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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)

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the 2017 Announcement relating to, inter alia, the Existing Continuing Connected Transactions. On 17 December 2019, the Company entered into the New Facility Agreement and the New CKHH Guarantee Fee Agreement.

The Board announces that in consideration of CKHH agreeing to grant the New CKHH Guarantee, on 17 December 2019, the Company entered into the New CKHH Guarantee Fee Agreement with CKHH, under which, the Company agreed to pay to CKHH an aggregate guarantee fee in an amount equivalent to 0.5% per annum of the aggregate principal amount outstanding under the New Facility Agreement, payable quarterly in advance upon the first drawdown (and on the date of each subsequent drawdown in respect of the increased outstanding principal amount), subject to the annual Caps of HK\$1,000,000, HK\$19,000,000, HK\$19,000,000 and HK\$18,000,000 for the years ending 31 December 2019, 2020, 2021 and 2022 respectively.

CKHH will guarantee 100% of the Company's obligations under the New Facility Agreement pursuant to the terms of the New CKHH Guarantee and the Company's obligations under the Existing Continuing Connected Transactions will cease.

As CKHH is a substantial shareholder of the Company, the transactions contemplated under the New CKHH Guarantee Fee Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. However, as one or more of the applicable percentage ratios for the transactions contemplated under the New CKHH Guarantee Fee Agreement, on aggregate and annual basis, is more than 0.1% but are all less than 5%, such transactions are exempted from the independent shareholders' approval requirements under the Listing Rules, and are only subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

THE ENTERING OF THE NEW FACILITY AGREEMENT AND CESSATION OF THE COMPANY'S OBLIGATIONS UNDER THE EXISTING CONTINUING CONNECTED TRANSACTIONS

Reference is made to the 2017 Announcement relating to the Existing Continuing Connected Transactions whereby it was announced, inter alia, the entering of the Existing CKHH Guarantee Fee Agreement under which the Company has agreed to pay to CKHH guarantee fees in consideration for CKHH guaranteeing the obligations of the Company under the Existing Facility Agreement.

The Company has entered into the New Facility Agreement on 17 December 2019. CKHH will guarantee 100% of the Company's obligations under the New Facility Agreement pursuant to the terms of the New CKHH Guarantee and the Company's obligations under the Existing Continuing Connected Transactions will cease.

NEW CONTINUING CONNECTED TRANSACTIONS – NEW CKHH GUARANTEE FEE AGREEMENT

It is a condition to the utilisation of the New Facilities that CKHH guarantees 100% of the Company's obligations under the New Facility Agreement pursuant to the terms of the New CKHH Guarantee.

In consideration of CKHH agreeing to grant the New CKHH Guarantee, on 17 December 2019, the Company entered into the New CKHH Guarantee Fee Agreement with CKHH, under which, the Company agreed to pay to CKHH an aggregate guarantee fee in an amount equivalent to 0.5% per annum of the aggregate principal amount outstanding under the New Facility Agreement, payable quarterly in advance upon the first drawdown (and on the date of each subsequent drawdown in respect of the increased outstanding principal amount), subject to the annual Caps of HK\$1,000,000, HK\$19,000,000, HK\$19,000,000 and HK\$18,000,000 for the years ending 31 December 2019, 2020, 2021 and 2022 respectively.

The aforesaid guarantee fee was arrived at after arm's length negotiations and on normal commercial basis, and was determined with reference to the guarantee fees received by CKHH for the provision of similar guarantees to secure the obligations of its subsidiaries and associated companies under loan facilities. In addition, the Caps are based on the maximum annual total amount of the guarantee fee payable to CKHH under the New CKHH Guarantee Fee Agreement.

REASONS FOR ENTERING INTO THE NEW CKHH GUARANTEE FEE AGREEMENT

As the provision of the New CKHH Guarantee is made a condition precedent to the utilisation of the New Facilities and in consideration of CKHH agreeing to grant the New CKHH Guarantee for the benefit of the Company, the Board (including the independent non-executive Directors) considers it in the ordinary and usual course of business of the Company and in the interests of the Company and its shareholders taken as a whole to pay the guarantee fees to CKHH pursuant to the New CKHH Guarantee Fee Agreement.

