
THE CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **TOM Group Limited**, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the licensed securities dealer, bank manager or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

MAJOR TRANSACTION

GRANT OF THE AMENDED DRAG-ALONG RIGHT BY TOM E-COMMERCE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

The notice convening the EGM to be held at Board Room, Rooms 1601-05, 16/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Tuesday, 15 March 2022 at 11:30 a.m. or any adjournment or postponement thereof is set out on pages 23 to 26 of this circular. A proxy form for use at the EGM is enclosed with this circular. The proxy form can also be downloaded from websites of the Company at www.tomgroup.com and Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. As set out in the section headed “*Special Arrangements for the EGM*” of this circular, **the EGM will be a hybrid meeting. The Company strongly encourages Shareholders to exercise their rights to attend and vote at the EGM by electronic facilities.** As Shareholders will not be permitted to attend the EGM in person, all Shareholders (other than those who are required to attend the EGM physically to form a quorate meeting) who wish to appoint a proxy to attend and vote at the EGM shall appoint the Chairman of the EGM as their proxy (for Shareholders who are required to attend the EGM physically to form a quorate meeting, a senior management member and/or a senior staff member of the Company shall be appointed as their proxy) by completing, signing and returning the proxy form in accordance with the instructions printed thereon to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (in the case of an appointment of proxy in hard copy or for a poll taken more than 48 hours) or to the electronic address specified in the EGM notice or in the proxy form (in the case of appointment of proxy in electronic form or for a poll taken more than 48 hours). For the EGM convened to be held on Tuesday, 15 March 2022 at 11:30 a.m., the deadline to submit completed proxy forms is Sunday, 13 March 2022* at 11:30 a.m. in the case of an appointment of proxy in hard copy form or in electronic form, or after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll in the case of a poll taken more than 48 hours.

* Please note that Computershare Hong Kong Investor Services Limited’s offices will not be open on 12 March 2022 and 13 March 2022 for physical delivery of the proxy form. To be effective, all proxy appointments must be lodged with Computershare Hong Kong Investor Services Limited before the deadline.

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

16 February 2022

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SPECIAL ARRANGEMENTS FOR THE EGM

The Company does not in any way wish to diminish the opportunity available to Shareholders to exercise their rights and to vote, but is conscious of the need to protect EGM attendees from possible exposure to the COVID-19 pandemic. **For the health and safety of EGM attendees, the Company would be adapting the arrangements for the EGM to minimise attendance in person, while still enabling Shareholders to vote and ask questions. Details of the special arrangements for the EGM are set out below.**

ATTENDING THE EGM BY MEANS OF ELECTRONIC FACILITIES

The EGM will be a hybrid meeting. The EGM will be held with the minimum number of persons present as is required under the articles of association of the Company to form a quorate meeting, together with a limited number of other attendees to ensure the proper conduct of the meeting. The quorum will be formed by the senior management members and/or senior staff members of the Company who are Shareholders and/or their proxies to maintain an internal grouping and minimise the continuing risks posed by the COVID-19 pandemic at the EGM.

Given the above reasons, **NO other Shareholder, proxy or corporate representative should attend the EGM in person.** Other than those in the quorum and the limited number of other attendees to ensure the proper conduct of the meeting, any other person who attempts to do so will be excluded and will not be permitted entry to the venue of the EGM.

The Company strongly encourages Shareholders to attend, participate and vote at the EGM through online access by visiting the website – <http://meetings.computershare.com/TOMGroupEGM2022> (the “**Online Platform**”). Shareholders participating in the EGM using the Online Platform will also be counted towards the quorum and they will be able to cast their vote and submit questions through the Online Platform.

The Online Platform permits a “split vote” on a resolution, in other words, a Shareholder casting his/her/its votes through the Online Platform does not have to vote all of his/her/its shares in the same way (“For” or “Against”). In the case of a proxy, he/she can vote such number of shares in respect of which he/she has been appointed as a proxy. Votes cast through the Online Platform are irrevocable once the voting session at the EGM ends.

The Online Platform will be open for registered Shareholders and non-registered Shareholders (see below for login details and arrangements) to log in approximately 30 minutes prior to the commencement of the EGM and can be accessed from any location with internet connection by a smart phone, tablet device or computer. Shareholders should allow ample time to check into the Online Platform to complete the related procedures. Please refer to the Online User Guide for the EGM at https://www.tomgroup.com/en/about_investor.html for assistance.

Login details for registered Shareholders

Details regarding the EGM arrangements including login details to access the Online Platform are included in the Company’s notification letter to registered Shareholders (the “**Shareholder Notification**”) sent together with this circular.

SPECIAL ARRANGEMENTS FOR THE EGM

Login details for non-registered Shareholders

Non-registered Shareholders who wish to attend, participate and vote at the EGM using the Online Platform should:

- (1) contact and instruct their banks, brokers, custodians, nominees or HKSCC Nominees Limited through which their shares are held (together, the “**Intermediary**”) to appoint themselves as proxy or corporate representative to attend the EGM; and
- (2) provide their email address to their Intermediary before the time limit required by the relevant Intermediary.

Details regarding the EGM arrangements including login details to access the Online Platform will be sent by the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, to the email address of the non-registered Shareholders provided by the Intermediary. Any non-registered Shareholder who has provided an email address through the relevant Intermediary for this purpose but has not received the login details by email by 11:30 a.m. on Monday, 14 March 2022 should reach out to the Hong Kong branch share registrar of the Company for assistance. Without the login details, non-registered Shareholders will not be able to participate and vote using the Online Platform. Non-registered Shareholders should therefore give clear and specific instructions to their Intermediary in respect of both (1) and (2) above.

Login details for proxies or corporate representatives

Details regarding the EGM arrangements including login details to access the Online Platform will be sent by the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, to the email address of the proxies provided to it in the relevant proxy forms.

Registered and non-registered Shareholders should note that only one device is allowed in respect of each set of login details. Please also keep the login details in safe custody for use at the EGM and do not disclose them to anyone else. Neither the Company nor its agents assume any obligation or liability whatsoever in connection with the transmission of the login details or any use of the login details for voting or otherwise.

QUESTIONS AT AND PRIOR TO THE EGM

Shareholders attending the EGM using the Online Platform will be able to submit questions relevant to the proposed resolution online during the EGM. Shareholders can also send their questions by email from Thursday, 10 March 2022 (9:00 a.m.) to Sunday, 13 March 2022 (5:00 p.m.) to EGM2022@tomgroup.com (for registered Shareholders, please state the 10-digit shareholder reference number starting with “C” (SRN) as printed on the top right corner of the Shareholder Notification).

Whilst the Company will endeavour to respond to as many questions as possible at the EGM, due to time constraints, unanswered questions may be responded to after the EGM as appropriate.

