



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

INTERIM REPORT 中期報告 2021



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Ma Xiaoqiu (*Chairlady*)
(appointed on 21 July 2021)
Mr. Siew Yew Khuen (resigned on 21 July 2021)
Ms. Lee Lai Fong (resigned on 21 July 2021)
Mr. Siew Yew Wai (resigned on 21 July 2021)
Mr. Zha Jianping (resigned on 21 July 2021)

Non-executive Directors

Ms. Liu Xinyi (appointed on 21 July 2021)
Mr. Wong Chun Man (*Vice-Chairman*)
(appointed on 21 July 2021)
Ms. Lyu Qiujia (appointed on 21 July 2021)

Independent non-executive Directors

Mr. Jin Lailin (appointed on 21 July 2021)
Ms. Lee Kit Ying (appointed on 21 July 2021)
Mr. Wang Zhongmin (appointed on 21 July 2021)
Mr. Clarence Tan Kum Wah (resigned on 21 July 2021)
Mr. Ng Chee Chin (resigned on 21 July 2021)
Mr. Gary Chan Ka Leung (resigned on 03 June 2021)

BOARD COMMITTEES

Audit Committee

Ms. Lee Kit Ying (*Chairlady*)
(appointed on 21 July 2021)
Mr. Jin Lailin (appointed on 21 July 2021)
Mr. Wang Zhongmin (appointed on 21 July 2021)
Mr. Gary Chan Ka Leung (resigned on 03 June 2021)
Mr. Clarence Tan Kum Wah (resigned on 21 July 2021)
Mr. Ng Chee Chin (resigned on 21 July 2021)

Remuneration Committee

Ms. Lee Kit Ying (*Chairlady*)
(appointed on 21 July 2021)
Mr. Jin Lailin (appointed on 21 July 2021)
Ms. Ma Xiaoqiu (appointed on 21 July 2021)
Mr. Wong Chun Man (appointed on 21 July 2021)
Mr. Wang Zhongmin (appointed on 21 July 2021)
Ms. Lee Lai Fong (resigned on 21 July 2021)
Mr. Ng Chee Chin (resigned on 21 July 2021)
Mr. Siew Yew Khuen (resigned on 21 July 2021)

Nomination Committee

Ms. Ma Xiaoqiu (*Chairlady*)
(appointed on 21 July 2021)
Ms. Liu Xinyi (appointed on 21 July 2021)
Ms. Lee Kit Ying (appointed on 21 July 2021)
Mr. Jin Lailin (appointed on 21 July 2021)
Mr. Wang Zhongmin (appointed on 21 July 2021)
Mr. Clarence Tan Kum Wah (resigned on 21 July 2021)
Mr. Gary Chan Ka Leung (resigned on 03 June 2021)
Mr. Siew Yew Wai (resigned on 21 July 2021)

COMPANY SECRETARY

Mr. Leung Ho Chi, *HKICPA, ACCA, HKICS*
(appointed on 21 July 2021)
Mr. Man Yun Wah, *ACG, ACS*
(resigned on 21 July 2021)

AUTHORISED REPRESENTATIVES

Ms. Liu Xinyi (appointed on 21 July 2021)
Mr. Wong Chun Man (appointed on 21 July 2021)
Mr. Siew Yew Khuen (resigned on 21 July 2021)
Mr. Man Yun Wah, *ACG, ACS*
(resigned on 21 July 2021)

AUDITOR

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

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

Block 3018
Bedok North Street 5
#02-08 Eastlink
Singapore 486132



CORPORATE INFORMATION

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

Room Nos. 4101–4104,
41/F, Sun Hung Kai Centre
30 Harbour Road,
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
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

LEGAL ADVISER TO HONG KONG LAW

CFN Lawyers in association with Broad & Bright
Room Nos.4101-4104
41/F, Sun Hung Kai Centre
30 Harbour Road
Wan Chai, 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
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Hong Kong

COMPANY'S WEBSITE

www.thetomogroup.com

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

STOCK CODE

6928



SUMMARY

- The unaudited revenue of the Group amounted to approximately S\$3,968,000 for the six months ended 30 June 2021, representing an increase of approximately S\$1,367,000, or 52.6% as compared with the revenue of approximately S\$2,601,000 for the six months ended 30 June 2020.
- The unaudited profit of the Group was approximately S\$255,000 for the six months ended 30 June 2021 as compared to the unaudited loss of approximately S\$96,000 for the six months ended 30 June 2020.
- Basic and diluted earnings per share was S\$0.06 cents for the six months ended 30 June 2021 as compared to basic and diluted losses per share of S\$0.02 cents for the six months ended 30 June 2020.
- No interim dividend is recommended by the Board for the six months ended 30 June 2021.

