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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)

**DISCLOSURE PURSUANT TO
RULES 13.13 AND 13.16 OF THE LISTING RULES**

PROVISION OF THE FACILITY

The Board would like to disclose details of an advance to an entity and financial assistance to an affiliated company of the Company in accordance with Rules 13.13 and 13.16 of the Listing Rules.

PROVISION OF THE FACILITY

The Board announces that on 10 May 2019 (after trading hours), TOM E-Commerce, a subsidiary of the Company, entered into the Facility Letter with Ule Holdings, an associated company of the Company, pursuant to which TOM E-Commerce agreed to grant to Ule Holdings the Facility for a maximum principal amount of up to US\$17,658,100 (equivalent to HK\$137,733,180) for a period of up to 24 months from the first Utilisation Date. The Facility is secured by the Share Charge.

The Facility was arranged in light of a written invitation from Ule Holdings to all of its shareholders to participate as a lender on a pro-rata basis in accordance with the respective shareholding of each shareholder in Ule Holdings in connection with the term loan facility. The amount of the Facility which is committed and agreed by TOM E-Commerce pursuant to the Facility Letter is pro-rata to its shareholding in Ule Holdings.

LISTING RULES IMPLICATIONS

As the aggregate amount of loans advanced by the Group to Ule Holdings exceeds 8% of the assets ratio (as defined under Rule 14.07(1) of the Listing Rules), the grant of the Facility is subject to the general disclosure obligation under Rule 13.13 of the Listing Rules.

In addition, as the aggregate amount of the Group's financial assistance given to, and guarantees given for facilities (if any) granted to, affiliated companies (as defined under Rule 13.11(2) of the Listing Rules) exceeds 8% of the assets ratio (as defined under Rule 14.07(1) of the Listing Rules), the general disclosure obligation under Rule 13.16 of the Listing Rules is also applicable.

PROVISION OF THE FACILITY

The Board announces that on 10 May 2019 (after trading hours), TOM E-Commerce, a subsidiary of the Company, entered into a term loan facility letter (the “**Facility Letter**”) with Ule Holdings, an associated company of the Company, pursuant to which TOM E-Commerce agreed to grant to Ule Holdings a term loan facility of up to US\$17,658,100 (equivalent to HK\$137,733,180) for a period of up to 24 months from the first Utilisation Date (the “**Facility**”).

The Facility was arranged in light of a written invitation from Ule Holdings to all of its shareholders to participate as a lender on a pro-rata basis in accordance with the respective shareholding of each shareholder in Ule Holdings in connection with the term loan facility. The amount of the Facility which is committed and agreed by TOM E-Commerce pursuant to the Facility Letter is pro-rata to its shareholding in Ule Holdings.

As at the date of this announcement, the Group has an interest in approximately 42.00% of the total issued share capital of Ule Holdings, and accordingly Ule Holdings is considered an associated company of the Company.

Although the grant of the Facility does not constitute a notifiable transaction of the Company pursuant to Rule 14.06 of the Listing Rules, the Company hereby provides the principal terms of the Facility Letter on a voluntary basis, which are summarised below:

Date	:	10 May 2019
Lender	:	TOM E-Commerce, a subsidiary of the Company
Borrower	:	Ule Holdings, an associated company of the Company
Facility Limit	:	US\$17,658,100 (equivalent to HK\$137,733,180)
Interest	:	<p>The rate of interest on the Loan for each Interest Period is the percentage rate per annum which is the aggregate of the following:</p> <p>(a) two (2) per cent. per annum; and</p> <p>(b) three (3) months HIBOR.</p> <p>Ule Holdings shall pay accrued interest on the Loan on the Final Repayment Date or the date of PIK Execution (as the case may be)</p>
Maturity Date	:	The date falling 24 months from the first Utilisation Date (or if such date is not a Business Day, the immediately preceding Business Day), subject to any extension to the Extended Maturity Date (the “ Final Repayment Date ”)
Security	:	The Share Charge

Ule Holdings shall repay the Loan and all other amounts then outstanding under the Facility in full to TOM E-Commerce on the Final Repayment Date, provided that if the Loan remains outstanding:

- (a) on or after the Exercisable Date but before the Final Repayment Date, TOM E-Commerce has the option to demand that Ule Holdings shall prepay the Loan together with accrued interest thereon and any other amounts outstanding under the Facility (if any) by way of a transfer of the Charged Shares under the Share Charge to TOM E-Commerce (the “**PIK Execution**”), which shall be effected and completed within ten (10) Business Days from the date of such demand from TOM E-Commerce; or

- (b) on the Final Repayment Date, TOM E-Commerce has the options to demand that Ule Holdings repays the Loan together with accrued interest thereon and any other amounts outstanding under the Facility (if any) either by way of PIK Execution or in cash.

