

萬馬控股有限公司 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



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Lu Yongde (*Chairman*)
(appointed on 22 July 2024)
Mr. Tsang Chun Ho Anthony
Ms. Ma Xiaoqiu (*Chairlady*)
(removed on 19 March 2024)

Non-executive Directors

Mr. Choi Tan Yee
Ms. Liu Xinyi (removed on 19 March 2024)
Ms. Chen Jun (removed on 19 March 2024)
Ms. Lyu Qiuqiu (removed on 19 March 2024)

Independent non-executive Directors

Mr. Cheng Wai Hei
Mr. Lam Chi Wing (appointed on 2 January 2024)
Ms. Li Jiayao (appointed on 6 June 2024)
Mr. Jin Lailin (removed on 19 March 2024)
Mr. Peng Peng (resigned on 2 January 2024)

BOARD COMMITTEES

Audit Committee

Mr. Cheng Wai Hei (*Chairman*)
Mr. Lam Chi Wing (appointed on 2 January 2024)
Ms. Li Jiayao (appointed on 6 June 2024)
Mr. Jin Lailin (removed on 19 March 2024)
Mr. Peng Peng (resigned on 2 January 2024)

Remuneration Committee

Mr. Cheng Wai Hei (*Chairman*)
Mr. Lam Chi Wing (appointed on 2 January 2024)
Ms. Li Jiayao (appointed on 6 June 2024)
Ms. Ma Xiaoqiu (removed on 19 March 2024)
Mr. Jin Lailin (removed on 19 March 2024)
Mr. Peng Peng (resigned on 2 January 2024)

Nomination Committee

Mr. Cheng Wai Hei
Mr. Lam Chi Wing (appointed on 2 January 2024)
Ms. Li Jiayao (appointed on 6 June 2024)
Ms. Ma Xiaoqiu (*Chairlady*)
(removed on 19 March 2024)
Ms. Liu Xinyi (removed on 19 March 2024)
Mr. Jin Lailin (removed on 19 March 2024)
Mr. Peng Peng (resigned on 2 January 2024)

COMPANY SECRETARY

Ms. Lam Wai

AUTHORISED REPRESENTATIVES

Mr. Choi Tan Yee
Ms. Lam Wai (appointed on 19 March 2024)
Ms. Liu Xinyi (ceased on 19 March 2024)

AUDITOR

Prism Hong Kong Limited
Units 1903A–1905, 19/F
8 Observatory Road
Tsim Sha Tsui, Kowloon
Hong Kong

LEGAL ADVISER AS TO HONG KONG LAW

Messrs. HL Lawyers
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Harbour Crystal Centre
100 Granville Road
Tsim Sha Tsui, Kowloon, Hong Kong

Messrs. David Fenn & Co.
Suite 2812, 28th Floor, Shui On Centre
6–8 Harbour Road, Wanchai, Hong Kong

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

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

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

Unit 903, 9/F
Harbour Crystal Centre
100 Granville Road
Tsim Sha Tsui, Kowloon, 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
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
DBS Bank Limited
DBS Bank (Hong Kong) Limited

COMPANY'S WEBSITE

www.tomogroupltd.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\$1,382,000 for the six months ended 30 June 2024, representing a decrease of approximately S\$6,518,000, or 82.5% as compared with the unaudited revenue of approximately S\$7,900,000 for the six months ended 30 June 2023.
- The unaudited loss of the Group was approximately S\$1,552,000 for the six months ended 30 June 2024 as compared to the unaudited loss of approximately S\$8,018,000 for the six months ended 30 June 2023.
- Basic and diluted loss per share was S\$0.34 cents for the six months ended 30 June 2024 as compared to the basic and diluted loss per share of S\$1.78 cents for the six months ended 30 June 2023.

UNAUDITED INTERIM RESULTS

The board of directors (the "Board") of TOMO Holdings Limited (the "Company") hereby announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2024 (the "Period"). These interim results have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". These interim results have been reviewed by the Audit Committee of the Board of the Company.

The unaudited consolidated results of the Group for the six months ended 30 June 2024 are set out as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

| | Notes | Six months ended 30 June | |
|--|-------|----------------------------|----------------------------|
| | | 2024 S\$ (Unaudited) | 2023 S\$ (Unaudited) |
| Revenue | 6 | 1,382,320 | 7,900,329 |
| Cost of sales | | (973,022) | (7,592,381) |
| Gross profit | | 409,298 | 307,948 |
| Other income | 7 | 94,670 | 109,076 |
| Other gains – net | 8 | 67,243 | 13,712 |
| Selling and distribution expenses | | (262,744) | (228,018) |
| Administrative expenses | | (1,887,744) | (1,868,677) |
| Impairment of investments in associates | 14 | - | (6,421,491) |
| Finance income | | 28,048 | 71,237 |
| Finance cost on lease liabilities | | (911) | (1,818) |
| Loss before tax | 9 | (1,552,140) | (8,018,031) |
| Income tax expenses | | - | - |
| Loss and total comprehensive expense for the period attributable to equity holders of the Company | | (1,552,140) | (8,018,031) |
| Loss per share attributable to equity holders of the Company | | | |
| – Basic and diluted (Singapore cents) | 11 | (0.34) | (1.78) |