UNAUDITED INTERIM RESULTS

The board of Directors (the "Board") of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2021 together with the comparative unaudited figures for the corresponding periods in 2020 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Notes	Six months ended 30 June	
		2021 S\$ (Unaudited)	2020 S\$ (Unaudited)
Revenue	6	3,967,830	2,601,294
Cost of sales	9	(2,804,600)	(1,982,327)
Gross profit		1,163,230	618,967
Other income	7	159,961	267,490
Other gains — net	8	20,922	36,143
Selling and distribution expenses	9	(144,253)	(202,645)
Administrative expenses	9	(848,936)	(876,469)
Finance income		135	62,775
Finance cost on lease liabilities		(1,026)	(2,044)
Profit/(loss) before income tax		350,033	(95,783)
Income tax expenses		(94,992)	—
Profit/(loss) and total comprehensive income/(loss) for the period attributable to owners of the Company		255,041	(95,783)
Earnings/(loss) per share attributable to owners of the Company for the period			
— Basic and diluted (Singapore cents)	11	0.06	(0.02)

UNAUDITED INTERIM RESULTS

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2021

	Notes	As at 30 June 2021 S\$ (Unaudited)	As at 31 December 2020 S\$ (Audited)
ASSETS			
Non-current assets			
Investment properties		3,000,000	3,000,000
Property, plant and equipment	12	932,841	1,003,033
Right-of-use assets	13	25,819	45,184
		3,958,660	4,048,217
Current assets			
Inventories		423,657	668,338
Trade and other receivables	14	2,482,875	1,455,595
Cash and bank balances		20,566,327	20,638,689
		23,472,859	22,762,622
Total assets		27,431,519	26,810,839
EQUITY AND LIABILITIES			
Capital and reserve attributable to equity holders of the Company			
Share capital	15	793,357	793,357
Share premium	15	12,398,264	12,398,264
Other reserve		200,000	200,000
Retained earnings		12,445,750	12,190,709
Total equity		25,837,371	25,582,330
LIABILITIES			
Non-current liabilities			
Lease liabilities	13	-	6,945
Deferred tax liabilities		6,000	6,000
		6,000	12,945
Current liabilities			
Trade and other payables	16	1,311,223	774,528
Provision		100,596	84,596
Lease liabilities	13	27,420	40,420
Current income tax liabilities		148,909	316,020
		1,588,148	1,215,564
Total liabilities		1,594,148	1,228,509
Total equity and liabilities		27,431,519	26,810,839

UNAUDITED INTERIM RESULTS

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Note	Share capital S\$ (Unaudited)	Share premium S\$ (Unaudited)	Other reserve S\$ (Unaudited)	Retained earnings S\$ (Unaudited)	Total S\$ (Unaudited)
2021						
At 1 January 2021		793,357	12,398,264	200,000	12,190,709	25,582,330
Profit and total comprehensive income — Income for the period		-	-	-	255,041	255,041
Balance as at 30 June 2021		793,357	12,398,264	200,000	12,445,750	25,837,371
2020						
At 1 January 2020		793,357	12,398,264	200,000	12,017,725	25,409,346
Loss and total comprehensive loss — Loss for the period		-	-	-	(95,783)	(95,783)
Balance as at 30 June 2020		793,357	12,398,264	200,000	11,921,942	25,313,563

UNAUDITED INTERIM RESULTS

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Notes	Six months ended 30 June	
		2021 S\$ (Unaudited)	2020 S\$ (Unaudited)
Cash flow from operating activities			
Profit/(loss) before income tax		350,033	(95,783)
Adjustments for:			
– Depreciation of property, plant and equipment	12	82,042	113,182
– Depreciation of right-of-use assets	13	19,365	19,364
– Write-off/(write-back) of inventories		302	(396)
– Provision for warranty cost		36,700	25,797
– Finance income		(135)	(62,775)
– Finance cost on Lease liabilities	13	1,026	2,044
Operating profit before working capital changes		489,333	1,433
Changes in working capital:			
– Inventories		244,379	91,499
– Trade and other receivables		(1,027,146)	2,371,451
– Trade and other payables		515,996	(995,135)
Cash generated from operations		222,562	1,469,248
Income tax paid		(262,103)	–
Net cash (used in)/generated from operating activities		(39,541)	1,469,248
Cash flows from investing activities			
Purchase of property, plant and equipment		(11,850)	(9,058)
Interest received		–	28,665
Net (used in)/generated from investing activities		(11,850)	19,607
Cash flows from financing activities			
Principal element of lease payment		(19,945)	(18,928)
Interest element of lease payment		(1,026)	(2,044)
Net used in financing activities		(20,971)	(20,972)
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at beginning of the period		20,638,689	19,535,602
Cash and cash equivalents at end of the period		20,566,327	21,003,485