SPECIAL ARRANGEMENTS FOR THE EGM

APPOINTMENT OF PROXY IN ADVANCE OF THE EGM

Shareholders are encouraged to submit their completed proxy forms well in advance of the EGM. Return of a completed proxy form will not preclude Shareholders from attending and voting by means of electronic facilities at the EGM or any adjournment or postponement thereof should they subsequently so wish.

Submission of proxy forms for registered Shareholders

A proxy form for use at the EGM is enclosed with this circular. A copy of the proxy form can also be downloaded from the websites of the Company at www.tomgroup.com and Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.

The deadline to submit completed proxy forms is:

- (1) in the case of an appointment of proxy in hard copy form, Sunday, 13 March 2022* at 11:30 a.m., with the completed proxy form being deposited at the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong;
- (2) in the case of an appointment of proxy in electronic form, Sunday, 13 March 2022 at 11:30 a.m., with the completed proxy form being received at the electronic address specified in the EGM notice or in the proxy form; or
- (3) in the case of a poll taken more than 48 hours, after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll, with the completed proxy form being received as aforesaid.

* Please note that Computershare Hong Kong Investor Services Limited's offices will not be open on 12 March 2022 and 13 March 2022 for physical delivery of the proxy form. To be effective, all proxy appointments must be lodged with Computershare Hong Kong Investor Services Limited before the deadline.

Appointment of proxy for non-registered Shareholders

Non-registered Shareholders should contact their Intermediary as soon as possible for assistance in the appointment of proxy.

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change or adopt contingency plans for the EGM arrangements at short notice, and the Company will ensure that the EGM arrangements are in compliance with the articles of association of the Company. While the Company will use its best endeavours to provide necessary updates to the Shareholders on its website at www.tomgroup.com regarding the EGM arrangements, Shareholders should check the latest policies and notices announced by the Hong Kong Government and the website of the Company at www.tomgroup.com for future updates on the EGM arrangements.

SPECIAL ARRANGEMENTS FOR THE EGM

If Shareholders have any questions relating to the EGM, please contact Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar of the Company, as follows:

Computershare Hong Kong Investor Services Limited

Shops 1712–1716

17th Floor, Hopewell Centre

183 Queen's Road East

Wanchai, Hong Kong

Telephone: +852 2862 8555

Facsimile: +852 2865 0990

Website: www.computershare.com/hk/contact

DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this circular shall have the following meanings:

- “Accepted Warranties” any representations and warranties to be made by such shareholder of the Joint Venture in connection with the Drag-along Sale are limited to representations and warranties that:
- (i) such shareholder of the Joint Venture holds all right, title and interest in and to the Ordinary Shares such shareholder of the Joint Venture purports to hold, free and clear of all liens and encumbrances;
 - (ii) the obligations of such shareholder of the Joint Venture in connection with the transaction have been duly authorized, if applicable;
 - (iii) the documents to be entered into by such shareholder of the Joint Venture have been duly executed by such shareholder of the Joint Venture and delivered to the Purchaser and are enforceable against such shareholder of the Joint Venture in accordance with their respective terms; and
 - (iv) neither the execution and delivery of documents to be entered into in connection with the transaction, nor the performance of such shareholder of the Joint Venture’s obligations thereunder, will cause a breach or violation of the terms of any agreement, law or judgment, order or decree of any court or governmental agency to which such shareholder of the Joint Venture is a party or subject
- “Amended and Restated Shareholders’ Agreement” collectively, the amended and restated shareholders’ agreement and the amendment agreement to the amended and restated shareholders agreement, both dated 1 November 2021, entered into by (i) the Joint Venture, (ii) China Post HK, (iii) TOM E-Commerce and (iv) the Minority Investors
- “Amended Drag-along Right” has the meaning ascribed to it under the section headed “2. *Grant of the Amended Drag-along Right by TOM E-Commerce – The Amended Drag-along Right*” in this circular
- “Announcements” collectively, the announcements of the Company dated 3 August 2010, 16 January 2014, 13 September 2017 and 6 June 2019 regarding, among other things:
- (i) the discloseable transaction in relation to the establishment of Beijing Ule with China Post;

DEFINITIONS

	(ii) the discloseable transaction in relation to the formation of the Joint Venture by the Group and China Post Group, and the Group's acceptance of the issue of the Convertible Loan;
	(iii) the entering into of the Platform Service Fees Agreement; and
	(iv) the entering into of the Shareholders' Supplemental Agreement
“Beijing Ule”	北京郵樂電子商務有限公司 (Beijing Ule E-Commerce Company Limited*), a company previously incorporated under the laws of the PRC and subsequently deregistered on 29 October 2020
“Board”	the board of directors of the Company
“China Post”	中國郵政集團有限公司 (China Post Group Corporation Limited*), a state-owned enterprise of the PRC
“China Post E-Commerce”	中郵電子商務有限公司 (China Post E-Commerce Co., Ltd.*), a company incorporated under the laws of the PRC and a subsidiary of China Post
“China Post Group”	collectively, China Post and its subsidiaries (including China Post HK)
“CKH”	Cheung Kong (Holdings) Limited, a company incorporated under the laws of Hong Kong and a subsidiary of CKHH
“CKHH”	CK Hutchison Holdings Limited, an exempted company incorporated under the laws of the Cayman Islands, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1) and a substantial shareholder of the Company
“China Post HK”	Telpo Philatelic Company Limited, a company incorporated under the laws of Hong Kong and a subsidiary of China Post
“Company”	TOM Group Limited, an exempted company incorporated under the laws of the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 2383)
“Completion”	the completion of the Subscription subject to and in accordance with the terms and conditions of the Subscription Agreement

DEFINITIONS

“Conversion Right Waiver”	the deed of waiver dated 1 November 2021 entered into between TOM E-Commerce and the Joint Venture in respect of the waiver of the conversion rights under the Convertible Loan
“Convertible Loan”	the convertible loan in the principal amount of RMB155,000,000 advanced by TOM E-Commerce to the Joint Venture, which is convertible into shares in the Joint Venture
“Director(s)”	the director(s) of the Company
“Drag-along Sale”	has the meaning ascribed to it under the section headed “2. <i>Grant of the Amended Drag-along Right by TOM E-Commerce – The Amended Drag-along Right</i> ” in this circular
“EGM”	an extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the grant of the Amended Drag-along Right by TOM E-Commerce
“Group”	the Company and its subsidiaries taken as a whole
“HK\$”	Hong Kong dollar, the lawfully currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HTHKH”	Hutchison Telecommunications Hong Kong Holdings Limited, an exempted company incorporated under the laws of the Cayman Islands, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 215) and a subsidiary of CKHH
“HWL”	Hutchison Whampoa Limited, a company incorporated under the laws of Hong Kong and a subsidiary of CKHH
“Joint Venture”	Ule Holdings Limited (formerly known as TOM Technical Limited), a company incorporated under the laws of the British Virgin Islands, which is an associate of the Company
“Latest Practicable Date”	31 December 2021, being the latest practicable date prior to the bulk printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	15 January 2019, being the original maturity date of the Convertible Loan

