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If you have sold or transferred all your shares in **TOM Group Limited**, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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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)

**CONNECTED TRANSACTION
AND
DISCLOSEABLE TRANSACTION**

**Acquisition of the remaining 35% of
the issued share capital of TOM Outdoor Media Group Limited**

**Independent financial adviser to the Independent Board Committee
and the Independent Shareholders**



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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition”	means the 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
“associates”	has the meaning ascribed to it under the Listing Rules
“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
“Latest Practicable Date”	means 27 May 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“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 circular, excludes Hong Kong, the Macao Special Administrative Region and Taiwan

DEFINITIONS

“Pre-IPO Share Option Plan”	means the pre-IPO share option plan adopted by the Company on 11 February 2000
“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
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	means the shares of HK\$0.1 each in the capital of the Company
“Shareholders”	means holder(s) of the shares of HK\$0.1 each of the Company
“Share Option Scheme”	means the share option scheme adopted by the Company on 11 February 2000 (as amended)
“Sommerley”	means Sommerley Limited, a corporation licensed under the SFO to conduct type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities, has been appointed as the independent financial adviser to advise the Independent Board Committee and the independent Shareholders in relation to the Acquisition
“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

LETTER FROM THE BOARD



TOM Group Limited

TOM集團有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2383)

Directors:

Frank Sixt* (*Chairman*)

Yeung Kwok Mung (*Chief Executive Officer*)

Angela Mak (*Chief Financial Officer*)

Debbie Chang*

Susan Chow*

Edmond Ip*

Henry Cheong#

Angelina Lee*

Anna Wu#

James Sha#

Francis Meehan*

(Alternate to each of Frank Sixt,

Debbie Chang, Susan Chow and Edmond Ip)

* *Non-executive Directors*

Independent non-executive Directors

Registered office:

P.O. Box 309

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

British West Indies

Head office and principal

place of business:

48th Floor, The Center

99 Queen's Road Central

Central

Hong Kong

3 June 2009

To the Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION
AND
DISCLOSEABLE TRANSACTION**

**Acquisition of the remaining 35% of
the issued share capital of TOM Outdoor Media Group Limited**

* *for identification purpose*

LETTER FROM THE BOARD

A. INTRODUCTION

On 13 May 2009, the Company announced that 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.

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. 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 for 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.

Waiver has been obtained from the Stock Exchange from the requirement to convene a general meeting to approve the Acquisition pursuant to Rule 14A.43 of the Listing Rules on the basis that no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition and 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 Latest Practicable Date 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 has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the independent Shareholders.

The purpose of this circular is to provide the Shareholders with further information relating to the Acquisition and to set out the letter of advice from the Independent Board Committee in relation to the Acquisition and the letter of advice from Somerley to the Independent Board Committee and the independent Shareholders in relation to the Acquisition. This circular also contains information in compliance with the Listing Rules.

B. THE AGREEMENT

1. Date

13 May 2009

LETTER FROM THE BOARD

2. Parties

Vendor: SPH

Purchaser: TOM Outdoor Media Holdings

3. Assets to be acquired

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

4. 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.

5. 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.

6. Completion

Pursuant to the Agreement, 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. Completion took place on 27 May 2009.

C. 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.

LETTER FROM THE BOARD

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. The audited 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 audited consolidated net assets of TOM OMG prepared in accordance with HK GAAP was approximately HK\$511,324,000.

D. 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 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.

E. CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION

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. 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 for 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.

Waiver has been obtained from the Stock Exchange from the requirement to convene a general meeting to approve the Acquisition pursuant to Rule 14A.43 of the Listing Rules on the basis that no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition and 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 Latest Practicable Date giving the right to attend and vote at a general meeting of the Company (if the Company were to convene one).

LETTER FROM THE BOARD

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.

F. 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.

Your attention is drawn to the additional information set out in the Appendix to this circular.