TOM E-Commerce's aforesaid option of PIK Execution is subject to the completion of a Trigger Event (if applicable) whereby the Final Repayment Date shall automatically be extended until the completion of the relevant Trigger Event accordingly (the "**Extended Maturity Date**").

The Facility will be funded by the internal resources and/or banking facilities of the Group.

REASONS FOR AND BENEFIT OF PROVISION OF THE FACILITY

The Board considers Ule Holdings 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 Ule Holdings, the Facility will enhance the financial resources of Ule Holdings which in turn will improve the quality of the assets held by the Group.

The terms of the Facility Letter were arrived at by the parties thereto after arm's length negotiations and are on normal commercial terms, with reference to the commercial practice, the terms available in the market and the amount of the Facility. The Directors consider that the terms of the Facility Letter are fair and reasonable and are in the interests of the Company and its shareholders as a whole given that the Facility is secured by the Share Charge and the Facility will provide Ule Holdings with additional and stable funding to develop and promote its business development and services, which is in line with the Group's efforts in developing the business of Ule Holdings.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the maximum principal amount of the Facility to be granted to Ule Holdings under the Facility Letter are less than 5%, the grant of the Facility does not constitute a notifiable transaction of the Company pursuant to Rule 14.06 of the Listing Rules.

However, as the aggregate amount of the loans advanced by the Group to Ule Holdings, an affiliated company of the Company (as defined under Rule 13.11(2) of the Listing Rules), exceeds 8% of the assets ratio (as defined under Rule 14.07(1) of the Listing Rules), the grant of the Facility is subject to the general disclosure obligation under Rule 13.13 of the Listing Rules.

In addition, as the aggregate amount of the Group's financial assistance given to, and guarantees given for facilities (if any) granted to, affiliated companies (as defined under Rule 13.11(2) of the Listing Rules) exceeds 8% of the assets ratio (as defined under Rule 14.07(1) of the Listing Rules), the general disclosure obligation under Rule 13.16 of the Listing Rules is also applicable.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

As at the date of this announcement, the Group's financial assistance given to, and guarantees given for facilities (if any) granted to, its affiliated companies in aggregate amounts to approximately HK\$340 million, which represents approximately 9.5% of the total assets of the Group, exceeding 8% of the assets ratio (as defined under Rule 14.07(1) of the Listing Rules).

Accordingly, pursuant to Rule 13.16 of the Listing Rules, details of such financial assistance (including guarantees, if any) to the Group's affiliated companies as at the date of this announcement are set out below:

Name of affiliated company	Equity interest held by the Group	Outstanding amount of advances/ loans given to affiliated company <i>HK\$'000</i>	Amount of committed capital injection into affiliated company <i>HK\$'000</i>	Amount of facilities granted to affiliated company <i>HK\$'000</i>	Total amount of financial assistance given to affiliated company <i>HK\$'000</i>	Amount of facilities utilised by affiliated company <i>HK\$'000</i>	Maturity date and method of repayment of facilities
Ule Holdings	42.00%	-	-	137,733	137,733	-	See the details set out in this announcement
Ule Holdings ⁽¹⁾	42.00%	47,314	-	-	47,314	-	No fixed term of repayment
Shanghai Ule Network Technology Co., Ltd. ^{(1), (2)}	42.00%	135,626	-	-	135,626	-	No fixed term of repayment
Ule International Co., Ltd. ^{(1), (2)}	42.00%	11,645	-	-	11,645	-	No fixed term of repayment
Straits Multi-Media, Inc. ⁽¹⁾	40.00%	6,842	178	-	7,020	-	No fixed term of repayment
She Communications Limited ⁽¹⁾	33.50%	265	-	-	265	-	No fixed term of repayment
She.com International Holdings Limited ⁽¹⁾	33.50%	174	-	-	174	-	No fixed term of repayment
Asia Press Publishing Co., Ltd. ⁽¹⁾	34.00%	33	-	-	33	-	No fixed term of repayment
Shanghai Ule Trading Company Limited ⁽¹⁾	49.00%	22	-	-	22	-	No fixed term of repayment
China Ule Commerce Limited ⁽¹⁾	49.00%	31	-	-	31	-	No fixed term of repayment
深圳市海易通科技有限責任公司 ⁽¹⁾	48.00%	19	-	-	19	-	No fixed term of repayment
TOTAL		201,971	178	137,733	339,882	-	

Notes:

(1) The financial assistance given by the Group to its affiliated companies are unsecured, non-interest bearing and have no fixed repayment terms.