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

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 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 Room Nos. 4101-4104, 41/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, 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, automotive parts and motor vehicle. These consolidated financial statements are presented in Singapore dollars ("S\$"), unless otherwise stated.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2021 has been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (the "IASB") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The condensed consolidated financial information should be read in conjunction with the Company's consolidated financial statements for the year ended 31 December 2020.

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

3. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the Company's consolidated financial statements for the year ended 31 December 2020, except as mentioned below.

New and revised standards that are adopted

In the current financial period, 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 period. 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

4. ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's combined financial statements for the year ended 31 December 2020.

5. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's consolidated financial statements for the year ended 31 December 2020.

There have been no changes in the risk management policies since 31 December 2020.

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.

The carrying amounts of the Group's current financial assets, including trade and other receivables, inventories, fixed deposits, cash and cash equivalents and current financial liabilities, including trade and other payables and current income tax liabilities, approximate their fair values as at the reporting date due to their short-term maturities. The carrying value of non-current financial assets and liabilities approximate its fair value as at reporting date.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

6. REVENUE AND SEGMENT INFORMATION

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

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

Segment assets exclude intra-group balances and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude intra-group balances and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

	Passenger vehicle leather upholstery As at 30 June		Passenger vehicle electronic accessories As at 30 June		Automotive parts and motor vehicle As at 30 June		Total As at 30 June	
	2021 S\$ (Unaudited)	2020 S\$ (Unaudited)	2021 S\$ (Unaudited)	2020 S\$ (Unaudited)	2021 S\$ (Unaudited)	2020 S\$ (Unaudited)	2021 S\$ (Unaudited)	2020 S\$ (Unaudited)
Segment revenue	549,502	585,862	2,750,321	2,015,432	668,007	-	3,967,830	2,601,294
Segment Profit	63,288	8,272	315,531	28,491	76,493	-	455,312	36,763
Depreciation of property, plant and equipment	(15,125)	(20,640)	(23,075)	(38,449)	(5,590)	-	(43,790)	(59,089)
Depreciation of right-of-use assets	(15,492)	(15,491)	-	-	-	-	(15,492)	(15,491)
Reportable segment profit/ (loss)	32,671	(27,859)	292,456	(9,958)	70,903	-	396,030	(37,817)
Unallocated expenses: Depreciation of property, plant and equipment							(42,124)	(54,093)
Depreciation of right-of-use assets							(3,873)	(3,873)
Profit/(loss) before income tax							350,033	(95,783)
Income tax expenses							(94,992)	-
Profit/(loss) for the period							255,041	(95,783)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

	Passenger vehicle leather upholstery As at 30 June		Passenger vehicle electronic accessories As at 30 June		Automotive parts and motor vehicle As at 30 June		Total As at 30 June	
	2021 S\$ (Unaudited)	2020 S\$ (Unaudited)	2021 S\$ (Unaudited)	2020 S\$ (Unaudited)	2021 S\$ (Unaudited)	2020 S\$ (Unaudited)	2021 S\$ (Unaudited)	2020 S\$ (Unaudited)
Segment assets	119,596	206,186	434,206	635,930	20,071	-	573,873	842,116
Unallocated assets:								
Cash and cash equivalents							20,566,327	21,003,485
Trade and other receivables							2,482,875	922,555
Investment properties							3,000,000	3,150,000
Property, plant and equipment							803,280	880,068
Right-of-use asset							5,164	12,910
Deferred tax assets							-	1,000
Total assets							27,431,519	26,812,134
Segment liabilities	21,936	54,905	110,044	25,052	-	-	131,980	79,957
Unallocated liabilities:								
Trade and other payables							1,201,179	427,206
Provision							100,596	127,049
Deferred tax liabilities							6,000	-
Current income tax liabilities							148,909	851,000
Lease liabilities							5,484	13,359
Total liabilities							1,594,148	1,498,571

The Group's revenue for the six months ended 30 June 2020 and 2021 are as follows:

