authorised PV dealer by sales volume of new vehicles in Singapore in 2018 with market share of approximately 16.6%. According to the annual report of Customer Group A for the year ended 31 December 2018, the consolidated profits attributable to shareholders of Customer Group A amounted to approximately US$419.6 million for the reporting year and the consolidated net assets attributable to shareholders of Customer Group A amounted to approximately US$6,147.5 million as at 31 December 2018. During the Track Record Period, the Group provided PV leather upholstery and electronic accessories to four Singapore subsidiaries of Customer Group A.

(2) Customer B is one of the largest authorised PV dealers in Singapore. According to the Frost & Sullivan Report, Customer B was the seventh largest authorised PV dealer by sales volume of new vehicles in Singapore in 2018 with market share of approximately 5.2%.

(3) Customer C is an authorised PV dealer in Singapore established in 1992. According to the Frost & Sullivan Report, market share of Customer C of the authorised PV distribution market in Singapore was ranked out of top ten in 2018.

(4) Customer D is one the largest authorised PV dealers in Singapore. According to the Frost & Sullivan Report, Customer D was the ninth largest authorised PV dealer by sales volume of new vehicles in Singapore in 2018 with market share of approximately 3.9%.

(5) Customer E is an authorised PV dealer in Singapore established in 1999. According to the Frost & Sullivan Report, market share of Customer E of the authorised PV distribution market in Singapore was ranked out of top ten in 2018.

(6) Customer F is an authorised PV dealer in Singapore established in 1996. According to the Frost & Sullivan Report, market share of Customer F of the authorised PV distribution market in Singapore was ranked out of top ten in 2018.

(7) Customer Group G comprises three entities which were incorporated in 1993, 2008 and 2018, respectively, and with not less than 30 employees in total. Those three entities are principally engaged in wholesale, retail sales and installation of car accessories in Malaysia, the individual shareholding of which is held as to not less than 5% by the same individual. Such individual is also one of the directors of each of the three entities.

The Group has been purchasing PV electronic accessories from brand name suppliers with years of relationship to meet its quality commitment. The Group was also granted the exclusive distributorship rights by a few suppliers for their PV electronic accessories in Singapore. In 2018, after the GEM Listing, Customer Group G approached the Group for purchasing the PV electronic accessories which were not distributed within Malaysia at that time and therefore Customer Group G placed a relatively large amount of orders on the PV electronic accessories to the Group. For the year ended 31 December 2018 and the nine months ended 30 September 2019, the gross profit margin of the products sold to the Customer Group G was in line with the overall corresponding gross profit margin of such products sold to all customers. As at the Latest Practicable Date, save for the purchase of products from the Group, Customer Group G, its subsidiaries, directors, shareholders, management, or any of their respective associates did not have any past or present relationship (including, without limitation, shareholding, employment, business, financing, or family relationship), other transaction (including, without limitation, financing or fund flow), agreement, arrangement or understanding with the Company, its subsidiaries, shareholders, directors, senior management or any of their respective associates.

(8) Figures are subject to rounding up.

For each of the three years ended 31 December 2016, 2017 and 2018, as well as the nine months ended 30 September 2019, the five largest customers accounted for approximately 92.1%, approximately 93.1%, approximately 95.7% and approximately 95.4% of the total revenue of the Group, respectively. Such increase during the three years ended 31 December 2018 was mainly due to the increased number of accessories installed in each vehicle for the major customers, which in turn generated higher per-car revenue. Specifically, Customer Group A, being the Group's largest customer during the Track Record Period, accounted for approximately 78.1%, approximately 76.1%, approximately 81.1% and approximately 74.9% of the total revenue of the Group for each of the three years ended 31 December 2016, 2017 and 2018, as well as the nine months ended 30 September 2019. Despite the above, the customer concentration has decreased during the nine months ended 30 September 2019 and the Directors consider that the Group is not reliant on any single customer and capable of maintaining the revenue of the Group in the future because:

(i) *Singapore PV market dominated by a few large vehicle dealership groups*: According to the Frost & Sullivan Report, the Singapore authorised PV market is dominated by a few large PV distributors and dealers with the top ten players accounting for approximately 81.5% of the market by sales volume of new PV in 2018. Frost & Sullivan is also of the view that it is common in Singapore that PV interior modification product and service providers rely on one or several large PV distributors and dealers and remain profitable. The reason is that large new PV distributors are usually authorised by multiple car manufacturers, and they retail several brands in Singapore. Hence, their customer base covers a significant amount of PV drivers domestically. During the Track Record Period, the Group provided services to three of the top ten authorised PV distributors and dealers, which accounted for approximately 25.7% of the market by sales volume of new PV in 2018. Furthermore, the Group also supplied similar PV leather upholstery and electronic accessories that the Group supplied to Customer Group A to other customers during the Track Record Period;

(ii) *Mutual and complementary relationship between Customer Group A and the Group*: Customer Group A and the Group have a complementary relationship. The Group is the market leader in the provision of PV leather upholstery and PV electronic accessories in Singapore. The Group has been working closely with each of the subsidiaries of Customer Group A for more than 10 years, supplying products that meet their requirements and providing prompt and quality services. It is generally difficult for new entrants to the market with insufficient industry expertise and servicing capacity to attain to such position. The Group's sales and marketing team works closely with the various brand heads of sales of each of the subsidiaries of Customer Group A. Job orders are secured by the Group from each of the subsidiaries of Customer Group A separately and independently. To the best of the Directors' knowledge, the Group is one of the few authorised suppliers engaged by Customer Group A to provide and install leather upholstery and electronic accessories for their PVs. Based on the Directors' knowledge, information and belief, TOMO-CSE was a major supplier of PV leather upholstery and electronic accessories to Customer Group A during the Track Record Period. Furthermore, according to the Frost & Sullivan Report, Customer Group A is one of the largest authorised PV distributors and dealers in Singapore. The Directors believe that the Group is one of the few leading providers in Singapore which are able to meet the quantity and quality requirements by each of the subsidiaries of Customer Group A;

(iii) *Directly working with each of the subsidiaries of Customer Group A*: The Group's sales and marketing team has been working directly with each of the subsidiaries of Customer Group A. Each of the subsidiaries of Customer Group A evaluates the Group's products, negotiates prices with the Group and makes their own decisions in selecting the Group's products for their respective brands under them. The relevant brand head of sales of each subsidiary of Customer Group A has the discretion in determining which authorised supplier to procure products and services from; and job orders are secured by the Group from each subsidiary of Customer Group A separately and independently;

(iv) *Wide range of product mix*: Unlike competitors that only provide one or two PV interior modification products, the Group offers a wide range of product mix that covers both cabin decoration (leather upholstery) and electronic accessories (reverse cameras, sensors, video recorders, navigation systems and others). In addition, the Group also provides installation and after-sales services. According to the Frost & Sullivan Report, the Group is the market leader in the provision of PV leather upholstery and electronic accessories in Singapore in terms of revenue in 2018. The Group's quality services and products gave it an edge over other competitors in providing stable business cooperation and support for the authorised PV distributors and dealers;

(v) *Actively expanding customer base and product offering*: The Group continues to diversify its customer base by establishing long-term relationship with other customers and offering new products to increase sales to other customers. The Group regularly engages its customers to discuss about their requirements and feedbacks on its products and services to ensure its customers' satisfaction. The Group maintains constant contact with its customers' senior management as well as their working teams. The Group promotes new designs or customisation of leather upholstery and new electronic accessories with enhanced features to its customers at attractive rates to encourage recurring business. In terms of expanding its customer base, some PV owners who have purchased their PV directly from the Group's authorised PV distributors and dealers customers come to the Group's workshops for after-sales services such as maintenance, map and software updates for their navigation systems. The Group believes that it will be able to secure such direct PV owners as customers after the warranty period of their PV. Furthermore, the Group is expanding its services to provide leather upholstery and electronic accessories to second hand or used PV owners. The Group also had provided and may continue to provide PV leather upholstery and PV electronic accessories to other corporate customers, such as car rental companies. Adding such a customer demographic to its customer base would provide it with an additional revenue stream thus reducing reliance on its existing authorised PV distributors and dealers customers; and

(vi) *Alternative customers*: In relation to Customer Group A, being the Group's largest customer during the Track Record Period, the Group is not the exclusive supplier to the subsidiaries of Customer Group A and not restricted from selling similar products or providing similar services to other customers. In the unlikely event that the Group's relationship with the subsidiaries of Customer Group A is terminated for whatever reason, the Group can still work with other customers as the Group offers a wide range of products and services that are compatible to many car makes.

While Customer Group A contributes to a significant amount of revenue of the Group, as the largest authorised PV dealer by sales volume of new vehicles in Singapore in 2018, it has been the practice of Customer Group A to purchase quality goods from reliable suppliers in order to support their sales of PV including but not limited to purchasing those products from the Group. In fact, the Group and Customer Group A commenced to transact through one of the subsidiaries of Customer Group A in 1995, and their business relationship remains despite the changes in Customer Group A's management along the years, demonstrating a long-term and complemental business relationship between the Group and Customer Group A. Further, negotiations and decision making in relation to the transactions with the Group are made independently and separately by each of the subsidiaries of Customer Group A. In light of the above, the Directors are of the view that the likelihood that the relationship between the Group and Customer Group A will materially and adversely change or terminate is low.

On the other hand, the Group strives to secure long term business relationships with customers by providing products that meet their specific quantity and quality requirements. According to the Frost & Sullivan Report, there are limited leather seats providers in Singapore that have stable business co-operations with authorised PV distributors and dealers, and the Company's outstanding quality of products and services help win contracts with the leading PV distributors and dealers such as Customer Group A. Also, as disclosed above, unlike other competitors, the Group offers a wide range of product mix and services in order to expand its customer base and reduce the reliance on its existing authorised PV distributors and dealers customers. Further, the Group is not restricted from selling similar products or providing similar services to customers other than Customer Group A. The Group was able to solicit nine new customers to the client portfolio in relation to B2B market upon the GEM Listing and up to the Latest Practicable Date, of which three of these new customers were top ten customers for the year ended 31 December 2018 and for the nine months ended 30 September 2019, respectively. In addition, a number of new products have been offered after the GEM Listing. Accordingly, the Directors consider that the Group has taken effective measures to mitigate the unlikely exposure to any material adverse changes to or termination of the relationship with Customer Group A as well as any over-reliance on any single customer.

The five largest customers during the Track Record Period are Independent Third Parties and to the best knowledge and belief of the Directors, none of the Directors, their close associates or any Shareholders (which to the knowledge of the Directors beneficially own more than 5% of the Shares) had any interests in any of the five largest customers of the Group during the Track Record Period. None of the customers were the Group's five largest suppliers during the three years ended 31 December 2018 and the nine months ended 30 September 2019.

Suppliers

With respect to the PV leather upholstery business, PV leather upholstery are generally manufactured and provided by the Group's suppliers according to its requirements and specifications. Those suppliers are responsible for procuring raw materials for the leather upholstery that they manufacture, while the Group also manufactures a small volume of PV leather upholstery as prototype samples for its customers and for small orders to utilise its spare capacity. With respect to the PV electronic accessories business, PV electronic accessories are purchased from suppliers both based locally in Singapore and overseas including but not limited to Malaysia, South Korea and Taiwan. The Group does not manufacture any of the PV electronic accessories that it provides.

The Group's suppliers include those for its leather upholstery business, which include (i) the suppliers of leather hides; and (ii) the suppliers of custom-fitted leather upholstery for PV seats; as well as those for its electronic accessories business, which include (i) various suppliers of navigation systems and multimedia players in respect of the navigation and multimedia sub-segment; and (ii) various suppliers of electronic accessories such as digital video recorders, parking sensors and cameras in respect of the security and safety sub-segment. All of the Group's suppliers were Independent Third Parties during the Track Record Period. As at the Latest Practicable Date, four of the Group's suppliers had granted the Group the exclusive distributorship rights for their PV electronic accessories in Singapore.

A summary of the key terms of the exclusive distributorship agreements entered into with two of the Exclusive Suppliers respectively are set out below:

The first exclusive distributorship agreement

Duration	from 1 April 2019 to 31 March 2020 (prolonged by 12 months period automatically if no parties terminate the agreement 30 days prior to expiry)
Minimum purchase commitment	300 units per month
Termination	Either party may terminate the agreement with immediate effect in the event of the breach of the agreement by the other party. Each party shall also have the right to cede the agreement with the written consent of the other party, and such consent not to be unreasonably withheld
Warranty	15 months from shipping date

The second exclusive distributorship agreement

Duration	initially from 23 November 2018 to 22 November 2019, which has been subsequently prolonged by 12 months period to 22 November 2020 automatically pursuant to the terms of the agreement
Minimum purchase commitment	300 units per month

Termination	Either party may terminate the agreement with immediate effect in the event of the breach of the agreement by the other party. Each party shall also have the right to cede the agreement with the written consent of the other party, and such consent not to be unreasonably withheld
Warranty	6 months from shipping date (for secure digital memory card);
	12 months from shipping date (for other products)

During the Track Record Period, the Group has fulfilled the minimum purchase commitment as required under each of the above exclusive distributorship agreements. Based on the current sales trend of the PV electronic accessories, it is expected that such minimum purchase commitments can be fulfilled by the end of the term of each of the exclusive distributorship agreements.

For the other two Exclusive Suppliers, building on the existing relationships with them, the exclusive distribution rights and/or the co-branding rights were agreed after commercial arm's length negotiations and the terms thereof were negotiated on a case by case basis. Such relevant exclusive distributorship agreements do not specify the details of the rights and obligations of each party, minimum purchase requirements or termination terms. According to the Frost & Sullivan Report, it is not uncommon in the industry in Singapore that suppliers grant exclusive distribution rights and/or the co-branding rights to PV interior modification providers without any standardised or formal agreements. Notwithstanding that no formal contract terms were specified, the exclusive distributorship agreements entered into with the remaining two Exclusive Suppliers are related to navigation system with exclusive distribution and co-branding rights in Singapore and automatic tailgate system as an exclusive dealer for new PV market in Singapore, respectively.

Set out below are the details of the Group's five largest suppliers and their background information during the Track Record Period.

For the year ended 31 December 2016

Suppliers	Principal business activities	Year in which business relationship with the Group commenced	Materials supplied	Credit terms	Contribution to the total purchase of the Group *(approximate %)* *(Note)*
Supplier A	Styling, manufacturing, distribution and installation of leather upholstery for car seat covers	2007	Leather seat covers	30 days	25.3
Supplier B	Manufacturing of digital video recorders	2014	Digital video recorders	Prepayment	21.7
Supplier C	Distribution of accessories	2010	Integrated head units and reverse cameras	30 days	13.9
Supplier D	Distribution of accessories	2011	PV accessories	7-30 days	10.6
Supplier E	Styling, manufacturing, distribution and installation of leather upholstery for car seat covers	2009	Leather seat covers	45 days	10.5
Total					**82.0**

For the year ended 31 December 2017

Suppliers	Principal business activities	Year in which business relationship with the Group commenced	Materials supplied	Credit terms	Contribution to the total purchase of the Group *(approximate %)* *(Note)*
Supplier A	Styling, manufacturing, distribution and installation of leather upholstery for car seat covers	2007	Leather seat covers	30 days	27.6
Supplier B	Manufacturing of digital video recorders	2014	Digital video recorders	Prepayment	17.1
Supplier F	Distribution of accessories	2016	Digital video recorders	30 days	16.3
Supplier D	Distribution of accessories	2011	PV accessories	30 days	14.0
Supplier G	Distribution of accessories	2017	Integrated head units and reverse cameras	30 days	5.7
Total					**80.7**

For the year ended 31 December 2018

Suppliers	Principal business activities	Year in which business relationship with the Group commenced	Materials supplied	Credit terms	Contribution to the total purchase of the Group *(approximate %)* *(Note)*
Supplier A	Styling, manufacturing, distribution and installation of leather upholstery for car seat covers	2007	Leather seat covers	30 days	22.3
Supplier F	Distribution of accessories	2016	Digital video recorders	30 days	21.7
Supplier H	Manufacturing of global positioning system and correlation application systems	2014	Global positioning system interface	Prepayment	20.6
Supplier G	Distribution of accessories	2017	Integrated head units and reverse cameras	30 days	11.2
Supplier B	Manufacturing of digital video recorders	2014	Digital video recorders	Prepayment	10.3
Total					**86.1**

For the nine months ended 30 September 2019

Suppliers	Principal business activities	Year in which business relationship with the Group commenced	Materials supplied	Credit terms	Contribution to the total purchase of the Group *(approximate %)* *(Note)*
Supplier F	Distribution of accessories	2016	Digital video recorders	30 days	31.7
Supplier A	Styling, manufacturing, distribution and installation of leather upholstery for car seat covers	2007	Leather seat covers	30 days	21.0
Supplier G	Distribution of accessories	2017	Integrated head units and reverse cameras	30 days	11.1
Supplier H	Manufacturing of global positioning system and correlation application systems	2014	Global positioning system interface	Prepayment	9.3
Supplier D	Distribution of accessories	2011	PV accessories	30 days	6.8
Total					**79.9**

Note: Figures are subject to rounding up

For each of the three years ended 31 December 2016, 2017 and 2018, as well as the nine months ended 30 September 2019, purchase attributable to the Group's largest supplier amounted to approximately 25.3%, approximately 27.6%, approximately 22.3% and approximately 31.7% of the total purchase of the Group for the respective corresponding years/period, whereas the purchase attributable to the Group's five largest suppliers amounted to approximately 82.0%, approximately 80.7%, approximately 86.1% and approximately 79.9% of the total purchase of the Group for the respective corresponding years/period.

The five largest suppliers during the Track Record Period are Independent Third Parties and to the best knowledge and belief of the Directors, none of the Directors, their close associates or any Shareholders (which to the knowledge of the Directors beneficially own more than 5% of the Shares) had any interests in any of the five largest suppliers of the Group during the Track Record Period. None of the suppliers were the Group's five largest customers during the three years ended 31 December 2018 and the nine months ended 30 September 2019.

