TOMO Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6928)

PROFIT WARNING AND UPDATE ON EXPECTED TIMELINE FOR USE OF PROCEEDS

(I) PROFIT WARNING

Pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the board (the "**Board**") of directors (the "**Directors**") of the TOMO Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to inform the shareholders of the Company and potential investors of the Company that, based on the preliminary review of the Group's unaudited consolidated management accounts for the six months ended 30 June 2020, the Group recorded significant decreases in revenue by approximately 67.8% and gross profit by approximately 81.6% for the six months ended 30 June 2020 as compared to the corresponding period in 2019. Such decreases were mainly attributable to: (i) the decrease in total sales volume for the newly registered passenger vehicle and demand of products and services from our customers in Singapore mainly attributable to the temporary closure of the Car Dealer and Distributor's showrooms for the period from 7 April 2020 to 18 June 2020 (both days inclusive) due to the safe distancing measures implemented by the Ministry of Health of Singapore to curb further spread of COVID-19; (ii) temporary closure of our business operation from 7 April 2020 to 1 June 2020 (both days inclusive) due to the 2020 Singapore circuit breaker measures as a preventive measure by the Government of Singapore in response to the COVID-19 pandemic.

It is expected that the Group will record significant decreases in revenue and gross profit for the six months ending 30 June 2020 as compared to the corresponding period in 2019. The above information is only based on the preliminary assessment of the currently available information by the management of the Group, including the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020, which have not been reviewed by the audit committee of the Company, and have not been reviewed or audited by the Company's auditor. Further details of the Group's financial information will be disclosed in the interim results announcement of the Group for the six months ended 30 June 2020, which is expected to be published by early August 2020.

Shareholders and the potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action should seek independent advice from their stockbroker, bank manager, solicitor, accountant or other professional advisers.

(II) UPDATE ON EXPECTED TIMELINE FOR USE OF PROCEEDS

References are made to the section headed "Future plans and Use of Proceeds" in the prospectus of the Company dated 30 June 2017 (the "**Prospectus**"), and the sections headed "Management Discussion and Analysis — Use of proceeds" in the 2019 annual report of the Company (the "**2019 Annual Report**"). Unless otherwise defined, capitalised items used in this announcement shall have the same meanings as those defined in the Prospectus and the 2019 Annual Reports, respectively.

The Board would like to provide an update to the use of the proceeds from the Listing as supplemental information to the 2019 Annual Report.

The net proceeds of the Listing (after deducting underwriting fee and the relevant expenses payable by the Group in connection to the Listing) amounted to approximately S$10.3 million. As at 30 June 2020, a total amount of approximately S$7.66 million out of the net proceeds of the Listing had been utilised by the Group according to the allocation set out in the Prospectus and the remaining balance of approximately S$2.64 million is expected to be utilised as intended.

In accordance with the requirements of paragraph 11(8) of Appendix 16 to the Listing Rules, the table below is a summary of the Group's use of proceeds up to 30 June 2020 (including additional information on the expected timeline of the full utilisation of the balance of such proceeds):

	Net proceeds S$	Utilised as of 31 December 2019 S$	Utilised as of 30 June 2020 S$	Balance as of 30 June 2020 S$	Expected timeline of full utilisation of the balance
Upgrade existing facilities, acquire new machinery and premises	5,160,000	4,010,000	4,030,000	1,130,000	Mid of 2021
Strengthen our sales and marketing efforts	1,760,000	730,000	870,000	890,000	End of 2020
Expand our product offerings	1,430,000	1,430,000	1,430,000	–	
Upgrade and integrate of the information technology system	920,000	280,000	300,000	620,000	End of 2020
Working capital and general corporate use	1,030,000	1,030,000	1,030,000	–	
	10,300,000	7,480,000	7,660,000	2,640,000	

We are facing even greater headwinds. Yield curves are flattened or inverted, as we witness vast geopolitical uncertainty and tensions across the world. Barriers to free trade punish businesses with global supply chains, and the COVID-19 is ravaging across continents. These events have brought forth the spectre of recession to the global market, and we must be prepared for the downturn of economy that will inevitably follow.

The Directors will from time to time assess the business objectives and the use of the Net Proceeds for the Group's benefit to cope with the changing market conditions. If there is any material progress on the utilisation under the time frame as set out above, or in case any further adjustments on the use of the Net Proceeds are needed, the Company will make further announcement as and when appropriate.

By Order of the Board of
TOMO HOLDINGS LIMITED
Siew Yew Khuen
Chairman and Chief Executive Officer

Hong Kong, 17 July 2020

As at the date of this announcement, the executive Directors are Mr. Siew Yew Khuen, Ms. Lee Lai Fong, Mr. Siew Yew Wai and Mr. Zha Jianping; and the independent non-executive Directors are Mr. Clarence Tan Kum Wah, Mr. Gary Chan Ka Leung and Mr. Ng Chee Chin.