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TOM Group Limited

TOM集團有限公司\*

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

(Stock Code: 2383)

## **CONTINUING CONNECTED TRANSACTIONS**

The Board announces that in consideration of CKH, HWL and Cranwood granting the Guarantees, on 21 July 2009, the Company entered into the CKH Guarantee Fee Agreements, the HWL Guarantee Fee Agreements and the Cranwood Guarantee Fee Agreement with CKH, HWL and Cranwood respectively, under which, the Company has agreed to pay an aggregate guarantee fee in an amount equivalent to 0.5% per annum of the aggregate principal amount outstanding under the Loan Facilities to CKH, HWL and Cranwood payable quarterly in advance in proportion to their respective percentage of the Guarantees given in respect of the obligations of the Company under the Loan Facilities (in the case of CKH and HWL) or the Term Loan Facility (in the case of Cranwood), subject to the annual Caps of HK\$4,750,000, HK\$9,500,000, HK\$9,500,000 and HK\$5,600,000 for the years ending 31 December 2009, 2010, 2011 and 2012 respectively.

As CKH, HWL and Cranwood are substantial shareholders of the Company, the transactions contemplated under the Guarantee Fee Agreements constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules. However, as each of the applicable percentage ratios for the transactions contemplated under the Guarantee Fee Agreements, on aggregate and annual basis, is less than 2.5%, such transactions are only subject to the reporting and announcement requirements and no independent shareholders' approval is required.

## **GUARANTEE FEE AGREEMENTS**

The Company has been granted the Term and Revolving Loan Facilities of up to an aggregate principal amount of HK\$1,600 million by three independent financial institutions and the Term Loan Facility of up to HK\$300 million in principal amount by an independent financial institution pursuant to the respective facility agreements entered into by the Company on 30 June 2009 and 21 July 2009 (as appropriate) for a term of 36 months for the purpose of refinancing the existing indebtedness of the Group and financing the working capital requirements of the Group.

As a condition of making available the Loan Facilities to the Company, on 21 July 2009, CKH provided guarantees on a several basis in respect of 19.68% of the Company's obligations under each of the Term and Revolving Loan Facilities and the Term Loan Facility; HWL provided

guarantees on a several basis in respect of (i) 80.32% of the Company's obligations under each of the Term and Revolving Loan Facilities, and (ii) 39.37% of the Company's obligations under the Term Loan Facility; and Cranwood provided a guarantee on a several basis in respect of 40.95% of the Company's obligations under the Term Loan Facility.

The Board announces that in consideration of CKH, HWL and Cranwood granting the Guarantees, on 21 July 2009, the Company entered into the CKH Guarantee Fee Agreements, the HWL Guarantee Fee Agreements and the Cranwood Guarantee Fee Agreement with CKH, HWL and Cranwood respectively, under which, the Company has agreed to pay an aggregate guarantee fee in an amount equivalent to 0.5% per annum of the aggregate principal amount outstanding under the Loan Facilities to CKH, HWL and Cranwood payable quarterly in advance in proportion to their respective percentage of the Guarantees given in respect of the obligations of the Company under the Loan Facilities (in the case of CKH and HWL) or the Term Loan Facility (in the case of Cranwood), subject to the annual Caps of HK\$4,750,000, HK\$9,500,000, HK\$9,500,000 and HK\$5,600,000 for the years ending 31 December 2009, 2010, 2011 and 2012 respectively.

The aforesaid guarantee fee was arrived at after arm's length negotiations and on normal commercial basis, and was determined with reference to the guarantee fees received by CKH and HWL for the provision of similar guarantees to secure the obligations of their subsidiaries and associated companies under loan facilities. In addition, the Caps are based on the annual total amount of the guarantee fee payable to CKH, HWL and Cranwood under the Guarantee Fee Agreements.

## **REASONS FOR ENTERING INTO THE GUARANTEE FEE AGREEMENTS**

As the provision of the Guarantees is made a condition precedent to the respective draw down of the Loan Facilities and in consideration of CKH, HWL and Cranwood granting the Guarantees for the benefit of the Company, the Board (including the independent non-executive Directors) consider it in the interests of the Company and its shareholders taken as a whole to pay the guarantee fees to CKH, HWL and Cranwood pursuant to the Guarantee Fee Agreements.