BUSINESS OUTLOOK AND RECENT DEVELOPMENT

The PV interior modification industry in Singapore comprises the B2B market, which is closely associated with the demand for both new PV and used PV, as well as the B2C market which is primarily associated with the demand for used PV.

In Singapore, the demand for new PV is strongly correlated with the number of available COE quota, which allows a PV 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 available COE quota, which is released every three months by the LTA, consists of (i) the replacement COE from vehicles de-registered 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. To alleviate traffic congestion, the Singapore government controls the total number of vehicles in use by limiting the quota of COE and implementing a zero growth rate for the population of the cars and motorcycles from February 2018 pared down from 0.25% in 2017. Considering that the monthly available COE quota is primarily affected by the number of replacements of de-registered vehicles with such component having accounted for not less than 90% of the respective average monthly available COE quota during the period from February 2018 to October 2019, whereas other factors have relatively insignificant impacts thereon, the Directors consider that the zero growth rate will not have a significant impact on the available quota of COE.

As there is a ten-year usage entitlement for all PV in Singapore, the cyclicality of the demand of new PV exists where similar patterns repeat every ten years. According to the Frost & Sullivan Report, with the increasing supply of available COE quota, relatively low COE prices and growing purchasing power, high demand for PV had contributed to a noticeable increase in the total number of new PV between 2005 and 2007, upon which it started to decline gradually from 97,348 units in 2008 and reached the trough of 22,472 units in 2013. Since then, the total number of new PV increased moderately and reached a comparatively high level of 91,922 units in 2017 upon which it started to decrease slightly to 80,281 units in 2018. In view of the historical pattern, it is estimated that the number of new PV would continue to experience the declining trend until 2023, where it will then begin to grow until 2027. In respect of the number of replacements of de-registered PV and the available COE quota, they experienced a decreasing trend since 2007/2008 and reached the trough in 2012/2013 before they grew and reached the peak in 2016, after which they began to drop gradually and such decreasing trend is estimated to continue until 2023. As the number of replacements of de-registered PV and the available COE quota are highly interrelated with the number of new registration ten years ago, the cyclicality exists where there are repeating patterns based on historical data, according to the Frost & Sullivan Report. For instance, due to a shrinking number of PV reaching the end of the ten-year COE period and hence a drop in the number of replacements of de-registered PV since 2017, the available COE quota and accordingly the number of new PV decreased after 2017 and such declining trends are expected to continue until 2023. Nevertheless, it is expected that the increasing number of new PV after 2013 up to 2017 shall drive the corresponding number of replacements of de-registered PV and the available COE quota to recover ten years later and hence, the number of new PV shall subsequently increase from around 2023 to 2027 due to the cyclical nature of the market.

According to the Frost & Sullivan Report, during 2008 to 2018, the PV interior modification market in Singapore had been substantially accounted for by the B2B market with a compound annual growth rate of 8.2%, whereas the B2C market had exhibited a relatively lower compound annual growth rate of 3.2% throughout the period. In the near future, while the COE quota is expected to decrease due to the cyclicality of the demand for new PV which shall in turn result in a decline in the B2B market at 3.1% per annum between 2019 to 2023, sales volume of used PV is expected to increase as a result of a shift in PV owners' preference due to the COE quota limitation as well as the active promotion by PV distributors and dealers, allowing the B2B market to continue dominating the PV interior modification industry in Singapore. Meanwhile, the B2C PV interior modification market in Singapore is expected to grow at 11.0% per annum between 2019 and 2023 as more demand would be driven by, among others, the constantly increasing number of ageing PV 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 at a compound annual growth rate of 0.4% in the near future from 2019 to 2023. In line with the above industry trends, since the GEM Listing, while the Group has been primarily focusing on the development of its B2B business in order to capture the previous rapid growth in the B2B market and actively expanding its product portfolio for meeting various market needs. In addition, by leveraging on its existing B2B customer network, the Group has been cooperating with certain leading B2C players where its products are showcased at those B2C players' workshops and sold directly to the end customers by the B2C players, thereby allowing the Group to preliminarily assess the market reactions to and enhance brand recognition for its future B2C business with relatively little marketing efforts, which shall in turn help facilitate its expansion of the B2C business in the near future. Going forward, while the B2B market shall remain to be the Group's primary business focus, 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.

On the other hand, in order to reduce harmful vehicle emissions, the Singapore government introduced the Vehicular Emissions Scheme on 1 July 2018 pursuant to which the worst performing pollutant determines the vehicle's brand and its corresponding rebate or surcharge. Based on the Frost & Sullivan Report, the introduction of the Vehicular Emissions Scheme is expected to encourage people to purchase low-emission vehicles with increased rebates, and such scheme shall not have a significant impact on the performance of the Group as the end customers are given a wide variety choice of substitute products including battery electric vehicles, hybrid electric vehicles, plug-in electric vehicles and other low-emission vehicles by the authorised PV dealers to choose over those high-polluting vehicles, and the diversified product offerings of the Group cover the products for both low-emission and high-polluting vehicles. Considering the above, the Directors are of the view that the Vehicular Emissions Scheme will not have a significant impact on the Group's performance.

For the year ended 31 December 2018, the Group generated revenue of approximately S$17,818,000, representing an increase of approximately 22.6% as compared to that of the corresponding period. Based on the unaudited financial information of the Group, its total revenue for the nine months ended 30 September 2019 recorded a decrease of approximately 8.9% as compared to the same period in 2018, which was mainly due to (i) a decrease in the demand of electronic accessories as a result of declining COE quota resulting in the decrease in the supply of newly registered vehicles; and (ii) the replacement of vehicle models from its customers which led to market expectation on the new models, which were subsequently launched in or around July and August 2019 with a temporary delay in delivery to Singapore thereafter, resulting in the then temporary decrease in the demand on the existing vehicle models and a delay in supply and installation of navigation systems for the new PV models, the delivery of which is expected to be released before the end of 2019. Further, it is expected that the Group's financial performance for the year ended 31 December 2019 will be affected by the expenses incurred and to be incurred in relation to the Transfer of Listing. Despite the above and the potential decline in the B2B market arising from the expected decline in COE quota in the near future, considering the generally positive future prospect of the overall PV interior modification market in Singapore and the existing leading positions of the Group therein, the Group's preparation and effort to be made on the B2C market in the future, the Directors remain positive on the demand for the Group's services and products in the future.

During the year ended 31 December 2018, the Group has acquired the Premises, being three properties in Singapore with an aggregate strata area of approximately 286 square metres, approximately 286 square metres and approximately 283 square metres respectively, to serve as showroom, workshop and warehouse which are located in automotive zone and are in close proximity to the Group's existing customers in Ubi and Kaki Bukit. The acquisition of the Premises constituted a discloseable transaction for the Company pursuant to Rule 19.06 of the GEM Listing Rules and such acquisition was in accordance with the planned use of proceeds from the GEM Listing. The renovation work thereon is expected to commence after the expiry of the respective leasing agreements between the previous landlords and tenants in 2020. The Premises are currently leased to the tenants as workshop and office. The Company purchased the Premises due to the scarcity of three adjacent units and ample parking space at their doorstep, and is planning to utilise the Premises for developing its B2C business in the future.

Notwithstanding the economic downturn in Singapore and the global uncertainty, the Group will continue to utilise its available resources to implement its business strategy, namely upgrading existing facilities, acquiring new machinery and premises, strengthening the sales and marketing efforts, expanding the product offerings and upgrading and integrating of the information technology system. The Directors remain cautiously optimistic of the future outlook for the Group, as it has established long standing and well-established relationships with its customers in Singapore. 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.

MATERIAL RISKS ASSOCIATED WITH THE BUSINESS OF THE GROUP

A substantial amount of the revenue of the Group was derived from sales to Customer Group A during the Track Record Period, and any decrease or loss of business with any of the subsidiaries of Customer Group A could materially and adversely affect the business, financial condition and results of operations of the Group.

During the Track Record Period, the Group provided PV leather upholstery and electronic accessories to the subsidiaries of Customer Group A, and the corresponding aggregated revenue derived therefrom accounted for approximately 78.1%, approximately 76.1%, approximately 81.1% and approximately 74.9% of the total revenue of the Group for each of the three years ended 31 December 2016, 2017 and 2018 as well as the nine months ended 30 September 2019, respectively. As a listed company on the Singapore Exchange Limited, Customer Group A belongs to a multinational diversified business group and is primarily engaged in retail, distribution and after-sales services of a number of brands of motor vehicles in Singapore. The Directors believe that the well-established business relationship with each of the subsidiaries of Customer Group A, which is more than 10 years, is mutual and complementary, and no material disputes had been experienced by the Group with any of them as at the Latest Practicable Date. Despite that the percentage of revenue generated from Customer Group A continued to contribute to the majority of the revenue of the Group after listing of the Company on GEM, which is in line with the Group's prior expectation as stated in the Prospectus, and that such significance of the Customer Group A to the Group's revenue is expected to remain in the foreseeable future, the Group has been diversifying, and will continue to diversify its customer base and product range upon the Transfer of Listing. Upon the listing on GEM and up to the Latest Practicable Date, the Group had nine new customers to the client portfolio in relation to B2B market and a numbers of new products have been offered.

There is no guarantee that the Group will continue to be able to provide products and services to any of the subsidiaries of Customer Group A or to continue its business relationship with any of them. If the Group fails to secure further order from any of the subsidiaries of Customer Group A for any reason, and the Group is unable to secure contracts from other customers on comparable terms, or increase its sales to other customers, or to implement its strategy, or at all, the business, financial conditions and results of operations of the Group could be materially and adversely affected.

The business of the Group depends on its reputation, service quality and customer services. Any failure to maintain the reputation and customer services of the Group may materially and adversely affect its business, financial condition and results of operations.

The Directors believe that its reputation, capabilities and customer services contributed to the success of the Group. For example, the Group commenced its PV leather upholstery business in 1995 and through the years, the Group has built its reputation and strong relationships with its customers, including authorised PV distributors and dealers. Further, the Directors believe that the ability of the Group to provide quality PV leather upholstery products and services is one of its competitive advantages, enabling the Group to build strong relationships with customers and differentiate itself from other players in the industry in Singapore. Also, the timely responses and customer services provided to the customers of the Group by the mobile teams which travel to its customers' premises help differentiate the Group from its competitors.

If the Group is unable to maintain its reputation, service quality and customer services, its customers may no longer be willing to procure products and services from it. As a result, the business, financial condition and results of operations of the Group may be materially and adversely affected.

The Group requires a stable supply of technicians and foreign workers for its services.

The installation of the PV leather upholstery, PV electronic accessories and its after-sales services required labour from skilled technicians. As at the Latest Practicable Date, the Group employed a total of 23 technicians and 18 technicians for its PV leather upholstery and electronic accessories installation and after-sales services, respectively. The Group employed technicians from foreign countries during the Track Record Period due to a limited supply of local technicians in Singapore. In order to provide continuous services to its customers, the Group requires a stable supply of technicians, including foreign workers for its services. There is no guarantee that the Group will be able to attract new entrants willing to learn the skills in becoming a technician or attract the skilled technicians to join the Group in the future. Further, even if the Group may be able to attract technicians to work for it, its labour costs may substantially increase due to the limited supply of technicians whether in Singapore or from foreign countries. The availability of foreign workers for the manufacturing sector is also regulated by the Ministry of Manpower of Singapore through, among others, dependency ceilings based on the ratio of local to foreign workers employed by the Group.

If the Group is unable to attract new entrants or skilled technicians to join it, whether from Singapore or from foreign countries, or if its labour costs are substantially increased due to the limited supply of labour, or if there is any change to the Singaporean laws and regulations relating to the number of foreign workers that the Group can employ, the business, financial conditions and results of operations of the Group may be materially and adversely affected.

The Group depends on its suppliers for the PV leather upholstery and electronic accessories that it uses in its business operations.

During the Track Record Period, majority of the passenger leather upholstery that the Group used were procured directly from its suppliers and it only produced a limited amount of PV leather upholstery at its workshop to utilise its spare capacity when the workshop was not working on the new templates, new designs or special orders from its customers. Further, all of its PV electronic accessories that the Group used during the Track Record Period were procured from its suppliers as the Group did not manufacture such PV electronic accessories.

The Group does not typically enter into any long-term purchase agreement with its suppliers, which the Group believes is typical in the industry. The Group, therefore, is dependent of its suppliers for the leather hides, PV leather upholstery and electronic accessories. In the event that the suppliers cease or limit the supply provided to the Group, or a significant price increase for the products that the Group requires, the Group may be unable to procure similar or compatible products from alternative suppliers in a timely manner or at comparable prices. As a result, the business, financial conditions and results of operations of the Group may be materially and adversely affected.

The products and services supplied to the authorised PV distributors and dealer customers of the Group are subject to changes based on their procurement policies, preferences and in-house capabilities.

The customers for both the PV leather upholstery business and the PV electronic accessories business of the Group are primarily authorised PV distributors and dealers. Each of these customers has its own set of procurement policy that may change from time to time. If any of the customers of the Group changes its procurement policy, or its preference in the PV leather upholstery or electronic accessories, and that the Group is unable to fulfil the new procurement policy or preferences, the Group may be unable to continue to supply products and services to such customer. In addition, if any of the customers of the Group who are PV distributors and dealers elect to carry out the interior modification work in-house in the future, the demand for the services of the Group may fall significantly. As a result, the Group may be unable to continue to supply its services to such customer and its business, financial condition and results of operations may be materially and adversely affected.

The Group primarily relies on the Singapore market in developing its business and its business in Singapore may not contribute to the results in the manner as anticipated.

During the Track Record Period, the Group generated a substantial portion of its revenue from its operations in Singapore. The Group anticipates that its business in Singapore will continue to be its core business following the Transfer of Listing. If Singapore experiences any adverse economic conditions due to event beyond the control of the Company, such as limitation on COE availability, downturn in the sales of new PV, general economic downturn, natural disasters, contagious disease outbreaks or terrorist attacks, or if the local authorities adopt regulation or policies that place additional restrictions or burdens on the Group or its industry in general, the overall business and results of operations of the Group may be materially and adversely affected. In addition, the Group has limited experience in operating businesses in other places, and may have difficulties in relocating its core business to other geographic markets. Therefore, if there is any deterioration in the economic, political and regulatory environment in Singapore, the Group's business may be materially and adversely affected.

The Singapore dollar may be subject to exchange rate fluctuations.

Fluctuations in the Singapore dollar value against other currencies will create foreign currency translation gains or losses and may have an adverse effect on the Group's business, financial condition and results of operations. Any imposition, variation or removal of foreign exchange controls may adversely affect the value, translated or converted into United States dollars or Hong Kong dollars, of the Group's net assets, earnings or any declared dividends. Consequently, this may adversely affect the Group's ability to pay dividends or satisfy other foreign exchange requirements.

The level of demand for the Group's products and services may be affected by duties levied on imported vehicles in Singapore.

In Singapore, imported vehicles are subject to import duties. The amount of import duties payable depends on the open market value (the "**OMV**") of the imported vehicle. OMV is the price paid or payable when a vehicle is imported into Singapore and such price is assessed by the Singapore Customs and includes purchase price, freight, insurance and all other charges incidental to the sale and delivery of the car to Singapore. In particular, more import duties are payable the higher the OMV of an imported vehicle. As such, in order to lower the OMV of an imported vehicle, suppliers may prefer to import vehicles with initially minimal luxury interior installations, and have such installations be done in Singapore after they have been imported. Hence, in the event that the import tax rate levied on imported vehicles is reduced, any cost savings generated from importing vehicles with initially minimal luxury interior installations, and subsequently having such installations be done in Singapore, may be reduced. Consequently, the impetus to have these imported vehicles be fitted with PV leather upholstery and electronic accessories in Singapore may be lower, and the convenience of having these imported vehicles be fitted with luxury interior installations and ready on arrival in Singapore may overshadow the cost savings generated from importing vehicles with initially minimal luxury interior installations. This may in turn lead to a decrease in demand for the Group's supply and installation of PV leather upholstery and electronic accessories services. As such, the Directors are of the view that such decrease in the tax rate levied on imported vehicles may be less favourable for the Group's business.

The Group is subject to credit risk in relation to trade receivables from its customers.

The credit terms offered to the Group's customers generally range from 0 to 30 days. As at each of 31 December 2016, 2017 and 2018 and 30 September 2019, the Group's trade receivables amounted to approximately S$2.4 million, approximately S$3.0 million, approximately S$3.3 million and approximately S$2.6 million respectively, representing approximately 26.8%, approximately 15.4%, approximately 15.5% and approximately 11.5% of the then current assets, respectively. There is no guarantee that all of the Group's customers will settle payment as it falls due. Delay in settling receivables by the Group's customers may affect the Group's cash flows and increase the Group's working capital needs. If any of the Group's customers become insolvent or delay or default on its payment of the Group's fees, the Group's cash flow, business, results of operations and financial position could be adversely affected.

The Group is exposed to risks of obsolete inventory which may adversely impact the Group's cash flow and liquidity.

Inventories of the Group comprises (i) raw material, which are leather hides; and (ii) finished goods, which include custom-fitted leather upholstery for PV seats and PV electronic accessories. As at 31 December 2016, 31 December 2017, 31 December 2018 and 30 September 2019, the Group's inventory balance amounted to approximately S$0.6 million, approximately S$1.0 million, approximately S$1.4 million and approximately S$1.2 million, respectively. During each of the three years ended 31 December 2016, 2017 and 2018 as well as the nine months ended 30 September 2019, the Group's average inventory turnover days was approximately 40.4 days, approximately 35.3 days, approximately 43.1 days and approximately 48.3 days, respectively. The Group has in place an inventory management system that tracks all incoming and outgoing inventory relating to each purchase order to ensure that an optimal inventory level is maintained at all times to satisfy the needs of the Group's customers without over-stocking. However, the Group cannot assure that the Group's inventory management measures will be implemented effectively so that the Group will not have significant levels of obsolete or excessive inventories. In the event that the Group cannot effectively implement the Group's inventory management, the Group may be subject to a heightened risk of inventory obsolescence, a decline in inventory values, and significant inventory write-offs which may materially and adversely affect the Group's financial position and results of operations.

