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**LU YONGDE**

**TOMO HOLDINGS LIMITED**

**萬馬控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6928)**

## **JOINT ANNOUNCEMENT**

- (1) SALE AND PURCHASE AGREEMENT;  
(2) UNCONDITIONAL MANDATORY GENERAL CASH OFFER  
FOR SHARES BY OPUS SECURITIES LIMITED  
FOR AND ON BEHALF OF LU YONGDE  
TO ACQUIRE ALL THE ISSUED SHARES OF  
TOMO HOLDINGS LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED OR  
AGREED TO BE ACQUIRED BY LU YONGDE AND  
PARTIES ACTING IN CONCERT WITH HIM);  
AND  
(3) RESUMPTION OF TRADING**

**Financial adviser to the Company**

**RAINBOW.**

RAINBOW CAPITAL (HK) LIMITED  
法博資本有限公司

**Financial adviser to the Offeror**

 **Opus** Capital Limited  
創富融資有限公司

**Offer Agent to the Offeror**

 **Opus** Securities Limited  
創富證券有限公司

**Independent Financial Adviser to the Independent Board Committee**

 **裕韜資本有限公司**  
Euto Capital Partners Limited

## **THE SALE AND PURCHASE AGREEMENT**

The Board was informed that on 20 March 2024 (after trading hours of the Stock Exchange), the Vendor, as mortgagee under the Share Mortgage and by way of exercising his power of sale under the Share Mortgage, and the Offeror entered into the Sale and Purchase Agreement, 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 the date of this joint announcement, for an aggregate consideration of HK\$30,000,000 which was satisfied by the Offeror in full by his own financial resources.

As at the date of this joint announcement, Billion Legend holds 230,000,000 Shares, representing approximately 51.11% of the entire issued share capital of the Company. Completion took place on 20 March 2024 immediately after the entering into of the Sale and Purchase Agreement. Immediately upon Completion, the Offeror (through Billion Legend) and parties acting in concert with him own an aggregate of 230,000,000 Shares, representing approximately 51.11% of the entire issued share capital of the Company.

## **UNCONDITIONAL MANDATORY GENERAL CASH OFFER FOR SHARES**

Immediately before Completion, the Offeror and parties acting in concert with him did not hold or control any Shares in the share capital or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code). Immediately following Completion, the Offeror (through Billion Legend) and parties acting in concert with him own 230,000,000 Shares, representing approximately 51.11% of the entire issued share capital of the Company. Pursuant to Note 8 to Rule 26.1 of the Takeovers Code, the Offeror is therefore required to make an unconditional mandatory general cash offer for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with him). The Offer will be made to the Independent Shareholders.

As at the date of this joint announcement, the Company has 450,000,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares, as at the date of this joint announcement.

Opus Securities will, for and on behalf of the Offeror, make the Offer to acquire all of the Offer Shares on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

**For each Offer Share. . . . .HK\$0.131 in cash**

The Offer Price of HK\$0.131 per Offer Share is equivalent to the consideration for the Sale Shares under the Sale and Purchase Agreement of HK\$30,000,000 divided by 230,000,000 Shares held by Billion Legend.

The Offer will be unconditional in all respects. Principal terms of the Offer are set out in the section headed “Unconditional Mandatory General Cash Offer” below.

### **Value of the Offer**

Based on the Offer Price of HK\$0.131 per Offer Share and 450,000,000 Shares in issue as at the date of this joint announcement, the total issued share capital of the Company is valued at HK\$58.95 million. Assuming there being no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offer and excluding 230,000,000 Shares held by the Offeror and parties acting in concert with him immediately after Completion, 220,000,000 Shares will be subject to the Offer. Based on the Offer Price of HK\$0.131 per Offer Share, the total consideration of the Offer would be HK\$28.82 million, which will be the maximum amount payable by the Offeror under the Offer in the event that the Offer is accepted in full.

### **Confirmation of sufficient financial resources**

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer. The Offeror intends to satisfy the consideration payable under the Offer by the Offeror’s own financial resources. Opus Capital, the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the amount of funds required for full acceptance of the Offer.

### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Cheng Wai Hei, and Mr. Lam Chi Wing, has been established to make a recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code. Mr. Choi Tan Yee, a non-executive Director, is the managing director and responsible officer of Rainbow Capital, being the financial adviser to the Company, and is therefore not considered independent to be a member of the Independent Board Committee and has declared his interest to the Board accordingly.

Euto Capital has been appointed as the Independent Financial Adviser pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in connection with the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

## **DESPATCH OF THE COMPOSITE DOCUMENT**

It is the intention of the Offeror and the Board that the offer document from the Offeror and the offeree board circular from the Company be combined in the Composite Document in accordance with the Takeovers Code. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, (i) details of the Offer (including the expected timetable and terms of the Offer); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offer, together with the relevant forms of acceptance and transfer, will be despatched to the Shareholders within 21 days from the date of this joint announcement or such later date as the Executive may approve.

**The Independent Shareholders are encouraged to read the Composite Document carefully, including the recommendation of the Independent Board Committee and the advice of the Independent Financial Adviser as to whether the Offer is fair and reasonable so far as the Independent Shareholders are concerned and its acceptance before deciding whether or not to accept the Offer.**

## **WARNING**

**The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendation of the Independent Board Committee and the advice from the Independent Financial Adviser to the Independent Board Committee.**

**Shareholders and potential investors of the Company should exercise caution when dealing in the Shares during the Offer Period. If they are in any doubt about their position, they should consult their professional advisers.**

## **RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 21 March 2024 pending the publication of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 27 March 2024.

## INTRODUCTION

Pursuant to a loan agreement dated 9 June 2023 (the “**Loan Agreement**”) entered into between Ms. Ma Xiaoqiu as borrower and the Vendor as lender, the Vendor agreed to make available to Ms. Ma Xiaoqiu a term loan of HK\$40,000,000 (the “**Loan**”) subject to and on the terms and conditions specified in the Loan Agreement. Interest on the Loan should accrue at the rate of 12% per annum and if the borrower fails to pay any sums payable under the Loan Agreement by the due date, the borrower should pay interest on such overdue sums at a rate of 18% per annum. The maturity date for repayment of the principal amount of the loan and the interest accrued therein was six months after the date of the Loan Agreement (i.e. 9 December 2023). The Loan has already become due but the borrower has yet to repay any of the principal amount of the Loan and the interest accrued therein such that it constituted an event of default under the Loan Agreement.

The Loan Agreement was secured by the Share Mortgage dated 9 June 2023 executed by Ms. Ma Xiaoqiu as mortgagor in favour of the Vendor as mortgagee over 50,000 Sale Shares, representing the entire issued share capital of Billion Legend. Pursuant to the Share Mortgage, the Vendor as mortgagee may at any time after the occurrence of an event of default under the Loan Agreement serve an enforcement notice (the “**Enforcement Notice**”) on the mortgagor and thereafter the mortgagee shall, without prejudice to any other right or remedy available under the Share Mortgage, sell the Sale Shares by such method, at such place and upon such terms as the mortgagee may in his absolute discretion determine and without notice to, or further consent or concurrence by the mortgagor.

Ms. Ma Xiaoqiu had issued a post-dated cheque in the amount of HK\$40,000,000 to the Vendor. On 7 March 2024, the Vendor attempted to deposit the cheque with the bank but the Vendor was informed by the bank on 8 March 2024 that the cheque was returned and could not be honoured. On 15 March 2024, the Vendor issued the Enforcement Notice to Ms. Ma Xiaoqiu and the Vendor is entitled to sell the Mortgaged Shares under the Share Mortgage by such method, at such place and upon such terms as the mortgagee may in his absolute discretion determine and without notice to, or further consent or concurrence by the mortgagor. As at the date of the Enforcement Notice, the total outstanding amount under the Loan Agreement was HK\$44,313,424.66 (of which HK\$40,000,000 was the principal amount of the Loan and HK\$4,313,424.66 was the interest accrued therein). Since 15 March 2024 and up to the date of this joint announcement, there was no response from Ms. Ma Xiaoqiu or any discussion between the Vendor and Ms. Ma Xiaoqiu in relation to the repayment of the principal amount of the Loan and the interest accrued.

