TOMO HOLDINGS LIMITED
萬馬控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 6928)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		
In S$ ('000)	**2023**	2022	**Change**
Revenue	**9,071**	16,340	(44.5%)
Gross profit	**420**	925	(54.6%)
Gross profit margin	**4.6%**	5.7%	(19.3%)
Loss for the year	**(10,582)**	(1,870)	465.9%

	As at 31 December		
In S$ ('000)	**2023**	2022	**Change**
Cash and cash equivalents	**8,317**	7,016	18.5%
Total assets	**14,638**	24,977	(41.4%)
Total liabilities	**1,389**	1,146	21.2%
Total equity	**13,249**	23,831	(44.4%)

The original announcement is prepared in the English language. This announcement is translated into Chinese. In the event of any inconsistencies between the Chinese and the English version, the latter shall prevail and it is available on TOMO Holdings Limited's (the "Company", together with its subsidiaries, the "Group") website at www.tomogroupltd.com.

ANNUAL RESULTS

The board (the "Board") of directors (the "Directors") of the Company is pleased to announce the consolidated results of the Group for the financial year ended 31 December 2023 (the "Current Year") together with the comparative figures for the financial year ended 31 December 2022 (the "Corresponding Year") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

		2023	2022
	Notes	*S$*	*S$*
Revenue	4	**9,071,257**	16,340,186
Cost of sales	5	**(8,650,862)**	(15,414,694)
Gross profit		**420,395**	925,492
Other income		**207,268**	157,765
Other gains – net		**396,058**	270,347
Selling and distribution expenses	5	**(505,099)**	(465,183)
Administrative expenses	5	**(4,621,752)**	(2,964,657)
Impairment of investments in associates		**(6,421,491)**	–
Finance income		**117,618**	25,551
Finance cost on lease liabilities		**(3,188)**	(4,044)
Loss before tax		**(10,410,191)**	(2,054,729)
Income tax (expense)/credit	6	**(172,000)**	185,161
Loss for the financial year		**(10,582,191)**	(1,869,568)
Loss and total comprehensive expense for the financial year attributable to equity holders of the Company		**(10,582,191)**	(1,869,568)
Loss per share attributable to equity holders of the Company			
Basic and diluted *(Singapore cents)*	8	**(2.35)**	(0.42)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Notes	2023 S$	2022 S$
Assets			
Non-current assets			
Investment properties		**3,740,000**	3,300,000
Property, plant and equipment		**882,168**	1,019,071
Intangible asset		**461,652**	95,060
Right-of-use asset		**44,529**	82,696
Investments in associates		**–**	6,421,491
Deferred tax assets		**–**	172,000
		5,128,349	11,090,318
Current assets			
Inventories		**284,821**	629,745
Trade and other receivables	9	**907,279**	1,240,623
Financial assets at fair value through profit or loss		**–**	5,000,000
Cash and cash equivalents		**8,317,344**	7,015,867
		9,509,444	13,886,235
Total assets		**14,637,793**	24,976,553
Equity and liabilities			
Capital and reserve attributable to equity holders of the Company			
Share capital	10	**793,357**	793,357
Share premium		**12,398,264**	12,398,264
Other reserve		**200,000**	200,000
(Accumulated losses)/retained earnings		**(143,019)**	10,439,172
Total equity		**13,248,602**	23,830,793

	Notes	2023 S$	2022 S$
Liabilities			
Non-current liabilities			
Lease liabilities		**6,797**	46,473
		6,797	46,473
Current liabilities			
Trade and other payables	11	**1,068,115**	221,555
Contract liabilities		**244,322**	810,550
Lease liabilities		**39,676**	37,839
Current income tax liabilities		**374**	374
Provision	12	**29,907**	28,969
		1,382,394	1,099,287
Total liabilities		**1,389,191**	1,145,760
Total equity and liabilities		**14,637,793**	24,976,553

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

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 Act (as revised) of the Cayman Islands. The Company was accepted for secondary listing on the Frankfurt Stock Exchange ("FSE") of Germany and its shares have been traded on the FSE under the trading symbol '5WZ' during the year ended 31 December 2022. The Company continues to have a primary listing on the Main Board of The Stock Exchange of Hong Kong Limited ("HKEx") and its shares have been continued to be traded on the HKEx. The ultimate beneficial owner and immediate holding company of the Company are Mr. Lu Yongde and Billion Legend Company Limited ("Billion Legend") respectively since 20 March 2024.

