TOMO HOLDINGS LIMITED
萬 馬 控 股 有 限 公 司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 6928)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO 2025 ANNUAL REPORT

Reference is made to the 2025 Annual Report. Shareholders are advised to read this announcement in conjunction with the 2025 Annual Report.

This announcement is made to provide additional information to the 2025 Annual Report in relation to the qualified opinion issued by the auditor of the Company in relation to the insufficient accounting records relating to the Target Group as of 1 January 2024 and 31 December 2024 and for the years ended 31 December 2024 and 31 December 2025.

MANAGEMENT'S POSITION AND BASIS ON MAJOR JUDGMENTAL AREAS

Management has carefully assessed the impairment of the Target Group and concluded that a full impairment of the investment is appropriate on the basis that (i) the Company engaged Central Business Information Limited to conduct a due diligence review, the results of which indicated that Hua Bright, the operating subsidiary of the Target Group, is a shell company with no actual business or operations; (ii) despite extensive efforts, the Company has been unable to obtain the books, records, or operational evidence necessary to conduct a proper valuation assessment of the Target Group; and (iii) based on these findings, the likelihood of recovering the HK$35 million investment is remote. Therefore, the Management concluded that a full impairment of the investment was warranted. While the Management believes the conclusion is appropriate based on the information available, the auditors of the Company, in forming their opinion for the year ended 31 December 2024, emphasized the need for formal evidence to support the Management's representation that the Target Group had no value as of 31 December 2024.

The Directors consider that, since the Group did not have any commitment to contribute additional funds to the Target Group and the Group's investments cost of HK$35,000,000 (equivalent to approximately S$6,421,491) in the Target Group was fully impaired in prior years, no further provision is required to be provided thereon.

To address this, the Directors have filed a creditor's bankruptcy petition against the vendor, Mr. Tsang on 6 March 2025 on the basis that Mr. Tsang failed to fulfil the obligation under the Profit Guarantee. The action of the petition served as a solid evidence that the Group could not recover any amount from the Target Group or the Profit Guarantee under the SPA, and served as the audit evidence required for the full impairment/derecognition. Notwithstanding the dismissal of the bankruptcy petition against Mr. Tsang, the substantive purpose and evidential value of the petition remain intact and are not undermined.

The petition was originally filed by the Directors on the bona fide basis that Mr. Tsang had breached his profit guarantee obligations under the SPA. The initiation of such legal proceeding itself objectively demonstrates the Group's firm position that the vendor failed to perform its contractual obligations, and that the Group has no reasonable expectation of recovering the investment amount or any compensation under the Profit Guarantee.

The dismissal of the petition is merely a procedural or procedural-litigation outcome, rather than a substantive ruling denying the existence of the breach of the Profit Guarantee or the non-recoverability of the Target Group investment. It does not reverse the underlying commercial and factual circumstances that the Target Group is a shell entity with no substantive operations, and that the Group is unable to obtain valid valuation records or recover the HK$35 million investment.

As such, the petition still serves as valid and substantive audit evidence to support management's judgement on the full impairment of the investment, and the dismissal does not affect its evidential weight for impairment assessment and derecognition purposes.

Though the Directors continue to explore all the alternatives to recover the loss from the Mr. Tsang, in order to resolve this long-outstanding Audit Issue and to reflect a more reasonable and transparent financial position of the Group, the Directors decided to fully write off the Group's investments in the Target Group and nil amount was charged or credited to the profit or loss of the Group for the year ended 31 December 2025 and the Group's investments in the Target Group was then derecognised subsequently.

In view of the circumstances as described above, the Directors concur with the view of the auditors for their qualified opinion relating to the "the scope of limitation relating to the Target Group as of 1 January 2024 and 31 December 2024 and for the years ended 31 December 2024 and 31 December 2025".

The Directors had communicated with the auditors of the Company, and expected the continuing modification of the comparative figures in the Group's consolidated financial statements for the year ending 31 December 2026 as the financial statements still contain the profit or loss statement and related disclosure of FY2025, which contain a qualification and will form the comparative figures of FY2026. The auditors expected that the audit modification would be fully removed in the Group's consolidated financial statements for the year ending 31 December 2027.

ALTERNATIVES CONSIDERED IN RESOLVING AUDIT ISSUES

Prior to concluding that the Full Write-Off and the Derecognition was the only viable course of action, the Board had considered and evaluated other alternatives to resolve the Audit Issue, including the potential disposal of the Group's investment in the Target Group. However, these alternatives were ultimately determined to be unfeasible for the following reasons.

1. Legal action to enforce information rights or the Profit Guarantee

The Board considered taking legal action against the Vendor or the Target Group's management to compel the production of books and records, or to enforce the Profit Guarantee under the SPA. However, this alternative was assessed to be impractical for the following reasons. The Target Group is incorporated in the British Virgin Islands, which significantly complicates cross-border legal enforcement and would entail substantial legal costs and time. Furthermore, given the complete lack of financial information and the apparent cessation of substantive operations of the Target Group, there was a high probability that neither the Target Group nor the Vendor possessed sufficient financial resources to satisfy any judgment debt or compensation claim. The Board therefore concluded that pursuing protracted and costly legal proceedings would not be in the best interests of the Company and its shareholders. Notwithstanding the winding-up of Hua Bright (a subsidiary of the Target Group), any legal recourse by the Company shall be pursued against Ocean Dragon, in which the Company holds its direct investment.

Besides, with reference to the announcement of the Company dated 28 July 2025, on 6 March 2025, the Directors have also filed a creditor's bankruptcy petition against the Vendor, Mr. Tsang on the basis that Mr. Tsang failed to fulfil the obligation under the Profit Guarantee under the SPA, but such bankruptcy petition was ordered to be withdrawn on 26 May 2025.