The Board was informed that on 20 March 2024 (after trading hours of the Stock Exchange), the Vendor, as mortgagee under the Share Mortgage and by way of exercising his power of sale under the Share Mortgage, and the Offeror entered into the Sale and Purchase Agreement, 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, for an aggregate consideration of HK\$30,000,000 which was satisfied by the Offeror in full by his own financial resources. As at the date of this joint announcement, Billion Legend holds

230,000,000 Shares, representing approximately 51.11% of the entire issued share capital of the Company. Completion took place on 20 March 2024 immediately after the entering into of the Sale and Purchase Agreement. Immediately upon Completion, the Offeror (through Billion Legend) and parties acting in concert with him own an aggregate of 230,000,000 Shares, representing approximately 51.11% of the entire issued share capital of the Company. The Vendor confirms that up to the date of this joint announcement, he has not received any objection from Ms. Ma Xiaoqiu in respect of the Vendor's exercise of the power of sale under the Share Mortgage.

## **THE SALE AND PURCHASE AGREEMENT**

Set out below are the principal terms of the Sale and Purchase Agreement.

### **Date**

20 March 2024 (after trading hours of the Stock Exchange)

### **Parties**

- (i) the Vendor (as mortgagee under the Share Mortgage and by way of exercising his power of sale under the Share Mortgage); and
- (ii) the Offeror (as the purchaser of the Sale Shares).

### **Subject of the Sale and Purchase Agreement**

The Vendor, by exercising his power of sale under the Share Mortgage, has agreed to sell and the Offeror has agreed to purchase the 50,000 Sale Shares, representing the entire issued share capital of Billion Legend as at the date of this joint announcement, for an aggregate consideration of HK\$30,000,000.

The Sale Shares are sold free from all Encumbrance (save and except the Share Mortgage) and third party rights and together with all rights attached to them, including the right to all dividends and distributions which may be declared, paid or made at any time at or after the Completion Date. The Sale Shares represent the entire issued share capital of Billion Legend immediately prior to the entering into of the Sale and Purchase Agreement.

### **Consideration for the Sale Shares**

The consideration for the sale and purchase of the Sale Shares is HK\$30,000,000 under the Sale and Purchase Agreement, which was agreed between the Vendor and the Offeror after arm's length negotiations, taking into account (i) the outstanding principal and interest amount under the Loan Agreement; (ii) the prevailing closing prices of the Shares; (iii) the liquidity of the Shares; and (iv) the prevailing market condition. The consideration for the Sale Shares has been fully settled in cash by the Offeror to the Vendor on Completion, which was satisfied by the Offeror's own financial resources.



## **Completion**

Completion took place on 20 March 2024 immediately after the entering into of the Sale and Purchase Agreement. Immediately upon Completion, (i) the Offeror (through Billion Legend) and parties acting in concert with him own an aggregate of 230,000,000 Shares, representing approximately 51.11% of the entire issued share capital of the Company; and (ii) the Offeror has become the sole director of Billion Legend.

## **Shareholding structure of the Company**

There is no change in the shareholding structure of the Company immediately prior to Completion and immediately upon Completion that the Company is owned as to approximately 51.11% by Billion Legend and approximately 48.89% by public Shareholders.

Immediately prior to Completion, Billion Legend was wholly and beneficially owned by Ms. Ma Xiaoqiu. Immediately upon Completion and as at the date of this joint announcement, Billion Legend is wholly and beneficially owned by the Offeror.

## **UNCONDITIONAL MANDATORY GENERAL CASH OFFER**

Immediately before Completion, the Offeror and parties acting in concert with him did not hold or control any Shares in the share capital or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code). Immediately following Completion, the Offeror (through Billion Legend) and parties acting in concert with him own 230,000,000 Shares, representing approximately 51.11% of the entire issued share capital of the Company. Pursuant to Note 8 to Rule 26.1 of the Takeovers Code, the Offeror is therefore required to make an unconditional mandatory general cash offer for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with him).

As at the date of this joint announcement, the Company has in aggregate 450,000,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares, as at the date of this joint announcement.