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 Unit 802, 8/F, LKF29, 29 Wyndham Street, 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, automotive parts and motor vehicle.

2. BASIC OF PREPARATION

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

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs

Application of new and amendments to IFRSs

In the current year, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the IASB which are effective for the Group's financial year beginning 1 January 2023:

IFRS 17 (including the June 2020 and December 2021 amendments to IFRS 17)	*Insurance Contracts*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform – Pillar Two Model Rules*

The application of the new and amendments to IFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

Amendments to IFRSs issued but not yet effective

The Group has not early applied the following amendments to IFRSs that have been issued but not yet effective:

Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*[1]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[1]
Amendments to IAS 1	*Non-current Liabilities with Covenants*[1]
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangement*[1]
Amendments to IAS 21	*Lack of Exchangeability*[2]

[1] Effective for annual periods beginning on or after 1 January 2024
[2] Effective for annual periods beginning on or after 1 January 2025
[3] Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of the amendments to IFRSs will have no material impact on the results and the financial position of the Group.

4. 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 three main business segments, namely (i) passenger vehicle leather upholstery; (ii) passenger vehicle electronic accessories; and (iii) automotive parts and motor vehicle. 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. The automotive parts and motor vehicle segment mainly represents the business of supplying automotive parts and motor vehicle to passenger vehicle distributors and dealers. Those passenger vehicle distributors and dealers are mainly located in Singapore and Hong Kong.

Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before 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, intangible asset, investment properties, financial assets at fair value through profit or loss and investments in associates which are classified as unallocated assets. Property, plant and equipment, right-of-use assets and trade and other receivables 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, provision, 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.

	Passenger vehicle leather upholstery		Passenger vehicle electronic accessories		Automotive parts and motor vehicles		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	$	*$*	***$***	*$*	***$***	*$*	***$***	*$*
Sales and installation of goods	**515,021**	543,447	**1,577,178**	1,793,303	**–**	–	**2,092,199**	2,336,750
Sales of goods	**–**	–	**8,933**	339,900	**6,970,125**	13,663,536	**6,979,058**	14,003,436
Total segment revenue	**515,021**	543,447	**1,586,111**	2,133,203	**6,970,125**	13,663,536	**9,071,257**	16,340,186
Segment loss	**(250,484)**	(76,838)	**(771,295)**	(301,122)	**(3,388,143)**	(1,929,490)	**(4,409,922)**	(2,307,450)
Depreciation of property, plant and equipment	**(2,297)**	(1,679)	**(7,073)**	(6,578)	**(31,072)**	(42,152)	**(40,442)**	(50,409)
Depreciation of right-of-use assets	**(30,534)**	(30,609)	**–**	–	**–**	–	**(30,534)**	(30,609)
Unallocated amounts:								
Amortisation of intangible asset							**(14,408)**	(5,293)
Depreciation of property, plant and equipment							**(96,461)**	(91,516)
Depreciation of right-of-use assets							**(7,633)**	(7,652)
Fair value gain on investment properties							**440,000**	300,000
Rental income from investment properties							**170,700**	138,200
Impairment of investments in associates							**(6,421,491)**	–
Loss before tax							**(10,410,191)**	(2,054,729)
Segment assets	**127,957**	169,527	**211,379**	314,100	**312,960**	1,111,604	**652,296**	1,595,231
Unallocated assets:								
Cash and cash equivalents							**8,317,344**	7,015,867
Financial assets at fair value through profit or loss							**–**	5,000,000
Trade and other receivables							**644,388**	423,597
Investment properties							**3,740,000**	3,300,000
Property, plant and equipment							**813,207**	936,768
Intangible asset							**461,652**	95,060
Right-of-use assets							**8,906**	16,539
Investments in associates							**–**	6,421,491
Deferred tax assets							**–**	172,000
Total assets							**14,637,793**	24,976,553
Segment liabilities	**78,088**	73,960	**9,626**	14,649	**244,322**	810,550	**332,036**	899,159
Unallocated liabilities:								
Other payables and accruals							**1,017,580**	200,395
Current income tax liabilities							**374**	374
Lease liabilities							**9,294**	16,863
Provision							**29,907**	28,969
Total liabilities							**1,389,191**	1,145,760

