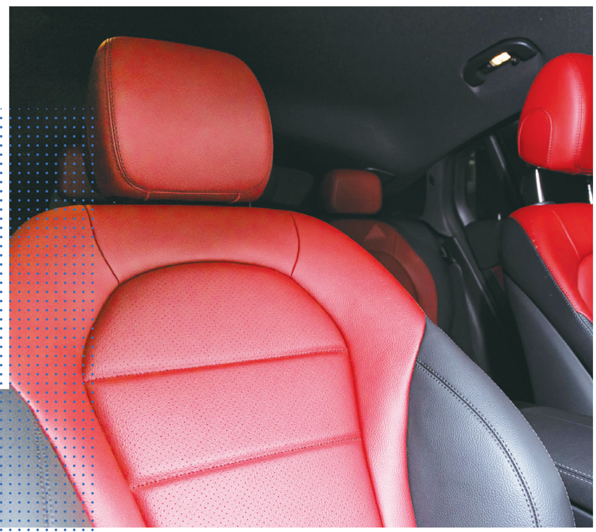
TOMO Holdings Limited

(Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立之有限公司)

Stock Code 股份代號：6928

2020
ANNUAL REPORT
年報



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Siew Yew Khuen
Ms. Lee Lai Fong
Mr. Siew Yew Wai
Mr. Zha Jianping

Independent non-executive Directors

Mr. Clarence Tan Kum Wah
Mr. Gary Chan Ka Leung
Mr. Ng Chee Chin

AUDIT COMMITTEE

Mr. Gary Chan Ka Leung *(Chairman)*
Mr. Clarence Tan Kum Wah
Mr. Ng Chee Chin

NOMINATION COMMITTEE

Mr. Clarence Tan Kum Wah *(Chairman)*
Mr. Gary Chan Ka Leung
Mr. Siew Yew Wai

REMUNERATION COMMITTEE

Mr. Ng Chee Chin *(Chairman)*
Ms. Lee Lai Fong
Mr. Siew Yew Khuen

CORPORATE GOVERNANCE COMMITTEE

Ms. Lee Lai Fong *(Chairlady)*
Mr. Siew Yew Khuen
Mr. Siew Yew Wai

COMPLIANCE OFFICER

Ms. Lee Lai Fong

COMPANY SECRETARY

Mr. Man Yun Wah *ACG, ACS*

AUTHORISED REPRESENTATIVES

Mr. Siew Yew Khuen
Mr. Man Yun Wah, *ACG, ACS*

AUDITOR

Baker Tilly TFW LLP
Certified Public Accountants
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778

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Grand Cayman KY1-1111
Cayman Islands

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Singapore 486132

PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

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Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

DBS Bank Limited
12 Marina Boulevard, Level 43
DBS Asia Central
Marina Bay Financial Centre Tower 3
Singapore 018982

DBS Bank (Hong Kong) Limited
11/F, The Center
99 Queen's Road Central
Hong Kong

COMPANY'S WEBSITE

www.thetomogroup.com

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

STOCK CODE

6928

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of TOMO Holdings Limited (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2020.

Singapore marked its worst ever recession in 2020 due to the COVID-19 pandemic. The Group experienced challenging business operation condition, severely impacted by the pandemic, lockdowns, safe management measures and temporary closure of the Group's businesses.

The Group attained a revenue of approximately S$6,185,000 for the year ended 31 December 2020, a decrease from S$16,487,000 Profit attributable to shareholders decreased to approximately S$173,000 for the year ended 31 December 2020 as compared to approximately S$3,761,000 for the year ended 31 December 2019 after excluding the Transfer of Listing expenses. This is primarily due to i) decrease in the revenue from passenger vehicle leather segment of approximately 64.6%; ii) decrease in the revenue from passenger vehicle accessories segment of approximately 61.8%; iii) lower gross profit margins as a result of reduced selling price; iv) fair value loss on investment properties in 2020; and v) lower finance income during the year ended 31 December 2020.

Economic recovery will be gradual, surrounded by geopolitical volatility and trade tensions. Both business and consumer sentiment are expected to remain weak. Decreasing sales of newly registered passenger vehicles in Singapore is further driven by tightening of Certificate of Entitlement ("COE") quota. The Group's current performance may be significantly impacted.

Nonetheless, the Group will endeavour to adopt appropriate business strategies, leveraging its market position as the market leader in Singapore. The Group will remain focused in its business objectives. We will continue to provide our customers with innovative products and excellent service.

The Board would like to take this opportunity to express its gratitude to all shareholders, customers, suppliers and business partners of for their continuous support. I would also like to thank the management team and staff for their commitment and dedication during this tough period.

Siew Yew Khuen, David
Chairman and Chief Executive Officer
TOMO Holdings Limited

Hong Kong, 24 March 2021

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the (i) supply and installation of passenger vehicle leather upholstery and electronic accessories; and (ii) sales of electronic accessories. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 13 July 2017 (the "Listing Date") and were transferred to be listed on the Main Board of the Stock Exchange on 23 December 2019.

According to the numbers released by the Land Transport Authority of Singapore, the total number of newly registered passenger vehicles in Singapore for the year ended 31 December 2020 (the "Current year") had decreased by approximately 28,000 units or 38.9% from approximately 72,000 units for the year ended 31 December 2019 (the "Corresponding Year"). Certificate of Entitlement ("COE") bidding exercises in Singapore were suspended on April 2020 when Singapore entered its circuit breaker on 7 April 2020. It was later resumed on 8 July 2020. There was no sales of new vehicles during the lock down of non-essential services.

For the year ended 31 December 2020, the Group's revenue decreased by approximately 62.5%, the gross profit decreased by approximately 71.7% and profit attributable to shareholders decreased by approximately 95.4% after excluding the Transfer of Listing expenses in 2019. It was mainly due to a decrease in sales of newly registered passenger vehicles in Singapore and temporary closure of our business operation from 7 April 2020 to 1 June 2020 (both days inclusive) as a result of the circuit breaker measures imposed by the Government of Singapore in response to the COVID-19 pandemic.

BUSINESS PROGRESS

Below is the business progress of the Group up to 31 December 2020.

Upgrade existing facilities, acquire new machinery and premises

- The Group had acquired the heavy duty shelving for PV electronic accessories and leather upholstery.
- The Group had acquired new premises for showroom and workshop in 2018. However, the Group had extended the lease agreement entered by the previous landlord with a tenant expiring in October 2022. We have setup the product display booths within our customers' workshops and service centres. With the current market situation, we are in opinion to defer the renovation of the newly purchased properties as showroom and workshop.
- The Group had appointed a Consultant for the renovation of existing showroom. The Group had upgraded the existing PV leather upholstery work bay.
- The Group had acquired new premise for warehouse in 2018. However, the Group had extended the lease agreement entered by the previous landlord with a tenant expiring in October 2022. With the current market situation, we are in opinion to defer the renovation of the newly purchased property as warehouse. We will renovate the existing warehouse by end of 2021.
- The Group had implemented the logistics management.

MANAGEMENT DISCUSSION AND ANALYSIS

Strengthen our sales and marketing efforts

- The Group is actively engaging with Consultant to enhances and improves awareness of our brand.
- The Group is actively engaging with existing and potential customers to promote the products and services and building up a long-term relationship.
- The Group is actively engaging with Consultant to enhances and improves of awareness of our brand and showcase our products.
- The Group is actively engaging with Consultant to enhances and improves of our website content and product brochures to our customers.
- The e-commerce platform is launched in October 2020.

Upgrade and integrate of our information technology system

- The Group had upgraded the existing servers, implemented a new ERP system electronic documentation and cloud back up storage.
- The Group had migrated the accounting record to new ERP System, implemented the automated payroll system and point of sale system and fixed assets management system.
- The Group had implemented the mobile job order system and warehouse and inventory tracking system.

PROSPECTS

Going forward, we expect to face even greater headwinds. We will witness vast geopolitical uncertainty and tensions, barriers to free trade punishing businesses with global supply chains, and the COVID-19 virus continuing to ravage across continents.

However, our business is resilient. We have weathered storms before, and we will weather them again. We are confident that with the appropriate measures, we will come out of this difficult time even stronger, finding opportunities for us to sow the seeds for future success.

The Directors and management of the Company will remain focused in our business objectives. We will continue to provide our customers with innovative products and excellent service. We are confident of making good progress with our marketing strategy and will strive to deliver better operating performance.

FINANCIAL REVIEW

In S$ ('000)	For the year ended 31 December **2020**	2019	Change
Revenue	**6,185**	16,487	(62.5%)
Gross profit	**1,859**	6,580	(71.7%)
Gross profit margin	**30.1%**	39.9%	(24.6%)
Profit for the year	**173**	2,239	(92.3%)
Profit for the year excluding Transfer of Listing expenses	**173**	3,761	(95.4%)

Revenue

The total revenue of the Group for the Current Year was approximately S$6,185,000 as compared to approximately S$16,487,000 for the Corresponding Year, representing a decrease of approximately 62.5%. Such a decrease was attributable to the decrease in the demand of leather upholstery, navigation and multimedia accessories and safety and security accessories of approximately 64.6%, 84.3% and 50.2% respectively.

Gross profit

As a result of the decrease in sales and temporarily closure of our business during the Current Year, the Group's gross profit fell by approximately S$4,721,000 or 71.7% from approximately S$6,580,000 for the Corresponding Year to approximately S$1,859,000 for the Current Year. Despite the economic slowdown, the Group was still able to achieve its gross profit margin to approximately 30.1% for the Current Year, as compared to profit margins of approximately 39.9% for the Corresponding Year. This was mainly due to lower selling prices and offset by the reduction of warranty costs.

Other income

Other income of the Group increased by approximately S$278,000 from approximately S$160,000 for Corresponding Year to approximately S$438,000 for the Current Year. Such increase was mainly relating to Singapore government COVID-19 Support Grants such as Jobs Support Scheme, Foreign Worker Levy Rebate, Rental Relief Framework and offset by lower rental income from the investment properties.

Other losses — net

Other losses — net increased by approximately S$129,000 from approximately S$38,000 of net losses for the Corresponding Year to approximately S$167,000 of net losses for the Current Year. Other losses mainly represent foreign exchange losses resulting 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 and fair value loss on investment properties.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately S$65,000 from approximately S$443,000 for the Corresponding Year to approximately S$378,000 for the Current Year. The decrease of the costs was mainly attributable to lower employee benefit costs and business traveling expenses.

Administrative expenses

Administrative expenses decreased by approximately S$1,798,000 from approximately S$3,337,000 for the Corresponding Year to S$1,539,000 for the Current Year. The decrease of administrative expenses was mainly due to one-off Transfer Listing expenses of approximately S$1,522,000 in 2019 and lower statutory expenses, depreciation of property, plant and equipment, director fees and employee benefit costs.

Profit for the year

The Group reported profit was approximately S$173,000 for the Current Year. The profit decreased by approximately S$2,066,000, or 92.3% from approximately S$2,239,000 for the Corresponding Year. By excluding the Transfer Listing expenses, the Group's net profit for the Corresponding Year would be approximately S$3,761,000.

PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT

The Group is subject to a number of risks in the Group's business and the Group believes that risk management is important to the Group's success. Key business risks include, among others, the decrease or loss of business with our largest customer, maintaining of our reputation and customer services, stable supply of technicians and foreign workers for our services, reliance on suppliers for the PV leather upholstery and electronic accessories, and single market business strategy. Our revenue substantially derived from sales to our largest customer and any decrease or loss of business with any Singapore subsidiaries of the largest customer and failure to maintain reputation and customer services could materially and adversely affect our business, financial conditions and results of operations. We also highly rely on a single market in developing our business and our business may be materially affected by the limitation on COE availability.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The capital of the Group comprises ordinary shares only.

As at 31 December 2020, the Group had net current assets of approximately S$21,547,000 (2019: S$21,147,000) including cash and bank balances of approximately S$20,639,000 (2019: S$19,536,000). The current ratio, being the ratio of current assets to current liabilities, was approximately 18.7 times as at 31 December 2020 (2019: 9.7 times). The increase in the current ratio was mainly due to the higher cash and bank balances and lower trade and other payables and income tax payable as at 31 December 2020 compared to 31 December 2019.

The Group's operations were financed principally by revenues generated from business operations and available cash and bank balances. The Group did not have any debt as at 31 December 2020 (2019: NIL). There was no borrowing cost incurred during the Current Year (2019: NIL), hence no gearing ratio of the Group was presented.

USE OF PROCEEDS

The net proceeds from the Share Offer were approximately S$10,300,000 after deducting the Listing related expenses. These proceeds were intended to be applied in the manner as described in the section headed "Future Plans and Use of Proceeds" in the Prospectus. Referring to an announcement of the Company dated 19 March 2021, the Board has resolved to update the use of the remaining proceeds from the Listing.

The outbreak of COVID-19 has been rapidly evolving globally and has significantly impacted the global economic. In light of these uncertainties and the market conditions, the Group's operation and financial performance may be materially and adversely affected. Accordingly, the Group needs to adopt a more effective policy to maintain its existing business operations and cash flow liquidity.

The Board believes that the reallocation of the unutilised net proceeds will enable a better utilisation of the net proceeds as this will provide higher level of flexibility for the Group to manage its asset and liability against the current unstable business environment and is favourable to the Group's long term business development. The Board will continue to assess the impact of the COVID-19 pandemic and the economic trend of Singapore on the operations of the Group.

An analysis of the amount utilised up to 31 December 2020 is set out as follow:

	Planned use of net proceeds from the Listing Date to 31 December 2020 S$'000	Actual utilised amount up to 31 December 2020 S$'000	Unutilised net proceeds as at 31 December 2020 S$'000	Revised allocation of unutilised net proceeds S$'000	Updated expected timeline of full utilisation of the balance
Upgrade existing facilities, acquire new machinery and premises	5,160	4,160	1,000	1,000	End of 2022
Strengthen our sales and marketing efforts	1,760	1,010	750	750	End of 2022
Expand our product offerings	1,430	1,430	–	–	–
Upgrade and integrate of our information technology system	920	350	570	–	–
Working capital and general corporate use	1,030	1,030	–	570	End of 2022
	10,300	7,980	2,320	2,320	

The remaining net proceeds as at 31 December 2020 had been placed in deposit in bank in Singapore.

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

EMPLOYEE INFORMATION

As at 31 December 2020, the Group had 47 employees (2019: 57), comprising of 4 executive Directors (2019: 4), 2 senior managements (2019: 2), 6 administrative employees (2019: 9) and 35 technicians (2019: 42).

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

Total staff costs, including directors' emolument, amounted to approximately S$2,475,000 for the year ended 31 December 2020 (2019: S$2,939,000).

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

There was no material acquisition or disposal of subsidiaries and affiliated companies during the Current Year.

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2020, leasehold properties with carrying values totalling S$502,711 (2019: S$545,285) were pledged to secure the Group's banking facilities.

FOREIGN EXCHANGE EXPOSURE

The turnover and business costs of the Group were principally denominated in Singapore dollars. The Group has exposure to foreign exchange risk as a result of purchases that are denominated in currencies other than Singapore Dollar ("S$") and recognised assets and liabilities denominated in currencies other than S$. The foreign currencies giving rise to this risk are primarily the Hong Kong Dollar ("HK$"), the United States Dollar ("US$") and Malaysia Ringgit ("MYR"). As at 31 December 2020, if the foreign currencies had weakened or strengthened by 10% against the S$ with all other variables held constant, post-tax profit for the Current Year would have been S$70,000 (2019: S$86,000) lower/higher, as a result of foreign exchange losses/gains on translation of HK$ denominated cash and bank balances (2019: foreign exchange losses/gains on translation of HK$ denominated cash and bank balances).