## **Principal terms of the Offer**

Opus Securities, the offer agent of the Offeror, will, for and on behalf of the Offeror, make the Offer to acquire all the Offer Shares on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

### **The Offer**

**For each Offer Share. . . . . HK\$0.131 in cash**

Given the sole asset of the Billion Legend is the 230,000,000 Shares held by it, the Offer Price of HK\$0.131 per Offer Share is equivalent to the consideration for the Sale Shares under the Sale and Purchase Agreement of HK\$30,000,000 divided by 230,000,000 Shares held by Billion Legend, which was arrived after arm's length negotiations between the Offeror and the Vendor.

The Offer will be unconditional in all respects when it is made. The Offer will be extended to all Shares in issue other than those Shares held by the Offeror and parties acting in concert with him on the date on which the Offer is made, being the date of despatch of the Composite Document.

As at the date of this joint announcement, the Company does not have any dividend or distribution recommended, declared or made but unpaid and the Company does not intend to declare any dividend or make other distribution during the Offer Period.

### **Value of the Offer**

As at the date of this joint announcement, there are 450,000,000 Shares in issue. Assuming that there is no change in the issued share capital of the Company and on the basis of the Offer Price at HK\$0.131 per Offer Share, the entire issued share capital of the Company is valued at HK\$58.95 million. The Offer will be made to the Independent Shareholders.

Excluding the 230,000,000 Shares held by the Offeror and parties acting in concert with him, the number of Shares subject to the Offer is 220,000,000. Based on the Offer Price of HK\$0.131 per Offer Share, the total consideration of the Offer would be HK\$28.82 million, which will be the maximum amount payable by the Offeror under the Offer in the event that the Offer is accepted in full.

### **Offer Price**

The Offer Price of HK\$0.131 per Offer Share represents:

- (i) a premium of approximately 18.02% over the closing price of HK\$0.111 per Share as quoted on the Stock Exchange on 20 March 2024, being the Last Trading Day;



- (ii) a premium of approximately 25.48% over the average closing price of approximately HK\$0.1044 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 24.29% over the average closing price of approximately HK\$0.1054 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 15.49% over the average closing price of approximately HK\$0.1134 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 57.71% to the net asset value per Share of approximately HK\$0.3098 as at 31 December 2022, calculated based on the Group's audited consolidated net asset value attributable to the Shareholders as at 31 December 2022 of S\$23,830,793 (equivalent to approximately HK\$139,410,000), divided by a total of 450,000,000 issued Shares as at the date of this joint announcement; and
- (vi) a discount of approximately 36.27% to the net asset value per Share of approximately HK\$0.2056 as at 30 June 2023, calculated based on the Group's unaudited consolidated net asset value attributable to the Shareholders as at 30 June 2023 of S\$15,812,762 (equivalent to approximately HK\$92,505,000), divided by a total of 450,000,000 issued Shares as at the date of this joint announcement.

### **Highest and lowest Share prices**

During the six-month period immediately preceding the date of this joint announcement and including the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.63 on 26 September 2023 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.1 on 13 March 2024 to 18 March 2024.

### **Financial resources available to the Offeror**

The maximum amount of cash payable by the Offeror in respect of full acceptances of the Offer is HK\$28.82 million, assuming that there is no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offer. The Offeror intends to satisfy the consideration payable under the Offer by his own internal resources. Opus Capital, the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the amount of funds required for full acceptance of the Offer.

## **Effects of accepting the Offer**

By accepting the Offer, the Independent Shareholders shall sell their Shares to the Offeror free from all Encumbrance and third party rights and together with all rights attached to them including the right to all dividends and distributions which may be declared, paid or made on or after the date on which the Offer is made, being the date of despatch of the Composite Document. Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

As at the date of this joint announcement, the Company does not have any dividend or distribution recommended, declared or made but unpaid and the Company does not intend to declare any dividend or make other distribution during the Offer Period.

## **Payment**

Settlement of the consideration in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) Business Days from the date of receipt of duly completed and valid acceptances in respect of the Offer Shares. Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offer complete and valid.

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent.