LITIGATION AND COMPLIANCE

To the best of the Directors' knowledge, information and belief, (i) as at the Latest Practicable Date, the Group was not involved in any actual, pending or threatened claims, litigations, administrative actions or arbitrations which could have a material adverse effect on its business, financial position or results of operations; (ii) as at the Latest Practicable Date, the Group had obtained all material licences, permits, approvals and certificates in relation to the establishment and business operations which are material to the Group's business operations; and (iii) subsequent to the GEM Listing and up to the Latest Practicable Date, the Group had complied with all applicable laws and regulations in relation to its business operations in Singapore in all material aspects. To the best knowledge of the Directors, the Group did not have any serious or potentially serious breach of or material non-compliance with the GEM Listing Rules since the date of GEM Listing and up to the Latest Practicable Date.

SUMMARY OF THE GROUP'S FINANCIAL PERFORMANCE DURING THE TRACK RECORD PERIOD

This section sets out the management discussion and analysis on the audited consolidated financial information of the Group for each of the years ended 31 December 2016, 2017 and 2018, respectively, and the unaudited condensed consolidated financial information of the Group for each of the nine months ended 30 September 2018 and 2019, respectively. Investors are reminded to read the following in conjunction with the annual reports of the Company for the years ended 31 December 2017 and 2018, as well as the third quarterly report of the Company for the nine months ended 30 September 2019, copies of which are made available for viewing on the respective websites of the Company (*http://www.thetomogroup.com)* and the Stock Exchange (*http://www.hkexnews.hk).*

Summary of the Group's financial performance

The following table sets forth the audited consolidated statement of comprehensive income of the Group for each of the years ended 31 December 2016, 2017 and 2018, respectively, and the unaudited condensed consolidated financial information of the Group for each of the nine months ended 30 September 2018 and 2019, as extracted from the relevant financial reports, respectively.

	Year ended 31 December			Nine months ended 30 September	
	2016	**2017**	**2018**	**2018**	**2019**
	S$	*S$*	*S$*	*S$*	*S$*
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenue	13,081,710	14,534,289	17,818,277	13,196,806	12,022,658
Cost of sales	(7,831,869)	(8,597,194)	(10,271,061)	(7,772,693)	(7,378,608)
Gross profit	5,249,841	5,937,095	7,547,216	5,424,113	4,644,050
Other income	60,516	38,525	72,030	38,241	123,877
Other (losses)/gain, net	(80,893)	(396,376)	64,941	25,024	(15,523)
Selling and distribution expenses	(426,557)	(361,096)	(422,310)	(294,328)	(333,478)
Administrative expenses	(1,154,938)	(4,109,176)	(1,868,622)	(1,455,032)	(2,160,339)
Fair value loss on investment properties	–	–	(238,850)	–	–
Finance income/(cost), net	(2,883)	6,862	97,584	69,011	84,486
Profit before income tax	3,645,086	1,115,834	5,251,989	3,807,029	2,343,073
Income tax expense	(629,000)	(714,621)	(1,009,892)	(691,143)	(592,386)
Profit for the year/period	3,016,086	401,213	4,242,097	3,115,886	1,750,687
Profit and total comprehensive income for the year/period attributable to equity holders of the Company	3,016,086	401,213	4,242,097	3,115,886	1,750,687
Earnings per share for profit attributable to equity holders of the Company					
Basic and diluted *(Singapore cents)*	0.89	0.10	0.94	0.69	0.39

Revenue

The Group's revenue is mainly derived from the supply and installation of (i) PV leather upholstery; and (ii) PV electronic accessories. The following table sets out the Group's revenue by segment during the Track Record Period.

	For the year ended 31 December						For the nine months ended 30 September			
	2016		2017		2018		2018		2019	
	Revenue S$ (Audited)	Contribution to total revenue %	Revenue S$ (Audited)	Contribution to total revenue %	Revenue S$ (Audited)	Contribution to total revenue %	Revenue S$ (Unaudited)	Contribution to total revenue %	Revenue S$ (Unaudited)	Contribution to total revenue %
PV leather upholstery	4,482,232	34.3	5,318,452	36.6	5,124,366	28.8	3,796,051	28.8	3,342,434	27.8
PV electronic accessories										
–Navigation and multimedia	3,904,966	29.9	2,567,596	17.7	4,498,073	25.2	4,064,578	30.8	2,551,586	21.2
–Safety and security	4,694,512	35.9	6,648,241	45.7	8,195,838	46.0	5,336,177	40.4	6,128,638	51.0
Total	**13,081,710**	**100.0**	**14,534,289**	**100.0**	**17,818,277**	**100.0**	**13,196,806**	**100.0**	**12,022,658**	**100.0**

Due to the seasonality of the demand for new PVs, demand for the products and services provided by the Group, i.e. supply and installation of PV leather upholstery and PV electronic accessories, and hence the revenue arising therefrom are also subject to seasonality. For instance, it is noticed that customers of the Group, who are mainly authorised PV distributors and dealers, usually have higher demand for the products and services of the Group during December and January to support their relatively high volume of new PV sales in January and February before the Chinese New Year holidays each year, whereas sales of new PVs in late January to February is usually lower due to the Chinese New Year holidays, and hence the demand for PV leather upholstery and PV electronic accessories from the Group is relatively low after the Chinese New Year.

According to the Frost & Sullivan Report, the Group was the leading service provider in each of the PV interior modification market, PV leather upholstery market and PV electronics accessories market in Singapore in terms of revenue in 2018. While the Group will continue to focus on maintaining its leading position in the Singapore market, it is open to opportunities for geographical expansion in order to diversify the source of revenue and reduce the overall risk. During the Track Record Period, the Group has exported the PV safety and security accessories to Malaysia and Myanmar. The following table sets out the Group's revenue by geographical locations during the Track Record Period.

	For the year ended 31 December						For the nine months ended 30 September			
	2016		2017		2018		2018		2019	
	Revenue S$ (Audited)	Contribution to total revenue %	Revenue S$ (Audited)	Contribution to total revenue %	Revenue S$ (Audited)	Contribution to total revenue %	Revenue S$ (Unaudited)	Contribution to total revenue %	Revenue S$ (Unaudited)	Contribution to total revenue %
Singapore	13,079,240	100.0	14,534,289	100.0	16,869,212	94.7	13,157,501	99.7	10,587,698	88.1
Malaysia	–	–	–	–	949,065	5.3	39,305	0.3	1,434,960	11.9
Myanmar	2,470	0.0	–	–	–	–	–	0.0	–	0.0
Total	**13,081,710**	**100.0**	**14,534,289**	**100.0**	**17,818,277**	**100.0**	**13,196,806**	**100.0**	**12,022,658**	**100.0**

For the year ended 31 December 2017

The Group's total revenue amounted to approximately S$14.5 million for the year ended 31 December 2017, representing an increase of approximately 11.1% as compared to that of approximately S$13.1 million for the year ended 31 December 2016. Such increase was attributable to the year-on-year increases in revenue from both the segments of PV leather upholstery and PV electronic accessories during the year ended 31 December 2017.

With respect to the segment of PV leather upholstery, segmental revenue for the year ended 31 December 2017 increased by approximately 18.7% from approximately S$4.5 million for the year ended 31 December 2016 to approximately S$5.3 million. Such increase in revenue was mainly attributable to the increase in demand for newly registered PV, the number of which increased by approximately 5.0% in the year ended 31 December 2017, which resulted in a year-on-year increase in demand for PV leather upholstery by the existing customers in terms of the number of installation sets, against the generally stable selling price of PV leather upholstery as compared to the preceding year.

With respect to the segment of PV electronic accessories, segmental revenue for the year ended 31 December 2017 increased by approximately 7.2% from approximately S$8.6 million for the year ended 31 December 2016 to approximately S$9.2 million. Such increase in revenue was mainly attributable to the increase in demand from newly registered PV, the number of which increased by approximately 5.0% in the year ended 31 December 2017, and the year-on-year increase in demand of safety and security accessories by the existing customers, offset by the year-on-year decrease in demand of navigation and multimedia accessories due to replacement of vehicle models from its customers which led to market expectation on the new models resulting in the temporary decrease in the demand on the existing vehicle models. The selling price of PV safety and security accessories remained relatively stable in the year ended 31 December 2017 as compared to the preceding year.

For the year ended 31 December 2018

The Group's total revenue amounted to approximately S$17.8 million for the year end 31 December 2018, representing an increase of approximately 22.6% as compared to that of approximately S$14.5 million for the year ended 31 December 2017. Such increase was mainly attributable to the year-on-year increase in the revenue from the segment of PV electronic accessories, the effect of which has more than offset the effect of the year-on-year decrease in the revenue from the segment of PV leather upholstery during the year ended 31 December 2017.

With respect to the segment of PV leather upholstery, segmental revenue for the year ended 31 December 2018 decreased slightly by approximately 3.6% from approximately S$5.3 million for the year ended 31 December 2017 to approximately S$5.1 million. Such decrease in revenue was mainly attributable to the decrease in demand from the newly registered PV, the number of which decreased by approximately 12.7% in the year ended 31 December 2018. The selling price of PV leather upholstery remained relatively stable in the year ended 31 December 2018 as compared to the preceding year.

With respect to the segment of PV electronic accessories, segmental revenue for the year ended 31 December 2018 increased significantly by approximately 37.7% from approximately S$9.2 million for the year ended 31 December 2017 to approximately S$12.7 million. Such increase in revenue was mainly attributable to the year-on-year increase in demand for the PV electronic accessories in the year ended 31 December 2018 as compared to the preceding year, despite of the year-on-year decrease in number of newly registered PV. During the year ended 31 December 2018, the Group constantly introduced new models of PV electronic accessories to the customers including digital video recorders, multimedia head units, integrated navigation systems, sensors, reverse cameras and electronic tailgate systems. Further, in addition to the revenue generated from supply and installation of PV electronic accessories in Singapore, the Group had started to export PV safety and security accessories to overseas. The selling price of PV electronic accessories remained relatively stable in the year ended 31 December 2018 as compared to the preceding year.

For the nine months ended 30 September 2019

The Group's total revenue amounted to approximately S$12.0 million for the nine months ended 30 September 2019, representing a decrease of approximately 8.9% as compared to that of approximately S$13.2 million for preceding corresponding period. Such decrease was mainly attributable to the period-on-period decrease in the revenue from the segments of PV navigation and multimedia accessories and PV leather upholstery which were partially offset by the period-on-period increase in the revenue from the segment of PV safety and security accessories during the nine months ended 30 September 2019.

With respect to the segment of PV leather upholstery, segmental revenue for the nine months ended 30 September 2019 decreased by approximately 11.9% from approximately S$3.8 million for the nine months ended 30 September 2018 to approximately S$3.3 million. Such decrease in revenue was mainly attributable to a decrease in the demand of leather upholstery.

With respect to the segment of PV electronic accessories, segmental revenue for the nine months ended 30 September 2019 decreased by approximately 7.7% from approximately S$9.4 million for the preceding corresponding period to approximately S$8.7 million. Such decrease in revenue was mainly attributable to a decrease in the demand of navigation systems of a particular brand from the largest customer who launched new PV models that superseded the old PV models, requiring the Group to source new navigation solutions that are suitable for their latest PV models. The decline was partially offset by an increase in revenue from the sale of digital video recorders, parking sensors and automatic tailgate systems as a result of an increase in the sales volume of PVs by the relevant customers, leading to higher demand for such products.

Cost of sales

The Group's cost of sales mainly comprises (i) the cost of inventory, which primarily comprises purchase cost of leather hides, custom-fitted leather upholstery for PV seats, and electronic accessories products; and (ii) the direct labour cost, which comprises salaries and related costs for the operational and technical staff involved in the PV leather upholstery business and the PV electronic accessories business of the Group, and other direct cost, which primarily comprises depreciation, warranty cost, write-off of inventories, rental expense, insurance, freight and forwarding charges, etc. The following table sets out a breakdown of the Group's cost of sales for the Track Record Period.

	For the year ended 31 December						For the nine months ended 30 September			
	2016		2017		2018		2018		2019	
		Contribution to total cost of sales		Contribution to total cost of sales		Contribution to total cost of sales		Contribution to total cost of sales		Contribution to total cost of sales
	S$	%	S$	%	S$	%	S$	%	S$	%
	(Audited)		(Audited)		(Audited)		(Unaudited)		(Unaudited)	
Cost of inventory	5,901,115	75.4	6,446,405	75.0	8,236,777	80.2	6,257,424	80.5	5,933,378	80.4
Direct labour and other direct costs	1,930,754	24.6	2,150,789	25.0	2,034,284	19.8	1,515,269	19.5	1,445,230	19.6
Total	**7,831,869**	**100.0**	**8,597,194**	**100.0**	**10,271,061**	**100.0**	**7,772,693**	**100.0**	**7,378,608**	**100.0**

For the year ended 31 December 2017

The Group's total cost of sales amounted to approximately S$8.6 million for the year ended 31 December 2017, representing an increase of approximately 9.8% as compared to that of approximately S$7.8 million for the year ended 31 December 2016. Such increase was attributable to the net effects of the year-on-year increase in the sales of approximately 11.1% and the generally stable cost of sales for the year ended 31 December 2017. The year-on-year increase in the total cost of sales of the Group for the year ended 31 December 2017 was in line with the year-on-year increase in the total revenue of the Group for the same corresponding year.

For the year ended 31 December 2018

The Group's total cost of sales amounted to approximately S$10.3 million for the year ended 31 December 2018, representing an increase of approximately 19.5% as compared to that of approximately S$8.6 million for the year ended 31 December 2017. Such increase was attributable to the net effects of the year-on-year increase in sales of approximately 22.6%, offset by the year-on-year decrease in direct inventory cost for leather upholstery for the year ended 31 December 2018 which was in turn primarily due to (i) the launch of certain vehicle models by the existing customers which required installation of lower-cost PV leather upholstery as compared to the previous vehicle models, resulting in a shift in demand from higher-cost PV leather upholstery to lower-cost PV leather upholstery; and (ii) the year-on-year increase in sales volume of certain vehicle models of the existing customers with relatively higher profit margin and lower inventory cost, resulting in a decrease in the average inventory cost. The year-on-year increase in the total cost of sales of the Group for the year ended 31 December 2018 was in line with the year-on-year increase in the total revenue of the Group for the same corresponding year.

For the nine months ended 30 September 2019

For the nine months ended 30 September 2019, the Group's total cost of sales decreased slightly by approximately 5.1% from approximately S$7.8 million for the nine months ended 30 September 2018 to approximately S$7.4 million for the nine months ended 30 September 2019. Such decrease was attributable to the decrease in the cost of inventory being utilised which was in line with the decrease in the revenue in the corresponding period. The period-on-period decrease in the total cost of sales of the Group for the nine months ended 30 September 2019 was in line with the period-on-period decrease in total revenue of the Group for the same corresponding period.

Gross profit and gross profit margin

The following table sets out the Group's gross profit and gross profit margin by segment for the Track Record Period indicated.

	For the year ended 31 December						For the nine months ended 30 September			
	2016		2017		2018		2018		2019	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	S$	%	*S$*	%	*S$*	%	*S$*	%	*S$*	%
	(Audited)		(Audited)		(Audited)		(Unaudited)		(Unaudited)	
Leather upholstery business	1,331,118	29.7	1,807,873	34.0	1,920,051	37.5	1,342,834	35.4	1,152,138	34.5
Electronic accessories business										
– Navigation and multimedia	1,418,295	36.3	797,675	31.1	1,434,106	31.9	1,393,714	34.3	720,591	28.2
– Safety and Security	2,500,428	53.3	3,331,547	50.1	4,193,059	51.2	2,687,565	50.4	2,771,321	45.2
Total	5,249,841	40.1	5,937,095	40.8	7,547,216	42.4	5,424,113	41.1	4,644,050	38.6

For the year ended 31 December 2017

For the year ended 31 December 2017, the Group's gross profit increased by approximately 13.1% from approximately S$5.3 million for the year ended 31 December 2016 to approximately S$5.9 million. The gross profit margin of the Group increased to approximately 40.8% for the year ended 31 December 2017 from that of approximately 40.1% for the year ended 31 December 2016. Such increase in gross profit and gross profit margin was attributable to the year-on-year increase in total revenue of the Group, the result of which was more than offset by the year-on-year increase in the total cost of sales of the Group during the year ended 31 December 2017. Such improvement was mainly due to the reduction in average direct cost of inventory and the ability of the Group to maintain its selling prices of the products despite the economic slowdown.

For the year ended 31 December 2018

For the year ended 31 December 2018, the Group's gross profit increased significantly by approximately 27.1% from approximately S$5.9 million for the year ended 31 December 2017 to approximately S$7.5 million. The gross profit margin of the Group increased to approximately 42.4% for the year ended 31 December 2018 from that of approximately 40.8% for the year ended 31 December 2017. Such increase in gross profit and gross profit margin was attributable to the significant year-on-year increase in total revenue of the Group, the result of which was more than offset by the year-on-year increase in the total cost of sales of the Group during the year ended 31 December 2018. Such improvement was mainly due to the reduction in warranty costs and the ability of the Group to maintain its selling prices of the products despite the economic slowdown.

The reduction in warranty costs from approximately S$231,000 to approximately S$85,000 was as a result of the combination effects of (i) the reduction in warranty claims as a result of improvement in overall quality of the Group's products and (ii) the extension of the warranty period from 12 months to 15 months offered to the Group by its certain suppliers. On the other hand, despite the economic slowdown, the Group has been enhancing its product quality based on the market trends from time to time, which gives bargaining power to the Group when negotiating with its customers and therefore the ability to maintain the selling prices of the products.