Geographical information

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

	2023	2022
	$	*$*
Hong Kong	**672,725**	5,785,876
Singapore	**8,398,532**	10,554,310
	9,071,257	16,340,186

The principal assets of the Group were located in Singapore as at 31 December 2023 and 31 December 2022.

Information about major customers

Revenue is derived from 2 (2022: 4) external customers who individually contributed 10% or more of the Group's revenue and are attributable to the segments as detailed below:

	Attributable segments	**2023**	2022
		$	*$*
Customer 1	Passenger vehicle leather upholstery and passenger vehicle electronic accessories	**1,691,214**	2,087,757
Customer 2	Automotive parts and motor vehicle	**6,306,770**	7,892,160
Customer 3	Motor vehicles	**N/A**[1]	2,286,333
Customer 4	Motor vehicles	**N/A**[1]	2,513,536
		7,997,984	14,779,786

[1] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

5. LOSS BEFORE TAX

	2023	2022
	$	*$*
Costs of inventories	**7,450,926**	14,168,055
Freight and forwarding charges	**12,994**	17,906
Employee benefit costs	**4,612,157**	3,250,795
Amortisation of intangible asset	**14,408**	5,293
Depreciation of property, plant and equipment	**136,903**	141,925
Depreciation of right-of-use assets	**38,167**	38,261
Rental expenses on short-term leases	**18,697**	23,488
Commission	**12,994**	24,559
Entertainment	**83,749**	63,677
Motor vehicles expenses	**135,446**	44,892
Insurance	**61,173**	56,053
Travelling expenses	**285,361**	–
Advertisement	**11,700**	12,257
Auditor's remuneration – Audit services	**68,000**	75,000
Legal and professional fees	**520,026**	511,857
Write-off of inventories	**31,435**	33,577
Provision for warranty cost	**79,361**	93,254
Write-off of amounts due from a shareholder	**–**	93,197
Loss on disposal of property, plant and equipment	**–**	9,634
Other operating expenses	**204,216**	180,854
Total cost of sales, selling and distribution expenses and administrative expenses	**13,777,713**	18,844,534

6. INCOME TAX EXPENSE/(CREDIT)

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act (as revised) 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 financial year (2022: 17%).

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the year except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax regime. The first HK$2,000,000 of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

The amount of income tax expense/(credit) charged to the consolidated statement of profit or loss and other comprehensive income represents:

	2023	2022
	$	*$*
Current income tax		
– Charge for the year	**–**	374
– Over-provision in prior years	**–**	(1,535)
	–	(1,161)
Deferred tax	**172,000**	(184,000)
Income tax expense/(credit)	**172,000**	(185,161)

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

	2023	2022
	$	*$*
Loss before tax	**(10,410,191)**	(2,054,729)
Tax calculated at domestic tax rate	**(1,769,732)**	(339,405)
Tax effect of:		
– Expenses not deductible for tax purposes	**1,404,590**	210,863
– Non-taxable income	**(94,253)**	(68,472)
– Singapore statutory income exemption	**–**	(17,425)
– Over provision in prior years	**–**	(1,535)
– Tax losses not recognised	**625,921**	–
– Others	**5,474**	30,813
Income tax expense/(credit)	**172,000**	(185,161)

7. DIVIDENDS

The board of directors did not recommend the payment of a final dividend for the years ended 31 December 2023 and 2022.