DEFINITIONS

“Minority Investors”	collectively, the shareholders of the Joint Venture (other than TOM E-Commerce and China Post HK) that together hold approximately 14.29% of the total issued share capital of the Joint Venture as at the Latest Practicable Date
“Ordinary Shares”	the ordinary shares of the Joint Venture, of par value US\$0.01 per share
“Platform Service Fees Agreement”	the platform service fees agreement dated 13 September 2017 entered into between (i) the Joint Venture and (ii) China Post
“PRC”	the People’s Republic of China and, for the purpose of this circular, shall exclude Hong Kong and the Macau Special Administrative Region of the People’s Republic of China
“Purchaser”	has the meaning ascribed to it under the section headed “2. <i>Grant of the Amended Drag-along Right by TOM E-Commerce – The Amended Drag-along Right</i> ” in this circular
“Qualified Subsequent Financing”	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
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholders”	shareholders of the Company
“Shareholders’ Agreement”	the shareholders’ agreement dated 16 January 2014 entered into by (i) the Joint Venture, (ii) China Post HK, (iii) TOM E-Commerce and (iv) the Minority Investors
“Shareholders’ Supplemental Agreement”	the supplemental agreement to the Shareholders’ Agreement dated 6 June 2019 in respect of the extension of the Maturity Date of the Convertible Loan to the earlier of (a) 23 January 2022; or (b) immediately prior to the completion of a Qualified Subsequent Financing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by China Post HK pursuant to the Subscription Agreement

DEFINITIONS

“Subscription Agreement”	the subscription agreement dated 1 November 2021 which is entered into between (i) the Joint Venture and (ii) China Post HK in respect of the Subscription
“Subscription Shares”	912,332,171 Ordinary Shares, which represents approximately 87.63% of the total number of issued shares of the Joint Venture as at the Latest Practicable Date, to be subscribed for by China Post HK upon Completion
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Termination Agreement”	the agreement of release, discharge, waiver and termination dated 1 November 2021 which is entered into among (i) the Joint Venture, (ii) the Company, (iii) TOM E-Commerce, (iv) China Post HK, (v) China Post, (vi) China Post E-Commerce, (vii) the Minority Investors and (viii) Shenzhen New ECLink
“TOM E-Commerce”	TOM E-Commerce Limited, a company incorporated under the laws of the British Virgin Islands and an indirect non-wholly owned subsidiary of the Company
“US\$”	United States dollars, the lawful currency of the United States of America
“Valuation Report”	has the meaning ascribed to it under the section headed “2. <i>Grant of the Amended Drag-along Right by TOM E-Commerce – Valuation of the Joint Venture</i> ” in this circular
“Valuer”	has the meaning ascribed to it under the section headed “2. <i>Grant of the Amended Drag-along Right by TOM E-Commerce – Valuation of the Joint Venture</i> ” in this circular

* For identification purposes only

LETTER FROM THE BOARD



TOM Group Limited

TOM集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2383)

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)

Registered office:

P.O. Box 309, Uglund House

Grand Cayman

KY1-1104

Cayman Islands

Principal place of business in

Hong Kong:

Rooms 1601-05, 16/F

China Resources Building

26 Harbour Road

Wanchai

Hong Kong

16 February 2022

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
GRANT OF THE AMENDED DRAG-ALONG RIGHT BY
TOM E-COMMERCE**

1. INTRODUCTION

References are made to the Announcements relating to the Joint Venture and the announcement of the Company dated 1 November 2021 in relation to, among other things, the grant of the Amended Drag-along Right by Tom E-Commerce.

LETTER FROM THE BOARD

The purposes of this circular are to provide you with, among other things, (i) details of the grant of the Amended Drag-Along Right by TOM E-Commerce, (ii) other information as required under the Listing Rules, and (iii) the notice of the EGM.

2. GRANT OF THE AMENDED DRAG-ALONG RIGHT BY TOM E-COMMERCE

The Subscription and the Amended and Restated Shareholders' Agreement

As disclosed in the announcement of the Company dated 1 November 2021, on 1 November 2021 (after trading hours), (i) the Joint Venture and (ii) China Post HK entered into the Subscription Agreement, pursuant to which, and subject to its terms and conditions, the Joint Venture has agreed to allot and issue, and China Post HK has agreed to subscribe for, the Subscription Shares for an aggregate subscription price of US\$127,726,503.94 in cash.

As at the Latest Practicable Date, the Joint Venture is held as to (i) approximately 42.00% by TOM E-Commerce, (ii) approximately 43.71% by China Post HK, and (iii) approximately 14.29% by the Minority Investors. It is expected that, immediately after the Completion, the Joint Venture will be held as to (i) approximately 22.39% by TOM E-Commerce, (ii) 70.00% by China Post HK and (iii) approximately 7.61% by the Minority Investors.

As Completion is conditional upon the satisfaction of the conditions precedent in the Subscription Agreement, it is expected that TOM E-Commerce will, on or before Completion, fulfil the following conditions precedent which are relevant to it:

- (i) vote in favour of or otherwise consent to the relevant shareholders' resolution of the Joint Venture in respect of, among other things, the Subscription and the adoption of the Amended and Restated Articles;
- (ii) convert all of its Series A-2 Preferred Shares in the Joint Venture into Ordinary Shares at the conversion ratio of 1:1;
- (iii) waive its rights to convert the Convertible Loan into shares in the Joint Venture;
- (iv) enter into the Termination Agreement; and
- (v) enter into an amended and restated shareholders' agreement with the Joint Venture, China Post HK and the Minority Investors in respect of the Joint Venture.

On 1 November 2021 (after trading hours), (i) the Joint Venture, (ii) China Post HK, (iii) TOM E-Commerce and (iv) the Minority Investors entered into the Amended and Restated Shareholders' Agreement, which will supersede the Shareholders' Agreement (as supplemented by the Shareholders' Supplemental Agreement). The Amended and Restated Shareholders' Agreement shall become effective upon Completion but subject to the parties thereto having complied with the applicable laws, regulations and rules of any governmental entity (which includes any securities exchange) and, in the case of TOM E-Commerce, having obtained the shareholders' approval of the Company (if needed).