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2024

| | Notes | As at 30 June 2024 S\$ (Unaudited) | As at 31 December 2023 S\$ (Audited) |
|--|-------|--|--|
| ASSETS | | | |
| Non-current assets | | | |
| Investment properties | | 3,740,000 | 3,740,000 |
| Property, plant and equipment | 12 | 818,561 | 882,168 |
| Intangible asset | | 448,067 | 461,652 |
| Right-of-use asset | 13 | 25,445 | 44,529 |
| Investments in associates | 14 | - | - |
| | | 5,032,073 | 5,128,349 |
| Current assets | | | |
| Inventories | | 279,533 | 284,821 |
| Trade and other receivables | 15 | 556,687 | 907,279 |
| Cash and cash equivalents | | 6,188,414 | 8,317,344 |
| | | 7,024,634 | 9,509,444 |
| Total assets | | 12,056,707 | 14,637,793 |
| EQUITY AND LIABILITIES | | | |
| Capital and reserve attributable to equity holders of the Company | | | |
| Share capital | 16 | 793,357 | 793,357 |
| Share premium | 16 | 12,398,264 | 12,398,264 |
| Other reserves | | 200,000 | 200,000 |
| Accumulated losses | | (1,695,159) | (143,019) |
| Total equity | | 11,696,462 | 13,248,602 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Lease liabilities | 13 | - | 6,797 |
| Current liabilities | | | |
| Trade and other payables | 17 | 183,395 | 1,068,115 |
| Contract liabilities | 18 | 121,300 | 244,322 |
| Lease liabilities | 13 | 26,870 | 39,676 |
| Current income tax liabilities | | 374 | 374 |
| Provision | | 28,306 | 29,907 |
| | | 360,245 | 1,382,394 |
| Total liabilities | | 360,245 | 1,389,191 |
| Total equity and liabilities | | 12,056,707 | 14,637,793 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

| | Share capital S\$ | Share premium S\$ | Other reserve S\$ | (Accumulated losses)/ retained earnings S\$ | Total S\$ |
|--|-------------------------|-------------------------|-------------------------|---|--------------------|
| 2024 | | | | | |
| As at 1 January 2024 (Audited) | 793,357 | 12,398,264 | 200,000 | (143,019) | 13,248,602 |
| Loss and total comprehensive expense for the period | - | - | - | (1,552,140) | (1,552,140) |
| As at 30 June 2024 (Unaudited) | 793,357 | 12,398,264 | 200,000 | (1,695,159) | 11,696,462 |
| 2023 | | | | | |
| As at 1 January 2023 (Audited) | 793,357 | 12,398,264 | 200,000 | 10,439,172 | 23,830,793 |
| Loss and total comprehensive expense for the period | - | - | - | (8,018,031) | (8,018,031) |
| As at 30 June 2023 (Unaudited) | 793,357 | 12,398,264 | 200,000 | 2,421,141 | 15,812,762 |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

| | Notes | Six months ended 30 June | |
|---|-------|----------------------------|----------------------------|
| | | 2024 S\$ (Unaudited) | 2023 S\$ (Unaudited) |
| Cash flow from operating activities | | | |
| Loss before tax | | (1,552,140) | (8,018,031) |
| Adjustments for: | | | |
| – Amortisation of intangible asset | | 13,584 | 2,647 |
| – Depreciation of property, plant and equipment | 12 | 63,607 | 69,383 |
| – Depreciation of right-of-use asset | 13 | 19,084 | 19,084 |
| – Write-off of inventories | | 384 | 552 |
| – Provision for warranty | | 20,380 | 28,975 |
| – Impairment of investments in associates | 14 | – | 6,421,491 |
| – Finance income | | (28,048) | (71,237) |
| – Finance cost on lease liabilities | 13 | 911 | 1,818 |
| Operating cash outflow before working capital changes | | (1,462,238) | (1,545,318) |
| Changes in working capital: | | | |
| – Inventories | | 4,905 | 271,986 |
| – Trade and other receivables | | 350,592 | 363,619 |
| – Trade and other payables and provision | | (906,701) | 137,430 |
| – Contract liabilities | | (123,022) | (565,628) |
| Cash used in operations | | (2,136,464) | (1,337,911) |
| Income tax paid | | – | – |
| Net cash flows used in operating activities | | (2,136,464) | (1,337,911) |
| Cash flows from investing activities | | | |
| Interest received | | 28,048 | 71,237 |
| Proceeds from redemption of financial assets at fair value through profit or loss | | – | 5,000,000 |
| Net cash generated from investing activities | | 28,048 | 5,071,237 |
| Cash flows from financing activities | | | |
| Principal element of lease payment | | (19,603) | (18,696) |
| Interest element of lease payment | | (911) | (1,818) |
| Net cash used in financing activities | | (20,514) | (20,514) |
| Net (decrease)/increase in cash and cash equivalents | | | |
| Cash and cash equivalents at beginning of the period | | 8,317,344 | 7,015,867 |
| Cash and cash equivalents at end of the period | | 6,188,414 | 10,728,679 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

1. GENERAL INFORMATION

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

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 903, 9/F., Harbour Crystal Centre, 100 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries 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.