## **Hong Kong stamp duty**

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, and the amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholders accepting the Offer. The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

## **Taxation advice**

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Opus Securities, Opus Capital, Rainbow Capital, Euto Capital and (as the case may be) their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

## Overseas Shareholders

The Offer will be made to all Independent Shareholders, including those who are not resident in Hong Kong. The making and the implementation of the Offer to Independent Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant overseas jurisdictions in which such Independent Shareholders are located. Such Independent Shareholders should observe any applicable requirements and restrictions in their own jurisdictions, and where necessary, seek independent legal advice in respect of the Offer. It is the responsibility of such Independent Shareholders who have registered addresses outside Hong Kong and wish to accept the Offer to satisfy themselves as to the full observance of the applicable laws and regulations of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes payable by such Independent Shareholders in such jurisdiction).

If the despatch of the Composite Document to the overseas Shareholders is prohibited by any applicable laws and regulations and may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, may not be despatched to such overseas Shareholders. In those circumstances, the Offeror will apply for any waivers pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

**Any acceptance of the Offer by any Independent Shareholders will be deemed to constitute a representation and warranty from such Independent Shareholders to the Offeror that the local laws and requirements have been complied with. The overseas Independent Shareholders should consult their professional advisers if in doubt. Save as one corporate Independent Shareholder incorporated in the British Virgin Islands, there are no overseas Independent Shareholders of the Company identified as at the date of this joint announcement.**

## DEALING AND INTERESTS IN SECURITIES OF THE COMPANY

Save for the acquisition of the Sale Shares, the Offeror and parties acting in concert with him have not dealt in the Shares, convertible securities, warrants, options or derivatives of the Company during the six-month period immediately prior to 26 March 2024, being the date of this joint announcement and up to and including the date of this joint announcement.

The Offeror confirms that, as at the date of this joint announcement:

- (i) the Offeror and/or parties acting in concert with him have not received any irrevocable commitment to accept or reject the Offer;

- (ii) save for the 230,000,000 Shares, representing approximately 51.11% of the entire issued shares capital of the Company, held by the Offeror (through Billion Legend) and parties acting in concert with him, none of the Offeror and/or parties acting in concert with him holds, has control or has direction over any voting rights or rights over Shares, convertible securities, warrants, options, derivatives or other securities that are convertible or exchangeable into Shares or other types of equity interest in the Company;
- (iii) save for the Sale Shares, none of the Offeror and/or parties acting in concert with him has acquired any voting rights in or otherwise dealt for value in the Shares or rights over the Shares during the six-month period immediately prior to and up to and including the date of this joint announcement;
- (iv) there is no agreement or arrangement in relation to outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror and/or parties acting in concert with him;
- (v) there is no agreement, arrangement or understanding that any securities acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons;
- (vi) save for the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of Billion Legend or the Company and which might be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (vii) no benefit (other than statutory compensation) had been or would be given to any Directors as compensation for loss of office or otherwise in connection with the Offer;
- (viii) save for the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement, there is no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code which exists between the Offeror and parties acting in concert with him and any other person;
- (ix) there is no agreement, arrangement or understanding (including any compensation arrangement) exists between the Offeror and parties acting in concert with him and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Offer;
- (x) there is no agreement or arrangement to which the Offeror and/or parties acting in concert with him is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a precondition or a condition to the Offer;
- (xi) there is no relevant security (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and/or parties acting in concert with him have borrowed or lent;

- (xii) save for the consideration paid by the Offeror to the Vendor under the Sale and Purchase Agreement (i.e. HK\$30,000,000), there is no consideration, compensation or benefit in whatever form paid or to be paid by the Offeror and/or parties acting in concert with him to the Vendor and/or any parties acting in concert with him in connection with the sale and purchase of the Sale Shares;
- (xiii) save for the Sale and Purchase Agreement, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and/or parties acting in concert with him on one hand, and the Vendor and/or parties acting in concert with him on the other hand; and
- (xiv) save for the Sale and Purchase Agreement, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2) (a) the Offeror and/or parties acting in concert with him, or (b) the Company, its subsidiaries or associated companies.

## **INFORMATION OF THE OFFEROR**

The Offeror, aged 56, was educated in Guangdong University of Technology and studied in Industrial and Building engineering. Mr. Lu received 高級專業技術職務任職資格 (for transliteration purpose only, Qualification Certificate of Senior Professional Rank) in 2008.