	Six months ended 30 June	
	2021 S\$ (Unaudited)	2020 S\$ (Unaudited)
Sales and installation of goods		
— Leather upholstery	549,502	585,862
— Electronic accessories	2,676,161	2,015,432
	3,225,663	2,601,294
Sales of goods		
— Electronic accessories	74,160	-
— Automotive parts and motor vehicle	668,007	-
	742,167	-
	3,967,830	2,601,294

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

7. OTHER INCOME

	Six months ended 30 June	
	2021 S\$ (Unaudited)	2020 S\$ (Unaudited)
Government Grants	27,652	44,250
Jobs Support Scheme	49,097	140,891
Wages Credit Scheme	13,195	16,370
Special Employment Credit	4,467	4,083
Rental income	65,550	61,896
	159,961	267,490

Wage Credit Scheme and Special Employment Credit are incentive introduced by the Singapore government to help corporates alleviate business costs in a tight labour market and to support business investments. Government Grants and Jobs Support Scheme are wage support to employers, helping enterprises retain their employees during the 2021 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.

8. OTHER GAINS/(LOSSES) — NET

	Six months ended 30 June	
	2021 S\$ (Unaudited)	2020 S\$ (Unaudited)
Foreign exchange gain — net	20,922	36,143

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

9. EXPENSES BY NATURE

	Six months ended 30 June	
	2021 S\$ (Unaudited)	2020 S\$ (Unaudited)
Costs of inventories	2,114,266	1,245,627
Freight and forwarding charges	4,054	6,619
Employee benefit costs (Note a)	1,136,437	1,269,274
Depreciation of property, plant and equipment	82,041	113,182
Depreciation of right-of-use assets	19,365	19,364
Rental expenses on short-term leases	205	8,821
Commission	8,204	9,873
Entertainment	25,474	27,380
Motor vehicles expenses	19,358	19,174
Insurance	41,064	46,751
Travelling expenses	-	11,486
Advertisement	4,875	6,706
Auditor's remuneration		
— Audit services	32,192	76,250
Legal and professional fees	102,855	106,332
Write-off/(writeback) of inventories	302	(396)
Reversal of unutilised warranty	-	(32,517)
Provision for warranty cost	36,700	25,797
Other operating expenses	170,397	101,718
Total cost of sales, selling and distribution expenses and administrative expenses	3,797,789	3,061,441

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

9. EXPENSES BY NATURE (CONTINUED)

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

	Six months ended 30 June	
	2021 S\$ (Unaudited)	2020 S\$ (Unaudited)
Directors:		
Salaries, allowances and benefits in kind	316,736	351,239
Discretionary bonuses	49,700	16,000
Retirement benefit costs — defined contribution plans	15,922	13,240
Fees	32,057	43,411
	414,415	423,890
Other employees:		
Salaries, allowances and benefits in kind	624,222	718,354
Retirement benefit costs — defined contribution plans	46,355	54,610
Others	51,445	72,420
	722,022	845,384
	1,136,437	1,269,274

10. DIVIDENDS

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

The Board does not recommend the payment of a dividend for the six months ended 30 June 2021.

11. EARNINGS PER SHARE

	Six months ended 30 June	
	2021 S\$ (Unaudited)	2020 S\$ (Unaudited)
Profit/(loss) for the period attributable to equity holders the Company (S\$)	255,041	(95,783)
Weighted average number of ordinary shares in issue	450,000,000	450,000,000
Basic and diluted earnings per share (Singapore cents)	0.06	(0.02)

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

Diluted earnings/(loss) per share for the six months ended 30 June 2020 and 2021 are the same as basic earnings per share due to the absence of dilutive potential ordinary shares during the respective periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

12. PROPERTY, PLANT & EQUIPMENT

During the six months ended 30 June 2021, the Group acquired property, plant and equipment of approximately S\$11,850 (30 June 2020: approximately S\$9,000).

	Leasehold properties S\$	Lightings, Renovations, Furniture & Fittings S\$	Machinery & Motor vehicles S\$	Office equipment, Software & Computer S\$	Total S\$
At 31 December 2020 (Audited)					
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
Six months ended 30 June 2021 (Unaudited)					
Opening net book amount	502,711	7,031	457,343	35,948	1,003,033
Additions	-	6,700	5,150	-	11,850
Depreciation	(21,287)	(3,130)	(50,048)	(7,577)	(82,042)
Closing net book amount	481,424	10,601	412,445	28,371	932,841
At 30 June 2021 (Unaudited)					
Cost	1,150,227	57,219	1,189,818	250,561	2,647,825
Accumulated depreciation	(668,803)	(46,618)	(777,373)	(222,190)	(1,714,984)
Net book amount	481,424	10,601	412,445	28,371	932,841