This condensed consolidated financial information of the Group for the Period has been approved for issue by the Board on 28 August 2024.

2. BASIS OF PREPARATION

This condensed consolidated financial information of the Group for the six months ended 30 June 2024 has been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, 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 does not include all information and disclosures required in the financial statements, should be read in conjunction with the Company's consolidated financial statements for the year ended 31 December 2023.

The interim financial report has been prepared in accordance with the same accounting policies adopted in 2023 annual financial statements, except for the accounting policies changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of condensed consolidated financial information in conformity with IAS 34 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.

This condensed consolidated financial information is presented in Singapore dollars ("S\$"), unless otherwise stated.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted are consistent with those of the Company's consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following new and revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

| | |
|--------------------------------|--|
| Amendments to IFRS 16 | <i>Lease Liability in a Sale and Leaseback</i> |
| Amendments to IAS 1 | <i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)</i> |
| Amendments to IAS 1 | <i>Non-current Liabilities with Covenants</i> |
| Amendments to IAS 7 and IFRS 7 | <i>Supplier Finance Arrangements</i> |

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The new and amended IFRSs has had no material impact on the Group's financial statements for the current and prior periods.

4. ESTIMATES

The preparation of condensed consolidated 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 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 consolidated financial statements for the year ended 31 December 2023.

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 2023.

There have been no changes in the risk management policies since 31 December 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair Value Estimation

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

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.
- (iii) Level 3: unobservable inputs for the asset or liability.

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

The Group uses fair values measured based on market-observable data which any input which have a significant effect on the recorded fair value are observable, either directly or indirectly for determining and disclosing the fair value of the financial asset at fair value through profit or loss. As at 31 December 2023, the Group's financial asset at fair value through profit or loss were measured at fair value and determined as level 1.

The Group's non-financial assets measured at fair value, including investment properties, are included in level 3 as there are significant unobservable inputs in the valuation technique. The Group does not have level 2 items as at 30 June 2024 (31 December 2023: Nil).

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

6. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Company. 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment performance is evaluated based on reportable segment results, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's 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 and right-of-use assets are allocated as allocated and unallocated assets based on the usage of these assets by segment.

The amounts provided to management with respect total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments other than other payables and accruals, 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 For the six months ended 30 June | | Passenger vehicle electronic accessories For the six months ended 30 June | | Automotive parts and motor vehicle For the six months ended 30 June | | Total For the six months ended 30 June | |
|---|--|----------------------------|--|----------------------------|--|----------------------------|--|----------------------------|
| | 2024 S\$ (Unaudited) | 2023 S\$ (Unaudited) | 2024 S\$ (Unaudited) | 2023 S\$ (Unaudited) | 2024 S\$ (Unaudited) | 2023 S\$ (Unaudited) | 2024 S\$ (Unaudited) | 2023 S\$ (Unaudited) |
| Sales and installation of goods | 303,239 | 223,145 | 956,059 | 835,059 | - | - | 1,259,298 | 1,058,204 |
| Sales of goods | - | - | - | - | 123,022 | 6,842,125 | 123,022 | 6,842,125 |
| Total segment revenue | 303,239 | 223,145 | 956,059 | 835,059 | 123,022 | 6,842,125 | 1,382,320 | 7,900,329 |
| Segment loss | (337,362) | (44,286) | (1,066,002) | (167,652) | (137,101) | (1,369,688) | (1,540,465) | (1,581,626) |
| Depreciation of property, plant and equipment | (10,419) | (9,423) | (8,685) | (1,177) | (1,117) | (9,621) | (20,221) | (20,221) |
| Depreciation of right-of-use assets | (15,267) | (15,267) | - | - | - | - | (15,267) | (15,267) |
| Reportable segment loss | (363,048) | (66,842) | (1,074,687) | (160,752) | (138,218) | (1,313,320) | (1,575,953) | (1,617,114) |
| Unallocated expenses: | | | | | | | | |
| Amortisation of intangible asset | | | | | | | (13,584) | (2,647) |
| Depreciation of property, plant and equipment | | | | | | | (43,386) | (49,162) |
| Depreciation of right-of-use assets | | | | | | | (3,817) | (3,817) |
| Rental income from investments properties | | | | | | | 84,600 | 76,200 |
| Impairment of investments in associates | | | | | | | - | (6,421,491) |
| Loss before tax | | | | | | | (1,552,140) | (8,018,031) |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