The Offeror has over 30 years management and construction experience in properties developments, property project management, restructuring of distressed debts, development projects and direct investments, e-commerce and big-health industry. He is currently the major shareholder and the supervisor of 廣州紅地集團有限公司 (for transliteration purpose only, Guangzhou Hongdi Holdings Limited), an investment holding company incorporated in the PRC. He was the executive director and chairman of the board of ACR Asian Capital Resources (Holdings) Limited, a company incorporated in the Cayman Island with limited liability, the issued shares of which were listed on GEM of the Stock Exchange (stock code: 8025) and the listing of the shares of the company was cancelled on 7 August 2023.

Prior to Completion, the Offeror and parties acting in concert with him are third parties independent of, and not connected with, either the Company or any of its connected persons.

## **INTENTION OF THE OFFEROR IN RELATION TO THE GROUP**

Following the close of the Offer, the Offeror intends that the Group will continue the principal business of the Group and will maintain the listing status of the Company. The Offeror will conduct a review of the business activities and assets of the Group for the purpose of formulating business plans and strategies for the future business development of the Group.

Subject to the results of the review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. As at the date of this joint announcement, no investment or business opportunity has been identified nor have the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

Save for the Offeror's intention regarding the Group as set out above, the Offeror has no intention to redeploy any fixed assets of the Group (other than in the ordinary and usual course of business of the Group) or to discontinue the employment of the employees of the Group (except as set forth in the section headed "Proposed change of Board composition" in this joint announcement) as at the date of this joint announcement.

### **PROPOSED CHANGE OF BOARD COMPOSITION**

As at the date of this joint announcement, the Board is comprised of one executive Director, one non-executive Director and two independent non-executive Directors.

It is intended that all of the Directors will resign with effect from the earliest time permitted under the Takeovers Code. The Offeror intends to nominate new Directors for appointment to the Board with effect from the earliest time as allowed under the Takeovers Code and any such appointment will be made in compliance with the Takeovers Code and the Listing Rules. As at the date of this joint announcement, the Offeror has not reached any final decision as to who will be nominated as new Director(s). Further announcement(s) will be made upon any changes to the composition to the Board in compliance with the Takeovers Code and Listing Rules as and when appropriate.

### **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Offeror does not intend to avail himself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer. The Offeror will, together with the Company, use reasonable endeavours to maintain the listing status of the Shares on the Stock Exchange and procure that not less than 25% of the entire issued share capital in the Company be held by the public in compliance with the Listing Rules. The Directors and any new Director(s) proposed by the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that such number of Shares as may be required by the Stock Exchange are held by the public within the prescribed time frame.

**According to the Listing Rules, if, upon the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25%, of the issued Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange may exercise its discretion to suspend trading in the Shares. Therefore, it should be noted that upon close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares.**

## **INFORMATION OF THE GROUP**

The Company is incorporated in the Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange. The Company acts as an investment holding company and its subsidiaries are principally engaged in the sale of automotive parts and motor vehicles, as well as the passenger vehicle (PV) leather upholstery and electronic accessories businesses in Singapore.

Set out below is a summary of the unaudited consolidated financial information of the Group for the six months ended 30 June 2023, as extracted from the Company's interim report for the six months ended 30 June 2023 and the audited consolidated financial information of the Group for each of the two financial years ended 31 December 2022 and 2021, as extracted from the Company's annual report for the year ended 31 December 2022:

	<b>For the six months ended 30 June 2023</b>	<b>For the year ended 31 December 2022</b>	<b>For the year ended 31 December 2021</b>
	<i>S\$'000</i> (unaudited)	<i>S\$'000</i> (audited)	<i>S\$'000</i> (audited)
Revenue	7,900	16,340	9,710
(Loss)/profit for the year	(8,018)	(1,870)	118
	<b>As at 30 June 2023</b>	<b>As at 31 December 2022</b>	<b>As at 31 December 2021</b>
	<i>S\$'000</i> (unaudited)	<i>S\$'000</i> (audited)	<i>S\$'000</i> (audited)
Total assets	16,541	24,977	26,338
Total liabilities	728	1,146	638
Net asset	15,813	23,831	25,700



## PROFIT WARNING

Reference is made to the Profit Warning Announcement. Upon the commencement of the Offer Period and pursuant to Rule 10 of the Takeovers Code, the profit warning statement in respect of the preliminary consolidated management accounts of the Group for the year ended 31 December 2023 included in the Profit Warning Announcement (the “**Profit Warning Statement**”) constituted a profit forecast of the Company and is required to be reported on by the Company’s financial adviser and its auditors in accordance with Rule 10.4 of the Takeovers Code.