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

13. RIGHT-OF-USE ASSET/LEASE LIABILITIES

	As at 30 June 2021 S\$ (Unaudited)	As at 31 December 2020 S\$ (Unaudited)
Right-of-use asset		
Leasehold property	25,819	45,184
Lease liabilities		
— Non-current liabilities	—	6,945
— Current liabilities	27,420	40,420
	27,420	47,365
Depreciation charge of right-of-use asset		
Leasehold property	19,365	38,729
Interest expense included in finance cost	1,026	3,586
Expenses relating to short-term leases	205	13,962

14. TRADE & OTHER RECEIVABLES

	As at 30 June 2021 S\$ (Unaudited)	As at 31 December 2020 S\$ (Audited)
Trade receivables (Note a)		
— Third parties	1,712,020	1,342,326
Deposit, prepayment and other receivables		
— Rental and other deposits	5,545	5,545
— Advance payment to suppliers	724,195	52,258
— Prepayment of operating expenses	3,472	6,805
— Other receivables	37,643	48,661
	770,855	113,269
	2,482,875	1,455,595

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

14. TRADE & OTHER RECEIVABLES (CONTINUED)

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

(a) Trade receivables

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

	As at 30 June 2021 S\$ (Unaudited)	As at 31 December 2020 S\$ (Audited)
Unbilled revenue	266,067	408,063
1 to 30 days	1,155,664	489,900
31 to 60 days	284,236	436,867
61 to 90 days	1,980	4,342
Over 90 days	4,073	3,154
	1,712,020	1,342,326

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

The maximum exposure to credit risk at the reporting date is the carrying value of the receivables mentioned above. The Group does not hold any collateral as security.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. No material loss allowance was recognised at 31 December 2020 and 30 June 2021.

15. SHARE CAPITAL

The share capital of the Group as at 31 December 2020 and as at 30 June 2021 represented the share capital of the Company.

	Number of ordinary shares	Share capital S\$	Share premium S\$
As at 31 December 2020 and 30 June 2021			
— Authorised	10,000,000,000	17,822,268	—
— Issued and fully paid	450,000,000	793,357	12,398,264

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

16. TRADE & OTHER PAYABLES

	As at 30 June 2021 S\$ (Unaudited)	As at 31 December 2020 S\$ (Audited)
Trade payables (Note a)		
— Third parties	110,044	252,510
Other payables and accruals		
— Accrued operating expenses	136,221	224,393
— Advance payment received from customers	784,185	—
— Goods and services tax payables	51,062	90,454
— Other payables	229,711	207,171
	1,201,179	522,018
	1,311,223	774,528

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

(a) Trade payables

Trade payables are non-interest bearing and are normally settled on 30 days' terms. The aging analysis of the trade payables based on invoice date is as follows:

	As at 30 June 2021 S\$ (Unaudited)	As at 31 December 2020 S\$ (Audited)
1 to 30 days	110,044	252,510

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2021

17. RELATED PARTY TRANSACTIONS

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

The directors are of the view that the following parties were related parties that had material transactions or balances with the Group during the periods ended 30 June 2020 and 2021:

Name	Relationship with the Group
Mr. Siew Yew Khuen ("Mr David Siew")	The former shareholder and former executive director of the Company (resigned on 21 July 2021)
Ms. Lee Lai Fong ("Ms Lee")	The former shareholder and former executive director of the Company (resigned on 21 July 2021)
Mr. Siew Yew Wai	The former executive director of the Company (resigned on 21 July 2021)

In addition to the related party information disclosed above, the following set out the significant transactions carried out between the Group and its related parties in the ordinary course of business during the periods ended 30 June 2020 and 2021.

18. COMMITMENTS

Non-cancellable operating lease

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

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

	As at 30 June 2021 S\$ (Unaudited)	As at 31 December 2020 S\$ (Audited)
- No later than 1 year	104,850	126,300
- Later than 1 year and not later than 5 years	19,000	60,800
	123,850	187,100



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

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, automotive parts and motor vehicle. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited 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.

The Group experienced challenging business operation conditions with the impact of COVID-19 pandemic, lockdowns and social distancing measures which resulted in temporary closures of all the Group's businesses. Both business and consumer sentiment are expected to remain weak and the Group's current performance will be significantly impacted.

Based on the unaudited financial information of the Group, its total revenue for the six months ended 30 June 2021 recorded an increase of approximately 52.6% as compared to the same period in 2020, which was mainly due to a increase in newly registered passenger vehicles in Singapore and sales of automotive parts and motor vehicle.