LETTER FROM THE BOARD

The Amended Drag-along Right

According to the Amended and Restated Shareholders' Agreement, where China Post HK approves a bona fide, arms-length transaction in which a person (whom shall not be an affiliate of China Post HK), or a group of related persons (none of whom shall be affiliates of China Post HK) (the "**Purchaser**") intends to acquire:

- (i) Ordinary Shares representing 100% of the Joint Venture; or
- (ii) all or substantially all of the business of the Joint Venture,

and in each case,

- (a) the price for such sale shall be no less than the sum of the final pre-money valuation of the Joint Venture as specified in the valuation report of the Joint Venture issued by Beijing Jingwei Renda Assets Appraisal Co., Ltd (the "**Valuer**") to China Post E-Commerce dated 9 July 2021 (the "**Valuation Report**"), and the subscription price paid by China Post HK in connection with the Subscription; and
- (b) shall be in accordance with the prevailing laws and regulations related to state-owned assets, including not limited to the requirements of (I) obtainment of a valuation report to be then issued by a valuation firm with state-owned asset appraisal qualification and (II) listing and sale in a qualified asset and equity exchange pursuant to laws,

(such transaction being a "**Drag-along Sale**"), China Post HK shall, among other things, have the right (but not the obligation) to require, among others, TOM E-Commerce to sell the Ordinary Shares beneficially held by it to the Purchaser, and on the same terms and conditions as China Post HK proposes to sell its Ordinary Shares and in the agreed proportions, provided that no shareholders of the Joint Venture shall be required to give any warranties other than the Accepted Warranties and shall not be liable for the inaccuracy of any representation or warranty made by any other person in connection with the Drag-along Sale (the "**Amended Drag-along Right**").

Any sale of Ordinary Shares pursuant to the Amended Drag-along Right will be subject to all necessary authorisations and regulatory requirements of any government entity (which includes any securities exchange) required therefor or in connection therewith having been obtained and satisfied by, among others, TOM E-Commerce, as applicable.

Valuation of the Joint Venture

Based on the Valuation Report provided to China Post E-Commerce, the value of the Joint Venture as of 31 December 2020 was determined by the Valuer to be RMB961,345,300.

LETTER FROM THE BOARD

In assessing the value of the Joint Venture, the Valuer had considered two valuation approaches, namely:

- (i) the income approach; and
- (ii) the market approach.

The income approach was determined by the Valuer as the most appropriate valuation approach for the Joint Venture, which either capitalises or discounts the expected income to determine the value of the Joint Venture, and measures the value of the Joint Venture with regard to its profitability based on the expected return of the approach. In addition, the Valuer also adopted the market approach to verify its valuation conclusion for the Joint Venture.

The Valuer made several key assumptions in arriving at its valuation conclusion for the Joint Venture, a summary of which include the following:

- (a) the assets to be valued are involved in the process of the relevant transaction, and the Valuer shall conduct the valuation based on a simulated market;
- (b) the assets to be valued can be freely transacted in an open and sufficiently competitive market;
- (c) the Joint Venture will continue to operate legally in the foreseeable future on a going concern basis;
- (d) no material change in the political, economic and social environment of the place at which the Joint Venture is situated;
- (e) no material change in the macroeconomic, industrial and regional development policies of the country at which the Joint Venture is situated;
- (f) no material change in the interest rates, exchange rates, tax bases and tax rates, levy applicable to the Joint Venture after the valuation date;
- (g) no force majeure and unforeseen factors which may cause material adverse impact on the Joint Venture;
- (h) on the basis of its current management method and standard, the scope and mode of operation of the Joint Venture shall remain the same after the valuation date;
- (i) the management team of the Joint Venture are responsible, stable and capable to take up their roles;
- (j) no material loss of core professional staff in respect of the technical team and senior management personnel of the Joint Venture;

LETTER FROM THE BOARD

- (k) no material non-compliance of national laws and regulations by the future operator of the Joint Venture that may affect the development of the Joint Venture; and
- (l) all licenses, use permits, consent letters or other legal or administrative authorisations issued by the relevant authorities, which are necessary for the use of the assets on which the valuation is based, are ordinarily and compliantly used within the relevant validity period.

The Valuation Report was issued by the Valuer to China Post E-Commerce for the purpose of China Post HK's assessment of the Joint Venture in connection with its Subscription.

The disclosure set out above is a summary of the material information regarding the bases and assumptions of the Valuation Report. Notwithstanding the full Valuation Report is not set out in this circular, the Board is of the view that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive.

Reasons and benefits for the transaction

The Board considers the interest of the Group in the Joint Venture (which is an associate 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).

Whilst the Joint Venture has broad development prospects and business opportunities, the Joint Venture is not able to rapidly scale up its operations with its current capital base and requires additional capital investment to scale up its operations and to enhance its market influence and value. The capitalisation of the Joint Venture by China Post HK will provide the Joint Venture with a stronger capital base to address its strategic objectives. Furthermore, following the capitalisation exercise by, and the ownership restructuring with, China Post HK being the controlling shareholder of the Joint Venture, the Board believes that China Post HK will in good faith and in a commercially reasonable manner, based on the development strategies as may be amended by China Post HK from time to time, procure the Joint Venture to be adopted as its major internet and mobile e-commerce platform in the Greater China region, integrate its customers and business resources to the Joint Venture, enhance the strength of the Joint Venture, promote the introduction of strategic investors and partners to the Joint Venture, resolve limitation of the Joint Venture's development capabilities, as well as to enhance the Joint Venture's market influence and its value.

The termination of certain prior agreements between, among others, the Group and the Joint Venture, and the changes to the terms of the Shareholders' Agreement as disclosed in this circular would be commensurate with the increase in China Post HK's shareholding interest in the Joint Venture as a result of the capitalisation by China Post HK.

The terms of the grant of the Amended Drag-along Right by TOM E-Commerce under the Amended and Restated Shareholders' Agreement have been arrived at by the parties thereto after arm's length negotiations and are on normal commercial terms with references to the prevailing commercial practices. The Board is of the view that the terms of the grant of the Amended Drag-along Right by TOM E-Commerce under the Amended and Restated Shareholders' Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

LETTER FROM THE BOARD

3. INFORMATION OF THE PARTIES

The Group and TOM E-Commerce

The Group is a technology and media group with diverse business interests in ecommerce, social network mobile internet; and investments in the fintech and advanced data analytics sectors. In addition, the Group's media businesses cover both publishing and advertising segments. The Group is headquartered in Hong Kong, and has regional headquarters in Beijing and Taipei.

TOM E-Commerce is an indirect subsidiary of the Company and is principally engaged in the technology and media businesses with operations in the e-commerce sector.

The Joint Venture

The Joint Venture, which is incorporated in the British Virgin Islands, is an associate of the Company and is principally engaged in the e-commerce and new retail business in the PRC. TOM E-Commerce currently holds an approximately 42.00% interest in the issued share capital of the Joint Venture as at the Latest Practicable Date.

Subject to the fulfilment of the conditions precedent to the Subscription Agreement, it is expected that TOM E-Commerce's interest in the issued share capital of the Joint Venture will be diluted to approximately 22.39% immediately after Completion. The Board considers the interest of the Group in the Joint Venture 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).