Pursuant to Rule 10.4 and Practice Note 2 of the Takeovers Code, if a profit warning statement for the purpose of Rule 10 of the Takeovers Code is published first in an announcement, it must be repeated in full, together with the reports from the issuer’s financial adviser and auditors on such profit warning statement, in the next document to be sent to the shareholders (the “**Shareholders’ Document**”). Accordingly, the Profit Warning Statement contained in the Profit Warning Announcement shall be reported on in accordance with Rule 10 of the Takeovers Code and the relevant reports will be included in the next Shareholders’ Document to be sent to the Shareholders. However, in the event that the audited annual results of the Group for the year ended 31 December 2023 (which is expected to be published by the Company on 28 March 2024) which fall within the ambit of Rule 10.9 of the Takeovers Code are published prior to the despatch of the next Shareholders’ Document and the audited annual results of the Group for the year ended 31 December 2023 together with the notes to the financial statements are included in the next Shareholders’ Document, the requirement under Rule 10 of the Takeovers Code to report on the Profit Warning Statement contained in the Profit Warning Announcement will no longer apply.

**Shareholders and potential investors of the Company should note that the Profit Warning Statement contained in the Profit Warning Announcement does not meet the standard required by Rule 10 of the Takeovers Code, and has not been reported on in accordance with the Takeovers Code. Shareholders and potential investors of the Company are advised to exercise caution when placing reliance on the Profit Warning Statement contained in the Profit Warning Announcement in assessing the merits and demerits of Offer and when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.**

## DEALINGS DISCLOSURE

For the purposes of the Takeovers Code, the Offer Period has commenced on the date of this joint announcement.

In accordance with Rule 3.8 of the Takeovers Code, associates (as defined under the Takeovers Code) of the Company and the Offeror, including persons who own or control 5% or more of any class of relevant securities issued by the Company or the Offeror, are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

For this purpose, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

### *“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

The Offeror, his nominees or brokers or associates may from time to time make certain purchases of, or arrangements to purchase, Shares other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance in compliance with the Takeovers Code. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be reported to the SFC and will be publicly disclosed in accordance with the requirements under the Takeovers Code and will be available on the websites of the SFC at <http://www.sfc.hk> and the Stock Exchange at <http://www.hkexnews.hk> on the “Latest Listed Company Information” page.

## GENERAL

### **Independent Board Committee and Independent Financial Adviser**

The Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Cheng Wai Hei and Mr. Lam Chi Wing, has been established to make a recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code. Mr. Choi Tan Yee, a non-executive Director, is the managing director and responsible officer of Rainbow Capital, being the financial adviser to the Company, and is therefore not considered independent to be a member of the Independent Board Committee and has declared his interest to the Board accordingly.

Euto Capital has been appointed as the Independent Financial Adviser pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in connection with the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

### **Despatch of the Composite Document**

It is the intention of the Offeror and the Board that the offer document from the Offeror and the offeree board circular from the Company be combined in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, (i) details of the Offer (including the expected timetable and terms of the Offer); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offer, together with the relevant forms of acceptance and transfer, will be despatched to the Shareholders within 21 days from the date of this joint announcement or such later date as the Executive may approve.

**The Independent Shareholders are encouraged to read the Composite Document carefully, including the recommendation of the Independent Board Committee and the advice of the Independent Financial Adviser as to whether the Offer is fair and reasonable so far as the Independent Shareholders are concerned and its acceptance before deciding whether or not to accept the Offer.**

## **WARNING**

**The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendation of the Independent Board Committee and the advice from the Independent Financial Adviser on the Offer.**

**Shareholders and potential investors of the Company should exercise caution when dealing in the Shares during the Offer Period. If they are in any doubt about their position, they should consult their professional advisers.**

## **RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 21 March 2024 pending the publication of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 27 March 2024.