| | Passenger vehicle leather upholstery | | Passenger vehicle electronic accessories | | Automotive parts and motor vehicle | | Total | |
|--------------------------------|--|--|--|--|--|--|--|--|
| | As at 30 June 2024 S\$ (Unaudited) | As at 31 December 2023 S\$ (Audited) | As at 30 June 2024 S\$ (Unaudited) | As at 31 December 2023 S\$ (Audited) | As at 30 June 2024 S\$ (Unaudited) | As at 31 December 2023 S\$ (Audited) | As at 30 June 2024 S\$ (Unaudited) | As at 31 December 2023 S\$ (Audited) |
| Segment assets | 199,188 | 127,957 | 502,796 | 211,379 | 39,030 | 312,960 | 741,014 | 652,296 |
| Unallocated assets: | | | | | | | | |
| Cash and cash equivalents | | | | | | | 6,188,414 | 8,317,344 |
| Trade and other receivables | | | | | | | 556,687 | 644,388 |
| Investment properties | | | | | | | 3,740,000 | 3,740,000 |
| Property, plant and equipment | | | | | | | 377,436 | 813,207 |
| Right-of-use assets | | | | | | | 5,089 | 8,906 |
| Intangible asset | | | | | | | 448,067 | 461,652 |
| Total assets | | | | | | | 12,056,707 | 14,637,793 |
| Segment liabilities | 31,734 | 78,088 | 14,701 | 9,626 | 121,300 | 244,322 | 167,735 | 332,036 |
| Unallocated liabilities: | | | | | | | | |
| Other payables and accruals | | | | | | | 156,855 | 1,017,580 |
| Provision | | | | | | | 29,907 | 29,907 |
| Current income tax liabilities | | | | | | | 374 | 374 |
| Lease liabilities | | | | | | | 5,374 | 9,294 |
| Total liabilities | | | | | | | 360,245 | 1,389,191 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

The Group's revenue for the six months ended 30 June 2023 and 2024 are as follows:

| | Six months ended 30 June | |
|--|----------------------------|----------------------------|
| | 2024 S\$ (Unaudited) | 2023 S\$ (Unaudited) |
| Sales and installation of goods | | |
| – Leather upholstery | 303,239 | 223,145 |
| – Electronic accessories | 956,059 | 835,059 |
| | 1,259,298 | 1,058,204 |
| Sales of goods | | |
| – Automotive parts and motor vehicle | 123,022 | 6,842,125 |
| | 1,382,320 | 7,900,329 |

7. OTHER INCOME

| | Six months ended 30 June | |
|---------------------------|----------------------------|----------------------------|
| | 2024 S\$ (Unaudited) | 2023 S\$ (Unaudited) |
| Special Employment Credit | 10,070 | 32,876 |
| Rental income | 84,600 | 76,200 |
| | 94,670 | 109,076 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

8. OTHER GAINS – NET

| | Six months ended 30 June | |
|-----------------------------|----------------------------|----------------------------|
| | 2024 S\$ (Unaudited) | 2023 S\$ (Unaudited) |
| Foreign exchange gain – net | 67,243 | 13,227 |
| Others | - | 485 |
| | 67,243 | 13,712 |

9. LOSS BEFORE TAX

| | Six months ended 30 June | |
|---|----------------------------|----------------------------|
| | 2024 S\$ (Unaudited) | 2023 S\$ (Unaudited) |
| Costs of inventories | 451,556 | 7,037,485 |
| Freight & forwarding charges | 6,695 | 6,453 |
| Employee benefit costs (Note (a)) | 1,828,656 | 2,030,249 |
| Amortisation of intangible asset | 13,584 | 2,647 |
| Depreciation of property, plant and equipment | 63,607 | 69,383 |
| Depreciation of right-of-use assets | 19,084 | 19,084 |
| Rental expenses on short-term leases | 382 | 14,122 |
| Commission | 4,768 | 8,174 |
| Entertainment | 77,892 | 24,773 |
| Motor vehicles expenses | 22,969 | 24,587 |
| Insurance | 50,612 | 44,907 |
| Traveling expenses | 146,625 | 14,305 |
| Advertisement | 5,393 | 5,293 |
| Auditor's remuneration | | |
| – Audit services | 39,000 | 59,194 |
| Legal and professional fees | 231,637 | 158,220 |
| Write-off of inventories | 384 | 552 |
| Provision of warranty cost | 20,380 | 28,975 |
| Other operating expenses | 140,286 | 140,673 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

9. LOSS BEFORE TAX (CONTINUED)

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

| | Six months ended 30 June | |
|---|---|----------------------------|
| | 2024 S\$ (Unaudited) | 2023 S\$ (Unaudited) |
| Directors: | | |
| Salaries, allowances and benefits in kind | 61,934 | 187,916 |
| Retirement benefit costs – defined contribution plans | 1,899 | – |
| Fees | 20,344 | 38,862 |
| | 84,177 | 226,778 |
| Other employees: | | |
| Wages, salaries and allowances | 1,641,792 | 1,695,740 |
| Retirement benefit costs – defined contribution plans | 69,227 | 66,448 |
| Others | 33,460 | 41,283 |
| | 1,744,479 | 1,803,471 |
| | 1,828,656 | 2,030,249 |

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 2024 (30 June 2023: Nil).

11. LOSS PER SHARE

| | Six months ended 30 June | |
|--|-----------------------------------|---------------------|
| | 2024 (Unaudited) | 2023 (Unaudited) |
| Loss attributable to equity holders of the Company (S\$) | 1,552,140 | 8,018,031 |
| Weighted average number of ordinary shares in issue | 450,000,000 | 450,000,000 |
| Basic and diluted loss per share (Singapore cents) | 0.34 | 1.78 |

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

Diluted loss per share are the same as basic loss per share due to the absence of dilutive potential ordinary shares during the six months ended 30 June 2024 and 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

