



TOM Group Limited

**Policy on Securities Dealings and Handling of
Confidential and Price-sensitive Inside Information**

(If there is any inconsistency or conflict between the English and the Chinese versions, the English version shall prevail.)



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1. Policy Statement

The reputation, integrity and honesty of TOM Group Limited (the “Company”, together with its subsidiaries and controlled affiliates, the “Group”) are of the highest priority and employees are required to observe both the form and the spirit of the rules contained in this Policy and to conduct themselves appropriately in order to maintain the good reputation of the Group.

This Policy applies to all employees of the Group who shall also observe any additional local and/or business unit policies, rules, regulations, requirements and guidelines to which they may be subject from time to time.

Non-compliance with this Policy may give rise to disciplinary action and, where applicable, result in termination of employment and/or personal civil or criminal sanctions including fines or imprisonment.

If an employee has questions regarding the contents of this Policy, the head of the relevant business unit and the head of the relevant department (or, if the information related to the Group level, Group Legal Department) should be contacted.

2. Handling of Confidential Information

Employees must not use or disclose any confidential information in their possession save in the proper course of their duties or with the necessary prior approval or authorisation.

In particular, any dealing by employees in securities, wherever listed, of any company within the Group (including but not limited to the Company, any of its subsidiaries and associated companies) or their derivatives (together the “**TOM Group Listed Group Company Securities**”) whilst in possession of confidential information is considered a material breach of this Policy and is absolutely prohibited.

Employees in possession of confidential information which is also price-sensitive are subject to more stringent requirements set out below.



3. Handling of Price-sensitive Inside Information

3.1 Prohibition on Insider Dealing

It is illegal for any employee to deal, counsel or procure another person to deal, in any TOM Group Listed Group Company Securities whilst in possession of unpublished and price-sensitive information in relation to the Group ("Price-sensitive Inside Information"), or to disclose such information to another person who may make use of such information for the purpose of dealing in such securities, in circumstances which constitute "insider dealing" under the applicable laws or regulations.

Information is considered "unpublished and price-sensitive" if it is specific about the corporation, its shareholders, officers, or listed securities or their derivatives, and is not generally known to the persons who are accustomed or would be likely to deal in the listed securities of the corporation but would, if it were so known, be likely to materially affect the price of the listed securities in question (whether positively or negatively). Such information may include, without limitation, projected earnings, contemplated acquisition, disposal or fund-raising exercise, key personnel changes or the entering into or termination of an important contract.

An employee will be regarded as having engaged in "dealing" in the TOM Group Listed Group Company Securities if s/he sells, purchases, exchanges, subscribes for or underwrites the relevant listed securities and/or their derivatives, whether as principal or agent, makes or offers to make an agreement with another person, or induces or attempts to induce another person to do the same. The term "securities" is broadly defined to include shares, debentures, bonds, notes, options, rights, interests, certificates of interest or participation in certificates, or property whether in the form of an instrument or otherwise. The definition of "derivatives" of any listed securities is also very wide and includes rights, options or interests in, contracts for securing, increasing profit or avoiding loss, instruments or certificates of interest or participation in, warrants to subscribe for, such listed securities.

Price-sensitive Inside Information for the purpose of the "insider dealing" regime may come into the possession of employees as a result of their employment with



the Group, or from other sources.

Violation of the applicable laws may result in personal civil or criminal sanctions including fines or imprisonment. All employees must therefore conduct themselves in compliance with all applicable insider dealing (or its equivalent) laws, rules, codes and regulations wherever the Group conducts business.

Employees should take into account all the circumstances in determining whether a piece of information may be price-sensitive. If they are in doubt, the information is potentially price-sensitive. In those circumstances, they should take a prudent approach and treat the information as price-sensitive and refrain from any activities which may constitute insider dealing.