(2) A subsidiary of Ule Holdings

Unless otherwise disclosed above, all the financial assistance (including guarantees, if any) given by the Group to its affiliated companies are unsecured, non-interest bearing and have no fixed repayment terms and will be repaid as and when appropriate. Furthermore, all committed facilities will be made from the internal resources and/or banking facilities of the Group.

The Company will continue to monitor the financial assistance and/or guarantees (if any) to affiliated companies, and will comply with any further disclosure requirements (if necessary) and the relevant continuing disclosure requirements under Chapter 13 of the Listing Rules for so long as the circumstances giving rise to such disclosure obligation continue to exist.

DEFINITIONS

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

“A1 Filing”	an application for listing on the Stock Exchange in respect of the Charged Company
“Board”	the board of Directors
“Business Day”	means a day (other than a Saturday, Sunday and all public holidays) on which banks are open for general business in Hong Kong and the People’s Republic of China
“Charged Company”	a private company incorporated in the British Virgin Islands with limited liability
“Charged Shares”	the relevant shares in the Charged Company which have been charged in favour of TOM E-Commerce under the Share Charge
“Company”	TOM Group Limited, a 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
“Exercisable Date”	means the earlier to occur of: <ul style="list-style-type: none">(a) the date falling immediately after the expiry of a period of six (6) months commencing on the first date of the Utilisation; and(b) the date when Ule Holdings receives a written request from the Charged Company to the effect that Ule Holdings is required to confirm, declare, represent and/or warrant Ule Holdings’ shareholding in the Charged Company for the purposes of the application of the proposed listing of the ordinary shares of the Charged Company on the Stock Exchange
“Group”	the Company together with its subsidiaries
“HIBOR”	means, in relation to the Loan: <ul style="list-style-type: none">(a) the applicable Screen Rate as of 11:00 Hong Kong time for the currency of the Loan and for a period equal in length to the Interest Period of the Loan; and(b) if, that rate is less than zero, HIBOR shall be deemed to be zero
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Interest Period”	means a period of three (3) months that shall start on the Utilisation Date or (if a Loan has already been made) on the last day of the preceding Interest Period of the Loan. An Interest Period for a Loan

	shall not extend beyond the Final Repayment Date
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	means the loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan
“PRC”	the People’s Republic of China
“Screen Rate”	means the Hong Kong interbank offered rate for deposits in US\$ for the relevant period displayed on the Reuters Screen Page HIBOR01. If the agreed page or service is replaced or ceases to be available, the Company may specify another page or service displaying the appropriate rate
“Share Charge”	the share charge dated 10 May 2019 entered into between TOM E-Commerce (as chargee) and Ule Holdings (as chargor), pursuant to which Ule Holdings agreed to mortgage, by way of first fixed charge, its legal and beneficial interest in certain shares in the Charged Company in favour of TOM E-Commerce as continuing security for the payment and discharge of the Facility
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TOM E-Commerce”	TOM E-Commerce Limited, a BVI business company incorporated in the British Virgin Islands, which is a subsidiary of the Company
“Trigger Event”	means, in the event that the A1 Filing has been submitted to the Stock Exchange, the earlier of: <ul style="list-style-type: none"> (a) the lapse of the A1 Filing; or (b) the applicable lock-up period on the ordinary shares of the Charged Company pursuant to the Listing Rules or relevant requirements relating thereto having expired and the relevant Charged Shares under the Share Charge having been converted into ordinary shares of the Charged Company that are listed on the Stock Exchange
“Ule Holdings”	Ule Holdings Limited (formerly known as TOM Technical Limited), a BVI business company incorporated in the British Virgin Islands with limited liability, which is an associated company of the Company
“US\$”	United States dollars, the lawful currency of the United States of America
“Utilisation”	a utilisation of the Facility
“Utilisation Date”	the date of the utilisation of the Facility, being the date on which the Loan is to be made by TOM E-Commerce to Ule Holdings

For illustrative purpose, the conversion of US\$ into HK\$ in this announcement is based on the exchange rate of US\$1.00 = HK\$7.80.

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

Hong Kong, 10 May 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 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)