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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 and HWL granting the Guarantees, on 16 December 2013, the Company entered into the CKH Guarantee Fee Agreements and the HWL Guarantee Fee Agreements with CKH and HWL 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 and HWL 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, subject to the annual Caps of HK\$700,000, HK\$14,500,000, HK\$14,500,000 and HK\$14,300,000 for the years ending 31 December 2013, 2014, 2015 and 2016 respectively.

As CKH and HWL 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 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 Loan Facilities of up to an aggregate principal amount of HK\$2,900 million by four independent financial institutions pursuant to four facility agreements entered into by the Company on 16 December 2013 for a term of 3 years 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 16 December 2013, CKH provided guarantees on a several basis in respect of 19.65% of the Company's obligations under each of the Loan Facilities; and HWL provided guarantees on a several basis in respect of 80.35% of the Company's obligations under each of the Loan Facilities.

**for identification purpose*

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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 and HWL 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 and HWL 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 and HWL 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.

LISTING RULES IMPLICATIONS

Currently, CKH and HWL are interested in approximately 12.23% and 24.47% of the issued share capital of the Company respectively. As CKH and HWL 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 5%, such transactions are only subject to the reporting and announcement requirements 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 in relation to the approval of the Guarantee Fee Agreements and the Caps.

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 five key areas: mobile Internet, e-commerce, 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: 0001). The principal activities of CKH and its subsidiaries are investment holding, property development and investment, hotel and serviced suite operation, property and project management, and investment in infrastructure business and securities
“CKH Guarantee Fee Agreements”	collectively, the four separate guarantee fee agreements entered into between the Company and CKH on 16 December 2013 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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantees”	collectively, the guarantees provided all on 16 December 2013 by CKH and HWL on a several basis in respect of the Company’s obligations under the Loan Facilities
“Guarantee Fee Agreements”	collectively, the CKH Guarantee Fee Agreements and the HWL Guarantee Fee Agreements
“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, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 0013). HWL and its subsidiaries operate and invest in six core businesses: ports and related services; property and hotels; retail; infrastructure; energy; and telecommunications
“HWL Guarantee Fee Agreements”	collectively, the four separate guarantee fee agreements entered into between the Company and HWL on 16 December 2013 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”	the four separate term and revolving loan facilities of up to an aggregate principal amount of HK\$2,900 million agreed to be made available to the Company by four independent financial institutions pursuant to four facility agreements dated 16 December 2013
“PRC”	the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 16 December 2013

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
Mr. Edmond Ip
Mrs. Angelina Lee

Independent non-executive Directors:
Mr. Henry Cheong
Mr. James Sha
Mr. Albert Ip

Alternate Director:
Mrs. Susan Chow
(Alternate to Mr. Frank Sixt)