Going forward, we expect to face even greater headwinds. As we witness vast geopolitical uncertainty and tensions rising across the world, barriers to free trade punishing businesses with global supply chains, and the COVID-19 virus continuing to ravage across continents, these events have brought forth the spectra of recession, and we must be prepared for the downturn that will likely follow.

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 successes. While the coming year will be tough on all of us, we are certain that we can benefit from this in the long run.

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 deliver better operating performance for the future.

FINANCIAL REVIEW

Revenue

Total revenue of the Group for the six months ended 30 June 2021 (the "Current Period") was approximately S\$3,968,000 as compared to approximately S\$2,601,000 for the six months ended 30 June 2020 (the "Corresponding Period"), representing an increase of approximately S\$1,367,000 or 52.6%. Such increase was mainly attributable to the increase of the total number of newly registered passenger vehicles in Singapore after the resumption of the COE bidding exercise and revenue increase generated from sales of automotive parts and motor vehicle.

Gross profit

As a result of the increase in sales in the current period and temporarily closure of our business in 2020, the Group's gross profit has increased by approximately S\$544,000 or 87.9% from approximately S\$619,000 for the six months ended 30 June 2020 to approximately S\$1,163,000 for the six months ended 30 June 2021. Despite the adverse business environment, the Group was able to improve the gross profit margin of approximately 29.3% for the six months ended 30 June 2021 and the gross profit margin for the six months ended 30 June 2020, which was approximately 23.8%.

MANAGEMENT DISCUSSION AND ANALYSIS

Other income

Other income had decreased by approximately S\$107,000 from approximately S\$267,000 for the six months ended 30 June 2020 to approximately S\$160,000 for the six months ended 30 June 2021. Such a decrease was mainly attributed to higher Government Grants from the Singapore Government as measures to help enterprises retain their employees during the circuit breaker period in 2020.

Other gains — net

Other gains decreased by approximately S\$15,000 from approximately S\$36,000 of net gains for the six months ended 30 June 2020 to approximately S\$21,000 of net gains for the six months ended 30 June 2021. Other gains mainly represent foreign exchange gains resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies.

Selling and distribution expenses

Selling and distribution expenses had decreased by approximately S\$59,000 from approximately S\$203,000 for the six months ended 30 June 2020 to approximately S\$144,000 for the six months ended 30 June 2021. The decrease of the costs is mainly attributable to lower entertainment expenses, business promotion expenses and traveling expenses.

Administrative expenses

Administrative expenses decreased by approximately S\$27,000 from approximately S\$876,000 for the six months ended 30 June 2020 to approximately S\$849,000 for the six months ended 30 June 2021. The decrease of administrative expenses was mainly due to the decrease in employee benefit costs and professional fees in relation to the transfer of listing of the shares of the Company on the GEM to the Main Board (the "Transfer Listing") in 2020.

PROFIT/(LOSS) FOR THE PERIOD

The Group reported profit of approximately S\$255,000 for the Current Period. The profit increased by approximately S\$351,000 from loss of approximately S\$96,000 for the Corresponding Period.

PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT

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



MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The capital of the Group comprises ordinary shares only.

As at 30 June 2021, the Group had net current assets of approximately S\$21,885,000 (31 December 2020: S\$21,547,000) including cash and bank balances of approximately S\$20,566,000 (31 December 2020: S\$20,639,000). The current ratio, being the ratio of current assets to current liabilities, was approximately 14.8 times as at 30 June 2021 (31 December 2020: 18.7 times). The decrease in the current ratio was mainly due to the higher balances of other receivables and other payables as at 30 June 2021 compared to 31 December 2020.

The Group's operations were financed principally by revenues generated from business operations and available cash and cash equivalents. The Group did not have any debt as at 30 June 2021 (31 December 2020: Nil). There was no finance cost incurred during the period ended 30 June 2021 (31 December 2020: Nil), hence, no gearing ratio of the Group is 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 and Annual Report 31 December 2020, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

An analysis of the amount utilised up to 30 June 2021 is set out as follow:

	Net proceeds S\$'000	Utilised as of 31 December 2020 S\$'000	Utilised as at 30 June 2021 S\$'000	Unutilised as at 30 June 2021 S\$'000	Expected timeline of full utilisation of the balance
Upgrade existing facilities, acquire new machinery and premises	5,160	4,160	4,200	960	End of 2022
Strengthen our sales and marketing efforts	1,760	1,010	1,160	600	End of 2022
Expand our product offerings	1,430	1,430	1,430	–	–
Upgrade and integrate of our information technology system	350	350	350	–	–
Working capital and general corporate use	1,600	1,030	1,170	430	End of 2022
	10,300	7,980	8,310	1,990	

The remaining net proceeds as at 30 June 2021 had been placed in interest-bearing deposits in bank in Hong Kong and Singapore.