12. PROPERTY, PLANT AND EQUIPMENT

| | Leasehold properties S\$ | Lightings, renovations, furniture & fittings S\$ | Machinery & motor vehicles S\$ | Office equipment, software & computer S\$ | Total S\$ |
|--|--------------------------------|--|---|---|--------------------|
| As at 31 December 2023 (Audited) | | | | | |
| Cost | 1,150,227 | 61,199 | 1,341,257 | 250,561 | 2,803,244 |
| Accumulated depreciation | (775,239) | (55,567) | (840,140) | (250,130) | (1,921,076) |
| Net book amount | 374,988 | 5,632 | 501,117 | 431 | 882,168 |
| Six months ended 30 June 2024 (Unaudited) | | | | | |
| Opening net book amount | 374,988 | 5,632 | 501,117 | 431 | 882,168 |
| Depreciation | (21,287) | (1,101) | (40,788) | (431) | (63,607) |
| Closing net book amount | 353,701 | 4,531 | 460,329 | - | 818,561 |
| As at 30 June 2024 (Unaudited) | | | | | |
| Cost | 1,150,227 | 61,199 | 1,341,257 | 250,561 | 2,803,244 |
| Accumulated depreciation | (796,526) | (56,668) | (880,928) | (250,561) | (1,984,683) |
| Net book amount | 353,701 | 4,531 | 460,329 | - | 818,561 |

13. RIGHT-OF-USE ASSET/LEASE LIABILITIES

| | As at 30 June 2024 S\$ (Unaudited) | As at 31 December 2023 S\$ (Audited) |
|--|---|--|
| Right-of-use asset | | |
| Leasehold property | 25,445 | 44,529 |
| Lease liabilities | | |
| - Non-current liabilities | - | 6,797 |
| - Current liabilities | 26,870 | 39,676 |
| | 26,870 | 46,473 |
| Depreciation charge of right-of-use asset | | |
| Leasehold property | 19,084 | 38,167 |
| Interest expense included in finance cost | 911 | 3,188 |
| Expenses relating to short-term leases | - | 18,697 |

The total cash outflow for leases during the six months ended 30 June 2024 was S\$20,513 (31 December 2023: S\$59,724).

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

14. INVESTMENTS IN ASSOCIATES

| | As at 30 June 2024 S\$ (Unaudited) | As at 31 December 2023 S\$ (Audited) |
|-------------------------|---|--|
| Share of net assets | 17,526 | 17,526 |
| Goodwill on acquisition | 6,403,965 | 6,403,965 |
| | 6,421,491 | 6,421,491 |
| Less: Impairment loss | (6,421,491) | (6,421,491) |
| | - | - |

Particulars of the associates are as follows:

| Name | Place of registration/ incorporation and business | Percentage of ownership interest attributable of the Group | | Proportion of voting power held | | Principal activities |
|---|---|--|-----------------------------------|---|-----------------------------------|--|
| | | As at 30 June 2024 % | As at 31 December 2023 % | As at 30 June 2024 % | As at 31 December 2023 % | |
| Ocean Dragon Group Limited and its subsidiary | Hong Kong | 49 | 49 | 49 | 49 | Provision of electric charging solutions |

During the year ended 31 December 2022, the Group acquired 49% of the issued share capital of Ocean Dragon Group Limited (together with its wholly owned subsidiary, Hua Bright International Limited, the "Target Group") (the "Acquisition") and the Target Group was accounted for as investment in associates of the Company in the consolidated financial statements of the Company. During the six months ended 30 June 2023, the Board raised concerns on the genuineness of the Acquisition, details of which are set out in the announcements of the Company dated 24 April 2023, 12 May 2023 and 7 June 2023 respectively. A special investigation committee, the members of which was not involved in approving the Acquisition, has been formed to undertake investigation on matters pertaining to the Acquisition. The Company has also reported the case to the Hong Kong Police Force and the investigation is still in progress as at the date of this report. Based on the latest information currently available to the Group and 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 the substances of the Target Group, and hence the investment in the Target Group had been fully impaired during the year ended 31 December 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

15. TRADE AND OTHER RECEIVABLES

| | As at 30 June 2024 S\$ (Unaudited) | As at 31 December 2023 S\$ (Audited) |
|--|---|--|
| Trade receivables (Note (a)) | 213,944 | 465,006 |
| Deposit, prepayment and other receivables | | |
| – Rental and other deposits | 6,269 | 6,269 |
| – Advance payment to suppliers | 135,865 | 262,890 |
| – Prepayment of operating expenses | – | 1,563 |
| – Other receivables | 200,609 | 171,551 |
| | 342,743 | 442,273 |
| | 556,687 | 907,279 |

(a) Trade receivables

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

| | As at 30 June 2024 S\$ (Unaudited) | As at 31 December 2023 S\$ (Audited) |
|----------------------------------|---|--|
| Trade receivables – Aging | | |
| Unbilled revenue | 63,211 | 207,646 |
| 1 to 30 days | 126,283 | 11,069 |
| 31 to 60 days | 10,832 | 1,220 |
| 61 to 90 days | 6,344 | 626 |
| Over 90 days | 7,274 | 244,445 |
| | 213,944 | 465,006 |

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 30 June 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

16. SHARE CAPITAL

The share capital of the Group as at 30 June 2024 and 31 December 2023 represented the share capital of the Company.

