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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)

**TERMINATION OF EXISTING CONTINUING CONNECTED TRANSACTIONS
AND
NEW CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the Announcement relating to, inter alia, the Existing Continuing Connected Transactions. On 21 December 2015, the Company entered into the Amendment and Restatement Deeds to amend certain terms of the Existing Facility Agreements (the “Amendments”) and to terminate the Existing Guarantees (the “Termination”).

The Board announces that in consideration of CKHH granting the CKHH Guarantees, on 21 December 2015, the Company entered into the CKHH Guarantee Fee Agreements with CKHH, 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 Amended and Restated Agreements and the New Facility Agreements to CKHH payable quarterly in advance, subject to the annual Caps of HK\$500,000, HK\$16,000,000, HK\$16,000,000 and HK\$16,000,000 for the years ending 31 December 2015, 2016, 2017 and 2018 respectively.

As CKHH is a substantial shareholder of the Company, the transactions contemplated under the CKHH 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 CKHH Guarantee Fee Agreements, on aggregate and annual basis, is more than 0.1% but less than 5%, such transactions are exempted from the independent shareholders’ approval requirements under the Listing Rules, and are only subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

TERMINATION OF EXISTING CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Announcement relating to, inter alia, the Existing Continuing Connected Transactions. Pursuant to the CKH Guarantee Fee Agreements and the HWL Guarantee Fee Agreements, 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 Existing Facilities to CKH and HWL payable quarterly in advance in proportion to their respective percentage of the Existing Guarantees given in respect of the obligations of the Company under the Existing Facilities.

On 21 December 2015, the Company entered into the Amendment and Restatement Deeds to amend certain terms of the Existing Facility Agreements, including the revision of facility size to HK\$2,400 million in aggregate, and to terminate the Existing Guarantees.

The Directors are of the view that the termination of the Existing Guarantees has no adverse effect to the Company.

NEW CONTINUING CONNECTED TRANSACTIONS – CKHH GUARANTEE FEE AGREEMENTS

Simultaneously upon the taking effect of the Amendments and the Termination, CKHH shall provide guarantees in respect of 100% of the Company's obligations under each of the Amended and Restated Agreements pursuant to the CKHH Guarantees entered into by it with respect to such agreements on 21 December 2015.

On the other hand, the Company has been granted the New Facilities of up to an aggregate principal amount of HK\$800 million by two independent financial institutions pursuant to the New Facility Agreements entered into by the Company on 21 December 2015 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 New Facilities to the Company, on 21 December 2015, CKHH provided guarantees in respect of 100% of the Company's obligations under each of the New Facilities pursuant to the CKHH Guarantees entered into by it with respect to such facilities.

The aggregated facility size pursuant to the Amended and Restated Agreements and the New Facility Agreements amounts to HK\$3,200 million.

The Board announces that in consideration of CKHH granting the CKHH Guarantees, on 21 December 2015, the Company entered into the CKHH Guarantee Fee Agreements with CKHH, 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 Amended and Restated Agreements and the New Facility Agreements to CKHH payable quarterly in advance, subject to the annual Caps of HK\$500,000, HK\$16,000,000, HK\$16,000,000 and HK\$16,000,000 for the years ending 31 December 2015, 2016, 2017 and 2018 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 CKHH for the provision of similar guarantees to secure the obligations of its subsidiaries and associated companies under loan facilities. In addition, the Caps are based on the annual total amount of the guarantee fee payable to CKHH under the CKHH Guarantee Fee Agreements.

REASONS FOR ENTERING INTO THE CKHH GUARANTEE FEE AGREEMENTS

As the provision of the CKHH Guarantees is made a condition precedent to the taking effect of the Amendment and Restatement Deeds and the New Facility Agreements and in consideration of CKHH granting the CKHH 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 CKHH pursuant to the CKHH Guarantee Fee Agreements.

The Board (including the independent non-executive Directors) also consider the respective terms of, and the Caps under the CKHH 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, CKHH is interested in approximately 36.7% of the issued share capital of the Company. As CKHH is a substantial shareholder of the Company, the transactions contemplated under the CKHH 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 CKHH Guarantee Fee Agreements, on aggregate and annual basis, is more than 0.1% but less than 5%, such transactions are exempted from the independent shareholders' approval requirements under the Listing Rules, and are only subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

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 CKHH 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: e-commerce, mobile internet, publishing, outdoor media and television & entertainment across markets in the Mainland China, Taiwan and Hong Kong.

DEFINITIONS

“Amended and Restated Agreements”	collectively, the four separate Existing Facility Agreements as amended and restated by the four separate Amendment and Restatement Deeds
“Amendment and Restatement Deeds ”	collectively, the four amendment and restatement deeds in relation to the Existing Facility Agreements entered into between four independent financial institutions, the Company, HWL and CKH, pursuant to which the terms of the Existing Facility Agreements will be amended and restated and to terminate the Existing Guarantees
“Announcement”	the announcement of the Company dated 16 December 2013 in relation to the CKH Guarantee Fee Agreements and the HWL Guarantee Fee Agreements
“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
“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 Existing Facility Agreements
“CKHH”	CK Hutchison Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 0001)
“CKHH Guarantee Fee Agreements”	collectively, the six separate guarantee fee agreements entered into between the Company and CKHH on 21 December 2015 in respect of the payment of a guarantee fee to CKHH for its provision of guarantee to secure the Company’s obligations under each of the Amended and Restated Agreements and the New Facility Agreements
“CKHH Guarantees”	collectively, the guarantees provided all on 21 December 2015 by CKHH in respect of the Company’s obligations under the Amended and Restated Agreements and the New Facility Agreements
“Company”	TOM Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2383)

“Director(s)”	the director(s) of the Company
“Existing Continuing Connected Transactions”	the existing transactions between the Company, with HWL and CKH respectively in respect of granting the Existing Guarantees pursuant to the HWL Guarantee Fee Agreements and CKH Guarantee Fee Agreements respectively
“Existing 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
“Existing Facility Agreements”	collectively, the four separate facility agreements entered into between the Company and four independent financial institutions on 16 December 2013
“Existing 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 Existing Facility Agreements
“Group”	the Company and its subsidiaries from time to time
“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
“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 Existing Facility Agreements
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Continuing Connected Transactions”	the transactions between the Company and CKHH in respect of granting the CKHH Guarantees pursuant to the CKHH Guarantee Fee Agreements
“New Facilities”	the two separate term and revolving loan facilities of up to an aggregate principal amount of HK\$800 million agreed to be made available to the Company by two independent financial institutions pursuant to two facility agreements dated 21 December 2015
“New Facility Agreements”	collectively, the two separate facility agreements entered into between the Company and two independent financial institutions on 21 December 2015

“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, 21 December 2015

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)