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TOM Group Limited

TOM集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2383)

**ANNOUNCEMENT PURSUANT TO
RULE 14.36 OF THE LISTING RULES**

**SUPPLEMENTAL AGREEMENT TO THE SHAREHOLDERS' AGREEMENT IN
RELATION TO THE EXTENSION OF THE CONVERTIBLE LOAN**

References are made to the 2014 Announcement and the 2019 Announcement regarding the Convertible Loan issued by the Joint Venture (namely Ule Holdings Limited) to the Group.

EXTENSION OF THE MATURITY DATE OF THE CONVERTIBLE LOAN

The Board would like to announce that on 6 June 2019, TOM E-Commerce (an indirect non-wholly-owned subsidiary of the Company) entered into the Supplemental Agreement, pursuant to which the Joint Venture and the investors (being the other shareholders) of the Joint Venture agreed, among other things, to extend the Maturity Date of the Convertible Loan to the earlier of (i) 23 January 2022; or (ii) immediately prior to the completion of a Qualified Subsequent Financing.

LISTING RULES IMPLICATIONS

The entering into the Supplemental Agreement between the Parties constitutes a material variation of the terms of the Shareholders' Agreement (which was previously announced as a discloseable transaction in the 2014 Announcement in accordance with Rule 14.06(2) of the Listing Rules) and is, therefore, required to be disclosed pursuant to Rule 14.36 of the Listing Rules.

INTRODUCTION

References are made to the announcements of TOM Group Limited (the “**Company**”) dated 16 January 2014 (the “**2014 Announcement**”) and 15 January 2019 (the “**2019 Announcement**”) and together with the 2014 Announcement, the “**Announcements**”), regarding, among other things:

- (i) the discloseable transaction in relation to the formation of the Joint Venture (namely Ule Holdings Limited) by the Group and China Post Group and the Group’s acceptance of the Convertible Loan in the principal amount of RMB155 million issued by the Joint Venture to the Group which was due to expire on the date falling five years after the Completion (the “**Maturity Date**”); and
- (ii) the ongoing negotiation between the Group and the Joint Venture on the terms of the Convertible Loan to reflect the New Extended Maturity Date of the Convertible Loan.

Unless otherwise defined in this announcement, terms defined in the Announcements shall have the same meaning when used herein.

THE SUPPLEMENTAL AGREEMENT

On 6 June 2019 (after trading hours), TOM E-Commerce (an indirect non-wholly-owned subsidiary of the Company) entered into a supplemental agreement to the Shareholders’ Agreement (the “**Supplemental Agreement**”), pursuant to which the Joint Venture and the investors (being the other shareholders) of the Joint Venture (collectively, the “**Parties**”) agreed, among other things, to extend the Maturity Date of the Convertible Loan (the “**Extension**”), such that the Convertible Loan will be either:

- (i) repaid in RMB at the earlier of (A) 23 January 2022; or (B) immediately prior to the completion of a Qualified Subsequent Financing (as defined below); or
- (ii) at the option of the Joint Venture, the principal amount (converted into the relevant currency at the then in effect exchange rate) will be converted into Series A Preferred Shares at a conversion price per Series A Preferred Share which is the same as the price per Investors Subscription Share paid by the Investors pursuant to Investors Subscription Agreement, subject to appropriate adjustment for any share combination or share split of the Series A Preferred Shares, at the earlier of (A) 23 January 2022; or (B) immediately prior to the completion of a Qualified Subsequent Financing.

“**Qualified Subsequent Financing**” shall mean a subsequent round of equity financing of the Joint Venture with aggregate proceeds to the Joint Venture that is in excess of US\$200,000,000.

As at the date of this announcement, the Joint Venture has not repaid any amount under the Convertible Loan to the Group, and the Convertible Loan has neither been redeemed nor converted, in whole or in part.

There is no other material change to the terms of the Shareholders’ Agreement pursuant to the Supplemental Agreement.

REASON AND BENEFIT FOR THE SUPPLEMENTAL AGREEMENT

The Board considers the Joint Venture (which is an associated company of the Company) to be a strategic investment of the Company and a material asset of the Company’s e-commerce group (which is one of the five business segments of the Company). Given the growing business of the Joint Venture, the Extension under the Supplemental Agreement will allow the Joint Venture to focus its financial resources to further develop its growth.

The terms of the Supplemental Agreement have been arrived at by the Parties after arm's length negotiations and are on normal commercial terms with references to the prevailing commercial practices and the amount of the Convertible Loan. The Board is of the view that the terms of the Supplemental Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The entering into the Supplemental Agreement between the Parties constitutes a material variation of the terms of the Shareholders' Agreement (which was previously announced as a discloseable transaction in the 2014 Announcement in accordance with Rule 14.06(2) of the Listing Rules) and is, therefore, required to be disclosed pursuant to Rule 14.36 of the Listing Rules.

By Order of the Board of
TOM Group Limited
Yeung Kwok Mung
Executive Director

Hong Kong, 6 June 2019

To the extent that there are any inconsistencies between the English version and the Chinese version of this announcement, the English version shall prevail.

As at the date hereof, the directors of the Company are:

Executive Director:

Mr. Yeung Kwok Mung

Non-executive Directors:

Mr. Frank Sixt (Chairman)
Ms. Debbie Chang
Mrs. Angelina Lee

Independent non-executive Directors:

Mr. Henry Cheong
Mr. James Sha
Mr. Albert Ip

Alternate Director:

Mr. Dominic Lai
(Alternate to Mr. Frank Sixt)