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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

References are made to the 2019 Announcement and 2021 Announcement relating to, inter alia, the Existing Continuing Connected Transactions. On 19 July 2023, 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 19 July 2023, 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\$14,000,000, HK\$25,000,000, HK\$25,000,000 and HK\$14,000,000 for the period from 19 July 2023 to 31 December 2023, the years ending 31 December 2024 and 2025, and the period from 1 January 2026 to 18 July 2026 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

References are made to the 2019 Announcement and 2021 Announcement relating to the Existing Continuing Connected Transactions regarding, inter alia:

- (i) the entering of the Amendment and Restatement Deed on 17 December 2021 to amend and restate the Existing Facility Agreement with the extension of final maturity date of the Existing Facilities to 17 December 2024; and
- (ii) the entering of the Confirmation to confirm that the Company would continue to pay guarantee fees to CKHH under the Existing CKHH Guarantee Fee Agreement in consideration for CKHH guaranteeing the obligations of the Company under the Amended and Restated Facility Agreement pursuant to the terms of the Amended CKHH Guarantee.

The Company has entered into the New Facility Agreement on 19 July 2023. 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 19 July 2023, 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\$14,000,000, HK\$25,000,000, HK\$25,000,000 and HK\$14,000,000 for the period from 19 July 2023 to 31 December 2023, the years ending 31 December 2024 and 2025, and the period from 1 January 2026 to 18 July 2026 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 determined by the Company based on the maximum amount of facilities that are available under the New Facility Agreement multiplied by the aforesaid rate of guarantee fee for estimating the amounts that can cover the maximum amounts of guarantee fee that may be payable to CKHH under the New CKHH Guarantee Fee Agreement during the relevant financial years.

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, in the ordinary and usual course of business of the Group, 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 four core businesses: ports and related services, retail, infrastructure and telecommunications. A trust structure, through companies 100% owned, holds approximately 30.35% 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

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| “2019 Announcement” | the announcement of the Company dated 17 December 2019 relating to the Existing CKHH Guarantee Fee Agreement |
| “2021 Announcement” | the announcement of the Company dated 17 December 2021 relating to, inter alia, the Confirmation |
| “Amendment and Restatement Deed” | the amendment and restatement deed dated 17 December 2021 in relation to the Existing Facility Agreement, pursuant to which the terms of the Existing Facility Agreement had been amended and restated (including the extension of the final maturity date) |
| “Amended and Restated Facility Agreement” | the Existing Facility Agreement as amended and restated by the Amendment and Restatement Deed |
| “Amended CKHH Guarantee” | the Existing Guarantee as amended by the Guarantee Amendment Deed |
| “Board” | the board of directors of the Company |
| “Cap(s)” | 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) |
| “Confirmation” | the confirmation dated 17 December 2021 with respect to the Existing CKHH Guarantee Fee Agreement |
| “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 17 December 2019 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 the payment of guarantee fees by the Company to CKHH pursuant to the Existing CKHH Guarantee Fee Agreement as amended by the Confirmation |
| “Existing 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 (with the final maturity date falling 36 months after the date of the Existing Facility Agreement) by eight independent financial institutions pursuant to the Existing Facility Agreement |
| “Existing Facility Agreement” | the facility agreement entered into between the Company and eight independent financial institutions on 17 December 2019 |

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| “Existing Guarantee” | the guarantee provided on 17 December 2019 by CKHH in respect of the Company’s obligations under the Existing Facility Agreement |
| “Group” | the Company and its subsidiaries from time to time |
| “Guarantee Amendment Deed” | the amendment deed dated 17 December 2021 with respect to the Existing Guarantee |
| “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 19 July 2023 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\$4,500 million agreed to be made available to the Company for a term of 3 years (with the final maturity date falling 36 months after the date of the New Facility Agreement) by nine independent financial institutions pursuant to the New Facility Agreement |
| “New Facility Agreement” | the facility agreement entered into between the Company and nine independent financial institutions on 19 July 2023, pursuant to which the New Facilities are granted for the purposes of financing the repayment or prepayment of the existing indebtedness under the Amended and Restated Facility Agreement and the payment of all fees, costs and expenses in connection with the New Facility Agreement and the related finance documents; and after the existing indebtedness under the Amended and Restated Facility Agreement has been discharged in full, the general corporate funding requirements of the Group. |
| “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, 19 July 2023

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. James Sha
Dr. Alex Fong
Mr. Chan Tze Leung

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