

## SUMMARY

*This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to invest in the [REDACTED]. There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in “Risk Factors”. You should read that section carefully before you decide to invest in the [REDACTED].*

## OVERVIEW

Our Group is principally engaged in the passenger vehicle (“PV”) leather upholstery business and electronic accessories business in Singapore. According to the Frost & Sullivan Report, we were the leading PV interior modification service provider in Singapore in 2015 in terms of sales revenue, with a market share of 14.0%. We also ranked first in both the PV leather upholstery and electronic accessories segments in Singapore by sales revenue in 2015. Our total revenue for the years ended 31 December 2015 and 2016 were approximately S\$11.5 million and S\$13.1 million, respectively. Our total gross profit for the years ended 31 December 2015 and 2016 were approximately S\$4.6 million and S\$5.2 million, respectively. We supply a wide range of PV leather upholstery and electronic accessories to authorised PV distributors and dealers, including various subsidiaries of Customer Group A who is one of the leading authorised PV distributors and dealers in Singapore. Revenue from Customer Group A accounted for approximately 79.5% and 78.1% of our total revenue for the years ended 31 December 2015 and 2016, respectively. Please also refer to the sections headed “Risk Factors — A substantial amount of our revenue is derived from sales to Customer Group A, our largest customer during the Track Record Period, and any decrease or loss of business with any of the Largest Customer’s SG Subsidiaries could materially and adversely affect our business, financial condition and results of operations” and “Business — Customers” of this document for further details.

For our leather upholstery business, we supply and install custom-fitted leather upholstery for PV seats. We also provide leather wrapping for other PV interior products such as door panels, head rests and arm rests. For the years ended 31 December 2015 and 2016, revenue generated from our leather upholstery business accounted for approximately 31.1% and 34.3%, respectively of our total revenue.

As for our electronic accessories business, it is divided into two sub-segments, namely (i) navigation and multimedia accessories; and (ii) safety and security accessories. Our navigation and multimedia accessories sub-segment is focused on the supply and installation of products such as navigation systems, head units and in-car entertainment systems, while our safety and security accessories sub-segment is focused on the supply and installation of products that improve driver and passenger safety and security, such as digital video recorders, reverse cameras and parking sensors and security alarm systems. For the years ended 31 December 2015 and 2016, revenue generated from our electronic accessories business accounted for approximately 68.9% and 65.7%, respectively, of our total revenue.

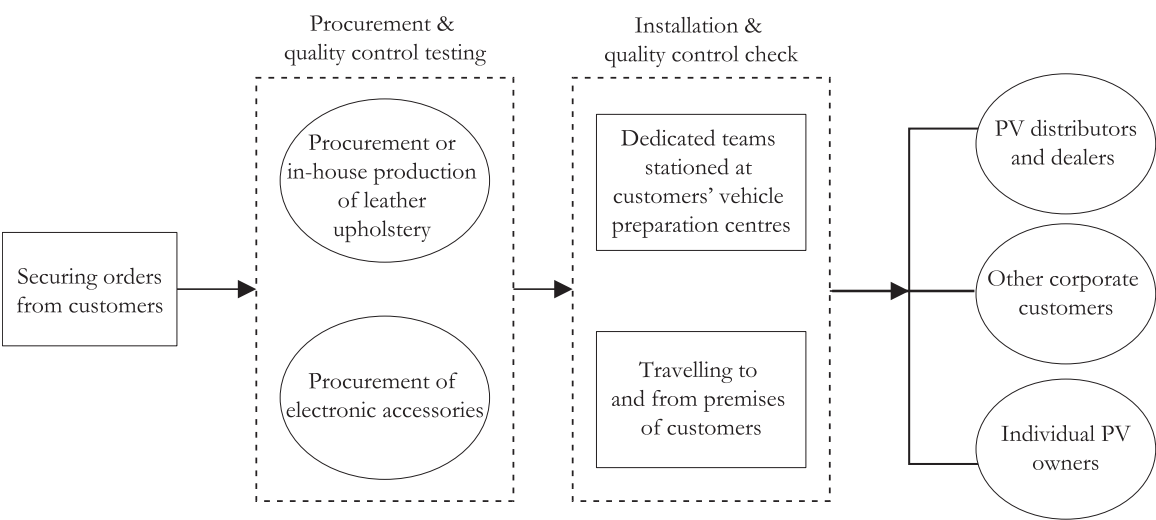
The following table sets forth the revenue of our Group by business segment for the Track Record Period:

	Year ended 31 December			
	2015		2016	
	Revenue		Revenue	
	S\$’000	%	S\$’000	%
<b>Leather upholstery business</b>	3,566	31.1	4,482	34.3
<b>Electronic accessories business</b>				
— Navigation and multimedia	3,784	33.0	3,905	29.8
— Safety and security	4,120	35.9	4,695	35.9
	7,904	68.9	8,600	65.7
<b>Total</b>	11,470	100.0	13,082	100.0

SUMMARY

OUR BUSINESS MODEL

For both our businesses, our customers are typically authorised PV distributors and dealers in Singapore. Our Group’s revenue was derived from the supply and installation service of PV leather upholstery and electronic accessories during the Track Record Period. We provide our installation services both in our workshop and at our customers’ vehicle preparation centres. We recognise our revenue when our installation services have been delivered to and accepted by our customers. According to the Frost & Sullivan Report, there were 34 passenger vehicle distributors and dealers in Singapore in 2015, and 11 of them were our customers during the Track Record Period. The following chart illustrates our business model:



For further details on our business model, please refer to the section entitled “Business — Our Business Model” of this document.

OUR COMPETITIVE STRENGTHS

We believe our competitive strengths include: (i) we are the leading service provider of PV leather upholstery and electronic accessories in Singapore, with an established and proven track record; (ii) we have long standing and well-established relationships with many of our customers and suppliers; (iii) we focus on providing high quality products and services and implement stringent quality control; and (iv) we have an experienced and stable senior management team supported by a team of well-trained technicians. For details, please refer to the section headed “Business — Our Competitive Strengths” of this document.

OUR BUSINESS STRATEGIES

We expect to achieve sustainable growth so as to create long term value for our shareholders and we intend to do so by pursuing the following strategies (i) upgrade existing facilities to continue to grow our business; (ii) acquire new premises to serve as showroom, workshop, and warehouse; (iii) expand our customer base by strengthening sales and marketing efforts; (iv) expand our product offerings; (v) upgrade our information technology system and enhance our overall efficiency; and (vi) recruit and expand our team of technicians and strengthen staff training.

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For details, please refer to the section headed “Business — Our Business Strategies” of this document.

### CUSTOMERS

Our customers for both of our leather upholstery business and electronic accessories business are primarily authorised PV distributors and dealers who engage us for the supply and installation of PV leather upholstery and electronic accessories. For the years ended 31 December 2015 and 2016, revenue generated from our authorised PV distributors and dealer customers amounted to 96.0% and 95.8%, respectively. We occasionally provide PV leather upholstery and electronic accessories to other corporate customers, such as car rental companies, and individual car owners. The revenue generated from these other customers amounted to 4.0% and 4.2% during the same periods, respectively. We have well-established and long term relationships with many of our customers.

For the years ended 31 December 2015 and 2016, revenue generated from our top five customers accounted for approximately 93.9% and 92.1% of our total revenue, respectively, and revenue generated from our largest customer, Customer Group A, accounted for approximately 79.5% and 78.1% of our total revenue during the same periods, respectively. All of our top five customers during the Track Record Period were authorised passenger vehicle distributors and dealers. For details, please refer to the section headed “Business — Customers” of this document.