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the Current Year, there was no significant investment held by the Group.

CONTINGENT LIABILITIES

No material contingent liability had come to the attention of the Directors in the Current Year.

DIVIDEND

The Board does not recommend the payment of a final dividend for the Current Year (2019: Nil).

EVENT AFTER THE REPORTING PERIOD

Up to the date of this report, no significant event relevant to the business or financial performance of the Group came to the attention of the Directors after the Current Year.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Siew Yew Khuen (蕭耀權先生) ("Mr. David Siew"), aged 64, is a co-founder of our Group, the spouse of Ms. Lee Lai Fong, an executive Director, and the brother of Mr. Siew Yew Wai, an executive Director. He was appointed as a Director on 16 January 2017 and re-designated as a chairman, executive Director and chief executive officer of our 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 our Group including sales/marketing, product planning/development, merchandising, strategic planning, corporate policies and new business initiative.

Mr. David Siew is an entrepreneur with over 39 years of start-up and business operational experience, including experience in the supply, manufacture and installation of passenger vehicle leather upholstery, as well as supply and installation of electronic accessories. Under his leadership, our Group has been providing passenger vehicle interior modification services, 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 ("Tomo GC") which principally supplied passenger vehicle accessories products and provided installation services in later years. In 1986, he co-founded Eurostyle Autotrim Pte. Ltd. ("Eurostyle Auto") with Ms. Lee to supply passenger vehicle accessories to authorised passenger vehicle distributors and dealers in Singapore. In 1990, he co-founded Tomo Auto Leather (S) Pte Ltd ("Tomo Leather") to supply leather upholstery products and installation services to authorised passenger vehicle 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 passenger vehicle distributors and dealers in Singapore. In October 1995, Mr. David Siew and Ms. Lee co-founded TOMO-CSE to supply and install passenger vehicle leather upholstery and electronic accessories for the Singapore market. In 1996, Mr. David Siew sold his interest in Tomo Leather and in 2001, both Tomo GC and Eurostyle Auto were voluntarily dissolved as Mr. David Siew decided to focus on the business operations of TOMO-CSE to carry-on the business in supplying passenger vehicle leather upholstery and electronic accessories.

Ms. Lee Lai Fong (李麗芳女士) ("Ms. Lee"), aged 61, is a co-founder of our Group, the spouse of Mr. Siew Yew Khuen, an executive Director, and the sister-in-law of Mr. Siew Yew Wai, an executive Director. She was appointed as a Director on 16 January 2017 and re-designated as an executive Director of our Company on 8 March 2017. She is currently the director of finance and administration at TOMO-CSE, where she is responsible for finance, treasury and administration matters of our Group. Ms. Lee is an entrepreneur with over 33 years of start-up and business operational experience, including in the manufacture, supply and installation of passenger vehicle leather upholstery and electronic accessories.

In 1980, Ms. Lee joined Tomo GC as a senior manager. In 1986, she co-founded Eurostyle Auto with Mr. David Siew to supply passenger vehicle accessories to major car dealers in Singapore. In October 1995, Ms. Lee and Mr. David Siew co-founded TOMO-CSE to supply and install passenger vehicle leather upholstery and electronic accessories to the Singapore market.

Mr. Siew Yew Wai (蕭耀威先生) ("Mr. Richard Siew"), aged 58, was appointed as a Director on 16 January 2017 and re-designated as an executive Director of our Company on 8 March 2017. Mr. Richard Siew is currently the director of sales and marketing at TOMO-CSE. Mr. Richard Siew is the brother of Mr. Siew Yew Khuen, an executive Director, and a brother-in-law of Ms. Lee Lai Fung, an executive Director.

Mr. Richard Siew started his career in June 1987 at NCS Pte. Ltd. ("NCS"), 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, he 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 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, he joined the Group to assist Mr. David Siew to further expand our Group's businesses.

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

Mr. Zha Jianping (查劍平先生) ("Mr. Zha"), aged 50, was appointed as an executive Director on 01 April 2018. Mr. Zha obtained a bachelor's degree in economics majoring in accounting from the Shanghai University of Finance and Economics in the People's Republic of China (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.

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.

DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Clarence Tan Kum Wah (陳錦華先生) ("Mr. Clarence Tan"), aged 54, has been appointed as an independent non-executive Director on 23 June 2017. Since January 2016, he has been a non-executive director of GlobalRoam Group Ltd ("GlobalRoam", together with its subsidiaries "GR Group"), a group that primarily provides integrated communications technology to the telecommunication companies in the Southeast Asian region. GlobalRoam was the first company in Singapore to be traded on the over-the-counter exchange managed by Phillips Securities Pte. Ltd. In 2007. Mr. Clarence Tan founded GR Group 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. Clarence 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. Clarence 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. Clarence 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. Clarence 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 Community 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 ("SAF"). Mr. Clarence 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 SAF.

Mr. Clarence Tan obtained a bachelor of science degree in information technology from the University of Southern Queensland 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 October 2004.

Mr. Gary Chan Ka Leung (陳嘉樑先生) ("Mr. Gary Chan"), aged 48, was appointed as an independent non-executive Director on 23 June 2017. 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. Gary Chan is a seasoned finance executive and an entrepreneur. He 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, he 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. Gary 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. He has assisted in the company's successful application of the stored value facility license with the Hong Kong Monetary Authority ("HKMA"), with the license being granted in August 2016. During the process, Mr. Gary Chan had overseen the process of fulfilling all the necessary business requirements set out by the HKMA including internal controls and placement of its senior management team.

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

Mr. Gary Chan started his career with KPMG in Toronto, Canada in 1998 under that firm's real estate practice. In January 2001, he 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. Gary 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. Gary 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. He obtained his Chartered Accountant designation in Canada in 2000.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Ng Chee Chin (黃志鈞先生) ("Mr. Ng"), aged 40, was appointed as an independent non-executive Director on 1 June 2019.

Mr. Ng has more than 18 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 3,000, 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. 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), all in 2016.

SENIOR MANAGEMENT

Mr. Ong Kim Hoi (王金海先生) ("Mr. Ong"), aged 45, has been the business development manager of our 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 our Group introduces them to the market. He assists the marketing team to study and evaluate our 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 our 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 SingTel Group, as Account Manager, Corporate Sales; 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 & Marketing Manager, responsible for business and accounts development.

Mr. Ong obtained a diploma in Information Technologies from the Temasek Polytechnic in Singapore in December 1998.

Mr. Alan Hoh Chan Ming (何贊明先生) ("Mr. Alan Hoh"), aged 34, joined our Group in December 2016 as Group Financial Controller and is responsible for financial planning & control, accounting operations and internal control systems of our Group. Prior to joining our Group, Mr. Alan Hoh was the Group Finance Manager at Sincap Group Limited, a company listed on the Singapore Stock Exchange (SGX:5UN), engaged in the mineral trading and logistics 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 on auditing and accountancy procedures. Between November 2015 and October 2016, Mr. Alan Hoh was the Group Finance Manager at Sinopipe Holdings Limited, a company listed on the Singapore Stock Exchange (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.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Board is responsible for overseeing and managing the overall risks associated with the business of the Group and promoting the success of the group by the direction and supervision of the Group's business and affairs. The Board is also responsible for formulating the overall strategies and day to day management of the Group by delegating to the management team with appropriate authority and responsibility.

The Company has adopted the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the "Listing Rules"). Save as disclosed in this report, the Directors consider that during the year ended 31 December 2020, the Company had complied with all the code provisions (the "Code Provision") as set under the CG Code.

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in the Model Code for Securities transactions by Directors of listed Issuers as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all the Directors, all the Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the year ended 31 December 2020.

BOARD OF DIRECTORS

Board Composition

The composition of the Board for the year ended 31 December 2020 and up to the date of this report were:

Executive Directors:

Mr. Siew Yew Khuen *(Chairman and Chief Executive Officer)*
Ms. Lee Lai Fong *(Compliance Officer)*
Mr. Siew Yew Wai
Mr. Zha Jianping

Independent non-executive Directors:

Mr. Clarence Tan Kum Wah
Mr. Gary Chan Ka Leung
Mr. Ng Chee Chin

The Board had complied with the Rule 3.10 of the Listing Rules to have at least three independent non-executive Directors and at least one independent non-executive Director has appropriate professional qualifications or accounting or related financial management expertise.

Each of the independent non-executive Directors has made an annual confirmation of independent pursuant to Rule 3.13 of the Listing Rules. The Board considers that all independent non-executive Directors to be independent to the Company and meet the requirements set out in Rules 3.13 of the Listing Rules at the date of this report.

Under Code Provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Siew Yew Khuen currently holds both positions. Throughout our business history, Mr. Siew Yew Khuen, as a co-founder and Controlling Shareholder of the Group, has held the key leadership position of the Group and has been deeply involved in the formulation of corporate strategies and management of the business and operations of the Group. Taking into account the consistent leadership within the Group and in order to enable more effective and efficient overall strategic planning and continuation of the implementation of such plans, the Directors, including the independent non-executive Directors, consider that Mr. Siew Yew Khuen is the best candidate for both positions and the present arrangements are beneficial and in the interests of the Group and the shareholders of the Company as a whole.

The Company has arranged appropriate insurance cover in respect of legal action against the Directors.

Each executive Director has entered into a service contracts with the Company for an initial term of three years with effect from the Listing Date and shall continue thereafter unless and until it is terminated by the Company or the Director giving to the other not less than three months' prior notice in writing.

Each independent non-executive Director has entered into a letter of appointment with the Company for an initial term of one year commencing from their respective date of appointment and shall continue thereafter unless terminated by the Company or the Director giving at least one month's notice in writing.

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors so to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Each of the Directors is aware of his or her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit of and in the best interests of the Company and does not allow any conflict between his or her duties as a Director and his or her personal interest. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between the Group and the Directors or their respective close associates, the interested Director(s) will abstain from voting at the relevant Board meetings of the Company in respect of such transactions and will not be counted in the quorum.

To enable the Board to fulfil its responsibilities, the Management strives to provide Board members with adequate and timely information for Board and Board Committee meetings on an on-going basis. The Board and Board Committee papers are prepared for each meeting and are disseminated to the members at least 3 days before the meetings. The Board and Board committee papers include financial, business and corporate matters of the Group so as to enable the Directors to be properly briefed on matters to be considered at the Board and Board committee meetings and to make informed decisions. Directors are given separate and independent access to the Group's Management and company secretary to address any enquiries.

CORPORATE GOVERNANCE REPORT

Directors' Attendance Records

During the year ended 31 December 2020, 4 regular Board meetings were held for, among other things, reviewing and approving the financial and operating performance, and reviewing and approving the interim and annual results of the Group.

The attendance records of each Director at the Board meetings for the year ended 31 December 2020 are set out below:

Name of Director	Attendance/ Number of Board meetings held
Executive Directors	
Mr. Siew Yew Khuen	4/4
Ms. Lee Lai Fong	4/4
Mr. Siew Yew Wai	4/4
Mr. Zha Jianping	4/4
Independent non-executive Directors	
Mr. Clarence Tan Kum Wah	4/4
Mr. Gary Chan Ka Leung	4/4
Mr. Ng Chee Chin	4/4

There is no alternate director.

The Chairman also held a meeting with the independent non-executive Directors without the presence of other Directors during the year ended 31 December 2020.

Notice of regular Board meetings is served to all the Directors at least 14 days before the meeting. For other Board and committee meetings, reasonable notice is generally given. Board papers together with all appropriate, complete and reliable information are sent to all the Directors at least 3 days before each Board meeting or committee meeting to enable the Directors to make informed decisions. Each Director is able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The company secretary is responsible for taking and keeping minutes of all board meetings and committee meetings. Draft minutes which record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed are normally circulated to directors for comments within a reasonable time after each meeting and final versions are open for directors' inspection.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the Code Provision D.3.1 of the CG Code. The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and written employee guidelines, and the Company's compliance with the CG Code and disclosure in this corporate governance report.

Directors' Training

Pursuant to Code Provision A.6.5, all the Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. The Company has provided information related to the changes in the Listing Rules. The Company will continuously update the Directors on the latest developments to the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance the Directors' awareness of good governance practice.

BOARD COMMITTEES

The Board has established four committees, namely the audit committee (the "Audit Committee"), remuneration committee (the "Remuneration Committee"), nomination committee (the "Nomination Committee") and corporate governance committee (the "Corporate Governance Committee"). Each committee has its own written terms of reference and is provided sufficient resources and empowered to function within its own terms of reference. The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee can be found on the websites of the Stock Exchange and the Company respectively.

Audit Committee

The Company has established the Audit Committee on 23 June 2017 with written terms of reference in compliance with Code Provision C.3.4. The Audit Committee comprises three independent non-executive Directors, namely Mr. Gary Chan Ka Leung, Mr. Clarence Tan Kum Wah and Mr. Ng Chee Chin. Mr. Gary Chan Ka Leung has been appointed to serve as the chairman of the Audit Committee. The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and information and provide advice in respect of financial reporting and oversee the internal control procedures of the Company.

The Audit Committee held 3 meetings during the year ended 31 December 2020 for the purposes of, among other things, considering and approving the annual financial results for the year ended 31 December 2019, the interim financial results for the six months ended 30 June 2020 and change of auditors of the Company, respectively. The details of attendance are set out below:

Audit Committee Members	Attendance/ Number of meetings held
Mr. Gary Chan Ka Leung	3/3
Mr. Clarence Tan Kum Wah	3/3
Mr. Ng Chee Chin	3/3

Nomination Committee

The Company has established the Nomination Committee on 23 June 2017. The Nomination Committee comprises one executive Director and two independent non-executive Directors, namely Mr. Siew Yew Wai, Mr. Clarence Tan Kum Wah and Mr. Gary Chan Ka Leung. Mr. Clarence Tan Kum Wah has been appointed as the chairman of the Nomination Committee. The Nomination Committee has written terms of reference in compliance with the CG Code. The primary functions of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations to the Board on any proposed changes to the Board to complement the Company's corporate strategy; identify individuals suitably qualified as potential Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; assess the independence of the independent non-executive Directors; and make recommendations to the Board on the appointment or reappointment of the Directors and succession planning of Directors, in particular that of the chairman and the chief executive officer.

Where necessary, the Nomination Committee can seek independent professional advice, at the Company's expense, to perform its responsibilities.