For the nine months ended 30 September 2019

For the nine months ended 30 September 2019, the Group's gross profit decreased by approximately 14.4% from approximately S$5.4 million for the preceding corresponding period to approximately S$4.6 million. The gross profit margin of the Group decreased to approximately 38.6% for the nine months ended 30 September 2019 as compared to approximately 41.1% for the nine months ended 30 September 2018. Such decreases in gross profit and the gross profit margin were attributable to the period-on-period decrease in both the total revenue and the total cost of sales of the Group, with the extent in terms of percentage change of total revenue being larger than that of total cost of sales during the nine months ended 30 September 2019. As mentioned previously, the decrease in total revenue of the Group was primarily due to the period-on-period decrease in revenue from both segments of PV leather upholstery as well as PV navigation and multimedia accessories, the effect of which were partially offset by that of the period-on-period increase in the revenue from the segment of PV safety and security accessories. The decrease in total cost of sales of the Group was primarily due to the decrease in consumption of direct materials, which was in line with the decline in revenue for the same corresponding period, as well as the decrease in warranty costs as a result of the combined effects of (i) the reduction in warranty claims arising from the improvement of the overall quality of the Group's products and (ii) the extension of the warranty period offered by certain suppliers since the year ended 31 December 2018. Further, gross profit margins of the segments of PV navigation and multimedia as well as PV safety and security decreased by approximately 6.1 percentage points and approximately 5.2 percentage points, respectively, as compared to those for the nine months ended 30 September 2018. The decrease in gross profit margin of the segment of PV navigation and multimedia was mainly due to a decrease in sales volume of certain vehicle models of the customers with relatively higher profit margin, whereas the decrease in gross profit margin of the segment of safety and security was mainly due to an increase in sales volume of safety and security products with relatively lower profit margin.

Other income

The following table sets out the breakdown of the Group's other income during the Track Record Period.

	For the year ended 31 December			For the nine months ended 30 September	
	2016	2017	2018	2018	2019
	S$	*S$*	*S$*	*S$*	*S$*
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Wages Credit Scheme	32,252	23,797	16,117	16,117	7,401
Special Employment Credit	20,118	14,728	8,068	8,068	6,676
Productivity and Innovation Credit Scheme	8,146	–	–	–	–
Rental Income	–	–	47,844	14,056	109,800
Total	60,516	38,525	72,030	38,241	123,877

For the year ended 31 December 2017

For the year ended 31 December 2017, the Group's other income decreased by approximately 36.3% from approximately S$0.06 million for the year ended 31 December 2016 to approximately S$0.04 million. Such decrease was mainly due to the lower Singapore government incentives granted under the Wages Credit Scheme, the Special Employment Credit Scheme and the Productivity and Innovation Credit Bonus Scheme, according to which the employers in Singapore shall receive co-funding from the Singapore government or support in the form of cash payout and/or tax reduction pursuant to the respective terms and conditions thereof.

For the year ended 31 December 2018

For the year ended 31 December 2018, the Group's other income increased significantly by 87.0% from approximately S$0.04 million for the year ended 31 December 2017 to approximately S$0.07 million. Such increase was mainly attributable to the rental income from the investment properties acquired in August 2018, which was partially offset by the lower Singapore government incentives granted under the Wages Credit Scheme and the Special Employment Credit Scheme during the year.

For the nine months ended 30 September 2019

For the nine months ended 30 September 2019, the Group's other income increased significantly by approximately 223.9% from approximately S$0.04 million for preceding corresponding period to approximately S$0.12 million. Such increase was mainly attributable to the rental income from the investment properties acquired in August 2018, which was partially offset by the lower Singapore government incentives granted under the Wages Credit Scheme and the Special Employment Credit Scheme during the period.

According to Ministry for Finance of Singapore, the Wages Credit Scheme and the Special Employment Credit Scheme will expire at the end of 2020 and the Productivity and Innovation Credit Bonus Scheme expired at the end of 2018.

Other gain/(loss) – net

Other gains or losses of the Group mainly comprises the net foreign exchange gain or loss arising from the settlement of foreign currency transaction and the translation of monetary assets and liabilities denominated in foreign currencies, as well as the gain or loss on disposal of property, plant and equipment. The Group's monetary assets denominated in foreign currencies mainly comprises the deposits of net proceeds from the GEM Listing in Hong Kong Dollar that are reserved for operation in Hong Kong at the bank, which were made with reference to the then higher fixed deposit interest rate in Hong Kong as compared to that in Singapore. The Group's monetary liabilities denominated in foreign currencies mainly comprises the operating expenses and trade and other purchases denominated in Hong Kong Dollar, US$ and Malaysia Ringgit.

For the year ended 31 December 2017

For the year ended 31 December 2017, the Group recognised other losses of approximately S$0.4 million, representing a significant increase by 390.0% from its other loss of approximately S$0.08 million for the year ended 31 December 2016. Such increase was mainly attributable to the foreign exchange losses resulted from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies during the year ended 31 December 2017.

For the year ended 31 December 2018

For the year ended 31 December 2018, the Group recognised other gains of approximately S$0.06 million against its other losses of approximately S$0.4 million recognised for the year ended 31 December 2017. Such turnaround was mainly attributable to the foreign exchange gains resulted from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies during the year ended 31 December 2018, as opposed to the corresponding losses for the year ended 31 December 2017.

For the nine months ended 30 September 2019

For the nine months ended 30 September 2019, the Group recognised other losses of approximately S$0.02 million, against its other gains of approximately S$0.03 million recognised for the preceding corresponding period. Such change was mainly attributable to the foreign exchange losses resulted from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies for the nine months ended 30 September 2019, as opposed to the corresponding gains for the nine months ended 30 September 2018.

Selling and distribution expenses

The Group's selling and distribution expenses mainly comprise expenses for the remuneration of the Directors, salaries and benefits paid to the sales and marketing staff, entertainment expenses, travelling and transportation expenses, and other expenses which comprise referral fees on retail customers, advertisement expenses and other miscellaneous expenses such as insurance, utilities and office maintenance, etc..

For the year ended 31 December 2017

For the year ended 31 December 2017, selling and distribution expenses of the Group amounted to approximately S$0.36 million, representing a decrease of approximately 15.3% from that of approximately S$0.43 million for the year ended 31 December 2016. Such decrease in expenses was mainly attributable to the lower entertainment expenses, commissions and travelling expenses recorded for the year ended 31 December 2017.

For the year ended 31 December 2018

For the year ended 31 December 2018, selling and distribution expenses of the Group amounted to approximately S$0.42 million, representing an increase of approximately 17.0% from that of approximately S$0.36 million for the year ended 31 December 2017. Such increase in expenses was mainly attributable to the higher advertisement and business promotion, entertainment expenses, employee benefit costs and travelling expenses recorded for the year ended 31 December 2018.

For the nine months ended 30 September 2019

For the nine months ended 30 September 2019, selling and distribution expenses of the Group amounted to approximately S$0.33 million, representing an increase of approximately 13.3% from that of approximately S$0.29 million for the preceding corresponding period. Such increase in expenses was mainly attributable to the higher entertainment expenses and employee benefit costs recorded for the nine months ended 30 September 2019, the effect of which was partially offset by the decrease in the travelling expenses recorded for the same period.

Administrative expenses

The Group's administrative expenses mainly comprise expenses for the remuneration of the Directors, salaries and benefits paid to staff in the administrative function, depreciation expenses, office maintenance expenses, listing expenses and other miscellaneous expenses such as utility, office supply, insurance, etc..

For the year ended 31 December 2017

For the year ended 31 December 2017, administrative expenses of the Group amounted to approximately S$4.1 million, representing a significant increase of approximately 255.8% from that of approximately S$1.2 million for the year ended 31 December 2016. Such increase in expenses was mainly attributable to the increase of professional fees in relation to the GEM Listing of approximately S$2.6 million and the increase in employee benefits costs recorded for the year ended 31 December 2017.

For the year ended 31 December 2018

For the year ended 31 December 2018, administrative expenses of the Group amounted to approximately S$1.9 million, representing a significant decrease of approximately 54.5% from that of approximately S$4.1 million for the year ended 31 December 2017. Such decrease in expenses was mainly attributable to the one-off expenses arising from the GEM Listing for the year ended 31 December 2017, which was partially offset by the business expansion of the Group as well as the increased payment of professional fees after the GEM Listing and the increase in employee benefits costs recorded for the year ended 31 December 2018.

For the nine months ended 30 September 2019

For the nine months ended 30 September 2019, administrative expenses of the Group amounted to approximately S$2.2 million, representing an increase of 48.5% from that of approximately S$1.5 million for the preceding corresponding period. Such increase in expenses was mainly attributable to the increase of professional fees in relation to the Transfer of Listing of approximately S$0.8 million.

Fair value loss on investment properties

For the year ended 31 December 2017

Recognition of fair value loss or gain on investment properties was not applicable for the year ended 31 December 2017 as the Group did not own any investment properties during such year.

For the year ended 31 December 2018

Following the acquisition of the investment properties in Singapore by the Group in August 2018, such properties were subsequently revalued as at 31 December 2018 which had resulted in a revaluation loss of approximately of S$0.2 million for the year ended 31 December 2018.

For the nine months ended 30 September 2019

Recognition of fair value loss or gain on investment properties was not applicable for the nine months ended 30 September 2019 as the Group expects no material change in the fair value of the investment properties.

Income tax expense

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is exempted from Cayman Island income tax. On the other hand, Singapore profit tax has been provided at the rate of 17% throughout the Track Record Period.

For the year ended 31 December 2017

For the year ended 31 December 2017, income tax expenses of the Group amounted to approximately S$714.6 thousand, representing an effective tax rate of approximately 64.0% based on the profit before income tax of approximately S$1,115.8 thousand. Such effective tax rate represents a significant increase of 46.7 percentage points from that of approximately 17.3% for the year ended 31 December 2016, which was primarily attributable to the year-on-year increase in non-tax-deductible expenses such as the listing expenses and the foreign exchange losses incurred for the year ended 31 December 2017, the latter of which were resulted from the settlement of the foreign currency transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies.

For the year ended 31 December 2018

For the year ended 31 December 2018, income tax expenses of the Group amounted to approximately S$1,009.9 thousand, representing an effective tax rate of approximately 19.2% based on the profit before income tax of approximately S$5,252.0 thousand. Such effective tax rate represents a significant decrease of 44.8 percentage points from that of approximately 64.0% for the year ended 31 December 2017, which was primarily attributable to the non-taxable foreign exchange gains resulted from the settlement of foreign currency transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies for the year ended 31 December 2018, as opposed to the non-tax-deductible foreign exchange losses incurred for the preceding year.

For the nine months ended 30 September 2019

For the nine months ended 30 September 2019, income tax expenses of the Group amounted to approximately S$592.4 thousand, representing an effective tax rate of approximately 25.3% based on the profit before income tax of approximately S$2,343 thousand. Such effective tax rate represents a significant increase of 7.1 percentage points from that of approximately 18.2% for the preceding corresponding period, which was primarily attributable to the period-on-period increase in non-tax-deductible expenses such as expenses of the Transfer of Listing and the foreign exchange losses incurred for the nine months ended 30 September 2019, the latter of which were resulted from the settlement of the foreign currency transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies.

Profit and total comprehensive income for the year/period attributable to equity holders of the Company

For the year ended 31 December 2017

For the year ended 31 December 2017, the Group's net profit attributable to equity holders of the Company amounted to approximately S$0.4 million, representing a substantial decrease of approximately 86.7% from approximately S$3.0 million for the year ended 31 December 2016. After excluding the effect of the one-off expenses in relation to the GEM Listing, which amounted to approximately S$0.3 million and approximately S$2.6 million for each of the years ended 31 December 2016 and 2017, respectively, net profit of the Group attributable to equity holders of the Company amounted to approximately S$3.0 million for the year ended 31 December 2017, representing a decrease of approximately 9.1% from that of approximately S$3.3 million for the year ended 31 December 2016. Such decrease was mainly attributable to the year-on-year increase in foreign exchange loss of approximately 391.3% for the year ended 31 December 2017, as well as the year-on-year increase in administrative expenses (after excluding the one-off expenses in relation to the GEM Listing) of approximately 78.4% for the year ended 31 December 2017 which was primarily due to the post-listing expenses incurred upon the GEM Listing in July 2017.

For the year ended 31 December 2018

For the year ended 31 December 2018, the Group's net profit attributable to equity holders of the Company amounted to approximately S$4.2 million, representing a substantial increase of approximately 957.3% from approximately S$0.4 million for the year ended 31 December 2017. After excluding the effect of the one-off expenses in relation to the GEM Listing of approximately S$2.6 million as recognised for the year ended 31 December 2017, net profit of the Group attributable to equity holders of the Company of approximately S$4.2 million for the year ended 31 December 2018 represented an increase of 40.0% from that of approximately S$3.0 million for the year ended 31 December 2017. Such increase was mainly attributable to the net effects of, among others, the year-on-year increase in revenue from the segment of PV electronic accessories, a year-on-year decrease in the warranty costs incurred, a year-on-year increase in finance income and the foreign exchange gains position, as opposed to a loss for the preceding financial year, during the year ended 31 December 2018.

For the nine months ended 30 September 2019

For the nine months ended 30 September 2019, the Group's net profit attributable to equity holders of the Company amounted to approximately S$1.8 million, representing a decrease of approximately 43.8% from approximately S$3.1 million for the preceding corresponding period. After excluding the effect of the one-off expenses in relation to the Transfer of Listing for the nine months ended 30 September 2019, net profit of the Group attributable to equity holders of the Company amounted to approximately S$2.5 million for the nine months ended 30 September 2019, representing a decrease of approximately 18.6% from that of approximately S$3.1 million for the preceding corresponding period. Such decrease was primarily attributable to the foreign exchange loss of approximately S$34.4 thousand recognised for the nine months ended 30 September 2019 as opposed to the foreign exchange gain of approximately S$22.5 thousand recognised for the preceding corresponding period, as well as the period-on-period decrease in the Group's revenue of approximately 8.9% as attributable to the decrease in revenue of the segments of both PV leather upholstery and PV navigation and multimedia accessories, the effect of which were partially offset by the increase in revenue from the segment of PV safety and security accessories during the nine months ended 30 September 2019.

Summary of the Group's financial position

The following table sets forth the audited consolidated balance sheet of the Group as at 31 December 2016, 2017 and 2018, respectively, and the unaudited condensed consolidated balance sheet of the Group as at 30 September 2019, as extracted from the relevant financial reports, respectively.

	As at 31 December			As at 30 September
	2016	**2017**	**2018**	**2019**
	S$	*S$*	*S$*	*S$*
	(Audited)	(Audited)	(Audited)	(Unaudited)
ASSETS				
Non-current assets				
Property, plant and equipment	1,077,489	1,151,833	1,328,115	1,133,134
Investment properties	–	–	3,150,000	3,150,000
Deferred tax assets	4,000	–	–	–
Right-of-use asset	–	–	–	93,596
Total non-current assets	**1,081,489**	**1,151,833**	**4,478,115**	**4,376,730**
Current assets				
Inventories	614,926	1,046,148	1,381,437	1,218,810
Trade and other receivables	2,925,580	3,160,236	3,353,691	2,641,537
Fixed deposits	108,117	6,494,172	–	13,661,747
Cash and cash equivalents	5,210,089	9,001,040	16,472,052	4,957,078
Total current assets	**8,858,712**	**19,701,596**	**21,207,180**	**22,479,172**
Total assets	**9,940,201**	**20,853,429**	**25,685,295**	**26,855,902**
EQUITY AND LIABILITIES				
Capital and reserve attributable to equity holders of the Company				
Share capital/paid-in capital	200,000	793,357	793,357	793,357
Share premium	–	12,398,264	12,398,264	12,398,264
Other reserve	–	200,000	200,000	200,000
Related earnings	8,135,013	5,536,226	9,778,323	11,529,010
Total equity	**8,335,013**	**18,927,847**	**23,169,944**	**24,920,631**

	As at 31 December			As at 30 September
	2016	2017	2018	2019
	S$	*S$*	*S$*	*S$*
	(Audited)	(Audited)	(Audited)	(Unaudited)
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	–	13,000	4,000	2,000
Lease liabilities	–	–	–	57,144
Total non-current liabilities	**–**	**13,000**	**4,000**	**59,144**
Current liabilities				
Trade and other payables	1,101,864	1,323,680	1,522,351	1,241,156
Income tax payable	503,324	588,902	989,000	595,237
Lease liabilities	–	–	–	39,734
Total current liabilities	**1,605,188**	**1,912,582**	**2,511,351**	**1,876,127**
Total liabilities	**1,605,188**	**1,925,582**	**2,515,351**	**1,935,271**
Total equity and liabilities	**9,940,201**	**20,853,429**	**25,685,295**	**26,855,902**

The following sets out detailed discussions of the fluctuation sin the key components of the assets and liabilities of the Group.

Property, plant and equipment

The property, plant and equipment of the Group comprises (i) leasehold properties; (ii) lightings, renovation, furniture and fittings; (iii) machinery and motor vehicles; and (iv) office equipment, software and computers, which amounted to approximately S$1.1 million, approximately S$1.2 million, approximately S$1.3 million and approximately S$1.1 million as at 31 December 2016, 2017 and 2018 and 30 September 2019, respectively. The increase in property, plant and equipment of the Group of approximately S$0.1 million from that as at 31 December 2016 to that as at 31 December 2017 was mainly attributable to the addition of machinery and motor vehicles of approximately S$0.1 million during the period. The increase of approximately S$0.1 million from that as at 31 December 2017 to that as at 31 December 2018 was mainly attributable to the additions of the machinery and motor vehicles of approximately S$0.2 million, the effect of which was more than offset by the decrease in all other components of approximately S$0.1 million in aggregate during the period. The decrease of approximately S$0.2 million from that as at 31 December 2018 to that as at 30 September 2019 was mainly attributable to the depreciation expense of approximately S$0.2 million for the machinery and motor vehicles incurred during the nine months ended 30 September 2019.