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

EMPLOYEE INFORMATION

As at 30 June 2021, the Group had 46 employees (31 December 2020: 47), comprising of 4 executive Directors (31 December 2020: 4), 2 senior managements (31 December 2020: 2), 6 administrative employees (31 December 2020: 6) and 34 technicians (31 December 2020: 35).

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, if their performance is satisfactory. We also believe in promoting internally as this promotes employee satisfaction and enables us to improve our service quality to our customers and enjoy a low employee turnover rate. We review the performance of our employees on a regular basis for salary and promotion appraisals.

Total staff costs, including directors' emolument, amounted to approximately S\$1,136,000 for the period ended 30 June 2021 (30 June 2020: S\$1,269,000).



MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

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

IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 30 June 2021, the directors consider the immediate parent of the Company to be Billion Legend Company Limited, which is incorporated in the British Virgin Islands. This entity does not produce financial statements available for public use.

The directors regard ultimate controlling party of the Company to be Ma Xiaoqiu.

MANDATORY UNCONDITIONAL CASH OFFER

On 2 June 2021, Billion Legend Company Limited (the "Offeror"), Ms. Ma Xiaoqiu ("Guarantor") and TOMO Ventures Limited (the "Vendor") entered into a sale and purchase agreement, pursuant to which the Vendor agreed to sell and Offeror agreed to purchase 230,000,000 shares of the Company (the "Shares"), representing approximately 51.11% of the entire issued share capital of the Company for a total cash consideration of HK\$130,333,000. Completion of the above sale and purchase agreement took place on 9 June 2021.

Immediately following the completion of the above sale and purchase agreement, Offeror and/or the parties acting in concert with it were interested in a total of 230,000,000 Shares, representing approximately 51.11% of the entire issued share capital of the Company.

In accordance with Rule 26.1 of the Codes on Takeovers and Mergers and Share Buy-backs (the "Takeovers Code") published by the Securities and Futures Commission, the Offeror made a mandatory unconditional cash offer (the "Share Offer") to acquire all the issued Shares (other than those Shares already owned or agreed to be acquired by Offeror and/or parties acting in concert with it) in accordance with the terms as set out in the composite offer document and the response document jointly despatched by the Company and Offeror on 29 June 2021 (the "Composite Document") in accordance with the Takeovers Code.

As of the close of the Share Offer on 20 July 2021, no valid acceptance had been received by the Offeror in respect of the Offer Shares. Taking into account that there is no valid acceptance in respect of the Offer Shares, the Offeror's Concert Group is interested in an aggregate of 230,000,000 Shares, representing 51.11% of the entire issued share capital of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

CHANGES IN DIRECTORS AND INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B (1) of the Listing Rules, the changes in information of Directors subsequent to the date of the 2020 Annual Report of the Company is set out below:

Name of Director	Details of change
<i>Executive Directors</i>	
Ms. Ma Xiaoqiu (<i>Chairlady</i>)	Appointed on 21 July 2021
Mr. Siew Yew Khuen	Resigned on 21 July 2021
Ms. Lee Lai Fong	Resigned on 21 July 2021
Mr. Siew Yew Wai	Resigned on 21 July 2021
Mr. Zha Jianping	Resigned on 21 July 2021
<i>Non-executive Directors</i>	
Ms. Liu Xinyi	Appointed on 21 July 2021
Mr. Wong Chun Man (<i>Vice-Chairman</i>)	Appointed on 21 July 2021
Ms. Lyu Qiuqia	Appointed on 21 July 2021
<i>Independent non-executive Directors</i>	
Mr. Jin Lailin	Appointed on 21 July 2021
Ms. Lee Kit Ying	Appointed on 21 July 2021
Mr. Wang Zhongmin	Appointed on 21 July 2021
Mr. Clarence Tan Kum Wah	Resigned on 21 July 2021
Mr. Ng Chee Chin	Resigned on 21 July 2021
Mr. Gary Chan Ka Leung	Resigned on 03 June 2021

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2021, leasehold properties with carrying values totaling S\$481,424 (31 December 2020: S\$502,711) were pledged to secure the Group's banking facilities.