The Board (including the independent non-executive Directors) also consider the respective terms of, and the Caps under the Guarantee Fee Agreements to be on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **CONTINUING CONNECTED TRANSACTIONS**

Currently, CKH, HWL and Cranwood are interested in approximately 12.23%, 24.47% and 25.45% of the issued share capital of the Company respectively. As CKH, HWL and Cranwood are substantial shareholders of the Company, the transactions contemplated under the Guarantee Fee Agreements constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules. However, as each of the applicable percentage ratios for the transactions contemplated under the Guarantee Fee Agreements, on aggregate and annual basis, is less than 2.5%, such transactions are only subject to the reporting and announcement requirements and no independent shareholders' approval is required.

## **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

“Board”	the board of directors of the Company
“Cap”	the maximum value of the aggregate guarantee fee payable by the Company
“CKH”	Cheung Kong (Holdings) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 001). The principal activities of CKH are investment holding and project management. Its subsidiaries are active in the field of property development and investment, hotel and serviced suite operation, property and project management and investment in securities
“CKH Guarantee Fee Agreements”	collectively, the four separate guarantee fee agreements entered into between the Company and CKH on 21 July 2009 in respect of the payment of a guarantee fee to CKH for its provision of guarantee to secure the Company’s obligations under each of the Loan Facilities
“Company”	TOM Group Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange
“Cranwood”	Cranwood Company Limited, a company incorporated in the Republic of Liberia, with principal business of investment holding. Cranwood is the holder of approximately 1.62% of TOM Shares in issue as at the date of this announcement
“Cranwood Group”	collectively Cranwood and its subsidiaries, which together hold an aggregate of approximately 25.45% of TOM Shares in issue as at the date of this announcement
“Cranwood Guarantee Fee Agreement”	the guarantee fee agreement entered into between the Company and Cranwood on 21 July 2009 in respect of the payment of a guarantee fee to Cranwood for its provision of guarantee to secure the Company’s obligations under the Term Loan Facility
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantees”	collectively, the guarantees provided all on 21 July 2009 by CKH, HWL and Cranwood on a several basis in respect of the Company’s obligations under the Term and Revolving Loan Facilities and/or the Term Loan Facility
“Guarantee Fee Agreements”	collectively, the CKH Guarantee Agreements, the HWL Guarantee Agreements and the Cranwood Guarantee Agreement

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HWL”	Hutchison Whampoa Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 13). HWL and its subsidiaries operate and invest in five core businesses: ports and related services; property and hotels; retail; energy and infrastructure, finance and investments, and others; and telecommunications
“HWL Guarantee Fee Agreements”	collectively, the four separate guarantee fee agreements entered into between the Company and HWL on 21 July 2009 in respect of the payment of a guarantee fee to HWL for its provision of guarantee to secure the Company’s obligations under each of the Loan Facilities
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Facilities”	collectively, the Term Loan Facility and the Term and Revolving Loan Facilities
“PRC”	the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Term and Revolving Loan Facilities”	the three separate term and revolving loan facilities of up to an aggregate principal amount of HK\$1,600 million agreed to be made available to the Company by three independent financial institutions pursuant to three facility agreements respectively, entered into by the Company on 30 June 2009 and 21 July 2009 (as appropriate)
“Term Loan Facility”	a term loan facility of up to HK\$300 million in principal amount agreed to be made available to the Company by an independent financial institution pursuant to a facility agreement entered into by the Company on 21 July 2009
“TOM Share(s)”	ordinary share(s) of par value HK\$0.10 each in the capital of the Company

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

Hong Kong, 22 July 2009

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

*Executive Directors:*

*Mr. Yeung Kwok Mung  
Ms. Angela Mak*

*Non-executive Directors:*

*Mr. Frank Sixt (Chairman)  
Ms. Debbie Chang  
Mrs. 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*