Inventories

Inventories of the Group comprises (i) raw material, which are leather hides; and (ii) finished goods, which include custom-fitted leather upholstery for PV seats and PV electronic accessories, the carrying amounts of which amounted to approximately S$0.6 million, approximately S$1.0 million, approximately S$1.4 million and approximately S$1.2 million as at 31 December 2016, 2017 and 2018 and 30 September 2019, respectively.

The increase in inventories of the Group of approximately S$0.4 million from that as at 31 December 2016 to that as at 31 December 2017 was mainly attributable to the increases in both the raw materials and finished goods of approximately S$0.02 million and approximately S$0.4 million, respectively, during the period. The increase of S$0.4 million from that as at 31 December 2017 to that as at 31 December 2018 was mainly attributable to substantial increase in finished goods of approximately S$0.4 million during the period, the effect of which was more than offset by the decrease in raw materials of approximately S$0.03 million. The decrease of approximately S$0.2 million from that as at 31 December 2018 to that as at 30 September 2019 was mainly attributable to the requirement of stocking-up the inventory for the seasonal high demand in late December and early January every year.

As at the Latest Practicable Date, approximately 53.6% of the Group's inventories as at 30 September 2019 had been subsequently utilised.

The following table sets out the average inventories turnover days for the years/period indicated:

	Year ended 31 December			Nine months ended 30 September
	2016	**2017**	**2018**	**2019**
	(Number of days)	*(Number of days)*	*(Number of days)*	*(Number of days)*
Average inventories turnover days *(Note)*	40.4	35.3	43.1	48.3

Note: Average inventories turnover days are based on the average inventories balance divided by costs of sales for the relevant year/period and multiplied by the number of days in the relevant year/period (i.e. 365 days for the years ended 31 December 2016, 2017 and 2018 and 274 days for the nine months ended 30 September 2019). Average inventories balance is calculated as the average of the beginning balance and ending balance of a given year/period.

The Group's inventories turnover days were approximately 40.4 days, 35.3 days, 43.1 days and 48.3 days, respectively, for each of the three years ended 31 December 2018 and the nine months ended 30 September 2019. The longer inventories turnover days for the year ended 31 December 2018 was due to the relatively early Chinese New Year in 2019, resulting in a higher inventory level near the year end of 2018 as the Group started to purchase inventories earlier in order to meet the high demand from customers before the Chinese New Year holidays against the closing of the factories of the suppliers around the Chinese New Year holidays. The longer inventories turnover days for the nine months ended 30 September 2019 was primarily due to the relatively high inventory level near the year end of 2018 as discussed above which resulted in a higher average inventory, as well as the lower sales of approximately S$12.0 million for the nine months ended 30 September 2019 as compared to the sales of approximately S$13.2 million for the nine months ended 30 September 2018.

Trade and other receivables

Trade and other receivables of the Group comprise trade receivables, as well as deposit, prepayment and other receivables. The following table sets out the breakdown of the Group's trade and other receivables as at the dates indicated.

	As at 31 December			As at 30 September
	2016	**2017**	**2018**	**2019**
	S$	*S$*	*S$*	*S$*
	(Audited)	(Audited)	(Audited)	(Unaudited)
Trade receivables:				
– Third parties	2,375,558	3,027,091	3,277,511	2,575,051
Deposit, prepayment and other receivables:				
– Rental and other deposits	6,103	5,803	5,953	5,645
– Advance payment to suppliers	60,571	120,275	56,483	19,889
– Prepayment of listing expenses	482,382	–	–	–
– Prepayment of operating expenses	966	353	13,744	17,900
– Interest receivable	–	6,714	–	23,052
	550,022	133,145	76,180	66,486
Total	**2,925,580**	**3,160,236**	**3,353,691**	**2,641,537**

Trade and other receivables amounted to approximately S$2.9 million, approximately S$3.2 million, approximately S$3.4 million and approximately S$2.6 million as at 31 December 2016, 2017 and 2018 and 30 September 2019, respectively.

The increase in trade and other receivables of the Group of approximately S$0.3 million from that as at 31 December 2016 to that as at 31 December 2017 was mainly attributable to the net effects of (i) the increase in trade receivables from third parties of approximately S$0.7 million; (ii) the increase in advance payment to suppliers of approximately S$0.06 million; and (iii) the absence of one-off prepayment of listing expenses of approximately S$0.5 million as at 31 December 2016 as compared to that as at 31 December 2017. The increase in trade and other receivables of the Group of approximately S$0.2 million from that as at 31 December 2017 to that as at 31 December 2018 was mainly attributable to the net effects of (i) the increase in trade receivables from third parties of approximately S$0.3 million; (ii) the decrease in advance payment to suppliers of approximately S$0.06 million; and (iii) the increase in prepayment of operating expenses of approximately S$0.01 million. The decrease in trade and other receivables of approximately S$0.7 million from that as at 31 December 2018 to that as at 30 September 2019 was mainly attributable to the net effects of (i) the decrease in trade receivables from third parties of approximately S$0.7 million; (ii) the increase in advance payment to suppliers of approximately S$0.04 million; and (iii) the increase in accrued interest income of approximately S$0.02 million.

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

	As at 31 December			As at 30 September
	2016	**2017**	**2018**	**2019**
	S$	*S$*	*S$*	*S$*
	(Audited)	(Audited)	(Audited)	(Unaudited)
Unbilled revenue	508,310	516,848	739,983	170,657
1 to 30 days	1,109,699	1,215,179	1,311,503	1,604,220
31 to 60 days	626,967	1,157,195	1,091,301	737,142
61 to 90 days	130,154	115,859	130,283	62,285
Over 90 days	428	22,010	4,441	747
Total	2,375,558	3,027,091	3,277,511	2,575,051

The aging analysis of the trade receivables based on due dates is as follows.

	As at 31 December			As at 30 September
	2016	**2017**	**2018**	**2019**
	S$	*S$*	*S$*	*S$*
	(Audited)	(Audited)	(Audited)	(Unaudited)
Not yet past due	1,618,009	1,732,027	2,051,486	1,489,356
Past due but not impaired				
1 to 30 days	626,967	1,157,195	1,091,301	1,022,663
31 to 60 days	130,154	115,859	130,283	62,285
Over 60 days	428	22,010	4,441	747
Total	2,375,558	3,027,091	3,277,511	2,575,051

Based on the internal control policy of the Group, in order to minimise credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and monitoring procedures on credit quality of trade receivables and credit history of debtors. Before accepting any new customer, the Group assesses the potential customer's credit quality and define credit limit for them. Credit limits attributable to customers and credit term granted to customers are reviewed regularly by the chief executive officer on an ongoing basis. The sales and marketing manager will evaluate customers' validity through the ACRA Portal for customer's company details, including length of incorporation, activity status and bankruptcy record, paid-up share capital amount and annual filing records. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. The Group does not typically require any collateral as security. Receivables that were past due but not impaired for each of the reporting periods relate to a number of independent customers who had good payment track records with it. Based on past experience, the Directors are of the opinion that no provision for impairment was necessary in respect of these balances at the end of each reporting periods as there had not been a significant change in credit quality of these customers and the balances were still considered fully recoverable.

As at the Latest Practicable Date, an aggregate amount of approximately S$2.4 million, or 99.6% of the trade receivables of the Group as at 30 September 2019 had been subsequently settled.

Unbilled revenue

The unbilled revenue represented the amount of revenue attributed to services delivered and accepted by customers but the corresponding invoices have not been issued as at the respective year/period end. The unbilled revenue maintained stable at approximately S$0.5 million as at 31 December 2016 and as at 31 December 2017 respectively, which was then increased to approximately S$0.7 million as at 31 December 2018. However, the unbilled revenue was then decreased to approximately S$0.17 million as at 30 September 2019. The change in unbilled revenue was generally in line with the Group's revenue trend.

For the unbilled revenue of approximately S$0.17 million as at 30 September 2019, approximately 97.8% has been subsequently billed as at the Latest Practicable Date.

The following table sets out the trade receivables turnover days for the years/period indicated.

	Year ended 31 December			Nine months ended 30 September
	2016	**2017**	**2018**	**2019**
	(Number of days)	*(Number of days)*	*(Number of days)*	*(Number of days)*
Average trade receivables turnover days *(Note)*	58.6	67.8	64.6	66.7

Note: Average trade receivables turnover days are based on the average balance of trade receivables divided by revenue for the relevant year/period and multiplied by the number of days in the relevant year/period (i.e. 365 days for each of the years ended 31 December 2016, 2017 and 2018 and 274 days for the nine months ended 30 September 2019, respectively). Average balance is calculated as the average of the beginning balance and ending balance of a given year/period.

During the Track Record Period, the average trade receivable turnover days ranged from 58.6 days to 67.8 days, which was longer than the average credit period of 30 days granted to the customers as mainly attributable to (i) the potentially longer time required for billing procedures of the Group and the obtaining of the payment approvals by the customers, which was mainly due to the festive holidays, particularly the Christmas and New Year break; and (ii) the recognition of unbilled sales by the Group, which represented the amount of revenue attributable to services delivered to and accepted by the customers, whereas the corresponding invoices may not have been issued yet as at the respective year ends.

Trade and other payables

Trade and other payables of the Group comprise trade payables, as well as other payables and accruals. The following table sets out the breakdown of the Group's trade and other payables as at the dates indicated.

	As at 31 December			As at 30 September
	2016	**2017**	**2018**	**2019**
	S$	*S$*	*S$*	*S$*
	(Audited)	(Audited)	(Audited)	(Unaudited)
Trade payables:				
– Third parties	335,232	494,908	481,721	451,645
Other payables and accruals:				
– Accrued operating expenses	188,602	375,798	344,329	166,038
– Provision for warranty cost	228,957	281,003	263,885	269,113
– Accrued listing/transfer of listing expenses	100,711	–	–	35,392
– Goods and services tax payables	136,706	168,349	161,390	107,379
– Others	111,656	3,622	271,026	211,589
	766,632	828,772	1,040,630	789,511
Total	**1,101,864**	**1,323,680**	**1,522,351**	**1,241,156**

Trade and other payables amounted to approximately S$1.1 million, approximately S$1.3 million and approximately S$1.5 million and approximately S$1.2 million as at 31 December 2016, 2017 and 2018 and 30 September 2019, respectively.

The increase in trade and other payables of the Group of approximately S$221.8 thousand from that as at 31 December 2016 to that as at 31 December 2017 was mainly attributable to the net effects of (i) the increase in trade payables to third parties of approximately S$159.7 thousand; (ii) the increase in accrued operating expenses of approximately S$187.2 thousand; (iii) the absence of one-off accrued listing expenses for the GEM Listing of approximately S$100.7 thousand as at 31 December 2016 as compared to that as at 31 December 2017; and (iv) the decrease in other payables of approximately S$108.0 thousand which was primarily due to the settlement of rebate invoices, which were billed on a quarterly basis, near the year end as at 31 December 2017. The increase in trade and other payables of the Group of approximately S$198.7 thousand from that as at 31 December 2017 to that as at 31 December 2018 was mainly attributable to increase in other payables of approximately S$267.4 thousand, offset by the decrease in trade payables, accrued operating expenses, provision for warranty cost and Goods and Services Tax payable of approximately S$68.7 thousand. The decrease in trade and other payables of the Group of approximately S$281.2 thousand from that as at 31 December 2018 to that as at 30 September 2019 was mainly attributable to the net effects of (i) a decrease in the trade payables and accrued operating expenses of approximately S$30.1 thousand and S$178.3 thousand, respectively; (ii) a decrease in other payables of approximately S$59.4 thousand which was primarily due to the settlement of rebate invoices, which were billed on a quarterly basis, near the period end as at 30 September 2019; and (iii) an increase in the accrued listing expenses for the Transfer of Listing of approximately S$35.4 thousand.

Trade payables of the Group are non-interest bearing and are normally settled on 30 days' terms, save for those transacted with an overseas supplier which shall be settled by prepayment. The aging analysis of the trade payables based on invoice dates is as follows.

	As at 31 December			As at 30 September
	2016	**2017**	**2018**	**2019**
	S$	*S$*	*S$*	*S$*
	(Audited)	(Audited)	(Audited)	(Unaudited)
1 to 30 days	335,232	491,787	481,721	451,645
31 to 60 days	–	3,121	–	–
Total	**335,232**	**494,908**	**481,721**	**451,645**

As at the Latest Practicable Date, an aggregate amount of S$0.45 million, or 100% of the trade payables of the Group as at 30 September 2019 had been settled.

The following table sets out the trade payables turnover days for the years/period indicated.

	Year ended 31 December			Nine months ended 30 September
	2016	**2017**	**2018**	**2019**
	(Number of days)	*(Number of days)*	*(Number of days)*	*(Number of days)*
Average trade payables turnover days *(Note)*	13.9	17.6	17.4	17.3

Note: Average trade payables turnover days are based on the average balance of trade payables divided by cost of sales for the relevant year/period and multiplied by the number of days in the relevant year/period (i.e. 365 days for each of the years ended 31 December 2016, 2017 and 2018 and 274 days for the nine months ended 30 September 2019, respectively). Average balance is calculated as the average of the beginning balance and ending balance of a given year/period.

During the Track Record Period, the average trade payable turnover days ranged from 13.9 days to 17.6 days, which was within the average credit period of 30 days granted by the suppliers. For the avoidance of doubt, the average credit period of 30 days is calculated based on the normal credit periods granted by the suppliers in Singapore, Malaysia and Italy of 30 days, 30 days and 90 days, respectively, as well as the prepayment arrangements required by the remaining suppliers.

Liquidity and financial resources

During the Track Record Period, the Group did not have any debts, and financed its operations primarily through revenue generated from business operations and available cash and bank balances including the net proceeds from the GEM Listing.

As at each of 31 December 2016, 2017 and 2018 and 30 September 2019, cash and bank balances of the Group amounted to approximately S$5.3 million, approximately S$15.5 million, approximately S$16.5 million and approximately S$18.6 million, respectively, which were mainly cash and banks and on hands and/or fixed deposits denominated in HK$, S$ and United States dollars.

As at 30 September 2019, outstanding principal amount of the unutilised banking facilities of the Group amounted to approximately S$1.4 million.

COMMITMENT

The contractual commitments of the Group were primarily related to (i) the lease of office premises as lessee; and (ii) the leases on its investment properties as lessors. The Group's operating lease commitment as lessee amounted to approximately S$89,000 as at 31 December 2016, approximately S$50,000 as at 31 December 2017 and approximately S$7,000 as at 31 December 2018 and nil as at 30 September 2019. The Group's operating lease commitments as lessors amounted to nil as at 31 December 2016, nil as at 31 December 2017, S$200,000 as at 31 December 2018 and approximately S$92,000 as at 30 September 2019.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not carry out any material acquisition or disposal of any subsidiary during the Track Record Period and up to the Latest Practicable Date.

SIGNIFICANT INVESTMENTS HELD

The Group did not hold any significant investments during the Track Record Period and up to the Latest Practicable Date.

Summary of consolidated statements of cashflows

The following table sets forth the consolidated statements of cashflows for the Track Record Period.

	For the year ended 31 December			For the nine months ended 30 September
	2016	**2017**	**2018**	**2019**
	S$	*S$*	*S$*	*S$*
	(Audited)	(Audited)	(Audited)	(Unaudited)
Net cash generated from operating activities before changes in working capital	3,822,609	1,321,639	5,671,671	2,486,623
Net cash generated from operating activities	3,039,235	170,472	4,693,336	2,121,293
Net cash generated from/(used in) investing activities	(173,388)	(6,667,126)	2,777,676	(4,228,682)
Net cash generated from/(used in) financing activities	(2,156,374)	10,287,605	–	(22,592)

Net cash generated from operating activities

For the year ended 31 December 2016

For the year ended 31 December 2016, the Group recorded net cash generated from operating activities of approximately S$3.0 million which primarily consisted of cash generated from operations of approximately S$3.6 million, partially offset by income tax paid of approximately S$0.6 million. The Group's cash generated from operations primarily reflects the profit before income tax of approximately S$3.6 million, adjusted by non-cash items, which mainly included depreciation of property, plant and equipment of S$0.2 million, and net of the working capital outflows was approximately S$0.2 million.

The working capital outflows mainly arose from an increase in trade and other receivables of approximately S$1.0 million, partially offset by a decrease in inventories of approximately S$0.5 million and an increase in trade and other payables of approximately S$0.3 million for the year ended 31 December 2016. Operating cash flows before changes in working capital for the year ended 31 December 2016 was approximately S$3.8 million.

For the year ended 31 December 2017

For the year ended 31 December 2017, the Group recorded net cash generated from operating activities of approximately S$0.2 million which primarily consisted of cash generated from operations of approximately S$0.8 million, partially offset by income tax paid of approximately S$0.6 million. The Group's cash generated from operations primarily reflects its profit before income tax of approximately S$1.1 million, adjusted by non-cash items, which mainly included depreciation of property, plant and equipment of S$0.2 million, and net of the working capital outflows was approximately S$0.5 million.

The working capital outflows mainly arose from an increase in inventories and trade and other receivables of approximately S$0.4 million and approximately S$0.3 million, respectively, partially offset by an increase in trade and other payables of approximately S$0.2 million. Operating cash flows before changes in working capital for the year ended 31 December 2017 was approximately S$1.3 million.

For the year ended 31 December 2018

For the year ended 31 December 2018, the Group recorded net cash generated from operating activities of approximately S$4.7 million which primarily consisted of cash generated from operations of approximately S$5.3 million, partially offset by income tax paid of approximately S$0.6 million. The Group's cash generated from operations primarily reflects its profit before income tax of approximately S$5.3 million, adjusted by non-cash items, which mainly included depreciation of property, plant and equipment of S$0.3 million, and net of the working capital outflows was approximately S$0.4 million.

The working capital outflows mainly arose from an increase in inventories and trade and other receivables of approximately S$0.4 million and approximately S$0.2 million, respectively, partially offset by an increase in trade and other payables of approximately S$0.2 million for the year ended 31 December 2018. Operating cash flows before changes in working capital for the year ended 31 December 2018 was approximately S$5.7 million.