Yours faithfully,
By Order of the Board
TOM GROUP LIMITED
Yeung Kwok Mung
Chief Executive Officer
and
Executive Director

LETTER FROM SOMERLEY LIMITED

The following is the letter of advice from the independent financial adviser, Somerley Limited, to the Independent Board Committee and the independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



SOMERLEY LIMITED

10th Floor
The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

3 June 2009

To : *the Independent Board Committee and
the independent Shareholders*

Dear Sirs,

CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION

Acquisition of the remaining 35% of the issued share capital of TOM Outdoor Media Group Limited

We refer to our appointment as independent financial adviser to advise the Independent Board Committee and the independent Shareholders in connection with the transaction involving the acquisition of a 35% equity interest in TOM OMG from SPH pursuant to the Agreement dated 13 May 2009. Details of the Acquisition are set out in the letter from the Board contained in the circular of the Company to the Shareholders dated 3 June 2009 (the “Circular”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

SPH is a connected person of the Company under the Listing Rules because of its 35% equity interest in TOM OMG as at the date of the Agreement. In addition, the applicable ratios contained in the Listing Rules exceed 5% but are below 25%. Accordingly, the Acquisition constitutes a discloseable and connected transaction for the Company under the Listing Rules, and is subject to the independent Shareholders’ approval requirement in addition to the reporting and announcement requirements as stipulated under the Listing Rules. In this case, as no Shareholder has a material interest in the Acquisition different from other Shareholders, no Shareholder is required to abstain from voting in the general meeting which would, in the absence of written consent, be held for the purpose of approving the Acquisition. The Company has already obtained written approval of the Acquisition from a closely allied group of Shareholders holding in aggregate approximately 62.13% of the issued share capital of the Company as at the Latest Practicable Date. On this basis, the Company has applied to the Stock Exchange for a waiver (the “Waiver”) from the requirement to hold a general meeting of the Shareholders and for permission for the shareholders’ approval of the Acquisition to be given in writing under the terms of Rule 14A.43 of the Listing Rules. The Stock Exchange granted the Waiver on 14 May 2009.

LETTER FROM SOMERLEY LIMITED

The Independent Board Committee, comprising all of the three independent non-executive Directors, namely Mr. Henry Cheong, Ms. Anna Wu and Mr. James Sha, has been established to consider on whether (1) the terms of the Acquisition are on normal commercial terms and are fair and reasonable so far as the independent Shareholders are concerned; and (2) the Acquisition is in the interests of the Company and the Shareholders as a whole. We, Somerley Limited, have been appointed to advise the Independent Board Committee and the independent Shareholders in this regard.

In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the executive Directors and management of the Company and have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects and will remain so up to the date of the Circular. We have also sought and received confirmation from the executive Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter and to justify our reliance on such information. We have no reason to believe that any material information has been withheld, nor doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether (a) the Acquisition is on normal commercial terms which are fair and reasonable so far as the independent Shareholders are concerned; and (b) the Acquisition is in the interests of the Company and the Shareholders as a whole, we have taken into account the principal factors and reasons set out below:

1. Background to and reason for the Acquisition

The Group is principally engaged in four main businesses, namely (a) internet – provision of wireless value-added services, online advertising, commercial enterprise solutions and internet portal services; (b) publishing – engaging in magazine and book circulation, sales of publication advertising and other related products; (c) outdoor media – advertising sales for outdoor media assets, including billboard and unipoles, and provision of outdoor media services; and (d) television and entertainment – advertising sales in relation to satellite television channel operations, provision of broadcasting post production and event production and marketing services.

The outdoor media business contributed approximately 16.4% and 17.0% of the Group's revenue for the two years ended 31 December 2007 and 2008 respectively. TOM OMG is the operating arm of the Group's outdoor media business and is the holding company of the Outdoor Media Group.

LETTER FROM SOMERLEY LIMITED

The Group and the holding company of SPH as well as its subsidiary entered into a subscription agreement in March 2006, pursuant to which the holding company of SPH agreed to subscribe for new shares of TOM OMG at a total consideration of US\$26 million (equivalent to approximately HK\$202.8 million) with a view to broadening the customer base of TOM OMG and creating synergies between the outdoor media business of the parties. The executive Directors advise us that material part of this subscription proceed has been remaining idle since completion of the subscription. The holding company of SPH is a leading media group listed in Singapore. Such subscription shares represented 35% of enlarged issued share capital of TOM OMG following completion of the subscription.