Set out below is the audited consolidated financial information of the Joint Venture for the two financial years ended 31 December 2019 and 31 December 2020, respectively:

	For the financial year ended 31 December 2019 (audited) HK\$'000	For the financial year ended 31 December 2020 (audited) HK\$'000
Revenue	342,964	830,907
Profit/(loss) before tax	(436,676)	(171,778)
Profit/(loss) after tax	(436,676)	(171,778)

The audited consolidated net liabilities of the Joint Venture as at 31 December 2020 was approximately HK\$262,363,000. The unaudited net liabilities of the Joint Venture as at 30 June 2021 was approximately HK\$325,480,000.

LETTER FROM THE BOARD

China Post and China Post HK

China Post is a state-owned enterprise of the PRC and the official postal distribution agency in the PRC.

China Post HK is a corporation. As at the Latest Practicable Date, China Post HK is a subsidiary of China Post.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, China Post and China Post HK and their ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company.

4. LISTING RULES IMPLICATIONS

The Amended Drag-along Right granted by TOM E-Commerce in favour of China Post HK under the Amended and Restated Shareholders' Agreement constitutes an option under Rule 14.72(1) of the Listing Rules, and pursuant to Rule 14.73 of the Listing Rules, the grant of the Amended Drag-along Right by TOM E-Commerce will be treated as a transaction of the Group. Pursuant to Rule 14.74(1) of the Listing Rules, as the exercise of the Amended Drag-along Right is not at the discretion of the Group, the grant of the Amended Drag-along Right by TOM E-Commerce will be classified as if the Amended Drag-along Right had been exercised. As, on the grant of the Amended Drag-along Right, the actual monetary value of the exercise price, the value of the underlying assets and the profit and loss attributable to such assets have not been determined, the grant of the Amended Drag-along Right by TOM E-Commerce will be classified as at least a major transaction according to Rule 14.76(1) of the Listing Rules, and is therefore subject to the announcement, circular and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

If the Amended Drag-along Right is exercised by China Post HK requiring TOM E-Commerce to dispose of its Ordinary Shares, the Company will comply with the relevant requirements of the Listing Rules applicable to such disposal.

5. USE OF PROCEEDS

In the event that the Amended Drag-along Right is exercised by China Post HK, it is expected that the net proceeds from the disposal of the Group's interest in the Joint Venture will be used for the general working capital of the Group.

6. FINANCIAL EFFECT OF THE DISPOSAL PURSUANT TO THE AMENDED DRAG-ALONG RIGHT

The actual gain or loss arising from the disposal of the Group's interest in the Joint Venture to be recorded by the Group in the event that the Amended Drag-along Right is exercised by China Post HK is subject to the financial position of the Joint Venture and the price offered by the Purchaser for the Drag-along Sale.

LETTER FROM THE BOARD

7. THE EGM

A notice convening the EGM to be held at Board Room, Rooms 1601-05, 16/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Tuesday, 15 March 2022 at 11:30 a.m. is set out on pages 23 to 26 of this circular.

The resolution to be proposed at the EGM set out in the notice of EGM will be voted by way of a poll pursuant to Article 80 of the articles of association of the Company. The results of the poll will be posted on the websites of the Company at www.tomgroup.com and Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.

A proxy form for use at the EGM is enclosed with this circular. The proxy form can also be downloaded from the websites of the Company at www.tomgroup.com and Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. As set out in the section headed “*Special Arrangements for the EGM*” of this circular, **the EGM will be a hybrid meeting. The Company strongly encourages Shareholders to exercise their rights to attend and vote at the EGM by electronic facilities.** As Shareholders will not be permitted to attend the EGM in person, all Shareholders (other than those who are required to attend the EGM physically to form a quorate meeting) who wish to appoint a proxy to attend and vote at the EGM shall appoint the Chairman of the EGM as their proxy (for Shareholders who are required to attend the EGM physically to form a quorate meeting, a senior management member and/or a senior staff member of the Company shall be appointed as their proxy) by completing, signing and returning the proxy form in accordance with the instructions printed thereon to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (in the case of an appointment of proxy in hard copy or for a poll taken more than 48 hours) or to the electronic address specified in the EGM notice or in the proxy form (in the case of appointment of proxy in electronic form or for a poll taken more than 48 hours). For the EGM convened to be held on Tuesday, 15 March 2022 at 11:30 a.m., the deadline to submit completed proxy forms is Sunday, 13 March 2022* at 11:30 a.m. in the case of an appointment of proxy in hard copy form or in electronic form, or after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll in the case of a poll taken more than 48 hours.

* Please note that Computershare Hong Kong Investor Services Limited’s offices will not be open on 12 March 2022 and 13 March 2022 for physical delivery of the proxy form. To be effective, all proxy appointments must be lodged with Computershare Hong Kong Investor Services Limited before the deadline.

8. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 10 March 2022 to Tuesday, 15 March 2022 (both days inclusive) for determining the identity of the Shareholders who are entitled to attend and vote at the EGM, during which period no transfer of shares will be effected.

In order to determine the entitlement to attend and vote at the EGM, all share transfers accompanied by the relevant share certificates, must be lodged for registration with the branch share registrar and transfer agent of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 9 March 2022.

LETTER FROM THE BOARD

9. RECOMMENDATIONS

Having taken into account the reasons for and the benefits of the grant of the Amended Drag-along Right by TOM E-Commerce as set out above, the Board considers that the grant of the Amended Drag-along Right by TOM E-Commerce is on normal commercial terms, fair and reasonable, and is in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM.

10. GENERAL

The Amended and Restated Shareholders' Agreement pursuant to which the Amended Drag-along Right by TOM E-Commerce is granted is subject to and conditional upon Completion. There is no certainty as to whether the grant of the Amended Drag-along Right will become unconditional, whether the Amended Drag-along Right (if the grant of it becomes unconditional) will be exercised, and whether TOM E-Commerce will be required to dispose of its Ordinary Shares under the Amended Drag-along Right after Completion.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

11. FURTHER INFORMATION

Your attention is also drawn to the financial information and other general information of the Group as set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2018, 2019 and 2020 are disclosed in the following documents which have been published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.tomgroup.com):

- annual report of the Company for the year ended 31 December 2020 published on 31 March 2021 (pages 99 to 206)

www1.hkexnews.hk/listedco/listconews/sehk/2021/0331/2021033101588.pdf

- annual report of the Company for the year ended 31 December 2019 published on 3 April 2020 (pages 83 to 190)

www1.hkexnews.hk/listedco/listconews/sehk/2020/0403/2020040300817.pdf

- annual report of the Company for the year ended 31 December 2018 published on 4 April 2019 (pages 76 to 186)

www1.hkexnews.hk/listedco/listconews/sehk/2019/0404/ltn201904041252.pdf

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 December 2021, being the latest practicable date for the purpose of this statement of indebtedness, the Group had the following indebtedness:

(a) Borrowings

As at 31 December 2021, the Group had an aggregate outstanding borrowings which bear interest at floating rate plus margin of approximately HK\$3,388,038,000 (unaudited), comprising: (i) guaranteed and unsecured borrowings by the Company amounted to approximately HK\$3,367,000,000 (unaudited) in respect of a Hong Kong dollar loan, and (ii) unguaranteed and unsecured borrowings by the Group amounted to approximately HK\$21,038,000 (unaudited) in respect of several Taiwan dollar loans.