#### Our largest customer — Customer Group A

Customer Group A is one of the largest authorised PV distributors and dealers in Singapore and listed on the Singapore Exchange Limited. Customer Group A belongs to a multinational diversified business group. In Singapore, Customer Group A is primarily engaged in retail, distribution and after-sales services of a number of brands of motor vehicles. During the Track Record Period, we provided PV leather upholstery and electronic accessories for the pre-delivery passenger vehicles and to the after-sales departments of the Singapore subsidiaries of Customer Group A (the “**Largest Customer’s SG Subsidiaries**”).

As at the Latest Practicable Date, we have been providing products and services for passenger vehicles distributed by each of our Largest Customer’s SG Subsidiaries for periods ranging from ten to 22 years, and have not experienced any material dispute with any of our Largest Customer’s SG Subsidiaries. For further details on our relationship and service arrangement with Customer Group A, please refer to the section headed “Business — Our Largest Customer — Customer Group A” and “Business — Sales Orders and Sales Agreements” of this document.

Despite such customer concentration, our Directors consider that we are not reliant on any single customer and capable of maintaining our sales in the future. For further details on customer concentration, please refer to the section entitled “Business — Customer Concentration” of this document.

### SUPPLIERS

Our suppliers for our leather upholstery business include (i) suppliers of leather hides; and (ii) suppliers of custom-fitted leather upholstery for PV seats. Our suppliers for the navigation and multimedia sub-segment of our electronic accessories business include various suppliers of navigation systems and multimedia players. Our suppliers for the security and safety sub-segment of our electronic

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accessories business include various suppliers of electronic accessories such as, among others, digital video recorders, parking sensors and cameras. Certain of our suppliers grant us exclusive distributorships for their PV electronic accessories in Singapore.

For the years ended 31 December 2015 and 2016, purchases from our top five suppliers of our Group accounted for approximately 73.0% and 82.0% of our total purchases, respectively, and purchases from our largest supplier accounted for approximately 24.7% and 25.3% of our total purchases during the same period, respectively. For details, please refer to the section headed “Business — Suppliers” of this document.

### **Pricing policy and credit terms**

We generally price our PV leather upholstery products taking into consideration of factors such as the type of leather, complexity of design and work, volume and lead time.

As for our PV electronics accessories products, we generally price them taking into consideration of the market availability of comparable products, difficulty and complexity of installation, order volume and lead time. For urgent orders, we may charge a price premium compared to the normal orders.

In accordance with our Group’s credit policy, we generally offer our customers 30 day’s credit terms and payment is made by way of cheques and telegraphic transfers. For our retail customers, being individual passenger vehicle owners, payment is generally made in full on delivery by way of cash or credit card, but we may require deposits for PV leather upholstery products.

### **COMPETITION**

According to the Frost & Sullivan Report, the complex consumer demand and the requirement to have good connections with car dealers, among others, are the major market entry barriers to the PV interior modification industry. Our Directors believe that our competitive strengths, in particular our established and proven track record and our long standing and well-established relationships with many of our customers and suppliers, put our Group in a good position to maintain our position as one of the leading players in the PV interior modification market in Singapore. For details, please refer to the section headed “Industry Overview — Competitive Landscape of Singapore Passenger Vehicle Interior Modification Market” of this document.

### **RISK FACTORS**

Potential investors are advised to read carefully the section entitled “Risk Factors” of this document and, in particular, should evaluate the following risks associated with the investment in our Shares. Some of the more particular risk factors include:

- (i) a substantial amount of our revenue is derived from sales to Customers Group A, our largest customer during the Track Record Period, and any decrease or loss of business with any of the Largest Customer’s SG Subsidiaries could materially and adversely affect our business, financial conditions and results of operations;
- (ii) our business depends on our reputation and our customer services. Any failure to maintain our reputation and our customer services may materially and adversely affect our business, financial conditions and results of operations;

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- (iii) we require a stable supply of technicians and foreign workers for our services; and
- (iv) we depend on our suppliers for the PV leather upholstery and electronic accessories we use in our business operations.

## SUMMARY OF FINANCIAL INFORMATION

The tables below summarise our combined financial information for the two years ended 31 December 2016, and should be read in conjunction with our financial information included in the Accountant’s Report set forth in Appendix I to this document, including the notes thereto.