For the nine months ended 30 September 2019

For the nine months ended 30 September 2019, the Group recorded net cash generated from operating activities of approximately S$2.1 million which primarily consisted of cash generated from operations of approximately S$3.1 million, partially offset by income tax paid of approximately S$1.0 million. The Group's cash generated from operations primarily reflects its profit before income tax of approximately S$2.3 million, adjusted by non-cash items, which mainly included depreciation of S$0.2 million, and net of the working capital inflows was approximately S$0.6 million.

The working capital inflows mainly arose from a decrease in inventories and trade and other receivables of approximately S$0.2 million and S$0.8 million, respectively, partially offset by a decrease in trade and other payables of approximately S$0.3 million for the nine months ended 30 September 2019. Operating cash flows before changes in working capital for the nine months ended 30 September 2019 was approximately S$2.5 million.

Net cash generated from/(used in) investing activities

For the year ended 31 December 2016

For the year ended 31 December 2016, the Group recorded net cash used in investing activities of approximately S$0.2 million which primarily consisted of purchase of property, plant and equipment of approximately S$0.2 million.

For the year ended 31 December 2017

For the year ended 31 December 2017, the Group recorded net cash used in investing activities of approximately S$6.7 million which primarily consisted of purchase of property, plant and equipment of approximately S$0.3 million and placement of fixed deposits of approximately S$6.4 million.

For the year ended 31 December 2018

For the year ended 31 December 2018, the Group recorded net cash generated from investing activities of approximately S$2.8 million which primarily consisted of purchase of investment properties of approximately S$3.4 million and withdrawal of fixed deposits of approximately S$6.5 million.

For the nine months ended 30 September 2019

For the nine months ended 30 September 2019, the Group record net cash used in investing activities of approximately S$4.2 million which primarily consisted of an increase in the deposit of fixed assets of approximately S$4.3 million, offset by interest received of approximately S$0.06 million.

Net cash generated from/(used in) financing activities

For the year ended 31 December 2016

For the year ended 31 December 2016, the Group recorded net cash used in financing activities of approximately S$2.2 million which primarily represented the dividends paid during the year.

For the year ended 31 December 2017

For the year ended 31 December 2017, the Group recorded net cash generated from financing activities of approximately S$10.3 million which primarily represented the proceeds from share issuance upon the GEM Listing during the year.

For the year ended 31 December 2018

For the year ended 31 December 2018, the Group did not have any cash flow from financing activities.

For the nine months ended 30 September 2019

For the nine months ended 30 September 2019, the Group recorded net cash used in financing activities of approximately S$0.02 million which primarily represented the lease liabilities paid during the period.

Working capital

The Directors are of the opinion that, taking into consideration the financial resources available to the Group, including internally generated funds, the Group has sufficient funds to meet the working capital and financial requirements for at least the next twelve months from the date of this announcement.

NO MATERIAL ADVERSE CHANGE

The Directors confirm that subsequent to 31 December 2018, being the date to which the latest published and audited consolidated financial information of the Group were made up, and up to the date of this announcement, save as disclosed in the quarterly report of the Company for the nine months ended 30 September 2019, there has been no material adverse change in the financial or trading position or prospects of the Group and there have been no unfavourable trends or development which may have a material adverse impact on the Group’s business and financial performance.

USE OF PROCEEDS

The net proceeds from the GEM Listing were approximately S$10,300,000 after deduction of underwriting fees and estimated expenses. An analysis of the utilisation of the net proceeds from the GEM Listing up to 30 September 2019 is set out below:

	Planned use of net proceeds from the date of the GEM Listing to 30 September 2019	**Actual use of net proceeds from the date of the GEM Listing to 30 September 2019**
	S$	*S$*
Upgrade existing facilities, acquire new machinery and premises	5,160,000	4,010,000
Strengthen sales and marketing efforts	1,590,000	650,000
Expand product offerings	1,290,000	1,200,000
Upgrade and integrate of information technology system	920,000	210,000
Working capital and general corporate use	1,030,000	1,030,000
Total	9,990,000	7,100,000

For details of the utilisation of the net proceeds from the GEM Listing up to 30 June 2019, please refer to the interim report of the Company for the six months ended 30 June 2019.

As at 30 September 2019, the actual use of proceeds was less than the estimated net proceeds but had been applied in the same manner as specified in the section headed "Future Plans and Use of Proceeds" of the Prospectus. Since the GEM Listing, the Group had, among others, acquired new machineries, commercial vehicles and the Premises, being three adjacent properties which are expected to serve as showroom, workshop and warehouse mainly for it potential B2C business, further details of which are set out in the section headed "BUSINESS OUTLOOK AND RECENT DEVELOPMENT" of this announcement. The shortfall in use of proceeds was partly due to the delay in renovation work of such properties, which is expected to commence after expiry of the respective leasing agreements between the previous landlords and tenants in 2020. Also, in light of the rapid growth in the Group's existing B2B business as well as the current tenants' occupation of the newly acquired properties as mentioned above, the Group had prioritised its B2B business and slowed down its development plan of the B2C business, the latter of which generally requires a higher level of marketing efforts in order to attract new end customers, resulting in a reduction in the utilisation of proceeds for strengthening sales and marketing efforts upon the GEM Listing. Nevertheless, the Group has been cooperating with certain leading B2C players under which its products are showcased at the B2C players' workshops and sold directly to the end customers by the B2C players. By partnering with those B2C leading players' workshops who take the lead in marketing efforts and expenses whilst at the same time gaining experience from them, it is expected that the Group will be better prepared for the running of its own B2C operations in the near future after expiry of tenancies of the Premises in 2020, and relevant proceeds will be devoted for the corresponding marketing efforts as planned at that time accordingly. Further, the Group had utilised the proceed in an amount being less than expected for offering new products and upgrading information technology system upon GEM Listing. Such shortfall in use of proceeds was mainly due to the primary focus put by the Group's sales team and business operations manager on expanding the rapidly growing B2B business, resulting in less efforts and resources of them being allocated to the expansion of product offerings as well as the full implementation of the new ERP system respectively, the latter of which appeared to require more time than expected for the staff at all levels to comprehend due to the complexity involved. The Group will continue to expand its product offerings by utilising the allocated amount of proceeds for, among others, actively sourcing for latest and innovative products and performing product testing, recruiting additional appropriate experienced personnel, as well as providing product knowledge trainings and workshops to improve the skills and knowledge of products of the employees. In respect of upgrading information technology system, in order to allow the staff to allocate more time and efforts for the development of the Group's B2B and B2C businesses, the Group is planning to hire an external consultant who shall be responsible for the implementation of the new ERP system by, among others, coordinating with the vendor of the system and providing relevant training to the staff in order to expedite the implementation process. In addition, the Group is currently in the process of discussion and reviewing the plan for a barcode system for all inventories, and relevant proceeds is expected to be utilised when such system comes into effect in or around 2020. The net proceeds of approximately S$2,890,000 had not yet been utilised as at 30 September 2019, and had been placed in interest-bearing deposits in bank in Hong Kong. As at the date of this announcement, the Board did not anticipate any change to the plan as to the use of proceeds.

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry. As disclosed above, the delay in use of proceeds was mainly due to the Group's focus on the B2B business and the deferral of the development of the B2C business taking into account the rapid growth of the B2B business under the then market conditions. Considering that the B2B business, as the primary revenue contributor of the Group, has been established by the Group for 24 years which generally requires less marketing efforts and expenses for capturing the same level of potential return as compared to that by the B2C business for attracting new end customers, and that the Group has been taking steps including partnering with B2C leading players' workshops to gain B2C exposure and experience at low cost, which shall help better facilitate its own B2C business development in or around 2020, the Directors are of the view that the delay in use of proceeds does not have any material adverse impacts on the Company's business plans.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company discloses below the biographical information of each Director and members of senior management.

Directors

Executive Directors

Mr. Siew Yew Khuen（蕭耀權先生）, aged 62, is a co-founder of the Group. Mr. David Siew was appointed as a Director on 16 January 2017 and re-designated as a chairman, executive Director and chief executive officer of the Company on 8 March 2017. Mr. David Siew has been the director of TOMO-CSE since its inception in October 1995, where he oversees all aspects of the operations of the Group including sales/marketing, product planning/development, merchandising, strategic planning, corporate policies and new business initiative.

According to the service contract dated 23 June 2017 entered into between the Company and Mr. David Siew, employment of Mr. David Siew at the Company was effective from the date of GEM Listing for an initial fixed term of three years and shall continue thereafter until terminated by either party in accordance with the terms thereof. The remuneration of Mr. David Siew for the employment as the Director shall include a fixed salary at the rate of S$360,000 per annum, which may be subject to review annually by a remuneration committee, and a discretionary bonus determined by the Board which is based on the performance of the Company.

Mr. David Siew is an entrepreneur with over 37 years of start-up and business operational experience, including experience in the supply, manufacture and installation of PV leather upholstery, as well as supply and installation of electronic accessories. Under Mr. David Siew's leadership, the Group has been providing PV interior modification services, and dealing in leather upholstery and electronic accessories (such as systems integration for digital video recorders, navigation systems, in-car multimedia entertainment system, reverse camera, front and rear parking sensors, etc).

In 1980, Mr. David Siew co-founded Tomo General Contractors Pte Ltd which principally supplied PV accessories products and provided installation services in later years. In 1986, Mr. David Siew co-founded Eurostyle Autotrim Pte. Ltd. with Ms. Lee to supply PV accessories to authorised PV distributors and dealers in Singapore. In 1990, Mr. David Siew co-founded Tomo Auto Leather (S) Pte. Ltd. to supply leather upholstery products and installation services to authorised PV distributors and dealers in Singapore. During the years leading up to the incorporation of TOMO-CSE, Mr. David Siew had established strong business relationships with the numerous authorised PV distributors and dealers in Singapore. In October 1995, Mr. David Siew and Ms. Lee co-founded TOMO-CSE to supply and install PV leather upholstery, and to supply and install PV electronic accessories for the Singapore market. In 1996, Mr. David Siew sold his interest in Tomo Auto Leather (S) Pte. Ltd. and in 2001, both Tomo General Contractors Pte Ltd and Eurostyle Autotrim Pte. Ltd. were voluntarily dissolved as Mr. David Siew decided to focus on the business operations of TOMO-CSE to carry-on the business in supplying PV leather upholstery and electronic accessories.

Mr. David Siew was a director of the following companies within 12 months when they were struck off. As far as Mr. David Siew was aware, the striking-offs of these companies have not resulted in any liability or obligation imposed against him. The relevant details are as follows:

Name of company	Place of incorporation	Nature of business	Date of striking-offs
Eurostyle Autotrim Pte. Ltd.	Singapore	General wholesale trade; repair and audio and video equipment	7 August 2009
Hedge Corporation S Pte Ltd	Singapore	Iron and steel foundries	30 July 1999
Tomo General Contractors Pte Ltd	Singapore	Repair and restoration of cabinets, furniture, upholstery, window shades and other fixtures, and construction of other civil engineering projects	4 January 2008

Mr. David Siew has confirmed that each of the above companies was solvent at the time of its striking-off and so far as he was aware, no claim has been or will be made against him as a result of such striking-offs.

As at the Latest Practicable Date, save for his interests in 230,000,000 Shares through the interests in TOMO Ventures, representing approximately 51.11% of the entire issued share capital of the Company, Mr. David Siew had no interests in the Shares within the meaning of Part XV of the SFO.

During the three years immediately preceding the Latest Practicable Date, Mr. David Siew (i) was independent from, and was not related to, any other Directors, members of senior management, substantial Shareholders or Controlling Shareholders, save as being the spouse of Ms. Lee and the brother of Mr. Richard Siew; and (ii) had not held any directorship in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Save for disclosed above, (i) there are not any other matters concerning Mr. David Siew that need to be brought to the attention of the holders of the securities of the Company; and (ii) there is not any other information required to be disclosed pursuant to the requirements of Rule 13.51(3) of the Main Board Listing Rules.

Ms. Lee Lai Fong（李麗芳女士）, aged 60, is a co-founder of the Group. She was appointed as a Director on 16 January 2017 and re-designated as an executive Director of the Company on 8 March 2017. Ms. Lee is currently the director of finance and administration at TOMO-CSE, where she is responsible for finance, treasury and administration matters of the Group. Ms. Lee is an entrepreneur with over 32 years of start-up and business operational experience, including in the manufacture, supply and installation of PV leather upholstery, and the supply and installation of electronic accessories.

According to the service contract dated 23 June 2017 entered into between the Company and Ms. Lee, employment of Ms. Lee at the Company was effective with effect from the date of GEM Listing for an initial fixed term of three years and shall continue thereafter until terminated by either party in accordance with the terms thereof. The remuneration of Ms. Lee for the employment as the Director shall include a fixed salary at the rate of S$240,000 per annum, which may be subject to review annually by a remuneration committee, and a discretionary bonus determined by the Board which is based on the performance of the Company.

In 1980, Ms. Lee joined Tomo General Contractors Pte Ltd as senior manager. In 1986, Ms. Lee co-founded Eurostyle Autotrim Pte. Ltd. with Mr. David Siew to supply PV accessories to major car dealers in Singapore. In October 1995, Ms. Lee and Mr. David Siew co-founded TOMO-CSE to supply and install PV leather upholstery, and to supply and install electronic accessories to the Singapore market.

Ms. Lee was a director of the following companies within 12 months when they were struck off. As far as Ms. Lee was aware, the striking-offs of these companies have not resulted in any liability or obligation imposed against her. The relevant details are as follows:

Name of company	Place of incorporation	Nature of business	Date of striking-offs
Eurostyle Autotrim Pte. Ltd.	Singapore	General wholesale trade; repair and audio and video equipment	7 August 2009
Hedge Corporation S Pte Ltd	Singapore	Iron and steel foundries	30 July 1999
Tomo General Contractors Pte Ltd	Singapore	Repair and restoration of cabinets, furniture, upholstery, window shades and other fixtures, and construction of other civil engineering projects	4 January 2008

Ms. Lee has confirmed that each of the above companies was solvent at the time of its striking-off and so far as she was aware, no claim has been or will be made against her as a result of such striking-offs.

As at the Latest Practicable Date, save for the interests in 230,000,000 Shares through the interests in TOMO Ventures, representing approximately 51.11% of the entire issued share capital of the Company, Ms. Lee had no interests in the Shares within the meaning of Part XV of the SFO.

During the three years immediately preceding the Latest Practicable Date, Ms. Lee (i) was independent from, and was not related to, any other Directors, members of senior management, substantial Shareholders or Controlling Shareholders, save as being the spouse of Mr. David Siew and sister-in-law of Mr. Richard Siew; and (ii) had not held any directorship in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Save for disclosed above, (i) there are not any other matters concerning Ms. Lee that need to be brought to the attention of the holders of the securities of the Company; and (ii) there is not any other information required to be disclosed pursuant to the requirements of Rule 13.51(3) of the Main Board Listing Rules.

Mr. Siew Yew Wai（蕭耀威先生）(“Mr. Richard Siew”), aged 57, was appointed as a Director on 16 January 2017 and re-designated as an executive Director of the Company on 8 March 2017. Mr. Richard Siew is currently the director of sales and marketing at TOMO-CSE.

According to the service contract dated 23 June 2017 entered into between the Company and Mr. Richard Siew, employment of Mr. Richard Siew at the Company was effective with effect from the date of GEM Listing for an initial fixed term of three years and shall continue thereafter until terminated by either party in accordance with the terms thereof. The remuneration of Mr. Richard Siew for the employment as the Director shall include a fixed salary at the rate of S$93,600 per annum, which may be subject to review annually by a remuneration committee, and a discretionary bonus determined by the Board which is based on the performance of the Company.

Mr. Richard Siew started his career in June 1987 at NCS Pte. Ltd., a subsidiary of Singapore Telecommunications Limited, in Singapore as a systems analyst cum programmer, where he was first deployed to the Ministry of Education, Singapore to assist in the development of the mainframe computer programming of various application systems. In June 1990, Mr. Richard Siew was deployed to the National Computer Board as an information technology consultant where he advised and assisted Singapore's small and medium enterprises to automate and improve productivity by utilising information technology. In April 1997, Mr. Richard Siew returned to NCS Pte. Ltd. as an account director where he was responsible for the business development and sales of information and communications technology projects and services to the higher education sector. In January 2015, Mr. Richard Siew joined the Group to assist Mr. David Siew to further expand the Group's businesses.

Mr. Richard Siew obtained a bachelor of science degree in information systems from the National University of Singapore in June 1987.

As at the Latest Practicable Date, Mr. Richard Siew had no interests in the Shares within the meaning of Part XV of the SFO.

During the three years immediately preceding the Latest Practicable Date, Mr. Richard Siew (i) was independent from, and was not related to, any other Directors, members of senior management, substantial Shareholders or Controlling Shareholders, save as being the brother of Mr. David Siew and brother-in-law of Ms. Lee; and (ii) had not held any directorship in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Save for disclosed above, (i) there are not any other matters concerning Mr. Richard Siew that need to be brought to the attention of the holders of the securities of the Company; and (ii) there is not any other information required to be disclosed pursuant to the requirements of Rule 13.51(3) of the Main Board Listing Rules.

Mr. Zha Jianping (查劍平先生) (“Mr. Zha”), aged 48, was appointed as an executive Director on 1 April 2018.