8. LOSS PER SHARE

	2023	2022
Loss attributable to equity holders of the Company *($)*	**10,582,191**	1,869,568
Weighted average number of ordinary shares in issue	**450,000,000**	450,000,000
Basic and diluted loss per share *(Singapore cents)*	**2.35**	0.42

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

Diluted loss per share are same as basic loss per share due to the absence of dilutive potential ordinary shares during the years ended 31 December 2023 and 2022.

9. TRADE AND OTHER RECEIVABLES

	2023	2022
	$	*$*
Trade receivables	**465,006**	142,224
Deposits, prepayment and other receivables:		
– Rental and other deposits	**6,269**	5,569
– Advance payment to suppliers	**262,890**	817,026
– Prepayment of operating expenses	**1,563**	63,072
– Other receivables	**171,551**	212,732
	442,273	1,098,399
	907,279	1,240,623

The ageing analysis of the trade receivables based on invoice date is as follows:

	2023	2022
	$	*$*
Unbilled revenue	**207,646**	48,775
1 to 30 days	**11,069**	89,051
31 to 60 days	**1,220**	2,793
61 to 90 days	**626**	696
Over 90 days	**244,445**	909
	465,006	142,224

Except for an amount of $239,000 trade receivables which aged over 90 days for which expected credit loss was assessed individually, 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 as at 31 December 2023 and 31 December 2022.

10. SHARE CAPITAL AND SHARE PREMIUM

The share capital of the Group as at 31 December 2023 represented the share capital of the Company.

	Number of ordinary shares	**Share capital**	**Share premium**
		$	*$*
As at 1 January 2022, 31 December 2022 and 31 December 2023			
– Authorised	10,000,000,000	17,822,268	–
– Issued and fully paid	450,000,000	793,357	12,398,264

11. TRADE AND OTHER PAYABLES

	2023	2022
	$	*$*
Trade payables	**158,179**	21,160
Other payables and accruals		
– Accrued operating expenses	**246,659**	136,171
– Accrued bonus	**598,624**	–
– Goods and services tax payables	**29,806**	33,663
– Others	**34,847**	30,561
	909,936	200,395
	1,068,115	221,555

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

	2023	2022
	$	*$*
1 to 30 days	**158,179**	21,160

12. PROVISION

Provision for warranty cost

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

	2023	2022
	$	*$*
At 1 January	**28,969**	28,233
Provision utilised	**(78,423)**	(92,518)
Provision for warranty cost	**79,361**	93,254
At 31 December	**29,907**	28,969

BUSINESS REVIEW

The Group is 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. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited ("HKEx") on 13 July 2017 (the "Listing Date") and were transferred to be listed on the Main Board of the HKEx on 23 December 2019. During the year ended 31 December 2022, the Company was approved for secondary listing on the Frankfurt Stock Exchange ("FSE") of Germany and its shares have been traded on the FSE under the trading symbol '5WZ'. The Company continues to have a primary listing on the Main Board of HKEx and its shares continues to be traded on the HKEx.

The Group has experienced challenging business operation conditions due to the Sino-U.S.A. trade war, and the global economic environment is expected to become more complicated and severe. The Certificate of Entitlement (the "COE") quota for newly registered passenger vehicles in Singapore has significantly reduced from approximately 90,000 units per year in 2018 and 2019 to approximately 30,000 to 40,000 units per year from 2020 to 2023. Consequently, the COE price has increased significantly by over 100% for the years 2022 to 2023 compared to the prices in 2020 and 2021, and reached its peak in the second half of 2023. Due to the high COE price, the demand for mass market vehicle has decreased significantly as customers in this segment are unwilling to spend the high price of around S$90,000 to S$110,000 on the COE to register a smaller car.