| | Number of ordinary shares | Share capital S\$ | Share premium S\$ |
|--|---------------------------------|-------------------------|-------------------------|
| As at 30 June 2024 (unaudited) and 31 December 2023 (audited) | | | |
| – Authorised | 10,000,000,000 | 17,822,268 | – |
| – Issued and fully paid | 450,000,000 | 793,357 | 12,398,264 |

17. TRADE AND OTHER PAYABLES

| | As at 30 June 2024 S\$ (Unaudited) | As at 31 December 2023 S\$ (Audited) |
|------------------------------------|---|--|
| Trade payables | 76,243 | 158,179 |
| Other payables and accruals | | |
| – Accrued operating expenses | 29,212 | 246,659 |
| – Accrued bonus | – | 598,624 |
| – Goods and services tax payables | 48,139 | 29,806 |
| – Others | 29,801 | 34,847 |
| | 107,152 | 909,936 |
| | 183,395 | 1,068,115 |

(a) Trade payables

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

| | As at 30 June 2024 S\$ (Unaudited) | As at 31 December 2023 S\$ (Audited) |
|--------------|---|--|
| 1 to 30 days | 76,243 | 158,179 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

18. CONTRACT LIABILITIES

Contract liabilities relate to advance consideration received from customers. Contract liabilities are recognised as revenue as (or when) the Company satisfies the performance obligations under its contracts.

The following table provides information about contract liabilities balances as at 30 June 2024 and 31 December 2023:

| | As at 30 June 2024 S\$ (Unaudited) | As at 31 December 2023 S\$ (Audited) |
|----------------------|---|--|
| Contract liabilities | 121,300 | 244,322 |

19. 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.

- (a) In addition to the information disclosed elsewhere in the financial statement, the following set out the significant transactions carried out between the Group and its related parties in the ordinary course of business for the six months ended 30 June 2024.

| | Six months ended 30 June | |
|----------------------|---------------------------------|-------------|
| | 2024 S\$ | 2023 S\$ |
| Services fee charged | 66,844 | – |

Note: The fees were paid for the financial advisory services provided by Rainbow Capital (HK) Limited of which Mr. Choi Tan Yee is the shareholder.

The related party transactions conducted with Rainbow Capital (HK) Limited constitute connected transactions as defined in Chapter 14A of the Listing Rule exempt from the reporting, announcement and independent shareholders' approval requirements.

- (b) Key management compensation

Key management includes executive directors of the Company. The compensation paid or payable to key management for employee services is disclosed Note 9(a).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

20. COMMITMENT

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

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

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

| | As at 30 June 2024 S\$ (Unaudited) | As at 31 December 2023 S\$ (Audited) |
|--|---|--|
| – No later than 1 year | 85,600 | 147,200 |
| – Later than 1 year and not later than 5 years | 18,550 | 55,650 |
| | 104,150 | 202,850 |

BUSINESS REVIEW AND PROSPECTS

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 on 13 July 2017 (the "Listing Date") (the "Listing") and were transferred to be listed on the Main Board of the Stock Exchange 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 the Stock Exchange and its shares continues to be traded on the Stock Exchange.

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. Both business and consumer sentiment have remained persistently weak during the six months ended 30 June 2024, thus, the Group's performance was significantly impacted. The certificate of entitlement (the "COE") quota for 2024 is higher than that of 2023. As a result, the COE prices in 2024 have reduced from the peak in 2023, which was close to a 10-year high. Consequently, the sales and demand for newly registered cars in Singapore have slightly increased in 2024. However, economic uncertainty is still posing challenges for the Group's operations in the foreseeable future.

Based on the unaudited financial information of the Group, its total revenue for the six months ended 30 June 2024 recorded a decrease of approximately 82.5% as compared to the corresponding period in 2023, which was mainly due to a decrease in the sales of automotive parts and motor vehicles which was partially offset by an increase in the sales of passenger vehicle leather upholstery and passenger vehicle electronic accessories.

However, the Group's gross profit for the six months ended 30 June 2024 recorded an increase of approximately 32.8% as compared to the same period in 2023, mainly due to increase in the sales of passenger vehicle leather upholstery and passenger vehicle electronic accessories with higher profit margin which was partially offset by the decrease in the sales of automotive parts and motor vehicles with lower profit margin.

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Total revenue of the Group for the six months ended 30 June 2024 (the "Current Period") was approximately S\$1,382,000 as compared to approximately S\$7,900,000 for the six months ended 30 June 2023 (the "Corresponding Period"), representing a decrease of approximately S\$6,518,000 or 82.5%. Such decrease was mainly attributable to the decrease of sales of automotive parts and motor vehicles which was partially offset by an increase in the sales of passenger vehicle leather upholstery and passenger vehicle electronic accessories.

Gross profit

The Group's gross profit increased by approximately S\$101,000 or 32.8% from approximately S\$308,000 for the Corresponding Period to approximately S\$409,000 for the Current Period. The gross profit margin increased from approximately 3.9% for the Corresponding Period to approximately 29.6% for the Current Period. Such increase was mainly due to the change in the product mix, attributable to (i) the Group's increment in sales and installation of leather upholstery and electronic accessories which entailed higher profit margin; and (ii) the decrease in sales of automotive parts and motor vehicles which entailed lower profit margin.