### Highlight of our combined statements of comprehensive income

	Year ended 31 December	
	2015	2016
	S\$	S\$
<b>Revenue</b>	11,470,263	13,081,710
Cost of sales	(6,864,307)	(7,831,869)
<b>Gross profit</b>	4,605,956	5,249,841
Other income	58,964	60,516
Other losses — net	(93,576)	(80,893)
Selling and distribution expenses	(391,346)	(426,557)
Administrative expenses	(840,452)	(1,154,938)
Finance cost — net	(3,124)	(2,883)
<b>Profit before income tax</b>	3,336,422	3,645,086
Income tax expense	(524,086)	(629,000)
<b>Profit and total comprehensive income for the year attributable to equity holders of the Company</b>	<u>2,812,336</u>	<u>3,016,086</u>

### Gross profit margin and net profit margin

The table below sets forth a breakdown of gross profit and gross profit margin by business segment for the Track Record Period:

	Year ended 31 December					
	2015			2016		
	Gross profit			Gross profit		
	S\$'000	%	margin %	S\$'000	%	margin %
<b>Leather upholstery business</b>	1,089	23.6	30.5	1,331	25.4	29.7
<b>Electronic accessories business</b>						
— Navigation and multimedia	1,390	30.2	36.7	1,419	27.0	36.3
— Safety and security	2,127	46.2	51.6	2,500	47.6	53.3
	3,517	76.4	44.5	3,919	74.6	45.6
<b>Total</b>	<u>4,606</u>	<u>100.0</u>	<u>40.2</u>	<u>5,250</u>	<u>100.0</u>	<u>40.1</u>

Our gross profit was approximately S\$4.6 million and S\$5.2 million for the years ended 31 December 2015 and 2016, respectively. Our gross profit margin was approximately 40.2% and 40.1% for the years ended 31 December 2015 and 2016, respectively. Our safety and security sub-segment

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recorded relatively higher gross profit margin during the Track Record Period as the electronic accessories offered in this sub-segment, in particular the digital video recorders, were widely accepted in the PV market and new models of these accessories could be priced at a more favourable margin.

### Profit for the year

Our Group’s profit for the year ended 31 December 2016 was approximately S\$3.0 million, representing an increase of approximately 7.2% on a year-on-year basis, and was mainly due to the increase in revenue during the year.

### Highlight of certain items of our combined balance sheets

	As at 31 December	
	2015	2016
	S\$	S\$
Non-current assets	1,073,110	1,081,489
Current assets	7,606,379	8,858,712
Current liabilities	1,360,562	1,605,188
Net current assets	6,245,817	7,253,524
Net assets	7,318,927	8,335,013

Our net current assets increased by approximately S\$1.0 million or 16.1% from approximately S\$6.2 million as at 31 December 2015 to approximately S\$7.3 million as at 31 December 2016. This is primarily due to (i) the increase in trade and other receivables of approximately S\$1.0 million; (ii) the increase in cash and cash equivalents of approximately S\$0.7 million received from customers due to the increase of our revenue for the year ended 31 December 2016, partially offset by (iii) the decrease in inventories of approximately S\$0.5 million; and (iv) the increase in trade and other payables of approximately S\$0.3 million.

### Highlight of combined statements of cash flows

	Year ended 31 December	
	2015	2016
	S\$	S\$
Net cash generated from operating activities	3,080,140	3,039,235
Net cash used in investing activities	(108,651)	(173,388)
Net cash used in financing activities	(1,102,102)	(2,156,374)
Net increase in cash and cash equivalents	1,869,387	709,473
Cash and cash equivalents at beginning of the year	2,631,229	4,500,616
Cash and cash equivalents at end of the year	4,500,616	5,210,089

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### Key financial ratios

	As at/Year ended 31 December	
	2015	2016
Current ratio	5.6x	5.5x
Quick ratio	4.8x	5.1x
Gearing ratio	0.01x	—
Debt to equity ratio	Net cash	Net cash
Interest coverage	1,033.3x	1,219.2x
Return on total assets	32.4%	30.3%
Return on equity	38.4%	36.2%
Net profit margin	24.5%	23.1%

For further analysis, please refer to the section headed “Financial Information — Analysis of Key Financial Ratios” of this document.