Although the premium car market has been relatively less affected by the high COE price, the Singapore government has increased the import duty on premium cars. As a result, the car accessories businesses have been adversely impacted in the past years. The rate of highest bands of import duty has increased from 220% to 320% for the premium cars with open market value exceeding S$80,000.

Both business and consumer sentiment have remained persistently weak during the Current Year, thus, the Group's current performance was significantly impacted. The COE quota for 2023 is lower than that of 2022, and the COE prices are close to a 10-year high. Consequently, the sales and demand for newly registered cars have plummeted in 2023, posing challenges for the Group's operation in the foreseeable future.

In the Current Year, the Group's revenue decreased by approximately 44.5%, the gross profit decreased by approximately 54.6% and reported a loss of approximately S$10,582,000. There was a loss of approximately S$1,870,000 in the Corresponding Year. It was mainly due to the sharp decline in sales of newly registered passenger vehicles in Singapore, resulting in lower margins and sales in both leather upholstery segment and electronic accessories segment in the Current Year as compared to the Corresponding Year.

FUTURE AND OUTLOOK

Given the uncertain global economy, the Group anticipates ongoing challenges that may impact its business and financial performance in the future.

To address these challenges, the Group's management will continue to implement appropriate business strategies. This includes exercising effective cost control measures, upholding quality service to customers, and maintaining good relationships with key suppliers. These strategies aim to strengthen the Group's market position as the leading supplier in Singapore.

Considering the industry outlook, the Group recognizes the importance of resilience and adaptability. It will closely monitor market trends and consumer preferences to identify emerging opportunities. By staying proactive and responsive to changes, the Group aims to navigate the evolving business landscape and maintain its competitiveness.

Overall, the Group remains committed to its strategic objectives, focusing on enhancing operational efficiency, delivering exceptional customer service, and sustaining strong partnerships. By doing so, it aims to mitigate risks, capitalize on opportunities, and achieve long-term success in the industry.

FINANCIAL REVIEW

	For the year ended 31 December		
In S$ ('000)	**2023**	2022	**Change**
Revenue	**9,071**	16,340	(44.5%)
Gross profit	**420**	925	(54.6%)
Gross profit margin	**4.6%**	5.7%	(19.3%)
Loss for the year	**(10,582)**	(1,870)	465.9%

Revenue

The total revenue of the Group for the Current Year was approximately S$9,071,000 as compared to approximately S$16,340,000 for the Corresponding Year, representing a decrease of approximately 44.5%. Such a decrease was attributable to the decrease in the sales of automotive parts and motor vehicles of approximately 49.0%.

Gross profit

The Group's gross profit has declined by approximately S$505,000, representing a decrease of approximately 54.6% from approximately S$925,000 in the Corresponding Year to approximately S$420,000 in the Current Year. This significant drop in gross profit was mainly attributed to a decrease in sales of automotive parts and motor vehicles, which experienced a decline of approximately 49.0% in the Current Year. Additionally, the slow recovery of the economy in Singapore following the pandemic in previous years has contributed to a decrease in demand in the motor vehicles market. Consequently, this has resulted in a decrease in the Group's gross profit margin by approximately 19.3%, from 5.7% in the Corresponding Year to 4.6% in the Current Year.

Other income

Other income of the Group increased by approximately S$49,000 from approximately S$158,000 for Corresponding Year to approximately S$207,000 for the Current Year. Such increase was mainly due to the increase in rental income from investment properties in the Current Year.

Other gains – net

Other gains – net increased by approximately S$126,000 from approximately S$270,000 of net gains for the Corresponding Year to approximately S$396,000 of net gains for the Current Year. Other gains – net mainly represent foreign exchange changes 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 gain on investment properties.