FOREIGN EXCHANGE EXPOSURE

The turnover and business costs of the Group were principally denominated in Singapore dollars. The Group has exposure to foreign exchange risk arising mainly from the exposure of S\$ against HK\$. Foreign exchange risk arises mainly from recognised assets. As at 30 June 2021, if the HK\$ had weakened or strengthened by 10% against the S\$ with all other variables held constant, post-tax profit for the year would have been approximately S\$61,000 (31 December 2020: S\$70,000) lower/higher as a result of foreign exchange losses/gains mainly on translation of HK\$ denominated cash and bank balances.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the period ended 30 June 2021, there was no significant investment held by the Group.

CONTINGENT LIABILITIES

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

EVENT AFTER THE REPORTING PERIOD

Up to the date of this report, there was no significant event relevant to the business or financial performance of the Group that come to the attention of the Directors after the Current Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at the date of this report, the interests or short positions of 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 SFO) which were 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 they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to standards of dealing by Directors contained in the Listing Rules, were as follows:

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

Name of Director	Capacity/Nature of interest	Number of shares held (Note 1)	Approximately
			percentage of shareholding of the Company
Ms. Ma Xiaoju	Interest of a controlled corporation	230,000,000 (L)	51.11%

Notes:

1. The letter "L" denotes the person's long position in the relevant Shares.

Save as disclosed above, as at 30 June 2021, none of the Directors or Chief Executive had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Model Code to be notified to the Company and the Stock Exchange.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

Up to the date of this report, the following persons/entities (not being Directors or chief executive of our Company) have an interest or a short position in the Shares or the underlying Shares which were disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, were as follows:

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

Name	Capacity/Nature of interests	Number of shares held (Note 1)	Approximately percentage of shareholding of the Company
Billion Legend Company Limited	Beneficial owner	230,000,000 (L)	51.11%

Notes:

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

SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") has been adopted by passing of written resolutions by the then shareholders of the Company and was effective on 23 June 2017. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years from the date of its adoption. No share options have been granted under the Share Option Scheme since its effective date up to 30 June 2021.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraphs headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION" and "SHARE OPTION SCHEME" in this report, at no time during the six months ended 30 June 2021 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

COMPETITION AND CONFLICT OF INTERESTS

Except for the interests in the Group, none of the directors, the substantial shareholders or the management shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group or has any other conflict of interests with the Group during the Current Period.



CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURE

Apart from the Share Option Scheme, at no time during the Current Period was the Company or any associated corporation a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age 18, had any right to subscribe for the shares in, or debentures of, the Company, or had exercise any such rights.

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

The Company has not redeemed any of its shares during the Current Period. Neither the Company nor any of its subsidiaries had purchased, sold and redeemed any of the Company's listed securities up to the date of this report.

COMPLIANCE WITH THE CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance its corporate value. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code in Appendix 14 to the Listing Rules (the "CG Code").

Throughout the six months ended 30 June 2021 and up to the date of this report, to the best knowledge of the Board, the Company had complied with the code provisions in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code of conduct for securities transactions. Following specific enquiries of all Directors, all Directors confirm that they have complied with the required standards of dealing as set out in the Model Code throughout the six months ended 30 June 2021 and up to the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 six months ended 30 June 2021 and up to the date of this report.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2021.

AUDIT COMMITTEE

The Audit Committee of the Company (the "Audit Committee") has been established with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code as set out in Appendix 14 to the Listing Rules. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Ms. Lee Kit Ying. The other members of the Audit Committee are Mr. Jin Lailin and Mr. Wang Zhongmin. The primary duty of the Audit Committee is to review and supervise the Company's financial reporting process, the internal control systems of the Group and the monitoring of continuing connected transactions. All members of the Audit Committee are appointed by the Board.

The Audit Committee had reviewed the unaudited condensed consolidated results of the Group for the six months ended 30 June 2021 and is of the opinion that such results complied with the applicable accounting standards, the requirements under the Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By Order of the Board of
TOMO HOLDINGS LIMITED
Ma Xiaoqiu
Executive Director

Hong Kong, 27 August 2021

As at the date of this report, the Directors are:

Executive Directors

Ms. Ma Xiaoqiu (*Chairlady*)

Non-executive Directors

Ms. Liu Xinyi

Mr. Wong Chun Man (*Vice-Chairman*)

Ms. Lyu Qiujia

Independent non-executive Directors

Mr. Jin Lailin

Ms. Lee Kit Ying

Mr. Wang Zhongmin



TOMO Holdings Limited