Upon completion of the Acquisition, TOM OMG becomes a wholly-owned subsidiary of the Company and its board of directors and management team is entirely controlled by the Company. With such control, the Company can integrate the business of the Outdoor Media Group fully with other business divisions of the Group, creating a streamlined management and operational structure so that the business of the Outdoor Media Group can be conducted more effectively. We understand from the executive Directors that the Group intends to integrate its other businesses namely, internet and television and entertainment, more closely with the Outdoor Media Group so that the Outdoor Media Group can position itself as an integrated solution provider to its customers after completion of the Acquisition. Moreover, it is also the Group's intention to utilize any unused outdoor inventory of the Outdoor Media Group to promote the Group's own image and for corporate branding after completion of the Acquisition. Accordingly, the executive Directors regard the Acquisition as a good opportunity for the Group to consolidate its control in TOM OMG.

Despite SPH becoming a significant shareholder of TOM OMG, the Group has continued to take the most active role in managing TOM OMG's business. Accordingly, the executive Directors are of the view that the Acquisition does not have any material impact on TOM OMG's business and daily operations.

On this basis, the executive Directors consider that the Acquisition is in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Agreement

Principal terms of the Agreement are as follows:

Parties

Vendor : SPH
Purchaser : TOM Outdoor Media Holdings

Assets to be acquired

Pursuant to the Agreement, 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.

Consideration

The consideration for the Sale Shares is HK\$60,000,000, payable in cash on Completion.

LETTER FROM SOMERLEY LIMITED

Completion

Completion takes 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. As informed by the executive Directors, completion took place on 27 May 2009.

Lock up

TOM Outdoor Media Holdings shall not, without the prior written consent of SPH, within 3 months from the date of Completion enter into any agreement in relation to the sale of all or any of the shares in or assets of the Outdoor Media Group to a third party.

3. Past performance and future prospects of TOM OMG

TOM OMG is a leading outdoor advertising operator in the PRC with over 300,000 square metres of media asset space across over 60 major cities in the PRC as at 31 December 2008. TOM OMG is focused on building the largest billboard and unipole network in the PRC. Billboards and unipoles represented over 60% of TOM OMG's total media assets in terms of advertising space as at 31 December 2008. Other media assets include metro media, street furniture and transportation advertising assets. Being a one-stop media solution provider, TOM OMG also designs, produces and installs advertisements on advertising panels in the PRC.

The following table summarises the consolidated financial results of TOM OMG for the two years ended 31 December 2007 and 2008:

	For the year ended	
	31 December	
	2007	2008
	(Audited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	439,794	466,562
Gross profit	107,977	66,604
Operating profit/(loss)	9,292	(98,832)
Finance costs – net	(5,889)	(5,189)
Profit/(loss) for the year attributable to		
– shareholders of TOM OMG	(12,587)	(101,753)
– minority interests	15,729	2,487
	3,142	(99,266)

LETTER FROM SOMERLEY LIMITED

TOM OMG recorded audited consolidated revenue of approximately HK\$466.6 million for the year ended 31 December 2008, representing a growth of approximately 6.1% as compared to last year. TOM OMG recorded an audited consolidated loss attributable to its shareholders of approximately HK\$101.8 million in 2008 as compared to last year's audited loss of approximately HK\$12.6 million. In 2008, advertisers became conservative with respect to marketing initiatives because of sluggish economic conditions and natural disasters in the PRC. Furthermore, city planning and restructuring exercises by the PRC government authorities of certain second and third tier cities led to demolition of certain TOM OMG's media assets in Kunming, Liaoning and Chongqing, and write-offs of these media assets were made in 2008. As a result of these various factors, TOM OMG recorded a loss attributable to its shareholders in 2008. As at 31 December 2008, the audited consolidated net assets of TOM OMG attributable to its shareholders amounted to approximately HK\$436.7 million.

Despite recording a loss in 2008, the executive Directors are of the view that the prospects for the outdoor media business in the PRC remain promising. The executive Directors regard the PRC as one of the places which may recover quickly from the global economic tsunami. The PRC government has recently introduced and implemented a RMB4 trillion economic stimulus plan to boost domestic demand and to maintain economic growth of 8% in 2009. Aside from the RMB4 trillion economic stimulus plan, the PRC government has adopted fiscal measures such as lowering loan interest rates and bank reserve ratios to stimulate the economy and domestic consumption. The stimulation of domestic demand and consumption is expected to promote the demand for advertising services. The executive Directors expect the Outdoor Media Group to benefit from these opportunities because outdoor media in the PRC is more cost effective than other forms of advertising and the Outdoor Media Group has established a nationwide billboard and unipole network in the PRC, in particular in second and third tier cities.