Selling and distribution expenses

Selling and distribution expenses increased by approximately S$40,000 from approximately S$465,000 for the Corresponding Year to approximately S$505,000 for the Current Year. The increase of the costs was mainly attributable to the increase in employee benefit costs and travelling expenses.

Administrative expenses

Administrative expenses increased by approximately S$1,657,000 from approximately S$2,965,000 for the Corresponding Year to S$4,622,000 for the Current Year. The increase of administrative expenses was mainly due to the increase in employee benefit costs, motor vehicles expenses and travelling expenses.

Loss for the year

The loss of the Group was approximately S$10,582,000 for the Current Year, as compared to the loss of approximately S$1,870,000 for the Corresponding year.

The increase in net loss was mainly attributable to the following reasons:

(i) the increase in employee benefits costs from approximately S$3.3 million in the Corresponding Year to around S$4.6 million in the Current Year, due to the increase in salary for the management as an incentive to improve the business of the Group in the Current Year;

(ii) the decrease in sales of motor vehicles due to (a) a significant increase in the price of the Certificate of Entitlement (the "COE") resulting from a reduction in the COE quota for newly registered passenger vehicles; and (b) the imposition of higher import duties on premium cars by the Singapore government in the Current Year; and

(iii) the impairment of investments in associates of approximately S$6.4 million in relation to the acquisition of 49% equity interest in Ocean Dragon Group Limited (together with its subsidiary, the "Target Group") in 2022. Based on the assessment of the Board, the Board considers that the Group is unlikely to recover any value from the Target Group as the Company could not access to its substances, hence the investments in the Target Group would be fully impaired. For details, please refer to the announcements of the Company dated 24 April 2023, 12 May 2023 and 7 June 2023.

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, electronic accessories, automotive parts and motor vehicles, 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 2023, the Group had net current assets of approximately S$8,127,000 (2022: approximately S$12,787,000) including cash and cash equivalents of approximately S$8,317,000 (2022: approximately S$7,016,000). The current ratio, being the ratio of current assets to current liabilities, was approximately 6.9 times as at 31 December 2023 (2022: 12.6 times). The decrease in the current ratio was mainly due to higher balances of trade and other payables and the decrease of financial assets at fair value through profit or loss as at 31 December 2023 compared to 31 December 2022.

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 2023 (2022: NIL). There was no borrowing cost incurred during the Current Year (2022: 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 net proceeds were intended to be applied in the manner as described in the section headed "Future Plans and Use of Proceeds" in the Prospectus of the Company dated 30 June 2017, the sections headed "Management Discussion and Analysis – Use of proceeds" in the annual report of the Company for the year ended 31 December 2019, and the announcements of the Company dated 17 July 2020 and 19 March 2021 respectively in relation to, among others, update on expected timeline for use of proceeds and change in use of proceeds. Referring to an announcement of the Company dated 14 August 2023, the Board has resolved to change the use of the remaining net proceeds in the amount of approximately S$390,000.

The continual impact of COVID-19 pandemic and the slowing economic growth have curtailed progress of the Group's business scale expansion. Accordingly, the Board resolved to adopt a more effective policy to maintain its existing business operations and cash flow liquidity.

The Board believed that the reallocation of the unutilised net proceeds will enable a better utilisation of the remaining 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.

An analysis of the amount utilised up to 31 December 2023 is set out as follow:

	Planned use of net proceeds updated from the Listing Date to 31 December 2023	**Actual utilised amount up to 31 December 2023**
	S$'000	*S$'000*
Use of proceeds from the Listing		
Upgrade existing facilities, acquire new machinery and premises	5,160	4,770
Strengthen our sales and marketing efforts	1,760	1,760
Expand our product offerings	1,430	1,430
Upgrade and integrate of our information technology system	350	350
Working capital and general corporate use	1,600	1,990
	10,300	10,300

The remaining net proceeds as at 31 December 2022 have been fully utilised during the year ended 31 December 2023.