## **DEFINITIONS**

In this joint announcement, the following terms and expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning given to it under the Takeovers Code
“associate(s)”	has the meaning given to it under the Takeovers Code
“Billion Legend”	Billion Legend Company Limited, a company incorporated in the British Virgin Islands with limited liability
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“Company”	TOMO Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 6928)
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement

“Completion Date”	the date on which Completion took place
“Composite Document”	the composite offer and response document to be jointly despatched by the Offeror and the Company to the Shareholders in connection with the Offer in accordance with the Takeovers Code containing, among other things, details of the Offer, the acceptance and transfer forms, the recommendation of the Independent Board Committee and the advice of the Independent Financial Adviser
“connected person(s)”	has the same meaning given to it under the Listing Rules and the term “connected” shall be construed accordingly
“Director(s)”	director(s) of the Company
“Encumbrance”	means and includes any option, right to acquire, right of pre-emption, mortgage, charge, pledge, lien, hypothecation, title retention, right of set-off, claim, counterclaim, trust arrangement or other security, any equity or restriction (including any restriction imposed under the Companies Ordinance) or other adverse rights and interests of all kinds and descriptions
“Enforcement Notice”	has the meaning given to this term in the section headed “Introduction” in this joint announcement above
“Executive”	the Executive Director of the Corporate Finance Division of the SFC and any of his delegates
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all the Independent non-executive Directors, namely Mr. Cheng Wai Hei and Mr. Lam Chi Wing, established by the Company to make recommendation to the Independent Shareholders in relation to the Offer

“Independent Financial Adviser” or “Euto Capital”	Euto Capital Partners Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed for the purpose of advising the Independent Board Committee in relation to the Offer and as to acceptance of it
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with him
“Last Trading Day”	20 March 2024, being the last full trading day immediately prior to the suspension of trading in the Shares pending the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	has the meaning given to this term in the section headed “Introduction” in this joint announcement above
“Loan Agreement”	has the meaning given to this term in the section headed “Introduction” in this joint announcement above
“Offer”	the mandatory unconditional general cash offer to be made by Opus Securities for and on behalf of the Offeror to acquire all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with him) in accordance with the Takeovers Code
“Offer Period”	the period commenced since 26 March 2024, being the date of this joint announcement and ending on the date of the close of the Offer in accordance with the Takeovers Code
“Offer Price”	the price at which the Offer will be made, being HK\$0.131 per Offer Share
“Offer Share(s)”	issued Share(s) other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with him
“Offeror”	Mr. Lu Yongde

“Opus Capital”	Opus Capital Limited, a corporation licensed under the SFO to conduct Type 6 (advising on corporate finance) regulated activity, being the financial adviser to the Offeror in relation to the Offer
“Opus Securities”	Opus Securities Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities) regulated activity under the SFO, being the agent making the Offer on behalf of the Offeror
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Profit Warning Announcement”	the profit warning announcement issued by the Company on 20 March 2024 pursuant to Rule 13.09 of the Listing Rules and the Inside Information under Part XIVA of the SFO
“Rainbow Capital”	Rainbow Capital (HK) Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, being the financial adviser to the Company
“Sale and Purchase Agreement”	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
“Sale Share(s)”	50,000 issued shares of Billion Legend, representing the entire issued share capital of Billion Legend
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Mortgage”	the equitable mortgage over 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



“Shareholder(s)”	registered holder(s) of the Share(s)
“Singapore”	Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning given to it under the Listing Rules
“S\$”	Singapore dollars, the lawful currency of Singapore
“Takeovers Code”	The Code on Takeovers and Mergers published by the SFC, as amended, supplemented or otherwise modified from time to time
“Vendor”	Mr. Leung Ka Fai
“%”	per cent.

\* For the purpose of this joint announcement, all amounts denominated in S\$ has been translated (for information only) into HK\$ using the exchange rate of S\$1.00: HK\$5.85. Such translation shall not be construed as a representation that amounts of S\$ was or may have been converted.

**LU YONGDE**

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

Hong Kong, 26 March 2024

*As at the date of this joint 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

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with him), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.*

*The Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Vendor and the Group), and confirms, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.*