The Nomination Committee held 1 meeting during the year ended 31 December 2020 for the purposes of, among others, reviewing the composition of the Board, considering any changes in the Directors and senior management of the Company and the making recommendations to the Board for approval. The details of attendance are set out below:

Nomination Committee Members	Attendance/ Number of meetings held
Mr. Clarence Tan Kum Wah	1/1
Mr. Gary Chan Ka Leung	1/1
Mr. Siew Yew Wai	1/1

Remuneration Committee

The Company has established the Remuneration Committee on 23 June 2017 with written terms of reference in compliance with Code Provision B.1.3. The Remuneration Committee comprises two executive Directors and one independent non-executive Director, namely Mr. Siew Yew Khuen, Ms. Lee Lai Fong and Mr. Ng Chee Chin. Mr. Ng Chee Chin has been appointed as the chairman of the Remuneration Committee. The primary functions of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; to review and approve the management's performance-based remuneration proposals with reference to the Board's corporate goals and objectives from time to time; to make recommendations to the Board on the remuneration packages of all individual executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board on the remuneration of non-executive directors. The Remuneration Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, and employment conditions elsewhere in the Group and desirability of performance-based remuneration; and to ensure that no director or any of his associates is involved in deciding his own remuneration.

The Remuneration Committee held 1 meeting during the year ended 31 December 2020 for the purposes of, among others, considering the remuneration package and benefits of the executive Directors and making recommendations to the Board for approval. The details of attendance are set out below:

Remuneration Committee Members	Attendance/ Number of meetings held
Mr. Ng Chee Chin	1/1
Mr. Siew Yew Khuen	1/1
Ms. Lee Lai Fong	1/1

Corporate Governance Committee

The Company has established the Corporate Governance Committee on 23 June 2017 with written terms of reference in compliance with the CG Code. The Corporate Governance Committee comprises of three executive Directors, namely Mr. Siew Yew Khuen, Ms. Lee Lai Fong and Mr. Siew Yew Wai. Ms. Lee Lai Fong has been appointed as the chairlady of the Corporate Governance Committee. The primary functions of the Corporate Governance Committee are to keep the effectiveness of the corporate governance and system of internal controls of the Group. The Corporate Governance Committee shall introduce and propose relevant principles concerning corporate governance and to review and determine the corporate governance policy, so as to enhance and to ensure a high standard of corporate governance practices in the Group.

ACCOUNTABILITY AND AUDIT

The Board acknowledges its responsibility for on a going concern basis preparing financial statements for each financial year giving a true and fair view of the state of affairs of the Group. The responsibility of the Company's auditor, Baker Tilly TFW LLP ("Baker Tilly") is set out in the section headed "Independent Auditor's Report" of this report.

Risk Management and Internal Control

The Board is responsible for overseeing and managing the overall risks associated with the business of the Group. The risk management plan of the Group is implemented in accordance with the Workplace Safety and Health (Risk Management) Regulation, which includes risks assessment and risks prevention at the workshop of the Group, and to ensure safety measures and policies are in place.

The Company has also established the Audit Committee for reviewing and supervising the financial reporting process and internal control system of the Group.

The Group has established internal control systems covering corporate governance, financial reporting, revenue, expenditure management, human resources, treasury and general computer controls. The Board had reviewed the effectiveness of the internal control and risk management systems of the Group to ensure that a sound system is maintained and operated by the management in compliance with the agreed procedures and standards. The review covered all material controls, including financial, operational and compliance controls, risk management functions, the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting, internal audit and financial reporting functions. The Directors believe that the current internal control system is appropriate for the business operations. The Board will regularly review the administration and the adequacy of the internal system and develop and revise the internal control system to cater for expansion of the Group.

CORPORATE GOVERNANCE REPORT

The Directors are aware of the requirements under the applicable regulations, Part XIVA of the Securities and Futures Ordinance and the Listing Rules for the handling and dissemination of inside information. All the inside information identified by the Directors shall be published and disclosed to the public in a timely manner through the Company's publications and communications, unless the information falls within safe harbours as prescribed in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Compliance Officer

Ms. Lee Lai Fong has been appointed as the compliance officer of our Company. Her biographical details are set out in section headed "Directors and Senior Management" in this report.

Company Secretary

Mr. Man Yun Wah has been nominated by In.Corp Corporate Services (HK) Limited (formerly known as RHT Corporate Advisory (HK) Limited) to act as the company secretary of the Company since 1 February 2017, who has complied with the requirements of Rule 3.29 of the Listing Rules. He has been contacting with the Board directly in respect of company secretarial matters.

All the Directors have access to the advice and services of the company secretary on corporate governance and Board practice and matters.

Auditor's Remuneration

The remuneration paid to the auditor of the Company, Baker Tilly, for audit services and non-audit service amounted to approximately S$80,000 and S$Nil, respectively for the Current Year.

There was no non-audit service provided by Baker Tilly to the Company during the Current Year.

COMMUNICATION WITH SHAREHOLDERS

The Company strives for maintaining effective and on-going communication with and timely disclosing useful information to the shareholders and potential investors of the Company. The Directors hold annual general meeting yearly to meet the shareholders of the Company, and publish and distribute annual and interim reports for providing updated financial performance and business developments of the Company to the shareholders of the Company.

Code Provision E.1.3 of the CG Code stipulates that the issuer should arrange for the notice to Shareholders to be sent in the case of the annual general meeting at least 20 clear business days before the meeting and in the case of all other general meetings at least 10 clear business days before the meeting. The Company has been in compliance with such code provision.

SHAREHOLDERS' RIGHTS

Convening extraordinary general meeting

Pursuant to the Company's articles of association, the Board may whenever it thinks fit call extraordinary general meetings. Any one or more shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Right to Put Forward Proposals at General Meetings

There is no provision for shareholders to propose resolutions at a general meeting under the Cayman Islands Companies Law. However, shareholders can follow the above procedure and request to convene extraordinary general meeting.

Right to Put Enquiries to the Board

Shareholders of the Company may send written enquiries or requests in respect of their rights to Unit 912, 9/F., Two Harbourfront, 22 Tak Fung Street, Hunghom, Kowloon, Hong Kong for the attention to the company secretary, or contact the Hong Kong Branch Share Registrar and Transfer Office of the Company, Tricor Investor Services Limited for any enquiries about their shareholdings and entitlements to dividend.

INVESTOR RELATIONS

The Company has established various communication channels with its shareholders, including but not limited to holding annual general meeting, publishing and distributing annual, interim and quarterly reports, announcements and circulars on the websites of the Stock Exchange and the Company and to its shareholders, respectively.

Articles of Association

There had been no significant change to the Articles of Association of the Company for the Current Year.

DIRECTORS' REPORT

The Directors have pleasure in presenting their annual report together with the audited consolidated financial statements of the Group (the "Consolidated Financial Statements") for the year ended 31 December 2020 (the "Current Year").

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and those of the principal subsidiaries of the Company are set out in Note1 to the consolidated financial statements for the Current Year.

SEGMENT INFORMATION

An analysis of the Group's performance for the Current Year by operating segment is set out in Note 5 to the consolidated financial statements for the Current Year.

BUSINESS REVIEW

The business review of the Group for the Current Year together the future business development is set out in the section headed "Management Discussion and Analysis" on pages 5 to 11 of this annual report. This discussion forms part of the report of directors.

RESULTS AND APPROPRIATIONS

The results of the group for the Current Year are set out in the consolidated statement of comprehensive income on page 57 of this annual report.

The Directors do not recommend the payment of a final dividend to the shareholders of the Company for the Current Year (2019: N/A).

DONATIONS

During the Current Year, charitable and other donations made by the Group amounted to S$150 (2019: S$3,350).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Current Year are set out in Note 15 to the consolidated financial statements for the Current Year.

SHARES CAPITAL

Details of movements in the Company's share capital during the Current Year are set out in Note 23 to the consolidated financial statements for the Current Year.

DISTRIBUTABLE RESERVES

As at 31 December 2020, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately S$6,266,000 (2019: S$6,514,000).

DIVIDEND POLICY

The Dividend Distribution Policy of the Company establishes the principles to ascertain amounts that can be distributed to its shareholders as dividend by the Company. Subject to the applicable law and its Articles of Association, the Company's dividend payout will be determined based on available financial resources, investment requirements and taking into account optimal shareholders return.

While determining the nature and quantum of dividend payout, the Board would take into account the following factors, inter alia:

- Cash flow position of the Company
- Earnings stability
- Long term investments
- Future cash requirements for development
- Economic environment
- Industry outlook for the future years
- Changes in the Government policies, industry specific rulings & regulatory provisions

EQUITY-LINKED AGREEMENTS

Other than the share option scheme of the Company, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Year or subsisted at the end of the Year.

PRE-EMPTIVE RIGHTS

There is no provision for the pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Current Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

FIVE YEARS FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last five financial years is set out on page 108 of this annual report. This summary does not form part of the consolidated financial statements for the Current Year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

On 13 July 2017, the shares of the Company were listed on GEM operated by the Stock Exchange. On 23 December 2019, the shares of the Company have been transferred to be listed on the Main Board of the Stock Exchange by way of transfer of listing from GEM, and subsequently delisted from GEM. Neither the Company nor any of its subsidiaries had purchased, sold and redeemed any of the Company's listed securities after the Listing and up to the date of this report.

SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") has been adopted by passing of written resolutions by the then shareholders of the Company and was effective on 23 June 2017. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years from the date of its adoption. During the period from 23 June 2017 to the date of this report, no share options had been granted by the Company.

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of our Group and to promote the success of the business of our Group.

(b) Who may join and basis of eligibility

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, where required under the Listing Rules, the independent non-executive Directors) from time to time on the basis of the participant's contribution or potential contribution to the development and growth of our Group.

(c) Maximum number of shares

The maximum number of shares in respect of which options may be granted under the Share Option Scheme shall not in aggregate exceed 10% of all the Shares in issue as at the date of the Listing (i.e. not exceeding 45,000,000 shares representing 10% of the issued capital of the Company as at the date of this report).

(d) Maximum entitlement of each participant

The total number of Shares issued and to be issued upon the exercise of options granted to each participant (including both exercised and outstanding options) under the Share Option Scheme of our Company, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by Shareholders in general meeting with such grantee and his/her close associates abstaining from voting. In such event, our Company must send a circular to the Shareholders containing the identity of the grantee, the number and terms of the options to be granted (and options previously granted to such grantee), and all other information required under the Listing Rules. The number and terms (including the subscription price) of the options to be granted to such grantee must be fixed before the approval of the Shareholders and the date of the Board meeting proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

(e) Time of exercise of option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

(f) The minimum period for which an option must be held before it can be exercised

As determined by the Board upon the grant of an option.

(g) Grant of options and acceptance of offers

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to our Company on acceptance of the offer for the grant of an option is HK$1.00.

(h) Price of Shares

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option, provided that in the event of fractional prices, the subscription price per Share shall be rounded upwards to the nearest whole cent; and for the purpose of calculating the subscription price, where our Company has been listed on the Stock Exchange for less than five business days, the new issue price shall be used as the closing price for any business day falling within the period before listing.

DIRECTORS

The Directors during the Current Year and up to the date of this report were:

Executive Directors

Mr. Siew Yew Khuen *(Chairman and Chief Executive Officer)*
Ms. Lee Lai Fong *(Compliance Officer)*
Mr. Siew Yew Wai
Mr. Zha Jianping

Independent non-executive Directors

Mr. Clarence Tan Kum Wah
Mr. Gary Chan Ka Leung
Mr. Ng Chee Chin

Pursuant to the Articles of Association, Ms. Lee Lai Fong, Mr. Clarence Tan Kum Wah and Mr. Gary Chan Ka Leung will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company (the "Annual General Meeting").

DIRECTORS' REPORT

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three (3) years commencing from the date of the listing (the "Listing") of the shares of the Company (the "Shares") on the Stock Exchange and continuing thereafter until terminated by either party giving not less than three months' notice in writing to the other.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of one (1) year commencing from their respective date of appointment and shall continue thereafter unless terminated by the Company or the Directors giving at least one month's notice in writing.

None of the directors who are proposed for re-election at the Annual General Meeting has a service contract with the company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The Directors' fees are subject to shareholders' approval at annual general meeting. Other emoluments are determined by the Board of the Company with reference to the recommendations by the Remuneration Committee, directors' duties, responsibilities and performance and the results of the Group. The remuneration of Directors (including executive Directors and independent non-executive Directors) on named basics are set out in Note 10(b) to the consolidated financial statements for the Current Year.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries, fellow subsidiaries or its parent company was a party and in which a director of the company had a material interest, whether directly or indirectly, subsisted at the end of the Current Year or at any time during the Current Year.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as the related party transactions disclosed in Note 29 to the consolidated financial statements for the Current Year, no controlling shareholder of the Company had a material interest, either directly or indirectly, in any contract of significance (whether for the provision of services to the Company or not) to the business of the Group to which the Company or any of its subsidiaries was a party during the Current Year.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management are set out on pages 12 to 17 of this report.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

As at the date of this report, the interests or short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, will were as follows:

Name of Director	**Capacity/Nature of interest**	**Number of Shares held** (Note 1)	**Approximately percentage of shareholding of the Company**
Mr. Siew Yew Khuen	Interest in controlled corporation (Note 2)	230,000,000 (L)	51.11%
Ms. Lee Lai Fong	Interest in controlled corporation (Note 2)	230,000,000 (L)	51.11%

Notes:

(1) The Letter "L" denotes the person's long position in the relevant Shares.

(2) The entire issued share capital TOMO Ventures Limited ("TOMO Ventures") is legally and beneficially owned as to 51% by Ms. Lee Lai Fong and as to 49% by Mr. Siew Yew Khuen. Accordingly, Ms. Lee Lai Fong and Mr. Siew Yew Khuen are deemed to be interested in 230,000,000 Shares held by TOMO Ventures by virtue of the SFO. Ms. Lee Lai Fong and Mr. Siew Yew Khuen are spouses and are therefore deemed to be interested in all the Shares they are respectively interested in (by him/herself or through TOMO Ventures) pursuant to the SFO.

At no time during the Current Year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of the Shares, or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

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

Name	Capacity/Nature of interest	Number of Shares held (Note 1)	Approximately percentage of shareholding of the Company
Mr. Siew Yew Khuen	Interest in controlled corporation (Note 2)	230,000,000 (L)	51.11%
Ms. Lee Lai Fong	Interest in controlled corporation (Note 2)	230,000,000 (L)	51.11%
TOMO Ventures	Beneficial owner	230,000,000 (L)	51.11%

Notes:

(1) The Letter "L" denotes the person's long position in the relevant Shares.

(2) The entire issued share capital TOMO Ventures Limited ("TOMO Ventures") is legally and beneficially owned as to 51% by Ms. Lee Lai Fong and as to 49% by Mr. Siew Yew Khuen. Accordingly, Ms. Lee Lai Fong and Mr. Siew Yew Khuen are deemed to be interested in 230,000,000 Shares held by TOMO Ventures by virtue of the SFO. Ms. Lee Lai Fong and Mr. Siew Yew Khuen are spouses and are therefore deemed to be interested in all the Shares they are respectively interested in (by him/herself or through TOMO Ventures) pursuant to the SFO.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or existed during the Current Year.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the Current Year attributable to the Group's major suppliers and customers are as follows:

Purchases

– the largest supplier	45.5%
– five largest suppliers in aggregate	87.8%

Sales

– the largest customer	82.6%
– five largest customers in aggregate	93.0%

To the best knowledge of the directors, neither the directors, their associates, nor any shareholders, who owned more than 5% of the Company's issued share capital, had any beneficial interest in any of the Group's five largest customers or suppliers during the Current Year.

CONNECTED TRANSACTIONS

During the Current Year, the Group had no transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

As at 31 December 2020, the Group had not provided any financial assistance and guarantee.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of at least 25% of the Company's issued shares for the period from the date of Listing to 31 December 2020 and up to the date of this report.