EMPLOYEE INFORMATION

As at 31 December 2023, the Group had 48 employees (2022: 49), comprising of 2 executive Directors (2022: 1), 4 non-executive Directors (2022: 3), 3 independent non-executive Directors (2022: 4), 1 senior management (2022: 2), 13 administrative employees (2022: 12) and 25 technicians (2022: 27).

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$4,612,000 for the year ended 31 December 2023 (2022: approximately S$3,251,000).

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 2023, leasehold properties with carrying values totalling approximately S$375,000 (2022: S$418,000) 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 Australian Dollar ("AUD"). As at 31 December 2023, if the foreign currencies had weakened or strengthened by 10% against the S$ with all other variables held constant, post-tax loss for the Current Year would have been S$347,000 (2022: S$280,000) lower/higher, as a result of foreign exchange losses/gains on translation of HK$ denominated cash and bank balances (2022: 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 investments held by the Group.

CONTINGENT LIABILITIES

No material contingent liabilities 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 (2022: Nil).

EVENT AFTER THE REPORTING PERIOD

The board of directors were informed that on 20 March 2024, Mr. Leung Ka Fai (the "Vendor"), as mortgagee under the equitable mortgage over the 50,000 issued shares of Billion Legend, representing the entire issued share capital of Billion Legend (the "Sale Shares") dated 9 June 2023 executed by Ms. Ma Xiaoqiu in favour of the Vendor as security for the loan facility in the principal amount of HK$40,000,000 granted by the Vendor (the "Share Mortgage") and by way of exercising his power of sale under the Share Mortgage, and Mr. Lu Yongde (the "Offeror") entered into the sale and purchase agreement dated 20 March 2024 entered into between the Vendor and the Offeror in respect of the sale and purchase of the Sale Shares, pursuant to which the Vendor agreed to sell, and the Offeror agreed to purchase, 50,000 Sale Shares, representing the entire issued share capital of Billion Legend as at 26 March 2024, for an aggregate consideration of HK$30,000,000 which was satisfied by the Offeror in full by his own financial resources. For details, please refer to the joint announcements of the Company dated 26 March 2024.

Apart from the above, up to the date of this announcement, there was no other significant event relevant to the business or financial performance of the Group came to the attention of the Directors after the Current Year.

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 and up to the date of this announcement.

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 C3 to the Listing Rules. Having made specific enquiries of all the Directors, each of them has confirmed that he/she had complied with the required standard of dealings throughout the period from the Listing Date to the date of this announcement. No incident of non- compliance was noted by the Company during the Current Year.

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

The listed securities of the Company were listed on GEM on 13 July 2017 and were transferred to be listed on the Main Board of the Stock Exchange on 23 December 2019. Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities after Listing and up to the date of this announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance its corporate value. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code in Appendix C1 to the Listing Rules (the "CG Code").

Throughout the year ended 31 December 2023, to the best knowledge of the Board, the Company had complied with all the code provisions in the CG Code.

Following sustained development and growth of the Company, the Company will continue to monitor and revise the Company's corporate governance policies in order to ensure that such policies can meet the general rules and standards required by the Stock Exchange.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") will be held on Friday, 28 June 2024. A notice convening the AGM will be issued and published in due course.

CLOSURE OF REGISTER OF MEMBERS

For ascertaining the entitlement of the shareholders of the Company to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 25 June 2024 to Friday, 28 June 2024, both dates inclusive. In order to be eligible to attend and vote at the AGM, all transfer documents 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 24 June 2024.

