

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



TOM Group Limited

TOM集團有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 2383)

**CONNECTED TRANSACTION  
AND  
DISCLOSEABLE TRANSACTION  
Proposed acquisition of the remaining 35% of  
the issued share capital of TOM Outdoor Media Group Limited**

The Board is pleased to announce that on 13 May 2009, TOM Outdoor Media Holdings, a wholly-owned subsidiary of the Company, has entered into the Agreement with SPH and TOM OMG, under which, TOM Outdoor Media Holdings has agreed to acquire the Sale Shares (being the remaining 35% of the issued share capital of TOM OMG) from SPH at the Consideration of HK\$60,000,000.

TOM OMG is currently owned as to 65% by TOM Outdoor Media Holdings and as to 35% by SPH. SPH is a connected person of the Company by virtue of its being a substantial shareholder of TOM OMG, the signing of the Agreement constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the Acquisition exceed 2.5%, the Acquisition is subject to the approval of the independent Shareholders. However, under Rule 14A.43 of the Listing Rules, as no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition, therefore in lieu of holding such a general meeting, Shareholders' written approval has been obtained from Easterhouse Limited, Romefield Limited, Cranwood Company Limited, Schumann International Limited and Handel International Limited, who are a closely allied group of Shareholders collectively holding approximately 62.13% in nominal value of the shares of the Company in issue as at the date of this announcement giving the right to attend and vote at a general meeting of the Company (if the Company were to convene one).

In addition, as the applicable percentage ratios for the Acquisition exceed 5% but less than 25%, the Acquisition also constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The Independent Board Committee has been formed to give advice in relation to the Acquisition. In this regard, Somerley Limited has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee.

A circular containing further details of the Acquisition, a letter of advice from the Independent Board Committee in relation to the Acquisition and a letter of advice from the independent financial adviser to the Independent Board Committee in relation to the Acquisition will be despatched to the Shareholders for information as soon as practicable.

## **THE AGREEMENT**

### **Date**

13 May 2009

### **Parties**

Vendor: SPH

Purchaser: TOM Outdoor Media Holdings

### **Assets to be acquired**

The Sale Shares, being the remaining 35% of the issued share capital of TOM OMG.

### **Major terms of the Agreement**

Pursuant to the Agreement, TOM Outdoor Media Holdings has agreed to acquire the Sale Shares from SPH. Upon Completion, TOM OMG will become a wholly-owned subsidiary of TOM Outdoor Media Holdings.

### **Consideration**

HK\$60,000,000, which will be fully settled in cash on the date of Completion. The Consideration will be funded by the internal resources of the Group.

The Consideration was arrived at after arm's length negotiation between the parties and being a price acceptable to the Group after considering the original subscription price of the Sale Shares paid by the holding company of SPH, the present and future financial performance, and the strategic value of the Outdoor Media Group.

### **Completion**

Completion will take place on the date falling 14 days after the signing of the Agreement, or such other date as TOM Outdoor Media Holdings and SPH may mutually agree in writing.

## **INFORMATION ON TOM OMG**

The holding company of SPH has subscribed for the Sale Shares for a consideration of US\$26,000,000 (approximately HK\$202,800,000) in March 2006 and subsequently transferred the Sale Shares to SPH in June 2006. As at the date of the Agreement, TOM OMG is owned as to 65% by TOM Outdoor Media Holdings and as to 35% by SPH.

TOM OMG is the holding company of the Outdoor Media Group. The Outdoor Media Group is engaged in the provision of outdoor advertising space and related services to customers in the PRC. Together with the 15 subsidiaries established in first-tier cities including Beijing, Shanghai and Shenzhen; in second- and third-tier cities such as Chengdu, Kunming, Chongqing and

Shenyang, the Outdoor Media Group provides professional one-stop media solutions to local and multinational corporations.

The audited consolidated profit before taxation and loss after taxation of TOM OMG prepared under HK GAAP for the year ended 31 December 2007 were approximately HK\$15,181,000 and approximately HK\$12,587,000 respectively. Based on the management accounts of TOM OMG, the unaudited consolidated loss before and after taxation of TOM OMG prepared under HK GAAP for the year ended 31 December 2008 were approximately HK\$93,643,000 and approximately HK\$101,753,000 respectively. As at 31 December 2008, the unaudited consolidated net assets of TOM OMG prepared in accordance with HK GAAP was approximately HK\$511,324,000.

## **REASONS FOR ENTERING INTO THE AGREEMENT**

With the acquisition of the Sale Shares, TOM OMG will become a wholly-owned subsidiary of the Group upon Completion. It provides the Group with an opportunity to consolidate the Group's full control over the Outdoor Media Group as well as to enjoy all the economic benefits arising from the Outdoor Media Group. Given that the Outdoor Media Group will be wholly-owned and fully controlled by the Group upon Completion, the Group will in a better position to develop the outdoor media business in the PRC and execute the business strategies more smoothly.