### [REDACTED]

Our estimated expenses in relation to the [REDACTED] primarily consist of legal and professional fees in relation to the [REDACTED], the commissions together with SFC transaction levy and Stock Exchange trading fee. Assuming the [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the [REDACTED] stated in this document, estimated [REDACTED] in connection with the [REDACTED] are approximately S\$[REDACTED] million, of which approximately S\$[REDACTED] million has been charged to our combined statements of comprehensive income for the year ended 31 December 2016, and approximately S\$[REDACTED] million is expected to be charged to our combined statements of comprehensive income for the year ending 31 December 2017 and approximately S\$[REDACTED] million is expected to be capitalised as deferred expenses and charged against equity upon completion of the [REDACTED] under the relevant accounting standards.

In view of the above, prospective investors should note that the non-recurring expenses in relation to the [REDACTED] will have a material adverse effect on the financial results of our Group for the year ending 31 December 2017. Please also refer to the paragraph headed “Risk Factors — Our financial results for the year ending 31 December 2017 will be affected by certain non-recurring expenses, including the expenses in relation to the [REDACTED]” of this document.

### RECENT DEVELOPMENT

We have continued to focus on strengthening our market position for our PV leather upholstery and electronic accessories business in Singapore. As far as we are aware, our industry remained relatively stable after the Track Record Period and up to the Latest Practicable Date. Since 1 January 2017 and up to the Latest Practicable Date, there was no material adverse change in the general economic and market conditions that had affected or would affect our business operations or financial condition materially and adversely.



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### NO MATERIAL ADVERSE CHANGE

Save as disclosed above and in the section headed “Financial Information — [REDACTED]” of this document, our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since 31 December 2016, being the date to which our latest audited financial statements were prepared and there is no event since 31 December 2016 which would materially affect the information shown in our combined financial statements included in the Accountant’s Report set forth in Appendix I to this document.

### [REDACTED] STATISTICS

	<u>Based on the [REDACTED] of HK\$[REDACTED] per [REDACTED]</u>	<u>Based on the [REDACTED] of HK\$[REDACTED] per [REDACTED]</u>
Market capitalisation at the [REDACTED] (HK\$)	[REDACTED]	[REDACTED]
Unaudited pro forma adjusted combined net tangible assets per Share (HK\$)	[REDACTED]	[REDACTED]

#### Notes:

- (1) The calculation of market capitalisation is based on [REDACTED] Shares expected to be in issue immediately upon completion of the [REDACTED] and the [REDACTED].
- (2) The unaudited pro forma net tangible assets per Share includes adjustments referred to in the paragraph headed “Appendix II Unaudited Pro Forma Financial Information — A. Unaudited Pro Forma Statement of Adjusted Net Tangible Assets” in this document and on the basis of [REDACTED] Shares in issue at the [REDACTED] of HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED] immediately following the completion of the [REDACTED] and the [REDACTED].

### DIVIDENDS AND DIVIDEND POLICY

For the years ended 31 December 2015 and 2016, our Group declared dividends of S\$1.0 million and S\$2.0 million, respectively, out of the distributable profit and all these dividends had been paid as at the Latest Practicable Date. We expect to further declare and pay a special dividend of not more than S\$4.0 million prior to [REDACTED]. The declaration and payment of future dividends will be subject to the discretion of the Board and will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors which the Board deems relevant. Dividends declared and paid in the past should not be regarded as an indication of the dividend policy to be adopted by our Company following the [REDACTED]. We do not have any pre-determined dividend payout ratio. Please refer to the section headed “Financial Information — Dividends and Dividend Policy” of this document for further details.