TAX RELIEF

The Company is not aware of any relief from taxation available to the shareholders of the Company by reason of their holdings of the Company's shares.

COMPLIANCE OF NON-COMPETITION UNDERTAKING

The controlling shareholders of the Company, namely Mr. Siew Yew Khuen, Ms. Lee Lai Fong and TOMO Ventures Limited (each a "Covenantor" and collectively, the "Covenantors") have entered into the deed of non-competition on 23 June 2017 (the "Deed of Non-Competition"), pursuant to which, the Covenantors provided certain non-competition undertakings to the Company. During the Current Year, the independent non-executive Directors have reviewed the implementation of the Deed of Non-Competition and have confirmed that the Covenantors have been in full compliance with the Deed of Non-Competition and there was no breach by the Covenantors.

COMPETING BUSINESS

During the Current Year and up to the date of this report, none of the Directors or the controlling shareholders or their respective associates (as defined in the Listing Rules) of the Company had any interests in any businesses which competed with or might compete with the business of the Group.

SUBSEQUENT EVENTS

There was no significant event occurred after the reporting period.

CORPORATE GOVERNANCE REPORT

Details of the Group's corporate governance practices can be found in the Corporate Governance Report contained on pages 18 to 25 of this annual report.

LOANS AND BORROWINGS

The Group did not have bank loans or other borrowings as at 31 December 2020.

DIRECTORS' REPORT

PERMITTED INDEMNITY PROVISIONS

At no time during the Current Year and up to the date of this Directors' Report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Company or an associated company.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Wednesday, 12 May 2021. A notice of which shall be sent to the shareholders of the Company in accordance with the Articles, the Listing Rules and other applicable laws and regulations.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming Annual General Meeting, the register of members of the Company will be closed from Friday, 7 May 2021 to Wednesday, 12 May 2021, both dates inclusive, during which period no transfer of shares can be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 6 May 2021.

AUDITOR

During the Current Year, PricewaterhouseCoopers resigned as auditor of the Company and Baker Tilly was appointed by the Directors to fill the casual vacancy so arising except for the appointment of Baker Tilly there have been no other changes of auditors in the past three years.

The consolidated financial statements have been audited by Baker Tilly who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Baker Tilly as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

Siew Yew Khuen
Chairman and Chief Executive Officer
Hong Kong, 24 March 2021

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. HIGHLIGHTS

1.1 Corporate profile

TOMO Holdings Limited (TOMO or the 'Company') and its subsidiaries (collectively, the 'Group') is principally engaged in the passenger vehicle (PV) leather upholstery and electronic accessories businesses in Singapore.

For the leather upholstery business, the Group supplies and installs custom-fitted leather upholstery for PV seats. They also provide leather wrapping for other PV interior products such as door panels, head rests and arm rests.

For the electronic accessories business, it is divided into two sub-segments:

(i) Navigation and multimedia accessories, i.e. supply and installation of products such as navigation systems, head units and in-car entertainment systems, and

(ii) Safety and security accessories, i.e. 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.

TOMO was listed on the Growth Enterprise Market (GEM) Board of the Stock Exchange of Hong Kong (HKEx) in July 2017. Subsequently, TOMO was transferred to the Main Board of HKEx in December 2019.

1.2 Scope of sustainability report

The scope of the report covers the Group's core business in TOMO-CSE Autotrim Pte Ltd (TOMO-CSE) operating in Singapore.

This report is prepared to be in line with the Environmental, Social and Governance (ESG) Reporting Guide (ESG Guide) set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange.

Unless otherwise stated, this report covers the policies and regulatory compliances on material ESG topics for the Group for the financial year ended on 31 December 2020.

2. OUR APPROACH TO SUSTAINABILITY

2.1 Corporate governance and conduct of business

The Group strictly adheres to their environmental and social responsibilities, and have enhanced their accountability and transparency by upholding high standards in business ethics and corporate governance in all areas of their operations, thus building stronger trust with their stakeholders. The Board has overall responsibility for ensuring effective corporate governance across the Group, including ensuring that effective risk management and internal controls are in place to address any identified ESG risks.

The Group has in place the relevant Standard Operating Procedures (Group SOP) which establishes its principles and practices with regards to matters which may have ethical implications. The Group SOP provides communicable and understandable guidelines for staff to observe in their dealings with customers, suppliers and amongst fellow colleagues. The Group SOP provides guidance on issues such as:

- Fraud risk management procedure for the identification, assessment, management and reporting of risks on a consistent and reliable basis,

- Whistleblowing procedure to enable employees and other persons to raise concerns on possible improprieties relating to fraud, unethical business conducts, violations of law, etc., and

- Gift and entertainment control procedure for the receipt and giving of gifts and entertainment to any person, corporation or firm having transaction with the Group, or any prospective customer of the Group.

2.2 Stakeholder engagement

The Group engages both internal and external stakeholders on a regular basis with the goal to strengthen its sustainability approach and performance of the Group. An overview of our approach and rationale is set out in the table below (with stakeholders listed in alphabetical order):

Stakeholder	How we engage	Why we engage
Customers	• Customer service feedback records • Face to face consultation with service staff	• Customers' feedback is used to improve services and product quality
Employees	• Training • Employee engagement activities • Ongoing guidance by supervisors and management	• Continuous engagement allows the Group to develop employees' capabilities and address any potential workplace concerns in a timely manner
Government	• Discussions and communications with Authorities, as and when necessary	• To keep up with regulatory requirements
Shareholders	• Annual General Meetings • Annual and interim reports • Company announcements	• To keep up with shareholders' expectations
Suppliers	• Ongoing direct engagements	• Trusted relationships with brand name suppliers are vital to the Group' ability to meet its quality commitment

Based on the stakeholder engagement, the Group identified product quality control and management, supply chain management, and occupational health and safety as issues of the highest importance to both the Group and its stakeholders. This review helped the Group in prioritising its sustainability issues and highlighting the material and relevant aspects, so as to align them with stakeholders' expectations.

The relevant and required disclosure are presented in the following sections.

3. ENVIRONMENTAL

The Group recognises the importance of environmental protection as the starting point for sustainability. We continue to work to reduce the environmental impact of our operations and to promote environmental protection within the Group and our community.

3.1 Aspect A1: Emissions

Emissions for the Group include Greenhouse Gas (GHG) (Scope 1) emissions from the use of diesel for the Company van, GHG (Scope 2) emissions from the use of purchased electricity in the Group's Singapore office and workshop, and municipal wastewater and solid waste generated by the office and workshop staffs. No hazardous waste was generated by the Group in FY2020.

In FY2020, the total GHG emissions of the Group was 59.9 tonnes of carbon dioxide emission (tCO2e) (with an intensity of 78.2 kgCO2e per square metre (m2) of factory floor area).

Key performance indicators

Ref	Description	2020	2019	Units	Changes
A1.2	GHG emissions (Scope 1)	27.1	34.6	tCO_2e	↓21.7%
A1.2	GHG emissions (Scope 2)	32.8	39.5	tCO_2e	↓17.0%
A1.2	GHG emissions (Total)	59.9	74.1	tCO_2e	↓19.2%
A1.2	GHG emissions intensity	78.2	96.7	$kgCO_2e/m^2$	

In FY2020, the Group's total GHG emissions decreased by 19.2%, primarily due to the 21.7% reduction in GHG (Scope 1) emissions and the 17.0% reduction in GHG (Scope 2) emissions.

Decrease in GHG (Scope 1) emissions and GHG (Scope 2) were due to the decreased diesel fuel usage for the period between April and May 2020 when a Circuit Breaker[1] was imposed by the Singapore Government to control the spread of COVID-19 during these periods. The Group's business operations including the production of leather upholstery works and installation of leather upholstery and electronic accessories were temporarily suspended during this period.

Legal compliance

The Group has complied with all relevant environmental laws in Singapore, where the Group operates. In FY2020, the Group was not in violation of any relevant laws and regulations relating to waste gas or greenhouse gas (GHG) emissions, water or land discharging, and hazardous or non-hazardous wastes.

Air and GHG emissions

Air and GHG emissions for the Group arises mainly from the use of electricity and diesel in the Group's Singapore office and workshop. The Group has set up internal policies, further described in 'A.2. Use of Resources', to reduce energy use and thus GHG emissions.

1 The 2020 Singapore circuit breaker measures was a stay-at-home order and cordon sanitaire implemented as a preventive measure by the Government of Singapore in response to the COVID-19 pandemic in the country from 7 April 2020 to 1 June 2020. During this period, all non-essential workplaces were closed to control the spread of COVID-19, with only essential workplaces remaining open.

Non-hazardous wastewater

Wastewater generated in the Group arises from domestic wastewater only. The Group has set up internal policies, further described in 'A.2. Use of Resources', to reduce water use and thus wastewater emissions.

Non-hazardous solid waste

Solid wastes generated in the Group arises from domestic solid wastes, and packaging and material waste from our operations. These wastes are collected, source separated, and recycled before being collected for disposal. The Group has set up internal policies, further described in 'A.2. Use of Resources', to reduce paper use and thus non-hazardous solid waste emissions.

3.2 Aspect A2: Use of Resources

The Group recognises that efficient use of resources, including energy, water and other raw materials, in production, storage, transportation, buildings, electronic equipment, etc., is one of the significant aspects to protect environment.

Key performance indicators

Ref	Description	2020	2019	Units	Changes
A2.1	Fuel consumption (Scope 1)	101,183	129,180	kWh	↓ 21.7%
A2.1	Fuel consumption intensity	132.1	168.6	kWh/m^2	
A2.1	Electricity consumption (Scope 2)	52,711	63,474	kWh	↓ 17.0%
A2.1	Electricity consumption Intensity	68.8	82.9	kWh/m^2	
A2.1	Energy Consumption (Scopes 1&2)	153,894	192,654	kWh	↓ 20.1%
A2.1	Energy consumption intensity	200.9	251.5	kWh/m^2	
A2.2	Water consumption	344	305	m^3	↑ 12.7%
A2.2	Water consumption intensity	0.5	0.4	m^3/m^2	

In FY2020, we see reductions in consumptions of fuel and electricity of 21.7% and 17.0% respectively, resulting in an overall reduction in energy consumption of 20.1%. Decrease in energy consumption are as explained in Aspect A1 above.

Water consumption has increased due as the Company's office in 3018 Bedok North Street 5, Eastlink was converted and used to provide temporary living space for four of our Company's employees during the Circuit Breaker.

Compliance

The Group has complied with the relevant laws and regulations in relation to the Group's use of resources during the year under review. In FY2020, resources consumed by the Group were purchased electricity, diesel, water, and paper.

Direct fuel

The Group's fuel consumption is mainly from diesel consumed for the Company van. In FY2020, the total diesel consumption of the Group was 101,183 kilowatt-hours (kWh) (with an intensity of 132.1 kWh/m2), a decrease of 21.7% compared to the previous year. Decrease in fuel consumption is as explained in Aspect A1 above. The Group encourages energy saving through regular maintenance of the vehicle to reduce its emissions.

Purchased electricity

The Group's electricity consumption came from regular operations of the office and machineries at its workshops. In FY2020, the total electricity consumption of the Group was 52,711 kWh (with an intensity of 68.8 kWh'000/m2), a decrease of 17.0% compared to the previous year. Decrease in electricity consumption is as explained in Aspect A1 above.

All employees stringently complied with the Group's policy of saving energy. The Group started to replace traditional light bulbs with electricity-saving light bulbs as well as educated its employees about energy conservation and emission reductions. To ensure the effective use of electricity, the Group conducted the following practices:

- Turn off lights, computers and air conditioning system before clocking out
- Place energy saving reminder labels next to switches
- Clean office equipment (such as refrigerator, air-conditioner) regularly to maintain high efficiency
- Use energy saving equipment
- Set temperature of air conditioners to 25°C

The Group established policies and procedures to reduce energy consumption in the office and workshop, to assess the energy efficiency, to increase the use of clean energy, if possible, to set applicable targets to monitor energy consumption, and to ensure power is turned off when electrical appliances are not in use.

Water consumption

The Group's water consumption is mainly from domestic water use. In FY2020, the total water consumption of the Group was 344 m3 (with an intensity of 0.5 m3/m2), an increase of 12.7% compared to the previous year. Increase in water consumption is as explained above.

To further improve the utilisation efficiency of water resources, the Group adopted the following practices:

- Place posters on 'Saving Water' to encourage water conservation
- Strengthen the inspection and maintenance on water taps and fixing any dripping taps immediately to avoid wastage
- Use water saving equipment

Paper

Paper was mainly consumed by the Group's office. The Group will commence tracking the usage of this resource starting from FY2020. The Group strives to reduce paper waste at source by adopting the following practices:

- Think before print
- Set duplex printing as the default mode for most network printers
- Use email to reduce fax paper consumption
- Separate single-sided paper and double-sided paper for better recycling
- Use the back of old single-sided documents for printing or as draft paper

Packaging material

There was no significant packaging material used in operation.

3.3 Aspect A3: Environment and Natural Resources

The Group is committed to protecting the environment where the Group operates. The Group had taken effective measures to reduce electricity consumption, and thus the overall GHG emissions.

4. SOCIAL

The Group strives to fulfil its social responsibilities as a corporate citizen of communities and endeavours to establish harmonious relationship with our employees, customers, and the communities. We care about the well-being and development of employees, ensure high standard of service responsibility, enhance transparent relationship with external parties, including customers, and contribute to our community development.

4.1 Aspect B1: Employment

The Group established employment policies, including recruitment and promotion, compensation and dismissal, working hours, rest periods, benefits and welfare, equal opportunity, diversity, and anti-discrimination.

Legal compliance

The human resources policies of the Group strictly adhere to the applicable employment laws and regulations in Singapore, including but not limited to the Employment Act (Cap. 91) and Employment of Foreign Manpower Act (Cap. 91A). The Group also complied with the laws and regulations in respect to the employees' social security schemes (i.e. Central Provident Fund) that are enforced by the Singapore government in relation to employee benefits. The human resources department of the Group and its subsidiaries review and update the relevant company policies regularly in accordance with the latest laws and regulations.

In FY2020, the Group was in compliance with relevant laws and regulations in relation to recruitment and promotion, compensation and dismissal, working hours, rest periods, benefits and welfare, equal opportunity, diversity, and anti-discrimination that have a significant impact on the Group.

Recruitment and promotion

The Group attracts talent through fair, and flexible recruitment strategy. Recruitment process is required to include application for recruitment, description of position, collection of job applications, interview, selection, approval, and job offering. Promotion is required to be based on performance and suitability.

Compensation and dismissal

The Group offers competitive remuneration to attract and retain talented staff members. Remuneration packages are reviewed periodically to ensure consistency with employment market. Laws and regulations on statutory social benefits are required to be followed. Dismissal is required to comply with employment laws and regulations, and to follow the internal policies and procedures, including policy on prevention of dismissal purely on employees' gender, marital status, pregnancy, disability, age or family status.

Working hours, rest periods, benefits and welfare

Employees' working hours, rest periods, benefits and welfare, including medical insurance, overtime payment, retirement benefits through Central Provident Fund, and statutory leave entitlement, are required to be in compliance with employment or labour laws and regulations.