(b) Lease liabilities

As at 31 December 2021, the Group had lease liabilities recognised on application of HKFRS 16 “Leases” of approximately HK\$28,190,000 (unaudited), of which approximately HK\$20,708,000 (unaudited) were due within one year and approximately HK\$7,482,000 (unaudited) were due after one year.

(c) Finance lease and commitment

As at 31 December 2021, the Group had no significant finance lease payable nor commitment.

(d) Contingent liability

As at 31 December 2021, the Group had no significant contingent liabilities.

Save as set out above and apart from intra-group liabilities and guarantees, the Group did not have any outstanding indebtedness in respect of mortgages, charges, debentures or loan capital, bank overdrafts, loans, debt securities or other similar indebtedness or liabilities under acceptances or acceptance credits (other than trade bills in the ordinary and usual course of the business) or hire purchase commitments or any guarantees or other material contingent liabilities as at 31 December 2021.

3. WORKING CAPITAL

After due and careful consideration, the Directors are of the opinion that, after taking into account the cash flows generated from the operating activities of the Group, the financial resources available to the Group, including internally generated funds and the existing facilities, the Group will have sufficient working capital for its present requirement for at least 12 months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, they were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is a technology and media group with diverse business interests in ecommerce, social network mobile internet; and investments in the fintech and advanced data analytics sectors. The Joint Venture is an associate of the Company and is principally engaged in the e-commerce and new retail business in the PRC. The interest of the Group in the Joint Venture is a strategic investment of the Group.

Upon completion of the Subscription, China Post HK will be a controlling shareholder of the Joint Venture. The additional capital investment in the Joint Venture will provide the Joint Venture with the opportunity to address its strategic objectives, including broadening its development prospects and business opportunities. The Group will continue to closely monitor the performance of the Joint Venture in accordance with the rights that TOM E-Commerce is entitled under the Amended and Restated Shareholders' Agreement.

The Company is continuing to focus its strategy on high growth potential sectors such as e-commerce/new retail, fintech and advanced data analytics. Management is committed to executing the Group's strategy, as well as maintaining stability in the Group's business performance and a prudent financial profile by closely monitoring its operating and capital expenses and investments and implementing disciplined working capital management.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF DIRECTORS' INTERESTS

As of the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or, as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) were as follows:

(a) Long positions in shares

<u>Name of Director</u>	<u>Capacity</u>	<u>Nature of interest</u>	<u>Number of shares held</u>	<u>Class of shares</u>	<u>Total</u>	<u>Approximate percentage of shareholding (direct or indirect)</u>
Frank John Sixt	Beneficial owner	Personal interest	492,000	Ordinary	492,000	0.01%
Yeung Kwok Mung	Interest of spouse	Family interests	30,000	Ordinary	30,000	Below 0.01%

Save as disclosed above, as of the Latest Practicable Date, none of the Directors and chief executive of the Company or any of their respective associates had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or, as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code.

3. DISCLOSURE OF INTEREST OF SUBSTANTIAL SHAREHOLDERS

So far as the Directors were aware, as of the Latest Practicable Date, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO, which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Name	Capacity	Number of shares held	Approximate percentage of shareholding (direct or indirect)
CKHH	Interest of controlled corporations	1,430,120,545 (L)	36.13%
CKH	Interest of controlled corporations	1,430,120,545 (L)	36.13%
Cheung Kong Investment Company Limited	Interest of controlled corporations	476,341,182 (L)	12.03%
Cheung Kong Holdings (China) Limited	Interest of controlled corporations	476,341,182 (L)	12.03%
Sunnylink Enterprises Limited	Interest of controlled corporation	476,341,182 (L)	12.03%
Romefield Limited	Beneficial owner	476,341,182 (L)	12.03%
CK Hutchison Global Investments Limited	Interest of controlled corporations	952,683,363 (L)	24.07%
HWL	Interest of controlled corporations	952,683,363 (L)	24.07%
Hutchison International Limited	Interest of controlled corporation	952,683,363 (L)	24.07%
Easterhouse Limited	Beneficial owner	952,683,363 (L)	24.07%
Chau Hoi Shuen	Interest of controlled corporations	1,003,432,363 (L)	25.35%
Composers International Limited	Interest of controlled corporations	1,003,432,363 (L)	25.35%
Cranwood Company Limited	Beneficial owner and interest of controlled corporations	995,078,363 (L)	25.14%
Schumann International Limited	Beneficial owner	580,000,000 (L)	14.65%

Name	Capacity	Number of shares held	Approximate percentage of shareholding (direct or indirect)
Handel International Limited	Beneficial owner	348,000,000 (L)	8.79%
Lin Tian Maw	Beneficial owner, interest of child under 18 and/or spouse & interest of controlled corporations	526,518,000 (L)	13.30%

(L) denotes a long position

Notes:

- (1) Romefield Limited is a wholly-owned subsidiary of Sunnmlink Enterprises Limited, which in turn is a wholly-owned subsidiary of Cheung Kong Holdings (China) Limited. Cheung Kong Holdings (China) Limited is a wholly-owned subsidiary of Cheung Kong Investment Company Limited, which in turn is a wholly-owned subsidiary of CKH. CKH is a wholly-owned subsidiary of CKHH.

By virtue of the SFO, CKHH, CKH, Cheung Kong Investment Company Limited, Cheung Kong Holdings (China) Limited and Sunnmlink Enterprises Limited are all deemed to be interested in the 476,341,182 shares of the Company held by Romefield Limited.

- (2) Easterhouse Limited is a wholly-owned subsidiary of Hutchison International Limited, which in turn is a wholly-owned subsidiary of HWL. HWL is a non wholly-owned subsidiary of CK Hutchison Global Investments Limited, which in turn is a wholly-owned subsidiary of CKHH. In addition, certain subsidiaries of CKH are entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of HWL.

By virtue of the SFO, CKHH, CKH, CK Hutchison Global Investments Limited, HWL and Hutchison International Limited are all deemed to be interested in the 952,683,363 shares of the Company held by Easterhouse Limited.

- (3) Casaurina Investments Limited, an associate of CKH and a wholly-owned subsidiary of CKHH, holds 1,096,000 shares of the Company.

By virtue of the SFO, CKHH and CKH are all deemed to be interested in the 1,096,000 shares of the Company held by Casaurina Investments Limited.

- (4) Schumann International Limited and Handel International Limited are companies controlled by Cranwood Company Limited (“**Cranwood Company Limited (Liberia)**”, incorporated in Liberia), which in turn is a wholly-owned subsidiary of Composers International Limited. Composers International Limited is wholly owned by Ms. Chau Hoi Shuen.

