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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 2015 Announcement relating to, inter alia, the Existing Continuing Connected Transactions. On 4 December 2017, 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 4 December 2017, 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, subject to the annual Caps of HK\$1,300,000, HK\$16,000,000, HK\$16,000,000 and HK\$15,000,000 for the years ending 31 December 2017, 2018, 2019 and 2020 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 constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules. However, as each 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 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 OBLIGATION UNDER THE EXISTING CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the 2015 Announcement relating to the Existing Continuing Connected Transactions whereby it was announced, inter alia, the entering of the Existing CKHH Guarantee Fee Agreements 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 Agreements.

The Company has entered into the New Facility Agreement on 4 December 2017. 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 TRANSACTION – 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 4 December 2017, 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, subject to the annual Caps of HK\$1,300,000, HK\$16,000,000, HK\$16,000,000 and HK\$15,000,000 for the years ending 31 December 2017, 2018, 2019 and 2020 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 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) consider it 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) considered 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 36.73% 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 constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules. However, as each 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 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 media and technology businesses. In addition to its media businesses in publishing and advertising, the Group also has a technology platform with operations in e-Commerce, social network, mobile internet; and investments in fintech and big data analytics sectors.

## **DEFINITIONS**

“2013 Facility Agreements”	collectively, the four separate facility agreements entered into between the Company and four independent financial institutions on 16 December 2013
“2015 Announcement”	the announcement of the Company dated 21 December 2015 relating to the Existing CKHH Guarantee Fee Agreements
“2015 Facility Agreements”	collectively, the two separate facility agreements entered into between the Company and two independent financial institutions on 21 December 2015
“Amended and Restated Agreements”	collectively, the four separate 2013 Facility Agreements as amended and restated by the four separate Amendment and Restatement Deeds
“Amendment and Restatement Deeds ”	collectively, the four amendment and restatement deeds in relation to the four separate 2013 Facility Agreements entered into between four independent financial institutions, the Company, HWL and CKH on 21 December 2015
“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
“CKH”	Cheung Kong (Holdings) Limited, a company incorporated in Hong Kong with limited liability
“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: 0001)
“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 Agreements”	collectively, the six separate guarantee fee agreements entered into between the Company and CKHH on 21 December 2015 in respect of the payment of a guarantee fee to CKHH for its provision of guarantee to secure the Company’s obligations under each of the Existing Facility Agreements
“Existing Continuing Connected Transactions”	the existing continuing connected transactions between the Company and CKHH in respect of CKHH granting the Existing Guarantees pursuant to the Existing CKHH Guarantee Fee Agreements

“Existing Facilities”	collectively, the four separate term and revolving loan facilities of up to an aggregate principal amount of HK\$2,400 million agreed to be made available to the Company by four independent financial institutions pursuant to the Amended and Restated Agreements and the two separate term and revolving loan facilities of up to an aggregate principal amount of HK\$800 million agreed to be made available to the Company by two independent financial institutions pursuant to the 2015 Facility Agreements
“Existing Facility Agreements”	collectively, the Amended and Restated Agreements and the 2015 Facility Agreements
“Existing Guarantees”	collectively, the guarantees provided all on 21 December 2015 by CKHH in respect of the Company’s obligations under the Existing Facility Agreements
“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
“HWL”	Hutchison Whampoa Limited, a company incorporated in Hong Kong with limited liability
“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 4 December 2017 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\$3,200 million agreed to be made available to the Company for a term of 3 years by six independent financial institutions pursuant to the New Facility Agreement
“New Facility Agreement”	the facility agreement entered into between the Company and six independent financial institutions on 4 December 2017, 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 Agreements and the provision of a source of funding to support the Group’s investments (including Ule Group, which has commenced its path to monetisation (details of which can be found in the announcement of the Company dated 13 September 2017))).
“PRC”	the People’s Republic of China

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Ule Group”

Ule Holdings Limited and its subsidiaries, a material associate of the Company which undertakes an e-Commerce business in PRC and from time to time raises funds (which includes existing shareholder support by way of equity financing) for its growing business

By Order of the Board  
**TOM GROUP LIMITED**  
**Angela Mak**  
*Executive Director*

Hong Kong, 4 December 2017

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

*Executive Directors:*  
*Mr. Yeung Kwok Mung*  
*Ms. Angela Mak*

*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)*