3.2 Disclosure Obligation

Separate and distinct from the employees' personal statutory obligation not to deal in any Price-sensitive Inside Information, the Securities and Futures Ordinance in Hong Kong ("**SFO**") requires the Company to disclose any Price-sensitive Inside Information to the public as soon as reasonably practicable after such information has, or ought reasonably to have, come to the knowledge of its officers in the course of performing their functions as an officer, unless one of the prescribed safe harbours applies.

Under the SFO, officers of the Company are obliged to take all reasonable measures from time to time to ensure that proper safeguards exist to prevent the Company from breaching its disclosure obligation.

The Group is committed to maintaining appropriate internal controls and reporting systems within the Group to identify, assess and escalate possible Price-sensitive Inside Information to enable the central management and the Board of Directors of the Company to determine whether disclosure would be necessary.

While all matters of a material nature would generally be escalated to the central management of the Company through the regular reporting channels (like regular management meetings) and ad hoc transaction reporting, the officers and senior management of each Division should remain vigilant at all times for



matters that are or may fall within the definition of Price-sensitive Inside Information, and ensure that such matters are promptly identified and reported to the central management of the Company in a timely manner for disclosure consideration.

3.3 Internal Controls

Preventing Price-sensitive Inside Information from leakage is key to preventing insider dealing and assisting the Company with compliance of its statutory obligation under the SFO.

Whilst employees are bound by the TOM Group Information Security Policy, additional precautions, including those set out below, should be taken by employees in possession of Price-sensitive Inside Information to guard against any possible mishandling of such information which may constitute insider dealing or cause the Company breaching its disclosure obligation under the SFO:

- (a) **Identification by a code** – a project should be identified by a code without the names of the concerned parties before public announcement;
- (b) **“Need to know” basis** – dissemination of information should be absolutely limited to the stated purpose and the core members within the Group who are responsible for or involved with the project and the professional advisers who advise on the project and owe the Group a duty of confidentiality;
- (c) **Audit trail** – a clear record documenting the distribution of the information including the identity of the recipients and the time of dispatch should be kept. Appropriate notes and records should be kept for meetings concerning the assessment of whether certain information constitutes Price-sensitive Inside Information;
- (d) **Meetings with securities analysts and press** – selective disclosure of Price-sensitive Inside Information before such information is publicly released must be avoided. Directors and employees of the Group should be wary of any possible disclosure of unpublished price-sensitive information about the Group when meeting with fund managers,



securities analysts and the press. Any material which may contain potential Price-sensitive Inside Information should be vetted by the Group Legal Department prior to the release at the analysts' or press meetings. Briefings and discussions at such meetings should be properly recorded. Should there be any Price-sensitive Inside Information which has been inadvertently disclosed at any meeting, the Group Legal Department should be consulted immediately;

- (e) **Disclosure to external parties** – Group companies/entities should promptly enter into a written confidentiality agreement with external parties prior to provision of any confidential or price-sensitive information to such external parties;
- (f) **Release of Price-sensitive Inside Information** – for dissemination of potential Price-sensitive Inside Information through channels other than the electronic publication system operated by the Hong Kong Stock Exchange, such as the press, wire services or posting on the Company website, such information should be vetted by the Group Legal Department prior to the release;
- (g) **Leaks and inadvertent disclosures** – should an employee become aware of any leaks or inadvertent disclosure of any Price-sensitive Inside Information, the Group Legal Department should be consulted immediately.

Employees should be alert and vigilant with respect to any insider dealing committed or suspected to have been committed within the office or in relation to any TOM Group Listed Group Company Securities and should report, on a confidential basis, to the Head of Finance and the General Manager - Group Management Services if they become aware of any such insider dealing or suspected insider dealing in relation to any TOM Group Listed Group Company Securities.

4. Securities Dealings

Whilst all employees are absolutely prohibited at all times from dealing in any TOM Group Listed Group Company Securities when they are in possession of



Price-sensitive Inside Information or confidential information, certain members of senior management or staff are subject to specific additional compliance requirements as are communicated to them individually from time to time (including but not limited to obtaining written pre-clearance from designated members of management prior to any dealing in any such securities).

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