By virtue of the SFO, Ms. Chau Hoi Shuen, Composers International Limited and Cranwood Company Limited (Liberia) are all deemed to be interested in the 580,000,000 and 348,000,000 shares of the Company held by Schumann International Limited and Handel International Limited respectively. Also, Ms. Chau Hoi Shuen and Composers International Limited are all deemed to be interested in 67,078,363 shares of the Company held by Cranwood Company Limited (Liberia) directly.

- (5) A company Cranwood Company Limited (“**Cranwood Company Limited (BVI)**”, incorporated in British Virgin Islands), a wholly-owned subsidiary of Composers International Limited, which in turn is wholly owned by Ms. Chau Hoi Shuen, holds 8,354,000 shares of the Company.

By virtue of the SFO, Ms. Chau Hoi Shuen and Composers International Limited are all deemed to be interested in 8,354,000 shares of the Company held by Cranwood Company Limited (BVI) directly.

- (6) Cranwood Company Limited (Liberia), Schumann International Limited, Handel International Limited and Cranwood Company Limited (BVI) have charged 67,078,363, 580,000,000, 348,000,000 and 8,354,000 shares of the Company respectively in favour of CKHH on 21 December 2015.

Save as disclosed above and so far as the Directors were aware, as at the Latest Practicable Date, the Directors are not aware of any interests or short positions owned by any persons (other than the Directors or chief executives of the Company) in the Shares or underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

4. DIRECTORS’ SERVICE CONTRACTS

As of the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group, other than service contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation other than statutory compensation.

5. DIRECTORS’ INTERESTS IN ASSETS

As of the Latest Practicable Date, none of the Directors or proposed Director had any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2020, being the date to which the latest published audited financial statements of the Group were made up.

6. DIRECTORS’ INTERESTS IN CONTRACTS OR ARRANGEMENT

None of the Directors was materially interested in any contract or arrangement subsisting as at the date of this circular which was significant in relation to the business of the Group.

7. DIRECTORS’ INTERESTS IN COMPETING BUSINESS

Mr. Frank John Sixt (“**Mr. Sixt**”) and Mr. Lai Kai Ming, Dominic (“**Mr. Lai**”), the non-executive chairman of the Company and the alternate Director to Mr. Sixt, respectively, are both executive directors of CKHH as well as directors of certain associates of CKHH (collectively, the “**CKHH Group**”). In addition, Mr. Sixt is an executive director of CK Infrastructure Holdings Limited (“**CKI**”) and a director of certain associates of CKI (collectively, the “**CKI Group**”). Mr. Lai is also a non-executive director and the alternate director to Mr. Fok Kin Ning, Canning and Ms. Edith Shih of HTHKH, as well as a director of certain associates of HTHKH (collectively, the “**HTHKH Group**”). Mrs. Lee Pui Ling, Angelina, a non-executive Director, is a non-executive director of CKI.

The CKHH Group is engaged in telecommunications, e-commerce, mobile internet and information technology services; the CKI Group is engaged in information technology, e-commerce or new technology where applicable; and the HTHKH Group operates mobile telecommunications services in Hong Kong and Macau. Given the similar nature of businesses among the Group, the CKHH Group, the CKI Group and the HTHKH Group, the Directors are of the view that there is a risk that such businesses may compete with those of the Group.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective close associates (as defined under the Listing Rules) was interested in any business apart from the business of the Group which competes or is likely to compete, either directly or indirectly, with that of the Group.

8. EXPERT AND CONSENT

The following are the qualifications of the expert who has given opinion or advice which is contained in this circular:

Nil

9. MATERIAL CONTRACT

The following contract (not being contract in the ordinary course of business of the Company) have been entered into by members of the Group within the two years immediately preceding the date of this circular which is or may be material:

- (a) the Amended and Restated Shareholders' Agreement.

10. LITIGATION

As at the Latest Practicable Date, to the best of the knowledge of the Directors, no litigation or claims of material importance are pending or threatened against any member of the Group.

11. GENERAL

- (a) The secretary of the Company is Mr. Man Tak Cheung.
- (b) The registered office of the company is situated at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

- (c) The head office and principal place of business of the Company in Hong Kong is situated at Rooms 1601-05, 16/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.
- (d) The Company's branch share registrar and transfer office in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (e) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

12. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.tomgroup.com), from the date of this circular up to and including the 14th day thereafter:

- (a) the material contract referred to in the paragraph headed "9. *Material Contract*" in this appendix; and
- (b) this circular.

NOTICE OF EGM



TOM Group Limited

TOM集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2383)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of the shareholders of TOM Group Limited (the “**Company**”) will be held at Board Room, Rooms 1601-05, 16/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Tuesday, 15 March 2022 at 11:30 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following ordinary resolution:

ORDINARY RESOLUTION

“**THAT:**

- (a) the Amended Drag-along Right (as defined in the circular of the Company dated 16 February 2022) provided under the amended and restated shareholders’ agreement, as amended and supplemented by the amendment agreement to the amended and restated shareholders’ agreement (collectively, the “**Amended and Restated Shareholders’ Agreement**”), both dated 1 November 2021, entered into by (i) Ule Holdings Limited (the “**Joint Venture**”), (ii) Telpo Philatelic Company Limited (“**China Post HK**”), (iii) TOM E-Commerce Limited (“**TOM E-Commerce**”) and (iv) the shareholders of the Joint Venture (other than TOM E-Commerce and China Post HK) that together hold approximately 14.29% of the total issued share capital of the Joint Venture as at 31 October 2021 (collectively, the “**Minority Investors**”), being the right (but not the obligation) of China Post HK to require, among others, TOM E-Commerce to sell the ordinary shares beneficially held by it to the Purchaser (as defined in the circular of the Company dated 16 February 2022), and on the same terms and conditions as China Post HK, be and are hereby approved, confirmed and ratified; and

NOTICE OF EGM

- (b) any one or more directors of the Company (the “**Directors**”) be and is/are hereby authorised do all such acts and things, including but not limited to, execution of all documents which the Directors deem necessary, appropriate or desirable to implement and give full effect to or in connection with the exercise of the Amended Drag-along Right (as defined in the circular of the Company dated 16 February 2022).