It is stated in the annual report of the Company for the year ended 31 December 2008 that TOM OMG had undergone a restructuring exercise and a number of measures had been taken to restore its healthy growth momentum. Moreover, the management of TOM OMG continued to optimise the media assets portfolio by acquiring premium and higher margin categories in leading second tier cities in the PRC during 2008. For example, TOM OMG acquired over 140 media assets units including billboards, unipoles and light boxes in Fuzhou airport with a total media asset space of over 3,500 square metres which are expected to start revenue contribution in 2009.

The executive Directors inform us that after completion of the Acquisition, they intends to accelerate a programme for TOM OMG to (a) terminate non-performing projects; (b) integrate its business with the Group's other business divisions to create new products; (c) cross-sell products with other business divisions of the Group; and (d) enhance operation efficiency of respective subsidiaries. Moreover, TOM OMG plans to devote more resources to promote growth in second and third tier cities in the PRC to strengthen its nationwide network media assets and become the partner of choice for local government of these cities for their urban city planning projects.

On this basis, the executive Directors consider that the prospects of TOM OMG are promising and that TOM OMG is being repositioned for improved performance and growth.

LETTER FROM SOMERLEY LIMITED

4. Evaluation of the consideration

The executive Directors advise us that the Consideration for the Acquisition of HK\$60 million was determined among the parties after arm's length negotiations and primarily based on the 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. This Consideration values the entire equity interest of TOM OMG at approximately HK\$171.4 million and therefore represents a historical price to book multiple ("PBR") of approximately 0.39 times based on the audited consolidated net asset value of TOM OMG attributable to its shareholders of approximately HK\$436.7 million as at 31 December 2008. Since TOM OMG recorded an audited loss attributable to its shareholders for the year ended 31 December 2008, a historical price to earnings multiple represented by the Consideration cannot be determined.

In our evaluation of the fairness and reasonableness of the consideration for the Acquisition, we have researched the market ratings of companies listed in Hong Kong which are principally engaged in outdoor media business in the PRC. We have identified three listed companies (the "Comparable Companies") that meet these selection criteria as described below:

Company name	Market capitalisation as at Latest Practicable Date <i>(Note 1)</i> <i>HK\$ million</i>	Audited/ unaudited consolidated net assets attributable to its shareholders <i>(Note 2)</i> <i>HK\$ million</i>	Historical PBR <i>(Note 3)</i> <i>Times</i>
China Outdoor Media Group Limited ("China Outdoor") (stock code : 254)	340.8	116.3	2.93
Clear Media Limited ("Clear Media") (stock code : 100)	1,573.1	2,428.2	0.65
Dahe Media Co., Ltd. ("Dahe") (stock code: 8243)	190.9	327.3	0.58
Average			1.39
Median			0.65
The Acquisition			0.39

LETTER FROM SOMERLEY LIMITED

Notes:

1. Source : Bloomberg
2. The figures for Clear Media and Dahe are extracted from their respective latest published annual report for the year ended 31 December 2008. For China Outdoor, the figure is extracted from its latest published interim report for the six months ended 31 December 2008. Figures in Renminbi are translated into HK\$ at a rate of RMB0.882 = HK\$1.

It is disclosed in the interim report of China Outdoor that China Outdoor group entered into an agreement on 26 November 2008 to dispose of the entire issued share capital of a subsidiary whose principal asset is a PRC property. Consideration for the disposal was HK\$35 million and an estimated loss of approximately HK\$14 million will be recorded upon completion of the disposal. Subsequent to the issue of the interim report, China Outdoor announced that completion of the disposal took place on 3 April 2009.

3. The historical PBR figures of the Comparable Companies are calculated based on audited or unaudited consolidated net assets attributable to their respective shareholders as set out in their latest published annual or interim reports, and their closing market capitalisation as at the Latest Practicable Date.

As illustrated above, shares of the Comparable Companies traded at between approximately 0.58 times and 2.93 times their respective consolidated net asset value. The simple average PBR of the Comparable Companies is approximately 1.39 times, with a median of approximately 0.65 times. The historical PBR of TOM OMG of approximately 0.39 times represented by the Consideration is lower than the simple average and the median PBR of the Comparable Companies. We consider this a favourable basis for the Company in making the Acquisition.