According to the service contract dated 28 March 2018 entered into between the Company and Mr. Zha, employment of Mr. Zha by the Company was effective for an initial fixed term of three years from 28 March 2018 to 27 March 2021, and shall continue thereafter until terminated by either party in accordance with the terms thereof. Under Mr. Zha’s service contract with the Company, Mr. Zha, *inter alia*, is to serve the Company as an executive director and be responsible for, in such capacity, performing the duties and exercising the powers assigned to or vested in him by the Board. The remuneration of Mr. Zha for the employment as a Director shall include a fixed salary at the rate of HK$360,000 per annum, which may be subject to review annually by a remuneration committee, and a discretionary bonus determined by the Board which is based on the performance of the Company. After the GEM Listing, the Group considered the need to explore additional suppliers in the PRC. The Directors therefore considered Mr. Zha, who was first introduced to Mr. David Siew in late 2017, as the suitable candidate given that Mr. David Siew was impressed by Mr. Zha’s understanding in the automotive industry and his role and experience in certain major vehicle manufacturers in the PRC. When considering the remuneration of Mr. Zha, the Company adopted a candid approach and considered his relevant experience and the time that he is able to dedicate to the Group. Mr. Zha’s responsibilities are geared towards business development and growth of the Group, in particular, seeking opportunities and alternative suppliers for the Group in the PRC as well as to bring insight to the Group on the market trends as regards the automotive parts industry in the PRC. As such, the Company determines to remunerate him on HK$30,000 per month subject to any bonuses to be paid to him in the event of him successfully bringing business and/or supplies to the Group for growth and development. During the Track Record Period, the amount of bonuses paid to Mr. Zha was nil. Also, as Mr. Zha is appointed after the successful listing of the Company on GEM of the Stock Exchange, the Company considered it more appropriate to base his remuneration on the remuneration of executive directors of comparable listed companies in Hong Kong. Since the other executive Directors were appointed at the pre-listing stage, the Company took into account of the other executive Directors’ contribution to the business development of the Group and also considered the salaries of executive directors of comparable listed companies in Singapore, which is generally higher than those of comparable listed companies in Hong Kong.

In August 2011, Mr. Zha was appointed as an executive director of Chinese Energy Holdings Limited, which is listed on GEM (stock code: 8009), and subsequently resigned in November 2015. In November 2016, Mr. Zha was appointed as an executive director and the chief executive officer of Loco Hong Kong Holdings Limited, which is listed on GEM (stock code: 8162). Following his resignation as an executive director and the chief executive officer in May 2018, Mr. Zha was appointed as a non-executive director of Loco Hong Kong Holdings Limited on the same date, and subsequently resigned in September 2018.

Mr. Zha has also held managerial positions in various companies in the automotive industry. From September 2001 to June 2007, Mr. Zha worked at Shenyang Jinbei Automotive Company Limited, which is listed on the Shanghai Stock Exchange (stock code: 600609) and engaged in the research and development, manufacture and sale of light trucks and auto parts. He was first employed as the chief financial controller and he last held the position of director and vice president. From January 2005 to October 2006, Mr. Zha was the chief financial officer of Brilliance China Automotive Holdings Limited, which is listed on the Main Board of the Stock Exchange (stock code: 1114) and engaged in the manufacture and sale of automobiles and automotive components, and the provision of auto financing service in the PRC. As such, Mr. Zha has extensive insight and contacts in the PRC market in the automotive industry, and he contributes to the Group by (a) introducing potential suppliers in the PRC market to the Group in order to enable the Group to source alternate or comparable automotive products from reliable suppliers in the PRC, at perhaps a lower price, as compared to the current suppliers from Taiwan, Korea, Malaysia and Singapore; (b) giving advice to the Group on the market trend of automotive products in the PRC; and (c) travelling to the PRC on behalf of the Company to understand and gain insight into the PRC automotive industry and to bring such insight to the Company for its future business development and growth.

Mr. Zha was a director and/or supervisor of the following companies within 12 months when they were dissolved, revoked and/or deregistered. As far as he Mr. Zha was aware, the dissolutions, revocations and/or deregistrations of these companies have not resulted in any liability or obligation imposed against him. The relevant details are as follows:

Name of company	**Place of incorporation**	**Nature of business**	**Date of dissolution, revocation and/or deregistration**
Golden Bridge Precision Material Limited	Hong Kong	Not applicable *(Note)*	7 December 2018 (Dissolution by deregistration)
Shenzhen Gangyin Education Holdings Co., Ltd.* 深圳港銀教育控股有限公司	PRC	Not applicable *(Note)*	14 December 2018 (Deregistration)
Shenyang Century Kewei Business Trade Co., Ltd.* 瀋陽世紀科威商貿有限公司	PRC	Trading of metal processing parts and electronic processing parts	22 March 2019 (Deregistration)
Shenyang Xinbei Taxpayer Club Co., Ltd.* 瀋陽新北納税人俱樂部有限公司	PRC	Provision of finance-related and taxation-related training	4 May 2015 (Revocation and deregistration)
Panjin Yinghua Finance and Taxation Information Consulting Co., Ltd.* 盤錦英華財税信息諮詢有限公司	PRC	Provision of finance-related and taxation-related training	10 February 2014 (Revocation)
Ningbo Minfu Machinery Co., Ltd.* 寧波敏孚機械有限公司	PRC	Manufacturing and sale of automotive parts	20 July 2006 (Deregistration)

Note: Such companies have never commenced any business operations.

Mr. Zha has confirmed that each of the above companies was solvent at the time of its dissolution, revocation and/or deregistration and so far as he was aware, no claim has been or will be made against him as a result of such dissolutions, revocations and/or deregistrations.

As at the Latest Practicable Date, Mr. Zha had no interests in the Shares within the meaning of Part XV of the SFO. The Directors (excluding Mr. Zha), the Company and the Controlling Shareholders have confirmed that Mr. Zha does not have any post or present relationship, agreements, arrangements, understanding or undertakings with the Group, its directors, shareholders and senior management or any of their respective associates.

Mr. Zha obtained a bachelor's degree in economics majoring in accounting from the Shanghai University of Finance and Economics in the PRC in 1993 and graduated as a postgraduate in economics from the Graduate School of Chinese Academy of Social Sciences in the PRC in 1998. He is also a qualified senior accountant in the PRC.

During the three years immediately preceding the Latest Practicable Date, Mr. Zha (i) was independent from, and was not related to, any other Directors, members of senior management, substantial Shareholders or Controlling Shareholders; and (ii) had not held any directorship in public companies the securities of which are listed on any securities market in Hong Kong or overseas, save for disclosed above.

Save for disclosed above, (i) there are not any other matters concerning Mr. Zha that need to be brought to the attention of the holders of the securities of the Company; and (ii) there is not any other information required to be disclosed pursuant to the requirements of Rule 13.51(3) of the Main Board Listing Rules.

Independent non-executive Directors

Mr. Clarence Tan Kum Wah（陳錦華先生）("Mr. Tan"), 52, has been appointed as an independent non-executive Director on 23 June 2017.

According to the appointment letters issued by the Company to Mr. Tan, employment of Mr. Tan at the Company was effective with effect from the date of GEM Listing and shall continue up to and including 12 July 2020 in the first instance, subject to termination in accordance with the terms thereof. The remuneration of Mr. Tan for the employment as the Director shall include a salary at the rate of S$43,600 per annum, which was determined primarily based on Mr. Tan's work experience and qualifications.

Since October 2016, Mr. Tan has been the non-executive director of GlobalRoam Group Ltd, a group that primarily provides integrated communications technology to the telecommunication companies in the Southeast Asian region. GlobalRoam Group Ltd was the first company in Singapore to be traded on the over-the-counter exchange managed by Phillips Securities Pte. Ltd. in 2007. Mr. Tan founded GlobalRoam Group Ltd and its subsidiaries in January 2001 and had served as its chief executive officer since its inception till July 2016, when he relinquished his role and was re-designated as executive deputy chairman until December 2016.

Concurrently, since October 2016, Mr. Tan has been a director of STT Connect Pte. Ltd., a private cloud service provider and a joint venture between STT GDC Pte. Ltd. (wholly-owned by Singapore Technologies Telemedia Pte. Ltd.) and GR Group. Since December 2016, Mr. Tan has also been a director of ICMG Financial Services Pte. Ltd.; a joint venture between ICMG Co, Ltd., ACA Partners Pte. Ltd. and ACA Inc.; a management consultancy company that offers merger and acquisition and alliance services to Asian and Japanese enterprises. Prior to GR Group, Mr. Tan was a director of Pinnz Pte Ltd, the holding company of its subsidiaries including Pinnz Networks (HK) Limited and Pinnz Network Pte Ltd, from August 1999 to its dissolution in June 2007. Pinnz Pte Ltd was a telecommunications company which provided services such as voice over internet protocol services.

Apart from his career commitments, Mr. Tan also holds key positions in other areas of society. He was awarded a Phoenix Mentor by The Phoenix Award Committee in 2002, which his main role as a Phoenix Mentor then was to mentor founders of start-ups. He had served in the Singapore People's Association Sembawang Community Club Management Committee from 2012 to 2016 and currently holds the rank of Colonel in the national service unit under the Guards formation in the Singapore Armed Forces. Mr. Tan was the Parade Commander for Singapore's National Day Parade in 2012 and was accorded The Commendation Medal (Military) and The Long Service Medal (Military), in 2010 and 2015 respectively, for his distinguished service in the Singapore Armed Forces.

Mr. Tan obtained a bachelor of science degree in information technology from the University of Southern Queensland (Australia) in March 1994 through long distance learning conducted in Singapore and a master's degree in business administration from the National University of Singapore in December 2004.

Mr. Tan was a director or manager of the following companies or business within 12 months when they were dissolved, struck off and/or terminated. As far as Mr. Tan was aware, the dissolutions, striking-offs and/or terminations of these companies and businesses have not resulted in any liability or obligation imposed against him. The relevant details are as follows:

Name of company/business	Place of incorporation	Nature of business	Date of dissolution, striking-offs and/or terminations
Asiamall	Singapore	Wholesale of computer software; manufacture of printers	23 March 1998 (termination)
Comutech Peripherals	Singapore	Wholesale of computer hardware, peripheral equipment and computer accessories	28 May 1994 (termination)
Cybernetics Communications Pte. Ltd.	Singapore	Internet access providers; engineering design and consultancy activities	22 February 2007 (struck off)
Globalpeer	Singapore	Management consultancy services; real estate activities	24 November 2013 (termination)
Globalroam Group Ltd.	Singapore	Holding company and information technology consultancy	22 November 2017 (In liquidation by compulsory winding up)
Globalroam (International) Limited	Singapore	Telecommunications reseller and provider	22 February 2007 (struck off)
Niin Pte Ltd	Singapore	Market research, service provider of internet related services	8 December 2010 (struck off)
Pinnz Networks (HK) Limited	Hong Kong	Telecommunication services	3 July 2002 (compulsory winding up)

Name of company/business	Place of incorporation	Nature of business	Date of dissolution, striking-offs and/or terminations
Pinnz Networks Pte Ltd	Singapore	Telecommunication services	9 June 2007 (dissolution by members' voluntary winding up)
Pinnz Pte Ltd	Singapore	Holding company	9 June 2007 (dissolution by members' voluntary winding up)
Primecom	Singapore	Wholesale of computer hardware and peripheral equipment and information technology consultancy	1 August 1994 (termination)
Singmall Innovation	Singapore	Wholesale of computer software; manufacture printers	23 March 1998 (termination)

Mr. Tan has confirmed that, other than Globalroam Group Ltd. Globalroam (International) Limited, Pinnz Networks (HK) Limited, Pinnz Network Pte Ltd and Pinnz Pte Ltd, each of the above companies was solvent at the time of its dissolution, striking-off and/or termination. Further, as far as Mr. Tan was aware, there is no outstanding claim, dispute or liability against him in such dissolutions, striking-offs and terminations.

As at the Latest Practicable Date, Mr. Tan had no interests in the Shares within the meaning of Part XV of the SFO.

During the three years immediately preceding the Latest Practicable Date, Mr. Tan (i) was independent from, and was not related to, any other Directors, members of senior management, substantial Shareholders or Controlling Shareholders; and (ii) had not held any directorship in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Save for disclosed above, (i) there are not any other matters concerning Mr. Tan that need to be brought to the attention of the holders of the securities of the Company; and (ii) there is not any other information required to be disclosed pursuant to the requirements of Rule 13.51(3) of the Main Board Listing Rules.

Mr. Gary Chan Ka Leung (陳嘉樑先生)("Mr. Chan"), aged 46, was appointed as an independent non-executive Director on 23 June 2017.

According to the appointment letters issued by the Company to Mr. Chan, employment of Mr. Chan at the Company was effective with effect from the date of GEM Listing and shall continue up to and including 12 July 2020 in the first instance, subject to termination in accordance with the terms thereof. The remuneration of Mr. Chan for the employment as the Director shall include a salary at the rate of S$43,600 per annum, which was primarily determined based on Mr. Chan's work experience and qualifications.

Since June 2017, Mr. Chan has been appointed as an independent non-executive director of LHN Limited, the shares of which are dual listed on the catalist board of the Singapore Exchange Limited (SGX symbol: 41O) and the Main Board (stock code:1730).

Mr. Chan is a seasoned finance executive and an entrepreneur. Mr. Chan has advised companies across various disciplines and industries including consumer products and services, financial services, food and beverage, logistics, media, renewable energy, recruitment services, and technology. In 2014, Mr. Chan joined CFO (HK) Limited, a company licensed by The CFO Centre Group Limited to provide services of time-shared chief financial officers to client companies in the Greater China region and is currently the Greater China chief executive officer.

Mr. Chan was also the corporate finance director of TNG (Asia) Limited, a financial technology company based in Hong Kong, between April 2015 and February 2017. Mr. Chan has assisted in the company's successful application of the stored value facility license to the Hong Kong Monetary Authority, with the license being granted in August 2016. During the process, Mr. Chan has overseen the process of fulfilling all the necessary business requirements set out by the Hong Kong Monetary Authority including internal controls and placement of its senior management team.

From August 2009 to August 2013, Mr. Chan was a partner at Creat Capital Company Limited, a company that focuses on private equity investments. During his tenure, Mr. Chan reported to the board of directors and was involved in the origination of corporate advisory and corporate finance transactions for Creat Capital Company Limited.

Mr. Chan started his career with KPMG in Toronto, Canada in 1998 under that firm's real estate practice. In January 2001, Mr. Chan joined Deloitte Touche Tohmatsu in Hong Kong as an accountant under that firm's reorganisation services group and his last position held was manager before he moved to Deloitte & Touche Corporate Finance Ltd., a service company of Deloitte Touche Tohmatsu, as manager from June 2005 to March 2007. From March 2007 to February 2009 Mr. Chan assumed the position of an associate in the fixed income, currency and commodities division of Goldman Sachs (Asia) L.L.C. in Hong Kong.

Mr. Chan obtained a bachelor's degree in mathematics from the University of Waterloo in Ontario, Canada in May 1998 and a master's degree in accounting from the same university in October 1998. Mr. Chan obtained his Chartered Accountant designation in Canada in 2000.

As at the Latest Practicable Date, Mr. Chan had no interests in the Shares within the meaning of Part XV of the SFO.

During the three years immediately preceding the Latest Practicable Date, Mr. Chan (i) was independent from, and was not related to, any other Directors, members of senior management, substantial Shareholders or Controlling Shareholders; and (ii) had not held any directorship in public companies the securities of which are listed on any securities market in Hong Kong or overseas, save as disclosed above.

Save for disclosed above, (i) there are not any other matters concerning Mr. Chan that need to be brought to the attention of the holders of the securities of the Company; and (ii) there is not any other information required to be disclosed pursuant to the requirements of Rule 13.51(3) of the Main Board Listing Rules.

Mr. Ng Chee Chin（黃志鈞先生）("Mr. Ng"), aged 39, was appointed as an independent non-executive Director with effective from 1 June 2019. According to the appointment letter dated 31 May 2019 issued by the Company to Mr. Ng, employment of Mr. Ng at the Company was effective with effect from 1 June 2019 and shall continue for a term of one year, subject to the terms thereof. The remuneration of Mr. Ng for the employment as the Director shall include a salary at the rate of HK$120,000 per annum, which was primarily determined based on Mr. Ng's work experience and qualifications. When considering the remuneration of Mr. Ng, the Company adopted a candid approach and considered his relevant experience and the time that he is able to dedicate to the Group. Also, as Mr. Ng is appointed after the successful listing of the Company on GEM of the Stock Exchange, the Company considered it more appropriate to base his remuneration on the remuneration of independent non-executive directors of comparable listed companies in Hong Kong. Since the other independent non-executive Directors were appointed at the pre-listing stage, the Company took into account of the other non-executive Directors' contribution to the business development of the Group and also considered the salaries of independent non-executive directors of comparable listed companies in Singapore, which is generally higher than those of comparable listed companies in Hong Kong.

Mr. Ng has more than 17 years of experience in accounting, financial management, human resource and business administration. Mr. Ng started his career as Administration and Accounts Executive with Chang Seng Services Pte Ltd in 2000, a company that provides environmental cleaning and pest control services, where he was responsible for accounts preparation and project cost management of the company.

In 2005, Mr. Ng was employed as administration and finance manager by Clean Solutions Pte Ltd, a large local company that provides integrated environmental solutions with a staff strength of more than 3000, where he was in-charge of the finance operations and corporate administration of the company. In 2011, Mr. Ng was promoted to be the General Manager of Clean Solutions Pte Ltd. Mr. Ng is responsible for overall financial management, reporting, internal controls, taxation matters and oversees the administrative, procurement and human resource departments for Clean Solutions Pte Ltd. Mr. Ng has been actively involved in developing tender strategies in particular to public project tenders. Mr. Ng is also instrumental in provision of key strategic decisions and formulating business strategies, advising on the financial implications and consequences of business decisions for Clean Solutions Pte Ltd.

Mr. Ng holds an honours degree in Bachelor of Science (Finance) from the National University of Ireland in 2012 and subsequently obtained a Master of Applied Finance from the University of Adelaide (Australia) in 2014. In terms of professional qualifications, Mr. Ng has been admitted as a Chartered Accountant of Singapore, a non-practicing member of the Institute of Singapore Chartered Accountants (ISCA), full member of the Certified Practicing Accountant, Australia (CPA Australia), and associate member of Chartered Institute of Management Accountants, United Kingdom (CIMA), whom all in 2016.

As at the Latest Practicable Date, Mr. Ng had no interests in the Shares within the meaning of Part XV of the SFO.