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

Hong Kong, 16 February 2022

Notes:

- (1) Unless otherwise specified, capitalized terms used in this notice shall have the same meanings as ascribed to them in the circular of the Company dated 16 February 2022.
- (2) As set out in the section headed “*Special Arrangements for the EGM*” of this circular (of which this notice forms part), **the EGM will be a hybrid meeting. The Company strongly encourages Shareholders to exercise their rights to attend and vote at the EGM by electronic facilities.** As Shareholders will not be permitted to attend the EGM in person, all Shareholders (other than those who are required to attend the EGM physically to form a quorate meeting) who wish to appoint a proxy to attend and vote at the EGM shall appoint the Chairman of the EGM as their proxy (for Shareholders who are required to attend the EGM physically to form a quorate meeting, a senior management member and/or a senior staff member of the Company shall be appointed as their proxy) by completing, signing and returning the proxy form in accordance with the instructions printed thereon to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (in the case of an appointment of proxy in hard copy or for a poll taken more than 48 hours) or to the electronic address specified in the EGM notice or in the proxy form (in the case of appointment of proxy in electronic form or for a poll taken more than 48 hours). For the EGM convened to be held on Tuesday, 15 March 2022 at 11:30 a.m., the deadline to submit completed proxy forms is Sunday, 13 March 2022* at 11:30 a.m. in the case of an appointment of proxy in hard copy form or in electronic form, or after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll in the case of a poll taken more than 48 hours.
- (3) Any Shareholder entitled to attend and vote at the EGM in person is entitled to appoint more than one proxy to attend and on a poll, vote instead of him. A proxy need not be a Shareholder. However, given the special arrangements adopted by the Company as set out in the section headed “*Special Arrangements for the EGM*” of this circular (of which this notice forms part), if a Shareholder (other than those who are required to attend the EGM physically to form a quorate meeting) wishes to vote on any resolution at the EGM, he/she/it must complete the proxy form and appoint the Chairman of the EGM as his/her/its proxy to exercise his/her/its right to vote at the EGM in accordance with his/her/its instructions.
- (4) To be valid, the proxy form together with the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must:
- in the case of an appointment of proxy in hard copy, be deposited at the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 48 hours before the time appointed for holding the EGM or any adjournment or postponement thereof;
 - in the case of appointment of proxy in electronic form, be received at the electronic address specified in the EGM notice or in the proxy form no later than 48 hours before the time appointed for holding the EGM or any adjournment or postponement thereof; or
 - in the case of a poll taken more than 48 hours, be received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll.

NOTICE OF EGM

- (5) Completion and return of the proxy form will not preclude a Shareholder from attending and voting at the EGM or any adjournment or postponement thereof by means of electronic facilities should the Shareholder so desire.
- (6) The register of members of the Company will be closed from Thursday, 10 March 2022 to Tuesday, 15 March 2022 (or to Tuesday, 22 March 2022, in the event that the EGM is to be held on Tuesday, 22 March 2022 because of a black rainstorm warning signal or a tropical cyclone warning signal no. 8 or above), both days inclusive, during which period no transfer of shares will be effected, to determine Shareholders' entitlement to attend and vote at the EGM (or at any adjournment or postponement thereof). All share certificates with completed transfer forms, either overleaf or separately, must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 9 March 2022.
- (7) The resolution as set out above will be determined by way of a poll.
- (8) COVID-19 PANDEMIC SITUATION

The Company will adopt the following special arrangements at the EGM for the purpose of public health and safety:

- (a) The EGM will be held with the minimum number of persons present as is required under the articles of association of the Company to form a quorate meeting, together with a limited number of other attendees to ensure the proper conduct of the meeting. The quorum will be formed by the senior management members and/or senior staff members of the Company who are Shareholders and/or their proxies to maintain an internal grouping and minimise the risks posed by the COVID-19 pandemic at the EGM. No other Shareholder, proxy or corporate representative should attend the EGM in person in light of the continuing risks posed by the COVID-19 pandemic. Any other person who attempts to do so will be excluded and will not be permitted entry to the venue of the EGM
- (b) No refreshments will be served at the EGM.
- (c) All resolutions at the EGM will be decided on a poll. Shareholders will still be able to vote by doing so in advance of the EGM by proxy. If a Shareholder (other than those who are required to attend the EGM physically to form a quorate meeting) wishes to vote on any resolution at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to exercise his/her/its right to vote at the EGM in accordance with his/her/its instructions.
- (d) Shareholders can attend, participate and vote at the EGM through online access by visiting the website - <http://meetings.computershare.com/TOMGroupEGM2022> (the "Online Platform"). Shareholders participating in the EGM using the Online Platform will also be counted towards the quorum and they will be able to cast their vote and submit questions through the Online Platform. The Online Platform will be open for registered Shareholders and non-registered Shareholders (see below for login details and arrangements) to log in approximately 30 minutes prior to the commencement of the EGM and can be accessed from any location with internet connection by a smart phone, tablet device or computer. Shareholders should allow ample time to check into the Online Platform to complete the related procedures. Please refer to the Online User Guide for the EGM at https://www.tomgroup.com/en/about_investor.html for assistance.
- (e) Shareholders attending the EGM using the Online Platform will be able to submit questions relevant to the Company's proposed resolution online during the EGM. Shareholders can also send their questions to the Company by email from Thursday, 10 March 2022 (9:00 a.m.) to Sunday, 13 March 2022 (5:00 p.m.) to EGM2022@tomgroup.com (for registered Shareholders, please state the 10-digit shareholder reference number starting with "C" (SRN) as printed on the top right corner of the Shareholder Notification).

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change and adopt contingency plans for the EGM arrangements at short notice, and the Company will ensure that the EGM arrangements are in compliance with the articles of association of the Company. While the Company will use its best endeavours to provide necessary updates to the Shareholders on its website at www.tomgroup.com regarding the EGM arrangements, Shareholders should check the latest policies and notices announced by the Hong Kong Government and the website of the Company at www.tomgroup.com for future updates on the EGM arrangements.

NOTICE OF EGM

(9) BAD WEATHER ARRANGEMENTS

The EGM will be held on Tuesday, 15 March 2022 as scheduled regardless of whether or not an amber or red rainstorm warning signal is in force in Hong Kong at any time on that day. However, if a black rainstorm warning signal or a tropical cyclone warning signal no. 8 or above is in force in Hong Kong at 8:30 a.m. on Tuesday, 15 March 2022, the EGM will not be held on that day but will be automatically postponed and, by virtue of this notice, be held at the same time and place on Tuesday, 22 March 2022 instead. Shareholders may call the hotline at 2121 7838 or visit the website of the Company at www.tomgroup.com for details of the postponement and alternative meeting arrangements. Shareholders should make their own decision as to whether they would attend the EGM under bad weather conditions having regard to their own situation and if they should choose to do so, they are advised to exercise care and caution.

(10) In the event of any inconsistency, the English language text of this notice shall prevail over the Chinese language text.

(11) As at the date of this notice, the non-executive Directors are Mr. Frank Sixt (Chairman), Ms. Debbie Chang and Mrs. Angelina Lee; the executive Director is Mr. Yeung Kwok Mung; the independent non-executive Directors are Mr. James Sha, Dr. Alex Fong and Mr. Chan Tze Leung; and Mr. Dominic Lai is the alternate Director to Mr. Frank Sixt.