Other income

Other income had decreased by approximately S\$14,000 from approximately S\$109,000 for the Corresponding Period to approximately S\$95,000 for the Current Period. Such decrease was mainly attributable to the higher special employment credit granted by the Singapore government in the Corresponding Period.

Other gains – net

Other gains increased by approximately S\$53,000 from approximately S\$14,000 of net gains for the Corresponding Period to approximately S\$67,000 of net gains for the Current Period. 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 increased by approximately S\$35,000 from approximately S\$228,000 for the Corresponding Period to approximately S\$263,000 for the Current Period. The increase of the costs was mainly attributable to the increase in the entertainment expenses and employee benefit costs.

Administrative expenses

Administrative expenses had increased by approximately S\$19,000 from approximately S\$1,869,000 for the Corresponding Period to approximately S\$1,888,000 for the Current Period. The increase of administrative expenses was mainly due to the increase in entertainment, traveling expenses and legal and professional fees.

LOSS FOR THE PERIOD

The Group reported loss of approximately S\$1,552,000 for the Current Period. There was a loss of approximately S\$8,018,000 for the Corresponding Period.

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

- (i) The impairment loss on investment in associates of approximately S\$6,421,000 in the Corresponding Period; and
- (ii) The increase in gross profit in the Current Period mainly due to the increase in sales of passenger vehicle leather upholstery and passenger vehicle electronic accessories, which entailed higher gross profit margin and the decrease in sales of motor vehicles which entailed lower gross profit margin as a result of the higher logistic costs for importation of motor vehicles from overseas.

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.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The capital of the Group comprises ordinary shares only.

As at 30 June 2024, the Group had net current assets of approximately S\$6,664,000 (31 December 2023: S\$8,127,000) including cash and cash equivalents of approximately S\$6,188,000 (31 December 2023: S\$8,317,000). The current ratio, being the ratio of current assets to current liabilities, was approximately 19.5 times as at 30 June 2024 (31 December 2023: 6.9 times). The increase in the current ratio was mainly due to the lower balances of trade and other payables as at 30 June 2024 compared to 31 December 2023.

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 borrowings as at 30 June 2024 (31 December 2023: Nil). Hence, no gearing ratio of the Group was presented.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at the date of this interim report, save as disclosed herein, the Group did not have any existing plan for acquiring other material investments or capital assets.

EMPLOYEE INFORMATION

As at 30 June 2024, the Group had 45 employees (31 December 2023: 46), comprising of 1 executive director (31 December 2023: 2), 1 non-executive Director (31 December 2023: 4), 3 independent non-executive Directors (31 December 2023: 3), nil senior management (31 December 2023: nil), 16 administrative employees (31 December 2023: 12) and 14 technicians (31 December 2023: 25).

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\$1,829,000 for the Current Period (Corresponding Period: S\$2,030,000).

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

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

IMMEDIATE AND ULTIMATE CONTROLLING PARTY

As at 30 June 2024, the directors consider the immediate parent of the Company to be Billion Legend Company Limited ("Billion Legend"), which is incorporated in the British Virgin Islands. This entity does not produce financial statements available for public use.

The director regard ultimate controlling party of the Company to be Mr. Lu Yongde, who was appointed as executive Director and chairman of the Board on 22 July 2024.

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2024, leasehold properties with carrying values totaling approximately S\$354,000 (31 December 2023: S\$375,000) 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 Malaysia Ringgit ("MYR"). As at 30 June 2024, if the foreign currencies had weakened or strengthened by 10% against the S\$ with all other variables held constant, post-tax profit for the Current Period would have been S\$372,000 (31 December 2023: S\$347,000) lower/higher, as a result of foreign exchange losses/gains on translation of HK\$ and US\$ denominated cash and bank balances. The Group currently does not have any foreign currency hedging policies. The management will continue to pay attention to the Group's foreign exchange exposure and consider adopting prudent measures as appropriate.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the Current Period, 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

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of Directors of the Company required to be disclosed are shown as follows:

Mr. Peng Peng has resigned as an independent non-executive Director, a member of each of the Nomination Committee of the Board (the "Nomination Committee"), the Remuneration Committee of the Board (the "Remuneration Committee") and the Audit Committee of the Board (the "Audit Committee") on 2 January 2024.

Mr. Lam Chi Wing was appointed as an independent non-executive Director, and a member of each of the Nomination Committee, the Remuneration Committee and the Audit Committee with effect from 2 January 2024. Details of his appointment were disclosed in the Company's announcement dated 2 January 2024.

Ms. Ma Xiaoqiu was removed as an executive Director and ceased to be the chairlady of the Board, the chairlady of the Nomination Committee and a member of the Remuneration Committee on 19 March 2024. Details of her removal, please refer to the announcements of the Company dated 16 January 2024 and 19 March 2024 respectively and the circular of the Company dated 27 February 2024.

Ms. Liu Xinyi was removed as a non-executive Director and ceased to be a member of the Nomination Committee and the authorised representative of the Company pursuant to Rule 3.05 of the Listing Rules on 19 March 2024. Details of her removal, please refer to the announcements of the Company dated 16 January 2024, 19 March 2024 and 22 March 2024 respectively and the circular of the Company dated 27 February 2024.