The Board (including the independent non-executive Directors) considers the respective terms of, and the Caps under the New CKHH Guarantee Fee Agreement to be on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Currently, CKHH is interested in approximately 36.13% of the issued share capital of the Company. As CKHH is a substantial shareholder of the Company, the transactions contemplated under the New CKHH Guarantee Fee Agreement constitute continuing connected transactions for the Company under

Chapter 14A of the Listing Rules. However, as one or more of the applicable percentage ratios for the transactions contemplated under the New CKHH Guarantee Fee Agreement, on aggregate and annual basis, is more than 0.1% but are all less than 5%, such transactions are exempted from the independent shareholders' approval requirements under the Listing Rules, and are only subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

As none of the Directors has any material interest in the continuing connected transactions herein announced, no Director was required to abstain from voting on the Board resolutions in relation to the approval of the New CKHH Guarantee Fee Agreement and the Caps.

GENERAL

The Company is a company incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in technology and media businesses. It also has technology operations in e-commerce, social network, mobile internet; and investments in fintech and advanced data analytics sectors. In addition, its media businesses cover both publishing and advertising segments.

CKHH is a controlling shareholder of the Company that indirectly owns or controls approximately 36.13% of the issued share capital of the Company, and CKHH, through its subsidiaries, is principally engaged in five core businesses: ports and related services, retail, infrastructure, energy and telecommunications. A trust structure, through companies 100% owned, holds approximately 30.08% of the issued shares of CKHH as at the date of this announcement. Mr Li Ka-shing, Senior Advisor of CKHH, and Mr Li Tzar Kuoi, Victor, Chairman, Group Co-Managing Director and Executive Director of CKHH, respectively own one-third and two-thirds of the issued share capital of certain holding companies which in turn own one-third or more of the issued share capital of the trustees in such trust structure. Mr Li Ka-shing is the settlor of the trusts and the discretionary beneficiaries are, inter alia, Mr Li Tzar Kuoi, Victor, his wife and children.

DEFINITIONS

“2017 Announcement”	the announcement of the Company dated 4 December 2017 relating to the Existing CKHH Guarantee Fee Agreement
“Board”	the board of directors of the Company
“Cap”	the maximum value of the aggregate guarantee fee payable by the Company under the New CKHH Guarantee Fee Agreement
“CKHH”	CK Hutchison Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1)
“Company”	TOM Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2383)
“Director(s)”	the director(s) of the Company
“Existing CKHH Guarantee Fee Agreement”	the guarantee fee agreement entered into between the Company and CKHH on 4 December 2017 in respect of the payment of a guarantee fee to CKHH for its provision of guarantee to secure the Company’s obligations under the Existing Facility Agreement
“Existing Continuing Connected Transactions”	the existing continuing connected transactions between the Company and CKHH in respect of CKHH granting the Existing Guarantee pursuant to the Existing CKHH Guarantee Fee Agreement
“Existing Facilities”	the term and revolving loan facilities of up to an aggregate principal amount of HK\$3,200 million agreed to be made available to the Company for a term of 3 years by six independent financial institutions pursuant to the Existing Facility Agreement
“Existing Facility Agreement”	the facility agreement entered into between the Company and six independent financial institutions on 4 December 2017
“Existing Guarantee”	the guarantee provided on 4 December 2017 by CKHH in respect of the Company’s obligations under the Existing Facility Agreement
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“New CKHH Guarantee”	the guarantee which CKHH agrees to provide in respect of the Company’s obligations under the New Facility Agreement
“New CKHH Guarantee Fee Agreement”	the guarantee fee agreement entered into between the Company and CKHH on 17 December 2019 in respect of the payment of a guarantee fee to CKHH for its agreement to grant the New CKHH Guarantee
“New Facilities”	the term and revolving loan facilities of up to an aggregate principal amount of HK\$3,700 million agreed to be made available to the Company for a term of 3 years by eight independent financial institutions pursuant to the New Facility Agreement
“New Facility Agreement”	the facility agreement entered into between the Company and eight independent financial institutions on 17 December 2019, pursuant to which the New Facilities are granted for the purposes of financing the general corporate funding requirements of the Group (including the repayment of the Existing Facilities under the Existing Facility Agreement and the provision of a source of funding to support the Group’s investments)
“PRC”	the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
TOM GROUP LIMITED
Yeung Kwok Mung
Executive Director

Hong Kong, 17 December 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)