During the three years immediately preceding the Latest Practicable Date, Mr. Ng (i) was independent from, and was not related to, any other Directors, members of senior management, substantial Shareholders or Controlling Shareholders; and (ii) had not held any directorship in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Save for disclosed above, (i) there are not any other matters concerning Mr. Ng that need to be brought to the attention of the holders of the securities of the Company; and (ii) there is not any other information required to be disclosed pursuant to the requirements of Rule 13.51(3) of the Main Board Listing Rules.

Senior Management

Mr. Ong Kim Hoi（王金海先生）("Mr. Ong"), aged 43, has been the business development manager of the Group since December 2011. At TOMO-CSE, Mr. Ong is responsible for product development, evaluation and product testing and quality control of new products before the Group introduces them to the market. He assists the marketing team to study and evaluate the Group's customers' accessories requirement and works on the most suitable products for the vehicles. He works closely with the installation and aftersales team to ensure all new products are properly installed and have proper aftersales' standard operating procedures.

Mr. Ong has over 10 years of experience in the sales, marketing and business development. Prior to joining the Group, between June 2001 and January 2004, Mr. Ong worked for Expeditors Singapore Pte Ltd as the system support supervisor; and between April 2004 and April 2006 as a technical specialist at Brother International Singapore Pte Ltd. In April 2006, Mr. Ong joined GRID Communications Pte Ltd, a subsidiary of Singapore Telecommunications Limited, as account manager of the corporate sales department; in April 2009, he joined Nextan Pte Ltd as a business development manager; and in April 2010, he joined Asia GIS Pte. Ltd. as the sales and marketing Manager, responsible for business and accounts development.

Mr. Ong obtained a diploma in information technologies from Temasek Polytechnic in Singapore in December 1998.

Mr. Alan Hoh Chan Ming（何贊明先生）("Mr. Alan Hoh"), aged 33, joined the Group in December 2016 as Group Financial Controller and is responsible for financial planning & control, accounting operations and internal control systems of the Group. Prior to joining the Group, Mr. Alan Hoh was the group finance manager at Sincap Group Limited, a company listed on the Singapore Exchange Limited (SGX:5UN), engaged in the mineral trading and logistic management, where he supervised the accounting operations.

Mr. Alan Hoh started his career in July 2007 as an account assistant at Traders Hotel Kuala Lumpur, Malaysia. Between January 2011 and November 2015, Mr. Alan Hoh was an auditor at Baker Tilly TFW, Singapore, where he serviced clients in the hotel, manufacturing of consumer/industrial products, construction, media and entertainment, information technologies, and services sectors on auditing and accountancy procedures. Between December 2015 and October 2016, Mr. Alan Hoh was the group finance manager at Sinopipe Holdings Limited, a company listed on the Singapore Exchange Limited (SGX:X06), engaged in the production and sales of plastic pipes and fittings, where he served the managing role on monthly consolidation, audit, corporate communications and compliance matters.

Mr. Alan Hoh is a member of the Institute of Singapore Chartered Accountants since January 2016 and a member of the Association of Chartered Certified Accountants since March 2015.

Save as disclosed in this announcement, none of the Group's members of senior management has held any directorship in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the Latest Practicable Date.

Company Secretary

Mr. Man Yun Wah（文潤華先生）**("Mr. Man")**, aged 36, was appointed as the company secretary of the Company on 1 February 2017.

He has been appointed as a director of RHT Corporate Advisory (HK) Limited, a company which provides company secretarial services, since August 2013. His major responsibility is to assist listed companies in professional company secretarial work. Before joining RHT Corporate Advisory (HK) Limited, he worked in Dominic K.F. Chan & Co. from August 2008 to July 2015 where he was responsible for handling company secretarial matters.

Mr. Man is an associate member of The Hong Kong Institute of Chartered Secretaries. He graduated from the University of Huddersfield in England with bachelor's of arts degree in business administration and management in March 2010. He also received a degree of master of corporate governance from the Open University of Hong Kong in November 2014.

Mr. Man has not held any directorship in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the Latest Practicable Date.

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the approach to achieve and maintain an appropriate balance of diversity perspectives of the Board that are relevant to the business growth of the Group. Pursuant to the Board Diversity Policy, selection of Board candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Directors have a balanced mix of experiences and industry background, including but not limited to experiences in accountancy, business, information systems, management and finance. The three independent non-executive Directors who have different industry backgrounds, represent more than one-third of the Board members. Furthermore, the Board consists of a range of nationalities including Chinese, Canadian and Singaporean. After due consideration, the Board believes that based on the Group's existing business model, specific needs and the background of the Directors, the composition of the Board satisfies the principles under the Board Diversity Policy.

The nomination committee of the Company is responsible for ensuring the appropriate mix of experience, expertise, skills and diversity of the Board, assessing the extent to which the required skills are represented on the Board and overseeing the Board succession. Although the industry in which the Group operates is predominantly male oriented, the Group's objective is to promote and grow female members to become Board members or the Group's senior management. The nomination committee of the Company will review the Board Diversity Policy from time to time to ensure its continued effectiveness and the Company will disclose the implementation of the Board Diversity Policy in the corporate governance report on an annual basis.

MANAGEMENT OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2018 AND UP TO THE DATE OF THIS ANNOUNCEMENT

During the year ended 31 December 2018 and up to the date of this announcement, save for (i) the appointment of Mr. Zha as an executive Director with effect from 1 April 2018; (ii) the cessation of Mr. Philip Tan Eng Choon as a Sales and Marketing Manager of the Group; (iii) the appointment of Mr. Au Ki Lun as an independent non-executive Director, the chairman of the remuneration committee and a member of the audit committee of the Company with effect from 20 August 2018, as well as his resignation as an independent non-executive Director, and cessation as the chairman of the remuneration committee and a member of the audit committee of the Company with effect from 1 June 2019; (iv) the cessation of Mr. Lim Cher Hong as the chairman of the remuneration committee and a member of the audit committee of the Company with effect from 20 August 2018, as well as his resignation as an independent non-executive Director with effect from 20 September 2018; and (v) the appointment of Mr. Ng as an independent non-executive Director, the chairman of the remuneration committee and a member of the audit committee of the Company with effect from 1 June 2019, there had been no change in the composition of the Board and the Board committees of the Company. There are no disagreement between the Company and Mr. Philip Tan Eng Choon, Mr. Lim Cher Hong and Mr. Au Ki Lun at the time of their resignation, respectively.

WAIVER FROM STRICT COMPLIANCE WITH RULE 8.12 OF THE MAIN BOARD LISTING RULES

The Company has sought a waiver from strict compliance with Rule 8.12 of the Main Board Listing Rules in relation to the Transfer of Listing.

Pursuant to Rule 8.12 of the Main Board Listing Rules, a new applicant applying for primary listing on the Stock Exchange must have sufficient management presence in Hong Kong, which normally means that at least two of its executive Directors must be ordinarily resident in Hong Kong.

The Group applied to the Stock Exchange for a waiver from strict compliance with the requirements under Rule 8.12 of the Main Board Listing Rules and the Stock Exchange has granted a waiver from strict compliance with Rule 8.12 of the Main Board Listing Rules based on the following reasons and grounds:

1. the Group's business and operations are located, managed and conducted in their headquarters – Singapore, and will continue to be based in Singapore;

2. three out of four of the executive Directors, Mr. David Siew, Ms. Lee and Mr. Richard Siew, are ordinarily based in Singapore, whereas the remaining executive Director, Mr. Zha is ordinarily based in Hong Kong, and the Company does not and, in the foreseeable future, will not increase its management presence in Hong Kong;

3. it is of paramount importance that most of the executive Directors remain to be based in Singapore and be physically close to operations of the Group;

4. it may not be in the best interest of the Company to appoint an additional executive Director who is ordinarily resident in Hong Kong merely to establish management presences in Hong Kong, as such arrangement would not only increase the Group's administrative expenses, but would also reduce the effectiveness and responsiveness of the Board in making decisions for the Group, especially when business decisions are required to be made within a short period of time. In addition, by appointing an additional executive Director, who may not be familiar with the operations of the Company, to the board of Directors for the sole purpose of satisfying the requirements of Rule 8.12 of the Main Board Listing Rules may not be in the best interest of the Company and its shareholders as a whole.

In view of the above, the Company does not and may not in the foreseeable future have two executive Directors residing in Hong Kong for the purposes of satisfying the requirement under Rule 8.12 of the Main Board Listing Rules.

Nevertheless, in accordance with the guidance letter (HKEx-GL9-09) issued by the Stock Exchange, the Company has put in place the following measures to ensure that regular and effective communication is maintained between the Stock Exchange and the Company:

(i) the Company has appointed two authorised representatives pursuant to Rules 2.11 and 3.05 of the Main Board Listing Rules, who have acted and will continue to act as the Company's principal channel of communication with the Stock Exchange and ensure that the Group complies with the Main Board Listing Rules at all times. The two authorised representatives are Mr. David Siew, executive Director, and Mr. Man, company secretary of the Company. Mr. Man is ordinarily resident in Hong Kong. Although Mr. David Siew does not ordinarily reside in Hong Kong, he possesses or is eligible to apply for valid travel documents to visit Hong Kong and he has never been rejected for application of such travel documents. Each of the authorised representatives will be available to meet with the Stock Exchange within a reasonable time frame upon request of the Stock Exchange and will be readily contactable by telephone, facsimile and email (if applicable). Each of the two authorised representatives is authorised to communicate on behalf of the Company with the Stock Exchange. Mr. Man, company secretary of the Company, has also been authorised to accept service of process and notices in Hong Kong on behalf of the Company. The Company will inform the Stock Exchange promptly in respect of any change in the authorised representatives;

(ii) each of the authorised representatives has means to contact all members of the Board (including the independent non-executive Directors) and senior management team promptly at all times as and when the Stock Exchange wishes to contact the Directors for any matters. To enhance communications between the Stock Exchange, the authorised representatives and the Directors, the Company will implement a policy that (a) each Director will have to provide their respective office phone numbers, mobile phone numbers, residential phone numbers, fax numbers and email addresses (if applicable) to the authorised representatives and his or her respective alternates; and (b) in the event that a Director expects to travel and be out of office, he or she will endeavour to provide the phone number of the place of his or her accommodation to the authorised representatives or maintain an open line of communication via his or her telephone. Each of the Directors is authorised to communicate on the Company's behalf with the Stock Exchange;

(iii) all Directors will provide their mobile phone numbers, office phone numbers, fax numbers, correspondence addresses and email addresses to the Stock Exchange to ensure that they will be readily contactable when necessary to deal promptly with enquiries from the Stock Exchange;

(iv) all Directors have confirmed that they possess or are eligible to apply for valid travel documents to visit Hong Kong for business purposes, they have never been rejected for application of such travel documents, and they would be able to come to Hong Kong and meet the Stock Exchange upon reasonable notice;

(v) the current compliance adviser of the Company, Fortune Financial Capital Limited, will, in addition to the authorised representatives of the Company, act as a channel of communication with the Stock Exchange for the period specified in Rule 6A.19 of the GEM Listing Rules and have reasonable and necessary full access at all times to the authorised representatives of the Company and all members of the Board; and

(vi) the Company will appoint additional professional advisers (including its legal advisers in Hong Kong), if necessary, after the Transfer of Listing to assist the Company in addressing any enquiries which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communications with the Stock Exchange.

In these circumstances, the Company and its Directors do not envisage that there should be any difficulty for the Stock Exchange to contact (if required) any of the Directors and believe that the arrangements set out above are sufficient to maintain effective communication between the Company and the Stock Exchange. The Directors will ensure that disclosure of information and contact with the Stock Exchange will be made on a timely basis.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for viewing on the respective websites of the Company at *www.thetomogroup.com* and of the Stock Exchange at *www.hkexnews.hk*:

(a) the Memorandum and the Articles of Association;

(b) the third-quarterly report of the Company for the nine months ended 30 September 2019;

(c) the interim report of the Company for the six months ended 30 June 2019;

(d) the annual report of the Company for the year ended 31 December 2018;

(e) the circulars of the Company dated 3 April 2018 and 29 March 2019 in relation to general mandates to issue and repurchase shares, re-election of directors and notice of general meeting; and

(f) each of the announcements and other corporate communications made by the Company prior to the date of this announcement as required under the GEM Listing Rules and the Main Board Listing Rules.

DEFINITIONS

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

"ACRA Portal"	an online filing and information retrieval system provided by the Accounting and Corporate Regulatory Authority, a national regulator of business entities, public accountants and corporate service providers in Singapore
"Articles of Association"	the articles of association of the Company as adopted by the Company from time to time
"associate(s)"	has the meaning ascribed thereto under the Main Board Listing Rules
"Board"	the board of Directors
"B2B"	business-to-business
"B2C"	business-to-customer
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Operational Procedures"	the operation procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operations and functions of CCASS, as from time to time in force
"close associate(s)"	has the meaning ascribed to it under the Main Board Listing Rules
"COE"	Certificate of Entitlement (COE) which represents a right to vehicle ownership and use of the limited road space for 10 years. Anyone who wishes to register a new vehicle in Singapore must first obtain a COE in the appropriate vehicle category. At the end of the 10-year COE period, vehicle owners may choose to deregister their vehicle or to revalidate their COEs for another 5 or 10-year period by paying the prevailing quota premium. Vehicle owners are also allowed to deregister their COEs before the expiry of the 10-year period and will receive monetary rebate. COEs are bidded through the COE open bidding system

"Company"	TOMO Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM (stock code: 8463)
"connected person(s)"	has the meaning ascribed to it under the Main Board Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Main Board Listing Rules and the GEM Listing Rules and, in the context of this announcement, means the controlling shareholder(s) of the Company, namely, Ms. Lee, Mr. David Siew and TOMO Ventures
"Customer Group A"	an authorised distributor and dealer of PV listed on the Singapore Exchange Limited, and the largest customer of the Group during the Track Record Period
"Customer Group G"	one of the five largest customers of the Group for the year ended 31 December 2018 and for the nine months ended 30 September 2019
"Director(s)"	the director(s) of the Company
"Disposal"	the sale of in aggregate 107,500,000 shares by TOMO Ventures on 25 January 2018 and 26 January 2018
"ERP"	enterprise resource planning
"Exclusive Supplier(s)"	supplier(s) of the Group who have granted the Group exclusive distributorship rights for their PV electronic accessories in Singapore as at the Latest Practicable Date
"Frost & Sullivan"	Frost & Sullivan International Limited, an industry research consultant and an Independent Third Party
"Frost & Sullivan Report"	the industry report issued by Frost & Sullivan relating to, amongst others, the Singapore PV interior modification market for use in this announcement
"GEM"	GEM of the Stock Exchange
"GEM Listing"	listing of the Shares on GEM on 13 July 2017

"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM as amended, supplemented or otherwise modified from time to time
"Group"	the Company and its subsidiaries from time to time
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	a person(s) or company(ies) who or which is/are independent of and not connected (within the meaning of the Main Board Listing Rules) with any of the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates
"Latest Practicable Date"	6 December 2019, being the latest practicable date for ascertaining certain information in this announcement
"LTA"	the Land Transport Authority in Singapore
"Main Board"	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market), which continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
"Main Board Listing Rules"	the Rules Governing the Listing of Securities on the Main Board as amended, supplemented or otherwise modified from time to time
"Memorandum of Association"	the memorandum of the Company as adopted by the Company from time to time
"Mr. David Siew"	Mr. Siew Yew Khuen, being one of the co-founders of the Group, the chairman and chief executive officer of the Company, an executive Director, one of the Controlling Shareholders and the spouse of Ms. Lee
"Ms. Lee"	Ms. Lee Lai Fong, being one of the co-founders of the Group, an executive Director, one of the Controlling Shareholders and the spouse of Mr. David Siew

"PRC" or "China"	the People's Republic of China and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Premises"	the three adjacent premises, being 60 years leasehold industrial properties commencing from 15 December 2010, located at 8 Kaki Bukit Avenue 4, #02 – 03/04/05 Premier@Kaki Bukit, Singapore 415875 as acquired by the Group in 2018
"Prospectus"	prospectus of the Company dated 30 June 2017
"PV"	passenger vehicle
"S$"	Singapore dollar(s), the lawful currency of Singapore
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) with a nominal value of HK$0.01 each in the share capital of the Company
"Share Option Scheme"	the share option scheme adopted by the Company on 23 June 2017
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder(s)"	has the meaning ascribed to it under the Main Board Listing Rules
"Track Record Period"	collectively, the three financial years ended 31 December 2018 and the nine months ended 30 September 2019
"Transfer of Listing"	the transfer of listing of the Shares from GEM to Main Board
"TOMO-CSE"	TOMO-CSE Autotrim Pte Ltd, a company incorporated in Singapore with limited liability on 27 October 1995, and a wholly-owned subsidiary of the Company as at the date of this announcement

"TOMO Ventures"	TOMO Ventures Limited a company incorporated in the British Virgin Islands with limited liability on 6 January 2017, and beneficially and legally owned as to 51.00% by Ms. Lee and 49.00% by Mr. David Siew as at the date of this announcement and one of the Controlling Shareholders
"US$"	the United States dollar(s), the lawful currency of the United States
"%"	per cent

On behalf of the Board
TOMO HOLDINGS LIMITED
Siew Yew Khuen
Chairman and Chief Executive Officer

Hong Kong, 13 December 2019

As at the date of this announcement, the executive Directors are Mr. Siew Yew Khuen, Ms. Lee Lai Fong, Mr. Siew Yew Wai and Mr. Zha Jianping, and the independent non-executive Directors are Mr. Clarence Tan Kum Wah, Mr. Gary Chan Ka Leung and Mr. Ng Chee Chin.

Unless otherwise required by the context, all data contained in this announcement are as at the Latest Practicable Date. Unless the context otherwise provides, the figures in this announcement are in approximate figures. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Accordingly, figures shown as total in certain tables may not be in an arithmetic aggregate of the figures preceding them.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page on the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the website of the Company at www.thetomogroup.com.

* *For identification purpose only*