Equal opportunities, diversity and anti-discrimination

The Group is an equal opportunity employer. We endeavour to provide a fair workplace for employees and follow the principles of equality and non-discrimination. Recruitment, remuneration, promotion, and benefits are required to be handled based on objective assessment, equal opportunity and non-discrimination regardless of gender, race, age, or other measures of diversity.

In FY2020, female employee consists of 26.1% of the total employee of the Group and 20.0% of female representation in the Management.

Other benefits and welfare

The Group organises regular recreational activities to encourage team building, such as Chinese New Year Dinner, Annual Dinner, barbeques and badminton sessions. During Chinese New Year, employees may receive additional gifts as well.

4.2 Aspect B2: Health and Safety

The Group is committed to maintaining a healthy and safe workplace for employees, and to preventing workplace injuries and illnesses.

Legal compliance

The Group has established occupational safety and health policies that are in line with various laws and regulations in Singapore, including but not limited to the Workplace Safety and Health Act (Cap. 354A).

In FY2020, the Group was not in violation of any of the relevant laws and regulations in relation to providing a safe working environment and protecting the employees from occupational hazards that have a significant impact on the Group.

Providing a safe working environment and protection from occupational hazards

The Group strives to provide a high-quality working environment for its employees and have established a series of policies according to the ISO 9001:2008 and BizSAFE Level 3 for safe working environment and protecting employees from occupational hazards.

COVID-19 prevention in the work place

The Group strictly complies with the regulations and restrictions imposed by Singapore Government to control the spread of COVID-19. During the Circuit Breaker period, the Group's business operations including the production of leather upholstery works and installation of leather upholstery and electronic accessories were temporarily suspended in line with government orders.

In line with COVID-19 related regulations and restrictions, the Group established a safe working environment with the following guidelines:

- Use of face mask at all times
- Combination of split team arrangement and work-from-home arrangement to reduce the physical interaction between employees
- Compulsory monitoring of temperature for employee and visitors (including customers)
- Use of virtual meeting whenever possible
- Safe distancing in the work place

4.3 Aspect B3: Development and Training

The Group is committed to providing adequate training to our employees to improve their knowledge and skills for discharging duties at work. Training includes vocational training courses provided internally or externally and paid by the Group.

Employee development

The Group requires employees to attend internal and external training courses including new employee orientation and employee continuing education to improve employees' knowledge and skills for their job positions.

Training activities

Training and development courses are offered throughout the Group to upgrade employee skills and knowledge. During the year, all directors have participated in continuous professional development by attending training course or reading relevant materials on the topics related to corporate governance and regulations.

4.4 Aspect B4: Labour Standards

The Group is committed to protecting human rights, to prohibiting forced labours, and to creating a workplace with fairness, respect, and free will for our employees.

Legal compliance

The Group strictly abides by the Employment Act (Cap. 91) and Employment of Foreign Manpower Act (Cap. 91A), and other related labour laws and regulations in Singapore, to prohibit any child and/or forced labour employment.

In FY2020, the Group was not in violation of any of the relevant laws and regulations, in relation to the prevention of child and forced labour that have a significant impact on the Group.

4.5 Aspect B5: Supply Chain Management

Supply chain management is a key area of our business, which includes managing environmental and social risks of the supply chain. As an enterprise with a keen sense of social responsibility, it is critical and vital for the Group to maintain and manage a sustainable and reliable supply chain that takes environmental and societal impact into considerations. The Group monitors the quality of its suppliers and supply chain practices on a regular basis.

The Group established strict supplier evaluation processes. The Group chooses suppliers based on their background, product quantity and quality, price, customer service quality, reputation, past cooperation experience, delivery time, and outcome from annual evaluation. When selecting suppliers, the supplier must not only meet the Group's internal standards, but also be a legally compliant, socially responsible and financially healthy enterprise. Potential suppliers are required to provide relevant quality certifications, arrange for site visits, and request for samples of materials to be supplied to ensure that the materials meet the required specifications. The Group has its own internal list of approved qualified suppliers and will reassess them annually.

In FY2020, the Group added new key suppliers to further diversify the source of key materials and minimise supply disruptions. The new suppliers were subjected to the Group's established supplier evaluation processes as mentioned above.

The Group strives to reduce the environmental impact of procurement activities when cooperating with suppliers. As far as practicable, local suppliers are preferred as it reduces both cost and emissions associated with the transportation of raw materials and packaging materials.

The Group maintains close liaison with its suppliers to ensure they comply with local laws and regulations in their country during operations and stick to their corporate ethics. The Group has formulated a policy on supplier management and divided the suppliers into different groups according to the duration of the cooperation and the scope of the cooperation so as to implement a differentiated management strategy for the suppliers. Given the firm and stable relationship between the Group and its suppliers, the Group can be promptly updated of the supply situation through the internet, phone calls, and other communication means.

4.6 Aspect B6: Product Responsibility

The Group is committed to ensuring product safety and product quality.

Legal compliance

With regard to the Group's product health and safety, advertising and labelling, and privacy management, the Group is strictly in compliance with the related rules and regulations in Singapore as stated below.

In FY2020, the Group was not in violation of any relevant laws and regulations regarding health and safety, advertising, labelling and privacy matters of its products that may have a significant impact on the Group.

Products quality and safety

The Group is committed to ensuring product quality and safety and has established internal guidelines to ensure the Group is ensuring products quality and safety and complying with the Consumer Protection (Trade Descriptions And Safety Requirements) Act (Cap. 53). The Group's business is in strict compliance with the ISO 9001:2008 (Quality Management Systems). The Group's has also obtained the BizSAFE Level 3 certification for safe working environment.

Advertising and labelling

The Group has established internal guidelines to ensure the Group is providing accurate product labelling and marketing materials that comply with the Consumer Protection (Trade Descriptions And Safety Requirements) Act (Cap. 53) and market practices. Any exaggeration of offerings in the marketing materials is strictly prohibited. If there is any non-compliance with the Group's internal guideline, the Group would carry out corrective action immediately.

Intellectual property

The Group is dedicated to protecting and enforcing its intellectual property rights and has complied with the relevant laws and regulations such as the Intellectual Property (Miscellaneous Amendments) Act 2004. The Group have also registered its "Eurostyle" trademark in Singapore and Hong Kong, in which the brand is applied to several diverse product offerings.

Consumer data protection

The Group is committed to abiding by the laws in relation to customer privacy, such as the Personal Data Protection Act 2012, to ensure customers' rights are strictly protected. Information collected by the Group from its customers would only be used for the purpose for which it has been collected. The Group prohibits the provision of customer information to a third party without authorisation of the customer. All collected personal data of customers during the course of business are treated as confidential, kept securely and accessible by designated personnel only.

Customer complaints

The Group has established standard procedures for handling product enquires and complaints. Customers are able to access the TOMO Website at www.thetomogroup.com to file their complaints.

4.7 Aspect B7: Anti-Corruption

To maintain a fair, ethical and efficient business and working environment, the Group strictly adheres to the local laws and regulations relating to anti-corruption and bribery, irrespective of the area or country where the Group conducts its business.

Legal compliance

In FY2020, the Group was not in violation of any of the relevant laws and regulations in relation to bribery, extortion, fraud and money laundering that have a significant impact on the Group.

Preventing bribery and corruption

The Group prohibits all forms of bribery and corruption. The Group requires all employees to strictly abide by professional ethics and eliminate any corruption and bribery. All employees are expected to discharge their duties with integrity, to act fairly and professionally, and to abstain from engaging in bribery activities or any activities, which might exploit their positions against the Group's interests.

Whistle-blowers can report verbally or in writing to the senior management of the Group for any suspected misconduct with full details and supporting evidence. The management will conduct investigations against any suspicious or illegal behaviour to protect the Group's interests. The Group advocates a confidentiality mechanism to protect the whistle-blowers against unfair dismissal or victimisation. Where criminality is suspected, a report is made to the relevant regulators or law enforcement authorities when the management considers necessary.

In addition, the staff handbook lays out the Group's expectation and guiding provisions on code of conduct. The Group encourages employees, customers, suppliers, or other parties to report incidents relating to any conflicts of interest, extortion, bribery, fraud and money laundering.

4.8 Aspect B8: Community investment

The Group understands the importance of making a positive contribution to the communities where the Group operates, and sees the interests of the communities as one of its social responsibilities. The Group is committed to promoting the economic development and living environment of the community, and seeks to help individuals and organisations within the community.

Labour needs

The Group strives to enlarge the business operation so that we can hire more workers to alleviate unemployment in the community.

Community activities

The Group encourages our employees to participate in community activities, such as community initiatives organised by charity foundations, volunteerism, and donations to causes supported by the Group.

Furthermore, the Group also made donations to several charity organisations that support community development. In FY2020, the Group did not organise donation to charity organisations due to the economic constraints as a result of the COVID-19.

Environmental protection

The Group encourages all employees to participate in environmental protection activities and raise the environmental awareness of people in the communities.

APPENDIX A: ESG REPORTING GUIDE CONTENT INDEX

The ESG Reporting Guide Content Index references the TOMO Holdings Limited Sustainability Report 2020 (SR).

Subject Areas, Aspects, General Disclosures and KPIs	Description	Page reference and remarks
A: Environmental		
Aspect A1: Emissions		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	38 Page
KPI A1.1	The types of emissions and respective emissions data	38 Page
KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	38 Page
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	Not applicable
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity	Not applicable
KPI A1.5	Description of measures to mitigate emissions and results achieved	38 Page
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	39 Page
Aspect A2: Use of Resources		
General disclosure	Policies on the efficient use of resources including energy, water and other raw materials	39 Page
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	39 Page
KPI A2.2	Water consumption in total and intensity	39 Page
KPI A2.3	Description of energy use efficiency initiatives and results achieved	40 Page
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	41 Page
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced	41 Page
Aspect A3: Environment and Natural Resources		
General disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	41 Page
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Not applicable

Subject Areas, Aspects, General Disclosures and KPIs	Description	Page reference and remarks
B: Social		
Employment and Labour Practices		
Aspect B1: Employment		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	42 Page
Aspect B2: Health and Safety		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	43 Page
Aspect B3: Development and Training		
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	44 Page
Aspect B4: Labour Standards		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	45 Page
Operating Practices		
Aspect B5: Supply Chain Management		
General disclosure	Policies on managing environmental and social risks of the supply chain	45 Page

Subject Areas, Aspects, General Disclosures and KPIs	Description	Page reference and remarks
Aspect B6: Product Responsibility		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	46 Page
Aspect B7: Anti-Corruption		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	47 Page
Community		
Aspect B8: Community Investment		
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration the communities' interests	47 Page

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOMO HOLDINGS LIMITED

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of TOMO Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 57 to 107, which comprise the consolidated balance sheet of the Group as at 31 December 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group are properly drawn up in accordance with International Financial Reporting Standards ("IFRS") approved by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance so as to give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by International Auditing and Assurance Standards Board (the "IAASB"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER MATTER

The consolidated financial statements of the Group for the financial year ended 31 December 2019 were audited by another auditor whose report dated 26 March 2020 expressed an unmodified opinion on those consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Provision for warranty cost
- Valuation of investment properties

Key Audit Matter	How our audit addressed the Key Audit Matter
Provision for warranty cost Refer to note 4(a) and note 26 to the consolidated financial statements. As at 31 December 2020, the Group recorded a warranty provision of $84,596 (2019: $183,948) based on management's estimation with reference to historical rate of warranty claims and estimated costs of repairs and replacements. The Group provides 12-36 months warranties on certain passenger vehicle leather upholstery and electronic accessories and undertakes to repair or replace items that fail to perform satisfactorily. We focused on this area as the estimation of costs to be incurred in connection with the warranty obligations requires the use of significant management judgement and estimates in respect of the expected rate of warranty claims and estimated costs of repairs and replacements.	Our procedures in relation to management's warranty provision estimates focused on the following: • understanding, evaluating and validating key controls exercised by management to monitor the Group's warranty obligations and estimate the required provision based on historical experience of the likelihood and costs of repairs and replacements; • comparing the prior year's estimated warranty provision amount against actual claims occurred during the year to identify if significant variances exist in order to evaluate the reasonableness of management's historical estimate on the warranty provision; • considering the reasonableness of the key inputs management applied to estimate the warranty provision by comparing (a) the expected rate of warranty claims to the historical rate of warranty claims and (b) the estimated costs of repairs and replacements to the latest quotation from major suppliers. In addition, we have also discussed with management and performed sensitivity analysis on management estimation for the overall reasonableness of the key inputs; and; • discussing with management on the existence of any indicators of any product defects that may have occurred during the year and subsequent to the year-end that would significantly affect the accuracy of the provision estimates.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties. Refer to note 4(b) and note 14 to the consolidated financial statements for the related disclosures. As at 31 December 2020, the fair values of the Group's investment properties located in Singapore amounted to $3,000,000 (2019: $3,150,000). Management has engaged an independent external valuation expert to assess the fair values of the investment properties using comparison method. As each property is different on its nature, condition and location, the valuation requires the use of judgement in determining the relevant unobservable inputs including the selling price per square metre applied to the valuation model. We focused on this area due to the significance of the carrying value of the investment properties to the Group's consolidated financial statements, as well as significant judgement and estimates involved in the valuation.	Our procedures in relation to management's valuation of these properties included the following: • evaluating the external valuation expert's independence, qualification and competency; • discussing with the external valuer and management to understand the rationale of the chosen valuation method and the assumptions applied; • assessing the appropriateness of the methodology used and the reasonableness of assumptions applied; and • comparing the data inputs adopted in the valuations, such as recent transaction prices of comparable properties, on a sample basis, to market data.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report 2020 but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you as a body corporate in accordance with our agreed terms of engagement and for no other purpose. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ong Kian Guan.

Baker Tilly TFW LLP
Public Accountants and Chartered Accountants
Singapore, 24 March 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

	Note	**2020** **$**	2019 $
Revenue	6	**6,184,891**	16,487,087
Cost of sales	9	**(4,325,895)**	(9,906,595)
Gross profit		**1,858,996**	6,580,492
Other income	7	**438,392**	160,176
Other losses – net	8	**(167,387)**	(37,609)
Selling and distribution expenses	9	**(377,714)**	(443,484)
Administrative expenses	9	**(1,539,278)**	(3,336,927)
Finance income	11	**63,893**	150,415
Finance cost on lease liabilities		**(3,586)**	(4,488)
Profit before income tax		**273,316**	3,068,575
Income tax expense	12	**(100,332)**	(829,173)
Profit for the year		**172,984**	2,239,402
Profit and total comprehensive income for the year attributable to equity holders of the Company		**172,984**	2,239,402
Earnings per share for profit attributable to equity holders of the Company			
Basic and diluted (Singapore cents)	13	**0.04**	0.50

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET

At 31 December 2020

	Note	2020 $	Reclassified 2019 $
Assets			
Non-current assets			
Investment properties	14	**3,000,000**	3,150,000
Property, plant and equipment	15	**1,003,033**	1,074,829
Right-of-use asset	16	**45,184**	83,913
Deferred tax asset	18	**–**	1,000
		4,048,217	4,309,742
Current assets			
Inventories	19	**668,338**	790,943
Trade and other receivables	20	**1,455,595**	3,259,897
Fixed deposits	21	**–**	9,263,692
Cash and cash equivalents	21	**20,638,689**	10,271,910
		22,762,622	23,586,442
Total assets		**26,810,839**	27,896,184
Equity and liabilities			
Capital and reserve attributable to equity holders of the Company			
Share capital	23	**793,357**	793,357
Share premium	23	**12,398,264**	12,398,264
Other reserve		**200,000**	200,000
Retained earnings		**12,190,709**	12,017,725
Total equity		**25,582,330**	25,409,346

CONSOLIDATED BALANCE SHEET

At 31 December 2020

	Note	2020 $	Reclassified 2019 $
Liabilities			
Non-current liabilities			
Lease liabilities	16	**6,945**	47,365
Deferred tax liability	18	**6,000**	–
		12,945	47,365
Current liabilities			
Trade and other payables	24	**774,528**	1,366,167
Lease liabilities	16	**40,420**	38,358
Current income tax liabilities		**316,020**	851,000
Provision	26	**84,596**	183,948
		1,215,564	2,439,473
Total liabilities		**1,228,509**	2,486,838
Total equity and liabilities		**26,810,839**	27,896,184

The consolidated financial statements on pages 57 to 107 were approved for issue by the Board of Directors on 24 March 2021 and were signed on its behalf.