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### REGULATORY OVERVIEW

As at the Latest Practicable Date, our business operations are subject to specific legislation or regulatory controls other than those generally applicable to companies and businesses incorporated and/or operating in Singapore, in particular, those in relation to vehicle modification, import and export of goods, workplace safety and health, and the employment of foreign manpower. For further details of above-mentioned legislation and regulations, please refer to the section headed “Regulatory Overview” of this document.

### SHAREHOLDERS INFORMATION

Immediately following the completion of the [REDACTED] and the [REDACTED] (without taking into account any Shares which may be issued upon the exercise of options which may be granted under the Share Option Scheme), TOMO Ventures will beneficially own [REDACTED] of the entire issued share capital of our Company. TOMO Ventures is in turn owned as to 51% by Ms. Lee and 49% by Mr. David Siew, the founders of our Group and executive Directors. For the purpose of the GEM Listing Rules, TOMO Ventures, Ms. Lee and Mr. David Siew are our Controlling Shareholders. Mr. David Siew and Ms. Lee are spouses and are parties acting in concert. Please refer to the section headed “History, Reorganisation and Group Structure” of this document for further details.

### RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Our Controlling Shareholders upon [REDACTED] are Ms. Lee, Mr. David Siew and TOMO Ventures, which is owned as to 51% by Ms. Lee and as to 49% by Mr. David Siew. Immediately following the completion of the [REDACTED] and the [REDACTED] (without taking into account any Shares which may be issued upon the exercise of options which may be granted under the Share Option Scheme), TOMO Ventures will beneficially own [REDACTED] of the entire issued share capital of our Company. As at the Latest Practicable Date, Ms. Lee and Mr. David Siew do not control or conduct any business which competes, or is likely to compete, either directly and indirectly, with our business. For further information, please refer to the section headed “Relationship with Controlling Shareholders” of this document.

### FUTURE PLANS AND [REDACTED]

Based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the midpoint of the [REDACTED]), the [REDACTED] of the [REDACTED] after deduction of [REDACTED] fees and estimated expenses payable by us in connection with the [REDACTED] upon [REDACTED], are estimated to be approximately HK\$[REDACTED] million. Our Company currently intends to use the [REDACTED] from the [REDACTED] as follows:

- approximately HK\$[REDACTED] million or [REDACTED]% will be used to finance the upgrade and renovation of our current workshop facilities, acquisition of new machinery and acquisition of new premises;
- approximately HK\$[REDACTED] million or [REDACTED]% will be used to finance advertising, branding and marketing activities for expansion of customer base;

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- approximately HK\$[REDACTED] million or [REDACTED]% will be used to explore new products for our electronic accessories business by sourcing new hardware and software products from our existing suppliers and other active suppliers in the market to expand our product offerings;
- approximately HK\$[REDACTED] million or [REDACTED]% will be used to finance the upgrading of our current information technology system to enhance our overall efficiency; and
- approximately HK\$[REDACTED] million or [REDACTED]% will be used as working capital and funding for other general corporate purposes.

Please refer to the section headed “Future Plans and [REDACTED]” of this document for further details.

### REASONS FOR [REDACTED] IN HONG KONG

Our Group has been contemplating the growth and expansion of our business and accordingly, a [REDACTED] has been considered. Our Company is applying for [REDACTED] in Hong Kong because it has a high level of internationalisation, maturity in the global financial market, with sufficient institutional capital and funds following the companies listed in Hong Kong. Therefore, our Company believes that listed companies in Hong Kong generally have a high liquidity, good exposure to a broad research coverage and investment community, which would facilitate our future fund raising should such need arise. Our Directors believe that the [REDACTED] would help to raise our Group’s brand awareness and publicity on an international level, making our Company’s services known to new potential customers. In addition, our Directors also believe that customers may prefer to do business with a listed company given its reputation, [REDACTED] status, public financial disclosures and general regulatory supervision by relevant regulatory bodies. Please also refer to “Future Plans and Use of [REDACTED]— Reasons for [REDACTED] in Hong Kong” of the document for further details.