5. Financial effects of the Acquisition on the Group

Following completion of the Acquisition, TOM OMG becomes a wholly-owned subsidiary of the Group. Accordingly, the financial results, assets and liabilities of TOM OMG will continue to be consolidated into accounts of the Group after completion of the Acquisition, with the present minority interests in TOM OMG being eliminated.

(a) Earnings

Based on the audited consolidated net assets of TOM OMG attributable to its shareholders of approximately HK\$436.7 million as at 31 December 2008 and the Consideration for the Acquisition of HK\$60 million pursuant to the Agreement, the executive Directors expect that the Group would record a gain of approximately HK\$90 million as a result of the Acquisition. Such gain is non-recurring in nature and will be reflected in the profit and loss account of the Group for the year ending 31 December 2009. The actual gain on the Acquisition to be recognised by the Group, which will be calculated by reference to the financial position of TOM OMG at the time of completion of the Acquisition, may vary from the above figure, but is not expected to be materially different as advised by the executive Directors.

TOM OMG recorded audited loss attributable to its shareholders of approximately HK\$101.8 million for the year ended 31 December 2008. Assuming Completion took place on 1 January 2008, the Group's attributable profit or loss would be calculated after consolidating 100% of such losses, rather than 65%. The executive Directors are of the view that TOM OMG is being repositioned for improved performance and growth, and its prospects are promising. Accordingly, the executive Directors expect that the Acquisition will not have material adverse impact on the Group's results.

LETTER FROM SOMERLEY LIMITED

(b) *Net asset value*

Based on the audited consolidated net assets of TOM OMG attributable to its shareholders of approximately HK\$436.7 million as at 31 December 2008 and the Consideration for the Acquisition of HK\$60 million pursuant to the Agreement, it is expected by the executive Directors that the consolidated net asset value of the Group attributable to the Shareholders will increase by approximately HK\$90 million, which represents the non-recurring gain on the Acquisition.

(c) *Cashflow*

As part of the subscription of TOM OMG new shares by the holding company of SPH in 2006, the Group (other than the Outdoor Media Group) agreed to advance approximately HK\$240.2 million to TOM OMG repayable on the earlier of (a) the fifth anniversary of the date of loan agreement; or (b) a qualifying initial public offering of TOM OMG. The advance is not interest bearing. The executive Directors advise us that the advance has been made to TOM OMG. Based on existing capital expenditure and working capital requirements of the Outdoor Media Group, the executive Directors consider that the Outdoor Media Group has surplus cash of over HK\$100 million. The executive Directors intend to amend the repayment term of the loan agreement in respect of the HK\$240.2 million advance so that TOM OMG will apply part of its surplus cash to partially repay the advance after completion of the Acquisition. In view of this, we are of the view that the Group can enjoy greater cashflow management flexibility as a result of the Acquisition.

Taking into account the above factors, we consider that the Acquisition is, from a financial standpoint, in the interests of the Company and the Shareholders as a whole.

DISCUSSION AND ANALYSIS

The executive Directors consider that the outdoor media business of TOM OMG has significant potential. They are devoting considerable time and resources to building up its outdoor media assets, particularly in the second and third tier PRC cities where they believe attractive opportunities exist. The Group will finance the purchase price from cash on hand. This is expected to generate a non-recurring gain to the Group on Completion of approximately HK\$90 million. Two of the three Comparable Companies we have identified also stand at a discount to net assets, but not as great as the discount represented by the purchase price of the 35% interest in TOM OMG.

TOM OMG recorded substantial loss attributable to its shareholders of approximately HK\$101.8 million in 2008. However, the executive Directors believe that the commercial and financial conditions which made 2008 so challenging are now improving and that the outdoor media business in particular will benefit from the PRC government's stimulus package. As the Group already holds 65% of TOM OMG as at the date of the Agreement and is putting considerable effort behind its expansion, we consider it advantageous for the Group to eliminate minorities and take 100% control, to increase its flexibility in management and reap the full reward for its efforts in due course.

LETTER FROM SOMERLEY LIMITED

SPH, the vendor, is only a connected person of the Group through its substantial shareholding in TOM OMG as at the date of the Agreement, which is now sold and no Shareholder has a material interest in the Acquisition different from other Shareholders. Consequently, the Stock Exchange has given consent for the Acquisition to be approved in writing by a group of closely allied Shareholders who hold approximately 62.13% of the Company. Consequently, the Acquisition has already been completed and this letter is for your information only.