Mr. Siew Yew Khuen
Director

Ms. Lee Lai Fong
Director

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

	Attributable to the equity holders of the Company				
	Share capital (Note 23) $	Share premium (Note 23) $	Other reserve $	Retained earnings $	Total $
At 1 January 2019	793,357	12,398,264	200,000	9,778,323	23,169,944
Comprehensive income					
Profit and total comprehensive income for the year	–	–	–	2,239,402	2,239,402
At 31 December 2019	793,357	12,398,264	200,000	12,017,725	25,409,346
At 1 January 2020	**793,357**	**12,398,264**	**200,000**	**12,017,725**	**25,409,346**
Comprehensive income					
Profit and total comprehensive income for the year	**–**	**–**	**–**	**172,984**	**172,984**
At 31 December 2020	**793,357**	**12,398,264**	**200,000**	**12,190,709**	**25,582,330**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	Note	2020 $	2019 $
Cash flow from operating activities			
Profit before income tax		**273,316**	3,068,575
Adjustments for:			
– Depreciation of property, plant and equipment		**203,125**	265,866
– Depreciation of right-of-use assets		**38,729**	32,275
– Gain on disposals of property, plant and equipment		**(1,749)**	–
– Fair value loss on investment properties		**150,000**	–
– Write-off of inventories		**9,613**	14,861
– Reversal of unutilised provision for warranty		**(78,461)**	(97,742)
– Provision for warranty		**24,595**	98,954
– Finance income		**(63,893)**	(150,415)
– Finance cost on lease liabilities		**3,586**	4,488
Operating profit before working capital changes		**558,861**	3,236,862
Changes in working capital:			
– Inventories		**112,992**	575,633
– Trade and other receivables		**1,764,059**	134,275
– Trade and other payables and provision		**(637,125)**	26,552
Cash generated from operations		**1,798,787**	3,973,322
Income tax paid		**(628,312)**	(972,173)
Net cash generated from operating activities		**1,170,475**	3,001,149
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**9,236**	–
Purchase of property, plant and equipment		**(138,816)**	(12,580)
Interest received		**104,136**	109,934
Withdrawal/(placement) of fixed deposits		**9,263,692**	(9,263,692)
Net cash generated from/(used in) investing activities		**9,238,248**	(9,166,338)
Cash flows from financing activities			
Principal element of lease payment		**(38,358)**	(30,465)
Interest element of lease payment		**(3,586)**	(4,488)
Net cash used in financing activities		**(41,944)**	(34,953)
Net increase/(decrease) in cash and cash equivalents		**10,366,779**	(6,200,142)
Cash and cash equivalents at beginning of the year		**10,271,910**	16,472,052
Cash and cash equivalents at end of the year	21	**20,638,689**	10,271,910

The accompanying notes form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

1 GENERAL INFORMATION

TOMO Holdings Limited ("the Company") was incorporated in the Cayman Islands on 16 January 2017 as an exempted company with limited liability under Companies Law Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business in Singapore of the Company is Block 3018, Bedok North Street 5,#02-08 Eastlink, Singapore 486132 and the principal place of business in Hong Kong of the Company is 57/F, The Center, 99 Queen's Road Central, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (the "Group") are principally engaged in the (i) sales and installation of passenger vehicle leather upholstery and electronic accessories; and (ii) sales of electronic accessories. These consolidated financial statements are presented in Singapore dollars ("$"), unless otherwise stated.

These consolidated financial statements have been approved for issue by the Board of Directors on 24 March 2021.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years and period presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, which are carried at fair value.

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(i) New and revised standards that are adopted

In the current financial year, the Group has adopted all the new and revised IFRSs and International Financial Reporting Interpretations Committee Interpretations ("IFRIC") that are relevant to its operations and effective for the current financial year. In addition, the Group has also early adopted the Amendment to IFRS 16 COVID-19 — Related Rent Concessions. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRSs and IFRIC.

The adoption of these new/revised IFRSs and IFRIC did not have any material effect on these financial statements.

During the financial year, the Group has elected to early adopt the amendment to IFRS 16: COVID-19 — Related Rent Concessions which provided practical relief for lessees in accounting for rent concessions. Under the practical expedient, the lessees are not required to assess whether a rent concession is a lease modification and instead are permitted to account for them as if they were not lease modifications, if all of the following conditions are met:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and

(c) there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to all leases. As a result of applying the practical expedient, rent concessions of $6,265 was recognised as other income in the profit or loss during the year. The amendment has no impact on retained earnings at 1 January 2020.

(ii) New standards, amendments to standards and interpretations not yet effective

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 December 2020 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on these consolidated financial statements of the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Subsidiaries

Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non- controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of comprehensive income.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Subsidiaries (Continued)

Consolidation (Continued)

(b) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of each entity of the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements is presented in Singapore Dollar ("$"), which is functional and presentation currency of the Company.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Investment properties

Investment properties include buildings that are held for long-term rental yields and/or for capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as addition and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in profit or loss.

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Leasehold Properties	30 years
Lightings, Renovation, Furniture & Fittings	3 to 5 years
Machineries and Motor Vehicles	5 to 10 years
Office Equipment, Software and Computers	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.6).

Gains/losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within "Other losses — net" in the consolidated statement of comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds it recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.7 Leases

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Group under residual value guarantees,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Leases (Continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and

- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

- the amount of the initial measurement of lease liability,

- any lease payments made at or before the commencement date less any lease incentives received,

- any initial direct costs, and

- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease liabilities are presented as a separate line in the consolidated balance sheet.

The right-of use assets are presented within "Property, plant and equipment" on the consolidated balance sheet.

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

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date — the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets at amortised cost.

The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Subsequent measurements

Debt instruments

Debt instruments include trade and other receivables (excluding advance payment to suppliers, prepayment of operating expenses and grant receivable) and cash and cash equivalents. The Group's debt instruments are measured at amortised cost.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets (Continued)

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each balance sheet date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current balance sheet date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current balance sheet date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Offset

Financial assets and liabilities are offset and the net amount presented on the statement of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Inventories

Inventories for materials, finished goods and inventories held for resale are valued at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.11 Share capital and dividends

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividend distribution to the Company's equity owners is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.12 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.13 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Current and deferred income tax (Continued)

(b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.14 Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated balance sheet.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Employee benefits

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Group's contributions to defined contribution plans are recognised in the financial year to which they relate.

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

2.16 Revenue recognition

(a) Sale and installation of passenger vehicle leather upholstery and electronic accessories

The Group sells and installs passenger vehicle leather upholstery and electronic accessories for the customers. Sales are recognised when control of the products has transferred, being when the products are delivered and installed (i.e. at a point of time), the customer has the ability to direct the usage of the installed product, obtain substantially all of the remaining benefits from it, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been installed on the vehicles, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision, see Note 26.

The customers are invoiced periodically. Unbilled revenue arises from the cumulative revenue recognised but not yet invoiced to customers is recognised as trade receivables.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Revenue recognition (Continued)

(b) Sale of electronic accessories

The Group sells vehicle electronic accessories to the customers. Sales are recognised when control of the products has transferred, being when the products are delivered (i.e. at a point of time), the customer has the ability to direct the usage of the installed product, obtain substantially all of the remaining benefits from it, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision, see Note 26.

As receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(c) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

2.17 Interest income

Interest income from bank deposits is recognised on a time proportion basis on the principal outstanding and at the rate applicable.

2.18 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Provision for warranty cost

Provision for warranty cost is recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

The Group recognises the estimated liability to repair or replace products still under warranty at the balance sheet date. This provision is calculated based on historical experience of the level of repairs and replacements.

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk (including currency risk and interest risk), credit risk and liquidity risk. The Group's overall risk management strategy focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group has exposure to foreign exchange risk arising mainly from the exposure of $ against HK$. Foreign exchange risk arises mainly from recognised assets. At 31 December 2020, if the HK$ had weakened or strengthened by 10% against the $ with all other variables held constant, post-tax profit for the year would have been approximately $70,000 (2019: $86,000) lower/higher as a result of foreign exchange losses/gains mainly on translation of HK$ denominated cash and bank balances.

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's exposure to fluctuations in interest rates relates primarily to its investment portfolio in fixed deposits. The Group manages its cost by using a fixed variable rate debt and to obtain the most favourable interest rates available.

At 31 December 2020, if the interest rates on bank deposits had been 50 basis-points higher/lower with all other variables held constant, profit before income tax for the year would have been approximately $Nil (2019: $56,000) higher/lower, respectively, mainly as a result of higher/lower interest income on bank deposits.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts policy of dealing only with customers of appropriate credit history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counter-parties.

The Group's trade receivables comprise 2 debtors (2019: 3 debtors) that in aggregate represented 94.8% (2019: 86.8%) of the trade receivables.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the directors based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored by the directors of the Company.

The maximum exposure to credit risk is the carrying amount of each classes of financial instruments presented on the consolidated balance sheet.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses (ECL):

Category of internal credit rating	Description of category	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month expected credit losses
Under-performing	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime expected credit losses
Non-performing	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime expected credit losses
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

Significant increase in credit risk (Continued)

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor; and

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

Definition of default

The Group considers an event of default for internal credit risk management purpose. Management considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

Trade receivables

The Group has applied the simplified approach to measure the expected credit loss allowance for trade receivables.

Trade receivables that shared the same credit risk characteristics and days past due are grouped together in measuring the expected credit losses.

The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions with consideration of the impact of COVID-19 pandemic on the ability of the customers to settle the receivables.

There has been no change in the estimation techniques or significant assumptions made during the current financial year.

Other financial assets at amortised cost

Other financial assets at amortised cost includes other receivables (excluding advance payment to suppliers, prepayment of operating expenses and grant receivable) and cash and cash equivalents.

The table below details the credit quality of the Group's financial assets (other than trade receivables):

2020	**12-month or lifetime ECL**	**Gross carrying amount $**	**Loss allowance $**	**Net carrying amount $**
Other receivables (excluding advance payment to suppliers, prepayment of operating expenses and grant receivable)	N.A. Exposure Limited	**28,253**	**–**	**28,253**
Cash and bank balances	N.A. Exposure Limited	**20,638,689**	**–**	**20,638,689**

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

Other financial assets at amortised cost (Continued)

2019	12-month or lifetime ECL	Gross carrying amount $	Loss allowance $	Net carrying amount $
Other receivables (excluding advance payment to suppliers and prepayment of operating expenses)	N.A. Exposure Limited	46,126	–	46,126
Cash and bank balances	N.A. Exposure Limited	19,535,602	–	19,535,602

The credit loss exposure for other receivables and cash and cash equivalents are immaterial as at 31 December 2020 and 31 December 2019.

(c) Liquidity risk

Liquidity or funding risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at lose to its fair value.

The Group manages its liquidity risk by ensuring the availability of funding through its ability to operate profitably, maintaining sufficient cash to enable it to meet its normal operating commitments, having adequate amount of committed credit facilities.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

The table below summarises the maturity profile of the Group's non-derivative financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	1 year or less $	2 to 5 years $	Total $
2020			
Trade and other payables	**640,160**	**–**	**640,160**
Lease liabilities	**41,944**	**6,991**	**48,935**
	682,104	**6,991**	**689,095**
2019			
Trade and other payables	1,220,193	–	1,220,193
Lease liabilities	41,944	48,934	90,878
	1,262,137	48,934	1,311,071

(d) Capital risk management

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to its shareholder, return capital to shareholder or issue new shares. No changes were made in the objectives, policies and processes during the years ended 31 December 2020 and 31 December 2019.

The Group also monitors capital on the basis of gearing ratio. The gearing ratio is calculated as total debt divided by total capital. Total debt is calculated as lease liabilities. Total capital represents total equity as shown in the consolidated balance sheet.

	2020 **$**	2019 $
Net debt	**47,365**	85,723
Total capital	**25,582,330**	25,409,346
Gearing ratio	**0.002**	0.003

The Group does not have any borrowing other than lease liabilities as at 31 December 2020 and 31 December 2019.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value estimation

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.

(iii) Level 3: unobservable inputs for the asset or liability.

The carrying amounts of the Group's current financial assets, including trade and other receivables and bank balances and; current financial liabilities, including trade and other payables, approximate their fair values as at the reporting date due to their short term maturities.

The Group's non-financial assets measured at fair value, including investment properties, are included in level 3 as there are significant unobservable inputs in the valuation technique. The Group does not have level 1 or level 2 items as at 31 December 2020 (2019: Nil).

Fair value measurements of investment properties under Level 3 fair value hierarchy

Investment properties are carried at fair values at the end of reporting date as determined by independent professional valuers. Valuations are made at each financial statements date based on the properties' highest- and-best-use using the comparison method that considers sales of similar properties that have been transacted in the open market with appropriate adjustments have been made to account for the difference in factors such as locations and property size. The most significant input into this valuation approach is selling price per metre. The valuation report and fair value changes are reviewed by the directors at each reporting date.

The fair value estimation process and technique of investment properties are disclosed in Note 14.

4 CRITICAL AND ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Provision for warranty cost

The Group gives 12–36 months warranties on certain products and undertakes to repair or replace items that fail to perform satisfactorily. A provision is recognised at the balance sheet date for expected warranty claims based on current sales level and past experience of the level of repairs and returns. The Group's provision amounted to $84,596 as at 31 December 2020 (2019: $183,948).

(b) Fair value of investment properties

The fair values of investment properties of the Group are determined by an independent valuer on an open market for existing use basis with reference to comparable market transactions. In making the judgement, the valuer considers information from current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences. The judgement and assumptions used for estimating the fair value of the investment properties are disclosed in Note 3(e).

5 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Company's Board of Directors. The executive directors review the performance of the Group's operations mainly from a business operation perspective. The Group is organised into two main business segments, namely (i) passenger vehicle leather upholstery; and (ii) passenger vehicle electronic accessories. The passenger vehicle leather upholstery segment mainly represents the business of supplying and installing passenger vehicle leather upholstery to passenger vehicle distributors and dealers. The passenger vehicle electronic accessories segment mainly represents the business of supplying and installing passenger vehicle electronic accessories to passenger vehicle distributors and dealers. Those passenger vehicle distributors and dealers are mainly located in Singapore.

Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit/loss before income tax. The adjusted profit/loss before income tax is measured consistently with the Group's profit/loss before income tax except that interest income, interest expenses, inter-segment transactions as well as head office and corporate expenses are excluded from such measurement.

The amounts provided to the management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments other than cash and cash equivalents, trade and other receivables and investment properties which are classified as unallocated assets. Property, plant and equipment and right-of-use assets are allocated as allocated and unallocated assets based on the usage of these assets by segment.

The amounts provided to management with respect total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments other than other payables and accruals, current income tax liabilities and deferred tax liability which are classified as unallocated liabilities. Lease liabilities is allocated proportionately in both allocated and unallocated liabilities based on the liabilities incurred by segment.

5 SEGMENT INFORMATION (CONTINUED)

	Passenger vehicle leather upholstery		Passenger vehicle electronic accessories		Total	
	2020	2019	**2020**	2019	**2020**	2019
	$	$	**$**	$	**$**	$
Sales and installation of goods	**1,468,786**	4,147,165	**4,521,115**	9,230,712	**5,989,901**	13,377,877
Sales of goods	**–**	–	**194,990**	3,109,210	**194,990**	3,109,210
Segment revenue	**1,468,786**	4,147,165	**4,716,105**	12,339,922	**6,184,891**	16,487,087
Segment profit	**157,978**	1,229,608	**507,192**	3,659,489	**665,170**	4,889,097
Depreciation of property, plant and equipment	**(40,538)**	(57,149)	**(69,892)**	(95,833)	**(110,430)**	(152,982)
Depreciation of right-of-use assets	**(30,983)**	(25,820)	**–**	–	**(30,983)**	(25,820)
Unallocated expenses:						
Depreciation of property, plant and equipment					**(92,695)**	(112,884)
Depreciation of right-of-use assets					**(7,746)**	(6,455)
Fair value loss on investment properties					**(150,000)**	–
Professional fees in relation to Transfer of Listing					**–**	(1,522,381)
Profit before income tax					**273,316**	3,068,575
Income tax expense					**(100,332)**	(829,173)
Profit for the year					**172,984**	2,239,402

5 SEGMENT INFORMATION (CONTINUED)

	Passenger vehicle leather upholstery		Passenger vehicle electronic accessories		Total	
	2020	2019	**2020**	2019	**2020**	2019
	$	$	**$**	$	**$**	$
Segment assets	**201,123**	224,156	**657,372**	769,451	**858,495**	993,607
Unallocated assets:						
Cash and cash equivalents					**20,638,689**	10,271,910
Trade and other receivables					**1,455,595**	3,259,897
Investment properties					**3,000,000**	3,150,000
Property, plant and equipment					**849,023**	939,295
Right-of-use assets					**9,037**	16,783
Fixed deposits					**–**	9,263,692
Deferred tax asset					**–**	1,000
Total assets					**26,810,839**	27,896,184
Additions to property, plant and equipment	**27,406**	–	**80,605**	–	**108,011**	–
Segment liabilities	**44,788**	135,592	**245,614**	224,998	**290,402**	360,590
Unallocated liabilities:						
Other payables and accruals					**522,018**	1,074,155
Current income tax liabilities					**316,020**	851,000
Deferred tax liability					**6,000**	–
Lease liabilities					**9,473**	17,145
Provision					**84,596**	183,948
Total liabilities					**1,228,509**	2,486,838

5 SEGMENT INFORMATION (CONTINUED)

Geographical information

An analysis of revenue from external customers by geographical area is set out below:

	2020 $	2019 $
Singapore	**6,184,891**	13,419,127
Malaysia	**–**	3,067,960
	6,184,891	16,487,087

The principal assets of the Group were located in Singapore as at 31 December 2020 and 2019.

Information about major customers

Revenue is derived from 2 external customers who individually contributed 10% or more of the Group's revenue and are attributable to the segments as detailed below:

	Attributable segments	2020 $	2019 $
Customer 1	Passenger vehicle leather upholstery and passenger vehicle electronic accessories	**5,108,359**	10,922,104
Customer 2	Passenger vehicle electronic accessories	**–**	3,067,200
		5,108,359	13,989,304

6 REVENUE

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines.

	2020 $	2019 $
Sales and installation of goods		
— Leather upholstery	**1,468,786**	4,147,165
— Electronic accessories	**4,521,115**	9,230,712
	5,989,901	13,377,877
Sales of goods		
— Electronic accessories	**194,990**	3,109,210
	6,184,891	16,487,087

7 OTHER INCOME

	2020 **$**	2019 $
Cash grant	**11,664**	–
Foreign Worker Levy Rebate	**44,250**	–
Jobs Support Scheme	**219,567**	–
Rental waiver from JTC	**6,265**	–
Property tax rebate	**6,562**	–
Rental income	**126,206**	146,100
Special Employment Credit	**7,508**	6,676
Wages Credit Scheme	**16,370**	7,400
	438,392	160,176

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

Foreign Worker Levy Rebates is wage support to employers, helping enterprises retain their employees during the 2020 Singapore circuit breaker measures as a preventive measure by the Government of Singapore in response to the COVID-19 pandemic. These incentives are granted in the form of cash payout.

Under the Jobs Support Scheme (the "JSS"), the Singapore Government will cofund gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees during the period of economic uncertainty. In determining the recognition of the JSS grant income, management has evaluated and concluded that the period of economic uncertainty commenced in April 2020 when the COVID-19 pandemic started affecting the Group's operations.

Property tax rebates received from the Singapore Government is to help businesses deal with the impact from COVID-19 pandemic. For the property tax rebates, the Group is obliged to pass on the benefits to its tenants and has transferred these to the tenants in form of rent rebates during the financial year. For the cash grant, the Group is obliged to waive up to two months rental to eligible tenants.

8 OTHER LOSSES — NET

	2020 **$**	2019 $
Foreign exchange loss	**(19,807)**	(56,465)
Gain on disposal of property, plant and equipment	**1,749**	–
Fair value loss on investment properties	**(150,000)**	–
Others	**671**	18,856
	(167,387)	(37,609)

9 EXPENSES BY NATURE

	2020 $	2019 $
Costs of inventories	**2,855,310**	8,000,755
Freight and forwarding charges	**19,050**	20,595
Employee benefit costs (Note 10)	**2,475,077**	2,938,917
Depreciation of property, plant and equipment (Note 15)	**203,125**	265,866
Depreciation of right-of-use assets (Note 16)	**38,729**	32,275
Rental expenses on short-term leases	**13,962**	25,884
Commission	**21,153**	19,315
Entertainment	**63,136**	73,803
Motor vehicles expenses	**41,357**	50,734
Insurance	**57,903**	60,145
Travelling expenses	**11,487**	26,399
Advertisement	**12,576**	20,148
Auditor's remuneration		
— Audit services	**80,000**	155,000
Legal and professional fees	**225,382**	269,777
Write-off of inventories	**9,613**	14,861
Reversal of unutilised warranty	**(78,461)**	(97,742)
Provision for warranty cost	**24,595**	98,954
Professional fees in relation to Transfer of Listing		
— Paid or payable to auditor	**–**	145,886
— Paid or payable to other professional parties	**–**	1,376,495
Other operating expenses	**168,893**	188,939
Total cost of sales, selling and distribution expenses and administrative expenses	**6,242,887**	13,687,006

10 EMPLOYMENT BENEFIT COSTS — INCLUDING DIRECTORS' EMOLUMENTS

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

	2020 $	2019 $
Wages, salaries and allowances	2,149,576	2,502,963
Discretionary bonuses	84,818	139,658
Retirement benefit costs — defined contribution plans	136,357	148,207
Others	104,326	148,089
	2,475,077	2,938,917

(b) Directors' emoluments

The remuneration of every director for the year ended 31 December 2020 and 31 December 2019 is set out below:

Name of director	Fees $	Salaries, allowances and benefits in kind $	Discretionary bonuses $	Employer's Contribution to defined contribution plans $	Total $
31 December 2020					
Executive directors					
Mr. Siew Yew Khuen	-	319,635	-	6,480	326,115
Ms. Lee Lai Fong	-	213,135	-	6,480	219,615
Mr. Siew Yew Wai	-	96,110	16,000	11,440	123,550
Mr. Zha Jian Ping	-	39,774	-	-	39,774
Independent non-executive directors					
Mr. Clarence Tan Kum Wah	27,250	-	-	-	27,250
Mr. Gary Chan Ka Leung	27,250	-	-	-	27,250
Mr. Ng Chee Chin	21,286	-	-	-	21,286
	75,786	668,654	16,000	24,400	784,840

10 EMPLOYMENT BENEFIT COSTS — INCLUDING DIRECTORS' EMOLUMENTS (CONTINUED)

(b) Directors' emoluments (Continued)

Name of director	Fees $	Salaries, allowances and benefits in kind $	Discretionary bonuses $	Employer's Contribution to defined contribution plans $	Total $
31 December 2019					
Executive directors	–				
Mr. Siew Yew Khuen	–	360,135	–	6,480	366,615
Ms. Lee Lai Fong	–	240,135	–	8,640	248,775
Mr. Siew Yew Wai	–	101,535	15,000	11,310	127,845
Mr. Zha Jian Ping	–	61,926	–	–	61,926
Independent non-executive directors					
Mr. Clarence Tan Kum Wah	43,600	–	–	–	43,600
Mr. Gary Chan Ka Leung	43,600	–	–	–	43,600
Mr. Au Ki Lun (Note vi)	8,545	–	–	–	8,545
Mr. Ng Chee Chin (Note vi)	12,097	–	–	–	12,097
	107,842	763,731	15,000	26,430	913,003

For the year ended 31 December 2020, none of the directors of the Company waived any emoluments paid or payable by the Group companies and no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2019: None).

(i) Directors' retirement benefits

Except as disclosed below, no retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking for the year ended 31 December 2020 (2019: Nil).

(ii) Directors' termination benefits

No payment was made to directors as compensation for the early termination of the appointment for the year ended 31 December 2020 (2019: Nil).

(iii) Consideration provided to third parties for making available directors' services

No payment was made to the former employer of directors for making available the services of them as a director of the Company for the year ended 31 December 2020 (2019: Nil).

10 EMPLOYMENT BENEFIT COSTS — INCLUDING DIRECTORS' EMOLUMENTS (CONTINUED)

(b) Directors' emoluments (Continued)

(iv) *Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors*

There are no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors for the year ended 31 December 2020 (2019: Nil).

(v) *Directors' material interests in transactions, arrangements or contracts*

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time for the year ended 31 December 2020 (2019: Nil).

(vi) Mr. Ng Chee Chin was appointed as the Company's independent non-executive director on 1 June 2019. Mr. Au Ki Lun was appointed as the Company's independent non-executive director on 20 August 2018 and resigned as the Company's independent non-executive director on 31 May 2019.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Company include 3 executive directors for the years ended 31 December 2020 (2019: 3 executive directors), whose emoluments are reflected in the analysis presented above.

The emoluments payable to the remaining 2 individuals for the years ended 31 December 2020 (2019: 2 individuals) are as follows:

	2020 **$**	2019 $
Wages, salaries and allowances	**194,911**	194,070
Discretionary bonuses	**33,130**	11,025
Retirement benefit costs — defined contribution plans	**28,599**	26,354
	256,640	231,449

	Number of individuals	
	2020	2019
Emolument band		
Nil — HK$1,000,000 (equivalent to $168,000)	**2**	2

11 FINANCE INCOME

	2020 $	2019 $
Interest income from fixed deposits	**63,893**	150,415

12 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 Islands income tax.

Singapore profits tax has been provided at the rate of 17% on the estimated assessable profit for the year (2019: 17%).

The amount of income tax expense charged to the consolidated statement of comprehensive income represents:

	2020 $	2019 $
Income tax		
— Current income tax	**107,000**	851,000
— Over provision in prior years	**(13,668)**	(16,827)
	93,332	834,173
Deferred income tax (Note 18)		
— Deferred income tax	**7,000**	(5,000)
Income tax expense	**100,332**	829,173

12 INCOME TAX EXPENSE (CONTINUED)

The tax on the Group's profit before income tax differs from the theoretical amount as follows:

	2020	2019
	$	$
Profit before income tax	**273,316**	3,068,575
Tax calculated at domestic tax rate of 17% (2019: 17%)	**46,464**	521,658
Tax effect of:		
— Expenses not deductible for tax purposes	**99,036**	378,731
— Non-taxable income	**(10,862)**	(25,571)
— Singapore statutory income exemption	**(17,425)**	(27,349)
— Over provision in prior years	**(13,668)**	(16,827)
— Others	**(3,213)**	(1,469)
Income tax expense	**100,332**	829,173

13 EARNINGS PER SHARE

	2020	2019
	$	$
Profit attributable to equity holders of the Company ($)	**172,984**	2,239,402
Weighted average number of ordinary shares in issue	**450,000,000**	450,000,000
Basic and diluted earnings per share (Singapore cents)	**0.04**	0.50

The calculation of the basic earnings per share is based on the profit for the year attributable to equity holders of the Company and the weighted average number of ordinary shares in issue.

Diluted earnings per share are same as basic earnings per share due to the absence of dilutive potential ordinary shares during the years ended 31 December 2020 and 31 December 2019.

14 INVESTMENT PROPERTIES

	2020 **$**	2019 $
At fair value		
At 1 January	**3,150,000**	3,150,000
Fair value loss	**(150,000)**	–
At 31 December	**3,000,000**	3,150,000

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

	2020 **$**	2019 $
Rental income	**126,206**	146,100
Direct operating expenses arising from properties that generated rental income	**8,652**	9,950

The following table analyses the Group's investment properties that are measured subsequent to initial recognition at fair value, grouped into fair value hierarchy level 3 based on the degree to which the inputs to fair value measurement is observable.

The fair value loss is recognised in the consolidated statement of comprehensive income.

	Fair value measurements using significant Unobservable inputs (Level 3)	
	2020 **$**	2019 $
At 31 December		
Recurring fair value measurements:		
Investment properties	**3,000,000**	3,150,000

There was no transfer between level 1, 2 and 3 during the year.

14 INVESTMENT PROPERTIES (CONTINUED)

Valuation processes

The Group's investment properties were valued at 31 December 2020 by Jones Lang LaSalle Property Consultants Pte Ltd (2019: Jones Lang LaSalle Property Consultants Pte Ltd), an independent and qualified professional valuer not connected to the Group. The valuer holds a recognised and relevant professional qualification and has recent experience in valuing similar properties in similar location and categories of the investment properties being valued.

Valuation technique

Valuation are based on comparison approach assuming sales of each of these properties in its existing state with the benefits of vacant procession. The valuation technique is based on comparison with recent transactions of comparable properties. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as locations and property size. In estimating the fair value of all of the Group's investment properties, the highest and best use of these properties is their current use.

Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value at 31 December 2020	Valuation technique	Unobservable input	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Industrial unit 1	$1,000,000 (2019: $1,050,000)	Comparison approach	Average selling price per square metre	$3,500 per square metre (2019: $3,680 per square metre)	The higher the unit rate, the higher the fair value
Industrial unit 2	$1,000,000 (2019: $1,050,000)	Comparison approach	Average selling price per square metre	$3,500 per square metre (2019: $3,680 per square metre)	The higher the unit rate, the higher the fair value
Industrial unit 3	$1,000,000 (2019: $1,050,000)	Comparison approach	Average selling price per square metre	$3,530 per square metre (2019: $3,710 per square metre)	The higher the unit rate, the higher the fair value

At the balance sheet date, the details of the Group's investment properties are as follows:

Location	Description/existing use	Tenure
# 8 Kaki Bukit Avenue 4, 02-03/04/05, Premier# Kaki Bukit, Singapore 415875	Workshop and office space	60 years leasehold from 15 December 2010

15 PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties $	Lightings, renovation, furniture & fittings $	Machinery & motor vehicles $	Office equipment, software and computers $	Total $
1 January 2019					
Cost	1,150,227	129,519	1,239,733	262,631	2,782,110
Accumulated depreciation	(562,368)	(104,001)	(594,038)	(193,588)	(1,453,995)
Net book amount	587,859	25,518	645,695	69,043	1,328,115
Year ended 31 December 2019					
Opening net book amount	587,859	25,518	645,695	69,043	1,328,115
Additions	–	1,000	–	11,580	12,580
Depreciation	(42,574)	(10,673)	(165,930)	(46,689)	(265,866)
Closing net book amount	545,285	15,845	479,765	33,934	1,074,829
Year ended 31 December 2019 and 1 January 2020					
Cost	**1,150,227**	**50,519**	**1,172,248**	**219,756**	**2,592,750**
Accumulated depreciation	**(604,942)**	**(34,674)**	**(692,483)**	**(185,822)**	**(1,517,921)**
Net book amount	**545,285**	**15,845**	**479,765**	**33,934**	**1,074,829**
Year ended 31 December 2020					
Opening net book amount	**545,285**	**15,845**	**479,765**	**33,934**	**1,074,829**
Additions	**-**	**-**	**108,011**	**30,805**	**138,816**
Depreciation	**(42,574)**	**(8,814)**	**(122,946)**	**(28,791)**	**(203,125)**
Disposal	**-**	**-**	**(7,487)**	**-**	**(7,487)**
Closing net book amount	**502,711**	**7,031**	**457,343**	**35,948**	**1,003,033**
Year ended 31 December 2020					
Cost	**1,150,227**	**50,519**	**1,184,668**	**250,561**	**2,635,975**
Accumulated depreciation	**(647,516)**	**(43,488)**	**(727,325)**	**(214,613)**	**(1,632,942)**
Net book amount	**502,711**	**7,031**	**457,343**	**35,948**	**1,003,033**

Depreciation expense of $110,430, $2,838 and $89,857 (2019: $152,982, $2,838 and $110,046) has been charged to cost of sales, selling and distribution expenses and administrative expenses, respectively, for the year ended 31 December 2020.

Banking facilities are secured on legal mortgage of the leasehold properties with carrying values totalling $502,711 as at 31 December 2020 (2019: $545,285) (Note 22).

16 LEASES

The Group leases an office space from third party for the purpose of back office operations and storage. The lease has a tenure of three years

(a) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

	2020 **$**	2019 $
Right-of-use asset		
Leasehold property	**45,184**	83,913
Lease liabilities		
Non-current liabilities	**6,945**	47,365
Current liabilities	**40,420**	38,358
	47,365	85,723

(b) Amounts recognised in the consolidated statement of comprehensive income

	2020 **$**	2019 $
Depreciation charge of right-of-use asset		
Leasehold property	**38,729**	32,275
Interest expense included in finance cost	**3,586**	4,488
Expenses relating to short-term leases	**13,962**	25,884

The total cash outflow for leases during the year ended 31 December 2020 was $55,906 (2019: $60,837).

The Group leases office premise from third parties under non-cancellable operating lease agreement. There was no option for renewal of the above operating lease agreement.

17 FINANCIAL INSTRUMENTS BY CATEGORY

	2020 **$**	2019 $
Financial assets		
Financial assets at amortised cost		
— Trade and other receivables	**1,370,579**	3,242,461
— Cash and cash equivalents	**20,638,689**	10,271,910
— Fixed deposits	**–**	9,263,692
Total	**22,009,268**	22,778,063
Financial liabilities		
Financial liabilities at amortised cost		
— Trade and other payables	**640,160**	1,220,193
— Lease liabilities	**47,365**	85,723
Total	**687,525**	1,305,916

18 DEFERRED TAX ASSET/(LIABILITY)

The analysis of deferred tax asset/(liability) is as follows:

	2020 **$**	2019 $
Deferred tax asset/(liability):		
— Deferred income tax liability	**(29,000)**	(45,000)
— Deferred income tax asset	**23,000**	46,000
	(6,000)	1,000

The net movements in the deferred income tax account are as follows:

	2020 **$**	2019 $
At 1 January	**1,000**	(4,000)
(Charged)/credited to consolidated statement of comprehensive income (Note 12)	**(7,000)**	5,000
At 31 December	**(6,000)**	1,000

18 DEFERRED TAX ASSET/(LIABILITY) (CONTINUED)

The movements in deferred income tax are as follows:

Deferred tax asset:

	Provision of warranty $	Lease liability $	Total $
At 1 January 2019	45,000	–	45,000
(Charged)/credited to consolidated statement of comprehensive income	(14,000)	15,000	1,000
At 31 December 2019	31,000	15,000	46,000
Charged to consolidated statement of comprehensive income	**(17,000)**	**(6,000)**	**(23,000)**
At 31 December 2020	**14,000**	**9,000**	**23,000**

Deferred tax liability:

	Accelerated tax depreciation $	Right-of-use asset $	Total $
At 1 January 2019	49,000	–	49,000
(Credited)/charged to consolidated statement of comprehensive income	(18,000)	14,000	(4,000)
At 31 December 2019	31,000	14,000	45,000
Credited to consolidated statement of comprehensive income	**(9,000)**	**(7,000)**	**(16,000)**
At 31 December 2020	**22,000**	**7,000**	**29,000**

19 INVENTORIES

	2020 **$**	2019 $
Goods on hand		
Raw materials	**85,786**	34,503
Finished goods	**582,552**	756,440
	668,338	790,943

The cost of inventories included in cost of sales amounted to $2,855,310 for the year ended 31 December 2020 (2019: $8,000,755).

The Group has written off inventories included in cost of sales amounted to $9,613 in the year ended 31 December 2020 (2019: $14,861).

20 TRADE AND OTHER RECEIVABLES

	2020 $	2019 $
Trade receivables (Note a):		
— Third parties	**1,342,326**	3,196,335
Deposits, prepayment and other receivables:		
— Rental and other deposits	**5,545**	5,645
— Advance payment to suppliers	**52,258**	11,508
— Prepayment of operating expenses	**6,805**	5,928
— Other receivables	**48,661**	–
— Interest receivable	**–**	40,481
	113,269	63,562
	1,455,595	3,259,897

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

(a) Trade receivables

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

	2020 $	2019 $
Unbilled revenue	**408,063**	293,120
1 to 30 days	**489,900**	1,898,093
31 to 60 days	**436,867**	766,450
61 to 90 days	**4,342**	237,658
Over 90 days	**3,154**	1,014
	1,342,326	3,196,335

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

The Group does not hold any collateral as security.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. No material loss allowance was recognised at 31 December 2020 and 31 December 2019.

Information about the impairment of trade receivables and the Group's exposure to credit risk can be found in Note 3(b).

21 CASH AND BANK BALANCES

	2020 $	2019 $
Cash and cash equivalents		
— Fixed deposits with original maturities within three months	**–**	4,435,134
— Cash at banks	**20,638,350**	5,836,688
— Cash on hand	**339**	88
	20,638,689	10,271,910
Fixed deposits		
— Fixed deposits with original maturities exceeding three months	**–**	9,263,692
	20,638,689	19,535,602

The Group's cash and bank balances are denominated in the following currencies:

	2020 $	2019 $
HK$	**861,165**	1,538,500
S$	**19,773,603**	17,993,073
US$	**3,921**	4,029
	20,638,689	19,535,602

22 BANKING FACILITIES

The Group's banking facilities are secured by the Group's leasehold properties with carrying values totalling $502,711 as at 31 December 2020 (2019: $545,285) (Note 15). As at 31 December 2020, the Group undrawn banking facilities amounted to $1,400,000 (2019: $1,400,000).

23 SHARE CAPITAL AND SHARE PREMIUM

The share capital of the Group as at 31 December 2020 represented the share capital of the Company.

	Number of ordinary shares	Share capital $	Share premium $
As at 31 December 2019 and 31 December 2020			
— Authorised	10,000,000,000	17,822,268	–
— Issued and fully paid	450,000,000	793,357	12,398,264

24 TRADE AND OTHER PAYABLES

	2020 $	2019 $
Trade payables		
— Third parties	**252,510**	292,012
Other payables and accruals		
— Accrued operating expenses	**224,393**	375,821
— Accrued professional fees in relation to Transfer of Listing	**–**	406,684
— Goods and services tax payables	**90,454**	145,974
— Others	**207,171**	145,676
	522,018	1,074,155
	774,528	1,366,167

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

Trade payables

Trade payables are non-interest bearing and are normally settled on 30 days' terms.

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

	2020 $	2019 $
1 to 30 days	**252,510**	292,012

25 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of liabilities arising from financing activities

	Lease liabilities	
	2020	2019
	$	$
At 1 January	**85,723**	–
Non-cash changes		
— Additions to lease liabilities	**–**	116,188
— Finance cost	**3,586**	4,488
Cash flows		
— Principal elements of payments	**(38,358)**	(30,465)
— Interest paid	**(3,586)**	(4,488)
At 31 December	**47,365**	85,723

26 PROVISION

Provision for warranty cost

The movement in provision for warranty cost during the year is as follows:

	2020	2019
	S$	S$
As at 1 January	**183,948**	263,885
Provisions utilised	**(45,486)**	(81,149)
Reversal of unutilised warranty (Note 9)	**(78,461)**	(97,742)
Provision for warranty cost (Note 9)	**24,595**	98,954
As at 31 December	**84,596**	183,948

27 DIVIDENDS

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

28 COMMITMENT

Non-cancellable operating lease — where the Group is a lessor

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

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

	2020 **$**	2019 $
Not later than 1 year	**126,300**	112,400
Later than 1 year and not later than 5 years	**60,800**	35,100
	187,100	147,500

29 RELATED PARTY TRANSACTIONS

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

The directors are of the view that the following parties were related parties that had material transactions or balances with the Group during the years ended 31 December 2020 and 31 December 2019:

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

In addition to the related party information disclosed above, the following set out the significant transactions carried out between the Group and its related parties in the ordinary course of business for the year ended 31 December 2020.

(a) Key management compensation

Key management includes executive directors of the Company. The compensation paid or payable to key management for employee services is disclosed Note 10(b).

30 PRINCIPAL SUBSIDIARIES OF THE COMPANY

The following is a list of the principal subsidiaries at 31 December 2020 and 31 December 2019:

Company name	Country/ place of incorporation/ establishment	Registered/issued and paid-up capital	Principal activities/ place of operation	Proportion of ordinary shares directly held by parent	Proportion of ordinary shares indirectly held by the Group
TOMO Enterprises Limited	BVI	1 Ordinary Share totaling US$50,000	Investment holding/ Singapore	100%	–
Giant Alliance Investments Holdings Limited	BVI	1 Ordinary Share totaling US$1	Dormant/Singapore	100%	–
Easy Grand International Holdings Limited	BVI	1 Ordinary Share totaling US$1	Dormant/Singapore	100%	–
TOMO-CSE Autotrim Pte Ltd	Singapore	200,000 Ordinary Shares totaling S$200,000	Engaged in the (i) design manufacture, supply and installation of passenger vehicle leather upholstery; and (ii) supply and installation of vehicle electronic accessories/ Singapore	–	100%

31 COMPARATIVE FIGURES

(a) The consolidated financial statements of the Group for the financial year ended 31 December 2019 were audited by another auditor whose report dated 26 March 2020 expressed an unmodified opinion on those consolidated financial statements.

(b) Certain reclassifications have been made to the previous years financial statements to enhance comparability with the current year's financial statements to conform to current year's presentation.

Consolidated Balance Sheet

	As previously reported 2019 $	Amount reclassified	As reclassified amount $
Trade and other payables	1,550,115	(183,948)	1,366,167
Provision	—	183,948	183,948

The reclassification did not have any effect on the statement of cash flows or net profit for the previous financial year.

32 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

	Note	2020 $	2019 $
Assets			
Non-current asset			
Investments in subsidiaries		**4,958,631**	4,958,631
Current assets			
Amounts due from subsidiaries		**6,315,018**	97,270
Trade and other receivables		**52,258**	28,379
Fixed deposit		**–**	5,255,778
Cash and cash equivalents		**739,335**	2,451,905
Total current assets		**7,106,611**	7,833,332
Total assets		**12,065,242**	12,791,963
Equity			
Equity attributable to owners of the Company			
Share capital		**793,357**	793,357
Share premium	(a)	**12,398,264**	12,398,264
Other reserve	(a)	**4,958,627**	4,958,627
Accumulated losses	(a)	**(6,131,938)**	(5,884,188)
Total equity		**12,018,310**	12,266,060
Liability			
Current liabilities			
Other payables		**46,928**	525,899
Amounts due to subsidiaries		**4**	4
Total liabilities		**46,932**	525,903
Total equity and liabilities		**12,065,242**	12,791,963

The statement of financial position of the Company was approved for issue by the Board of Directors on 24 March 2021 and were signed on its behalf.

Mr. Siew Yew Khuen
Director

Ms. Lee Lai Fong
Director

32 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

(a) Reserve movement of the Company

	Share premium $	Other reserve $	Accumulated losses $	Total $
At 1 January 2019	12,398,264	4,958,627	(3,966,000)	13,390,891
Loss and total comprehensive loss for the year	–	–	(1,918,188)	(1,918,188)
At 31 December 2019	12,398,264	4,958,627	(5,884,188)	11,472,703
Loss and total comprehensive loss for the year	–	–	(247,750)	(247,750)
At 31 December 2020	**12,398,264**	**4,958,627**	**(6,131,938)**	**11,224,953**

Other reserve represents the difference between the nominal value of the shares issued and the net asset value of the subsidiaries of the Company upon the reorganisation in 2017.

FIVE YEARS FINANCIAL SUMMARY

RESULTS

	For the year ended 31 December				
	2016 $'000	2017 $'000	2018 $'000	2019 $'000	**2020** **$'000**
Revenue	13,082	14,534	17,818	16,487	**6,185**
Profit before income tax	3,645	1,116	5,252	3,068	**273**
Income tax expense	(629)	(715)	(1,010)	(829)	**(100)**
Profit attributable to the owners of the Company for the year	3,016	401	4,242	2,239	**173**
Total comprehensive income Attributable to the owners of the Company for the year	3,016	401	4,242	2,239	**173**

ASSETS AND LIABILITIES

	As at 31 December				
	2016 $'000	2017 $'000	2018 $'000	2019 $'000	**2020** **$'000**
Total assets	9,940	20,853	25,685	27,896	**26,811**
Total liabilities	1,605	1,925	2,515	2,487	**1,229**
Net assets	8,335	18,928	23,170	25,409	**25,582**
Equity attributable to owners of the Company for the year	8,335	18,928	23,170	25,409	**25,582**

TOMO Holdings Limited

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