2. Disposal of the investment

The Board considered disposing of its 49% equity interest in the Target Group to independent third parties. However, this option was not commercially viable for the following reasons. First, as highlighted in the Audit Issue, the Group was unable to access sufficient books and records of the Target Group. Without reliable financial statements, operational data, or visibility into the Target Group's assets and liabilities, it was practically impossible to conduct any meaningful valuation or due diligence exercise. No rational independent purchaser would be willing to acquire an interest in a company with such severe information opacity and potential undisclosed liabilities. Second, the Group holds only a 49% minority stake without controlling rights. Minority interests in private, unlisted entities are inherently illiquid, and this illiquidity is further compounded by the complete lack of financial transparency. Third, given the Board's and the auditors' concerns over the genuineness of the original acquisition and the underlying operations of the Target Group, any attempt to market the investment to prospective buyers could expose the Group to potential legal and reputational risks.

Having carefully evaluated the above alternatives, the Directors consider that the Company has already exhausted all means to recover any value from the Target Group. Neither a commercial disposal nor legal enforcement was a practical or cost-effective means of resolving the Audit Issue. As no economic benefits could be recovered from the investment and the information gap could not be bridged through any available means, maintaining the fully impaired asset on the balance sheet would have indefinitely perpetuated the Audit Issue without any prospect of resolution. The Board therefore determined that the Full Write-Off and the Derecognition was the most appropriate, definitive, and responsible course of action to formally remove the irrecoverable investment from the Group's balance sheet and bring the matter to a conclusion in FY2025.

THE AUDIT COMMITTEE'S VIEW TOWARDS THE AUDIT ISSUE, AND WHETHER THE AUDIT COMMITTEE AGREES WITH THE MANAGEMENT'S POSITION AND BASIS

The Audit Committee concurs with the Management's position and basis that the investment in the Target Group is no longer recoverable and that a full impairment and write-off of the investment is appropriate, with such impairment has already been made in the financial statement for the year ended 31 December 2023, and Full Write-Off is made in the financial statement for the year ended 31 December 2025. The Audit Committee is satisfied that the Management's conclusion is supported by investigative findings, including the indication that Hua Bright is a shell company with no business or operations, and the Company's inability to obtain books, records, or operational evidence from the Target Group's management or personnel.

The Audit Committee has critically reviewed the matter in consultation with the auditors. The auditors are of the view that given the Company has already exhausted all means to substantiate that the investment in the Target Group had no value, they agreed that there is no recoverable value from the investment in the Target Group. The audit qualified opinion was related only to the opening balance of investments in associates as at 1 January 2024 and 31 December 2024 and the Audit Issue will be resolved in the annual financial statements for the year ended 31 December 2027. It is expected a qualified opinion on the comparative figures in the annual financial statements for the year ended 31 December 2026 and a clean opinion will be issued in the annual financial statements for the year ended 31 December 2027. The qualification raised is in line with standard audit practices applied for the technical removal of prior qualifications.

The Audit Committee agreed that the Company has already exhausted all means to substantiate that the investment in the Target Group had no value and agreed that the Audit Issue will be resolved in the annual financial statements for the year ending 31 December 2027.

The information provided in this supplemental announcement does not affect other information contained in the 2025 Annual Report. Save as disclosed above, the contents of the 2025 Annual Report remain unchanged.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

"2025 Annual Report"	the Company's annual report for the year ended 31 December 2025
"Audit Committee"	the audit committee of the Company
"Audit Issue"	insufficient appropriate audit evidence without access to books and records of the Target Group to ascertain (i) whether the share of nil result of the associates for the years ended 31 December 2024 and 31 December 2025 and the Group's investments in the Target Group at nil as at 1 January 2024 and 31 December 2024 were fairly stated and properly reflected, and the related disclosures notes thereof, and also nil impairment loss on the Group's investments in the Target Group was properly charged or credited to the profit or loss for the year ended 31 December 2024 respectively; and (ii) whether nil amount was charged or credited to the profit or loss for the year ended 31 December 2025 upon the Group's investment in the Target Group was fully written off and derecognised in the consolidated financial statements of the Company for the year ended 31 December 2025, have been accurately recorded and properly accounted for
"Board"	the board of Directors
"Company"	TOMO Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose ordinary shares are listed on the Main Board of the Stock Exchange (stock code: 6928)
"Derecognition"	the derecognition of the Group's investment in the Target Group
"Director(s)"	the director(s) of the Company
"Full Write-Off"	the full write-off of the Group's investment in the Target Group
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Hua Bright"	Hua Bright International Limited
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Management"	the management of the Group
"Mr. Tsang" or "Vendor"	the vendor under the SPA, Mr. Tsang Kin Yip
"Ocean Dragon"	Ocean Dragon Group Limited
"Profit Guarantee"	the profit guarantee provided by Mr. Tsang in the Sale and Purchase Agreement
"S$"	Singapore dollars, the lawful currency of Singapore
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the issued Share(s)
"SPA"	the sales and purchase agreement related to the acquisition of 49% of the issued share capital of Ocean Dragon
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Group"	Ocean Dragon and its subsidiary, Hua Bright
"%"	per cent

By order of the Board
TOMO Holdings Limited
Lu Yongde
Executive Director and Chairman

Hong Kong, 21 July 2026

As at the date of this announcement, the Board comprises Mr. Lu Yongde (chairman) and Mr. Yuan Qinghua as executive Directors; and Mr. Liu Wuhui, Mr. Ma Zhangkai and Ms. Zhu Xiaoxin as independent non-executive Directors.