OPINION

Based on the above principal factors and reasons, we consider that the Acquisition is on normal commercial terms which are fair and reasonable so far as the independent Shareholders are concerned and that the Acquisition is in the interests of the Company and the Shareholders as a whole. We also consider that the entering into of the Agreement is in the ordinary and usual course of business of the Company. Had a general meeting been required to approve the Acquisition, we would have recommended that the independent Shareholders vote in favour of the appropriate resolution.

Yours faithfully,
for and on behalf of
SOMERLEY LIMITED
M. N. Sabine
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



TOM Group Limited

TOM集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2383)

3 June 2009

To the Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION
AND
DISCLOSEABLE TRANSACTION**

**Acquisition of the remaining 35% of
the issued share capital of TOM Outdoor Media Group Limited**

We refer to the circular dated 3 June 2009 of the Company (“Circular”), of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter will have the same meanings as defined in the Circular.

We have been appointed as the Independent Board Committee to give advice to the independent Shareholders in relation to the Acquisition. None of the members of the Independent Board Committee has any direct or indirect interest in the Acquisition.

Somerley has been appointed as the independent financial adviser to advise the Independent Board Committee and the independent Shareholders in relation to the Acquisition. We wish to draw your attention to the letter of advice from Somerley as set out on pages 8 to 16 of the Circular.

Having considered the advice given by Somerley and the principal factors and reasons taken into consideration by them in arriving at its advice, we consider that the Acquisition is on normal commercial terms which are fair and reasonable so far as the independent Shareholders are concerned, and the Acquisition is in the interest of the Company and the Shareholders as a whole. We also consider that the entering into of the Agreement is in the ordinary and usual course of business of the Company.

Yours faithfully,

Henry Cheong
*Independent
non-executive Director*

Anna Wu
*Independent
non-executive Director*

James Sha
*Independent
non-executive Director*

Independent Board Committee

* for identification purpose

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”), to be notified to the Company and the Stock Exchange, were as follows:

(a) *Long positions in the Shares*

Name of Directors	Capacity	Number of Shares				Total	Approximate percentage of shareholding
		Personal Interests	Family Interests	Corporate Interests	Other Interests		
Yeung Kwok Mung	Interest of spouse	–	30,000	–	–	30,000	Below 0.01%
Angela Mak	Beneficial owner	44,000	–	–	–	44,000	Below 0.01%

(b) Rights to acquire the Shares

Pursuant to the Pre-IPO Share Option Plan and/or the Share Option Scheme, certain Directors were granted share options to subscribe for the Shares, details of which as at the Latest Practicable Date were as follows:

Name of Directors	Date of grant	Number of share options outstanding as at the Latest Practicable Date	Option period	Subscription price per Share HK\$
Angela Mak	11/2/2000	3,026,000	11/2/2000-10/2/2010	1.78
	9/10/2003	6,000,000	9/10/2003-8/10/2013	2.505
James Sha	15/11/2000	15,000,000	15/11/2000-14/11/2010	5.30

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of, the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

3. INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

So far as is known to any Directors or chief executive of the Company, as at the Latest Practicable Date, the following persons/companies (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

Name	Capacity	No. of Shares held	Approximate percentage of shareholding
Li Ka-shing	Founder of discretionary trusts & interest of controlled corporations	1,429,024,545 (L) (Notes 1 & 2)	36.70%

Name	Capacity	No. of Shares held	Approximate percentage of shareholding
Li Ka-Shing Unity Trustee Corporation Limited <i>(as trustee of The Li Ka-Shing Unity Discretionary Trust)</i>	Trustee & beneficiary of a trust	1,429,024,545 (L) <i>(Notes 1 & 2)</i>	36.70%
Li Ka-Shing Unity Trustcorp Limited <i>(as trustee of another discretionary trust)</i>	Trustee & beneficiary of a trust	1,429,024,545 (L) <i>(Notes 1 & 2)</i>	36.70%
Li Ka-Shing Unity Trustee Company Limited <i>(as trustee of The Li Ka-Shing Unity Trust)</i>	Trustee	1,429,024,545 (L) <i>(Notes 1 & 2)</i>	36.70%
Cheung Kong (Holdings) Limited	Interest of controlled corporations	1,429,024,545 (L) <i>(Notes 1 & 2)</i>	36.70%
Cheung Kong Investment Company Limited	Interest of controlled corporations	476,341,182 (L) <i>(Note 1)</i>	12.23%
Cheung Kong Holdings (China) Limited	Interest of controlled corporations	476,341,182 (L) <i>(Note 1)</i>	12.23%
Sunnylink Enterprises Limited	Interest of a controlled corporation	476,341,182 (L) <i>(Note 1)</i>	12.23%
Romefield Limited	Beneficial owner	476,341,182 (L) <i>(Note 1)</i>	12.23%
Hutchison Whampoa Limited	Interest of controlled corporations	952,683,363 (L) <i>(Note 2)</i>	24.47%
Hutchison International Limited	Interest of a controlled corporation	952,683,363 (L) <i>(Note 2)</i>	24.47%