Ms. Chen Jun was removed as a non-executive Director on 19 March 2024. Details of her removal, please refer to the announcements of the Company dated 16 January 2024 and 19 March 2024 respectively and the circular of the Company dated 27 February 2024.

Ms. Lyu Qiuqia was removed as a non-executive Director on 19 March 2024. Details of her removal, please refer to the announcements of the Company dated 16 January 2024 and 19 March 2024 respectively and the circular of the Company dated 27 February 2024.

Mr. Jin Lailin was removed as an independent non-executive Director and ceased to be a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee on 19 March 2024. Details of his removal, please refer to the announcements of the Company dated 16 January 2024 and 19 March 2024 respectively and the circular of the Company dated 27 February 2024.

Ms. Li Jiayao was appointed as an independent non-executive Director, a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee with effect from 6 June 2024. Details of her appointment were disclosed in the Company's announcement dated 6 June 2024.

Mr. Cheng Wai Hei was appointed as a chairman of the Nomination Committee with effect from 6 June 2024.

Mr. Lu Yongde was appointed as an executive Director and the chairman of the Board with effect from 22 July 2024. Details of his appointment were disclosed in the Company's announcement dated 22 July 2024.

Save as disclosed above, there is no other change in the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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 Securities and Futures Ordinance (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 |
|-------------------------|---|--|--|
| Mr. Lu Yongde | Interest of a controlled corporation (Note 2) Beneficial owner | 230,000,000 (L) 100,000 (L) | 51.11% 0.02% |

Notes:

1. The letter "L" denotes the person's long position in the relevant Shares.
2. The entire issued share capital of Billion Legend Company Limited ("Billion Legend") is legally and beneficially owned by Mr. Lu Yongde. Accordingly, Mr. Lu Yongde is deemed to be interested in 230,000,000 Shares held by Billion Legend by virtue of the SFO.

Save as disclosed above, as at the date of this report, 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

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

As at the date of this report, the persons or entities who have interests or short positions in the Shares and underlying Shares of the Company which have been disclosed to the Company 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 required to be kept by the Company under section 336 of the SFO are as follows:

| Name | Capacity/Nature of interests | Number of shares held (Note 1) | Approximately percentage of shareholding of the Company |
|----------------|---|--|--|
| Mr. Lu Yongde | Interest in controlled corporation (Note 2) | 230,000,000 (L) | 51.11% |
| | Beneficial owner | 100,000 (L) | 0.02% |
| Billion Legend | Beneficial owner | 230,000,000 (L) | 51.11% |

Notes:

1. The Letter "L" denotes the person's long position in the relevant Shares.
2. The entire issued share capital of Billion Legend is legally and beneficially owned by Mr. Lu Yongde. Accordingly, Mr. Lu Yongde is deemed to be interested in 230,000,000 Shares held by Billion Legend by virtue of the SFO.

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 2024.

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 or any of its subsidiaries has not redeemed, purchased or sold any of its shares during the Current Period and up to the date of this report.

COMPLIANCE WITH THE CORPORATE GOVERNANCE

Save as disclosed herein, the Company has complied with all the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Part 2 of Appendix C1 to the Listing Rules throughout the six months ended 30 June 2024.

During the six months ended 30 June 2024, the Company had not complied with Code C.2.1. Following the removal of Ms. Ma Xiaoqiu as executive Director, Ms. Ma Xiaoqiu has ceased to be the chairlady of the Board with effect from 19 March 2024. The Company had not appointed any individual to take up the post of the Chairman and role and functions of Chairman have been performed by the executive Director until the appointment of Mr. Lu Yongde as the Chairman on 22 July 2024.

Up to the date of this report, the Company has not appointed a chief executive officer and role and functions of chief executive officer have been performed by executive Director. The Board believes that this arrangement enables the Company to make and implement decisions promptly, and thus achieve the Company's objectives effectively and efficiently in response to the changing environment. The Board will continuously assess whether any changes are necessary.

COMPLIANCE WITH THE LISTING RULES

On 19 March 2024, Ms. Ma Xiaoqiu, Ms. Liu Xinyi, Ms. Chen Jun, Ms. Lyu Qiuqiu were removed as Directors. Following such removal, the Company has a single gender board which does not meet the requirement under Rule 13.92 of the Listing Rules.

Following the removal of Mr. Jin Lailin as Director on 19 March 2024, the Company has (i) two independent non-executive Directors, which results in the number of independent non-executive directors falling below the minimum number required under Rule 3.10(1) of the Listing Rules and one third of the Board as required under Rule 3.10A of Listing Rules; and (ii) 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 has on 6 June 2024 appointed Ms. Li Jiayao as an independent non-executive Director and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. Following such appointment, the Company has re-complied with the requirements of Rule 3.10(1), Rule 3.10A, Rule 3.21 and Rule 13.92 of the Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 C3 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 Current Period and up to the date of this report.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Current Period.

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 C1 to the Listing Rules. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Mr. Cheng Wai Hei. The other members of the Audit Committee are Mr. Lam Chi Wing and Ms. Li Jiayao. 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 financial results of the Group for the Current Period 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
Lu Yongde
Chairman and Executive Director

Hong Kong, 28 August 2024

萬馬控股有限公司
TOMO Holdings Limited