The terms of the Agreement have been agreed after arm's length negotiations between TOM Outdoor Media Holdings and SPH. The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the opinion of the independent financial adviser) consider that the transactions contemplated under the Agreement are entered into on normal commercial terms and in the ordinary and usual course of business of the Group. The terms of the Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION**

TOM OMG is currently owned as to 65% by TOM Outdoor Media Holdings and as to 35% by SPH. SPH is a connected person of the Company by virtue of its being a substantial shareholder of TOM OMG, the signing of the Agreement constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the Acquisition exceed 2.5%, the Acquisition is subject to the approval of the independent Shareholders. However, under Rule 14A.43 of the Listing Rules, as no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition, therefore in lieu of holding such a general meeting, Shareholders' written approval has been obtained from Easterhouse Limited (holding approximately 24.47% of the issued share capital of the Company), Romefield Limited (holding approximately 12.23% of the issued share capital of the Company), Cranwood Company Limited (holding approximately 1.59% of the issued share capital of the Company), Schumann International Limited (holding approximately 14.90% of the issued share capital of the Company) and Handel International Limited (holding approximately 8.94% of the issued share capital of the Company), who are a closely allied group of Shareholders collectively holding approximately 62.13% in nominal value of the shares of the Company in issue as at the date of this announcement giving the right to attend and vote at a general meeting of the Company (if the Company were to convene one).

In addition, as the applicable percentage ratios for the Acquisition exceed 5% but less than 25%, the Acquisition also constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The Independent Board Committee has been formed to give advice in relation to the Acquisition. In this regard, Somerley Limited has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee.

A circular containing further details of the Acquisition, a letter of advice from the Independent Board Committee in relation to the Acquisition and a letter of advice from the independent financial adviser to the Independent Board Committee in relation to the Acquisition will be despatched to the Shareholders for information as soon as practicable.

## **GENERAL**

The Company is listed on the main board of the Stock Exchange. A leading Chinese-language media group in the Greater China region, the Group has diverse business interests in four key areas: Internet, outdoor media, publishing and television & entertainment across markets in the PRC, Taiwan and Hong Kong.

## **DEFINITIONS**

“Acquisition”	means the proposed acquisition by TOM Outdoor Media Holdings of the Sale Shares from SPH pursuant to the Agreement
“Agreement”	means a sale and purchase agreement entered into between TOM Outdoor Media Holdings, SPH and TOM OMG on 13 May 2009 in respect of the Acquisition
“Board”	means the board of directors of the Company
“Company”	means TOM Group Limited, a company incorporated in the Cayman Islands, whose shares are listed on the main board of the Stock Exchange
“Completion”	means the completion of the sale and purchase of the Sale Shares pursuant to the Agreement
“Consideration”	means the aggregate consideration for the Acquisition, being HK\$60,000,000
“Director(s)”	means the director(s) of the Company
“Group”	means the Company and its subsidiaries
“HK GAAP”	means the generally accepted accounting principles in Hong Kong
“Independent Board Committee”	means the independent committee of the Board which comprises Mr. Henry Cheong, Ms. Anna Wu and Mr. James Sha, all being the independent non-executive Directors
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“Outdoor Media Group”	means TOM OMG and its subsidiaries
“PRC”	means The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative

Region and Taiwan

“Sale Shares”	means 35 issued and fully-paid ordinary shares of US\$1.00 each in the capital of TOM OMG (representing 35% of the issued share capital of TOM OMG) held by SPH before Completion
“Shareholders”	means holder(s) of the shares of HK\$0.1 each of the Company
“SPH”	means SPH AlphaOne Pte Ltd, a company incorporated in Singapore with limited liability, with principal business of investment holding. As at the date of the Agreement, SPH is the registered and beneficial owner of the Sale Shares
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“TOM OMG”	means TOM Outdoor Media Group Limited, a company incorporated in the British Virgin Islands with limited liability. As at the date of the Agreement, TOM OMG is owned as to 65% by TOM Outdoor Media Holdings and as to 35% by SPH
“TOM Outdoor Media Holdings”	means TOM Outdoor Media Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of the Company
“HK\$”	means Hong Kong dollars, the lawful currency in Hong Kong
“US\$”	means United States dollars, the lawful currency in United States of America

*US\$1 = HK\$7.8*

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

Hong Kong, 13 May 2009

*As at the date hereof, the Directors are:*

*Executive Directors:*

*Mr. Yeung Kwok Mung  
Ms. Angela Mak*

*Non-executive Directors:*

*Mr. Frank Sixt (Chairman)  
Ms. Debbie Chang  
Mrs. Susan Chow  
Mr. Edmond Ip  
Mrs. Angelina Lee*

*Independent non-executive  
Directors:*

*Mr. Henry Cheong  
Ms. Anna Wu  
Mr. James Sha*

*Alternate Director:*

*Mr. Francis Meehan  
(Alternate to each of Mr. Frank  
Sixt, Ms. Debbie Chang, Mrs.  
Susan Chow and Mr. Edmond Ip)*

*\* for identification purpose*