EXTRACT FROM INDEPENDENT AUDITOR'S REPORT PREPARED BY THE INDEPENDENT AUDITOR

The following's an extract of the independent auditor's report on the Group's financial statements for the year ended 31 December 2023:

QUALIFIED OPINION

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (the "IFRS Accounting Standards") issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

During the year ended 31 December 2022, the Group acquired 49% equity interest in Ocean Dragon Group Limited and its subsidiary, namely, Hua Bright International Limited (collectively the “Target Group”), specialises in the provision of electric charging solutions and which was accounted for an associate under the equity method. In the past, the Group relied on the financial information by local management of the Target Group to account for the share of results and to assess the impairment of its investments in associates at each reporting period. During the year, the Group did not have access to a set of complete and accurate accounting books and records of the Target Group, all key personnel of the local management and responsible for finance and accounting matters had left and despite the best endeavour of the directors of the Company, they were unable to recover or access the accounting books and records of the Target Group as a result of local management not being contactable. Apart from that, the current directors of the Company raised concerns over the genuineness of the acquisition of the Target Group during the year, a special investigation committee has been formed to investigate such matters pertaining to the acquisition. As at the date of this consolidated financial statements, the investigation is still in progress. Due to the absence of sufficient supporting documents and explanations in relation to the accounting books and records made available to the directors of the Company in respect of the Target Group, they consider that the Group is unlikely to recover the entire value of the Target Group as the Company could not access to the substances of the Target Group, and hence, the investments in associates of $6,421,491 would be fully impaired during the year.

Given the above circumstances on scope limitation, we were unable to obtain sufficient appropriate audit evidence in respect of the financial information of the investments in associates of the Group as their accounting books and records were not available to us for audit purpose. As a result, we were unable to carry out necessary audit procedures to determine whether the impairment of investments in associates of $6,421,491 and share of nil result of associates for the year ended 31 December 2023, the investments in associates carried at nil as at 31 December 2023 and the related disclosures notes in relation to the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the consolidated financial statements. There were no other satisfactory audit procedures that we could perform to determine whether any adjustments were necessary or might have a consequential effect of the Group’s consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, and related disclosures thereof for the year ended 31 December 2023.

We conducted our audit in accordance with International Standards on Auditing (“ISAs”) issued by the 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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 code provision C.3 of the CG Code. As at the date of this announcement, the Audit Committee consists of two independent non- executive Directors and is chaired by Mr. Cheng Wai Hei. The other member is Mr. Lam Chi Wing. As at the date of this announcement, there are two members of the Audit Committee, which results in the number of the Audit Committee falling below the minimum number required under Rule 3.21 of the Listing Rules. The Company will use its best endeavour to identify a suitable candidate to fill the vacancy as soon as practicable pursuant to the requirements under the Listing Rules. The primary duties of the Audit Committee are to review and supervise the Company's financial reporting process and the internal control systems of the Group, and to monitor the continuing connected transactions. All members of the Audit Committee are appointed by the Board.

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2023 and is of the opinion that such consolidated financial statements complied with the applicable accounting standards, the requirements under the Listing Rules and other applicable legal requirements, and that adequate disclosures has been made.

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated balance sheet and the related notes thereto for the year ended 31 December 2023 as set out in this preliminary announcement have been agreed by the Group's auditor, Prism Hong Kong and Shanghai Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Prism Hong Kong and Shanghai Limited in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the International Auditing and Assurance Standards Board and consequently no assurance has been expressed by Prism Hong Kong and Shanghai Limited on this preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and of the Company at www.tomogroupltd.com, respectively. The annual report of the Company for the year ended 31 December 2023 containing the information required by the Listing Rules and the applicable laws will be dispatched to the shareholders of the Company in due course.

By Order of the Board of
TOMO Holdings Limited
Tsang Chun Ho Anthony
Executive Director

Hong Kong, 28 March 2024

As at the date of this announcement, the Board comprises:

Executive Director:	Mr. Tsang Chun Ho Anthony
Non-executive Director:	Mr. Choi Tan Yee
Independent non-executive Directors:	Mr. Cheng Wai Hei Mr. Lam Chi Wing