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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 on 30 December 2011, TOM International has entered into the HIL Advertising Services Agreement with HIL in respect of the provision of the print, publishing, advertising and other services to the HIL Group.

As HIL is a substantial shareholder of the Company, the transactions contemplated under the HIL Advertising Services Agreement constituted non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules. However, as each of the applicable percentage ratios for the transactions contemplated under the HIL Advertising Services Agreement is on an annual basis less than 5%, such transactions are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and no independent shareholders' approval is required.

HIL ADVERTISING SERVICES AGREEMENT

Date: 30 December 2011

Parties: (1) TOM International
(2) HIL

Services provided: TOM International shall provide, and/or to procure other members of the Group to provide, the following services to the HIL Group on such terms and conditions as may be separately determined and agreed between the relevant members of the Group and of the HIL Group from time to time during the term of the HIL Advertising Services Agreement:

- print and publishing services including the customized publishing services provided in accordance with the specific requirements of each individual customer
- advertising services including television, print, outdoor and online

- advertising services
- public relations and event management and other organization services (such as organizing press conferences and road shows, etc.)
- Internet, mobile Internet and website development, maintenance and/or hosting services

Fee:	The amount, payment method and details of the fee payable for the provision of the aforesaid services shall be separately determined and agreed between such member of the Group who provides the relevant services and such member of the HIL Group who requested the said services prior to their entering into each of such transactions.
Charging basis:	The fee for such services shall be calculated with reference to the then market rate for the provision of the relevant services.
Term:	From 1 January 2012 and expiring on 31 December 2014
Caps:	For the year ending 31 December 2012 – HK\$53,000,000 For the year ending 31 December 2013 – HK\$56,000,000 For the year ending 31 December 2014 – HK\$60,000,000
Basis for determining the Caps:	The aforesaid Caps are determined based on (i) the revenue for the aforesaid services provided to the HIL Group for the years 2009 to 2011; and (ii) the internal projection of the value of the contracts to be entered into with the HIL Group for the three years ending 31 December 2014.

REASONS FOR ENTERING INTO THE HIL ADVERTISING SERVICES AGREEMENT

The Group has been providing the print, publishing, advertising and other services to the HIL Group under the Previous HIL Advertising Services Agreement, subject to the Caps of HK\$25,000,000, HK\$25,000,000 and HK\$26,000,000 for the three years ended 31 December 2009, 2010 and 2011 respectively. On 28 December 2010, TOM International entered into the Supplemental Agreement with HIL, which revised the Caps for the two years ended 31 December 2010 and 2011 to HK\$37,000,000 and HK\$45,000,000 respectively. Details of the transactions have been disclosed in the announcements dated 30 December 2008 and 28 December 2010 of the Company. None of the aforesaid Caps (as revised by the Supplemental Agreement) for each of the three years ended 31 December 2011 has been exceeded.

As the Previous HIL Advertising Services Agreement will expire on 31 December 2011, on 30 December 2011, TOM International has entered into the HIL Advertising Services Agreement with HIL for extending the provision of the print, publishing, advertising and other services to the HIL Group.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the HIL Advertising Services Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group. The Directors (including the independent non-executive Directors) are also of the view that the terms and the relevant Caps under the HIL Advertising Services Agreement are fair and reasonable and in the interests of the shareholders of the Company as a whole.

CONTINUING CONNECTED TRANSACTIONS

As HIL is a substantial shareholder of the Company, the transactions contemplated under the HIL Advertising Services Agreement constituted non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules. However, as each of the applicable percentage ratios for the transactions contemplated under the HIL Advertising Services Agreement is on an annual basis less than 5%, such transactions are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and no independent shareholders' approval is required.

As none of the Directors has any material interest in the continuing connected transactions herein announced, no Director was required to abstain from voting on the Board resolutions approving the HIL Advertising Services Agreement and the Caps.

GENERAL

The Company (HKSE stock code: 2383) 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 five key areas: Internet, e-commerce, outdoor media, publishing and television & entertainment across markets in Mainland China, Taiwan and Hong Kong.

DEFINITIONS

“Board”	means the board of directors of the Company
“Cap”	means the maximum value of the aggregate fee payable by the relevant parties
“Company”	means 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
“Director(s)”	means the director(s) of the Company
“Group”	means the Company and its subsidiaries
“HIL”	means Hutchison International Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of Hutchison Whampoa Limited. Its principal business is acting as the holding company and corporate head office of the business of Hutchison Whampoa Limited. HIL is a substantial shareholder (as defined under the Listing Rules) of the Company
“HIL Advertising Services Agreement”	means the agreement dated 30 December 2011 entered into between TOM International and HIL in respect of the provision of the print, publishing, advertising and other services to the HIL Group
“HIL Group”	means HIL and its subsidiaries from time to time
“HK\$”	means Hong Kong dollars

“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“Previous HIL Advertising Services Agreement”	means the agreement dated 30 December 2008 entered into between TOM International and HIL in respect of the provision of the print, publishing, advertising and other services to the HIL Group
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	shall have the meaning ascribed thereto in the Companies Ordinance of Hong Kong
“Supplemental Agreement”	means the supplemental agreement dated 28 December 2010 entered into between TOM International and HIL, supplementing the Previous HIL Advertising Services Agreement and revising the Caps for the two years ended 31 December 2010 and 2011
“TOM International”	means TOM Group International Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

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

Hong Kong, 30 December 2011

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

<i>Executive Directors:</i>	<i>Non-executive Directors:</i>	<i>Independent non-executive Directors:</i>
<i>Mr. Yeung Kwok Mung</i>	<i>Mr. Frank Sixt (Chairman)</i>	<i>Mr. Henry Cheong</i>
<i>Ms. Angela Mak</i>	<i>Ms. Debbie Chang</i>	<i>Ms. Anna Wu</i>
	<i>Mrs. Susan Chow</i>	<i>Mr. James Sha</i>
	<i>Mr. Edmond Ip</i>	
	<i>Mrs. Angelina Lee</i>	<i>Alternate Director:</i>
		<i>Mr. Francis Meehan</i>
		<i>(Alternate to each of Mr. Frank Sixt, Ms. Debbie Chang, Mrs. Susan Chow and Mr. Edmond Ip)</i>

**for identification purpose*