Name	Capacity	No. of Shares held	Approximate percentage of shareholding
Easterhouse Limited	Beneficial owner	952,683,363 (L) (Note 2)	24.47%
Chau Hoi Shuen	Interest of controlled corporations	989,830,363 (L) (Note 3)	25.42%
Cranwood Company Limited	Beneficial owner & interest of controlled corporations	989,830,363 (L) (Note 3)	25.42%
Schumann International Limited	Beneficial owner	580,000,000 (L) (Note 3)	14.90%
Handel International Limited	Beneficial owner	348,000,000 (L) (Note 3)	8.94%

(L) denotes a long position

Notes:

- (1) Romefield Limited is a wholly-owned subsidiary of Sunnylink Enterprises Limited, which in turn is a wholly-owned subsidiary of Cheung Kong Holdings (China) Limited. Cheung Kong Holdings (China) Limited is a wholly-owned subsidiary of Cheung Kong Investment Company Limited, which in turn is a wholly-owned subsidiary of Cheung Kong (Holdings) Limited.

By virtue of the SFO, Cheung Kong Investment Company Limited, Cheung Kong Holdings (China) Limited and Sunnylink Enterprises Limited are all deemed to be interested in the 476,341,182 Shares held by Romefield Limited.

Li Ka-Shing Unity Holdings Limited, of which each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital, owns the entire issued share capital of Li Ka-Shing Unity Trustee Company Limited. Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust, together with certain companies which Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust is entitled to exercise or control the exercise of more than one-third of the voting power at their general meetings, hold more than one-third of the issued share capital of Cheung Kong (Holdings) Limited.

In addition, Li Ka-Shing Unity Holdings Limited also owns the entire issued share capital of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1") as trustee of The Li Ka-Shing Unity Discretionary Trust ("DT1") and Li Ka-Shing Unity Trustcorp Limited ("TDT2") as trustee of another discretionary trust ("DT2"). Each of TDT1 and TDT2 hold units in The Li Ka-Shing Unity Trust.

- (2) Easterhouse Limited is a wholly-owned subsidiary of Hutchison International Limited, which in turn is a wholly-owned subsidiary of Hutchison Whampoa Limited. By virtue of the SFO, Hutchison Whampoa Limited and Hutchison International Limited are deemed to be interested in the 952,683,363 Shares held by Easterhouse Limited.

In addition, subsidiaries of Cheung Kong (Holdings) Limited are entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of Hutchison Whampoa Limited. By virtue of the SFO, Mr. Li Ka-shing, being the settlor and may being regarded as a founder of each of DT1 and DT2 for the purpose of the SFO, Li Ka-Shing Unity Trustee Corporation Limited, Li Ka-Shing Unity Trustcorp Limited, Li Ka-Shing Unity Trustee Company Limited and Cheung Kong (Holdings) Limited are all deemed to be interested in the 476,341,182 Shares and 952,683,363 Shares held by Romefield Limited and Easterhouse Limited respectively.

- (3) Schumann International Limited and Handel International Limited are companies controlled by Cranwood Company Limited and Ms. Chau Hoi Shuen is entitled to exercise more than one-third of the voting power at the general meetings of Cranwood Company Limited.

By virtue of the SFO, Cranwood Company Limited is deemed to be interested in the 580,000,000 Shares and 348,000,000 Shares held by Schumann International Limited and Handel International Limited respectively in addition to 61,830,363 Shares held by itself.

By virtue of the SFO, Ms. Chau Hoi Shuen is deemed to be interested in 61,830,363 Shares, 580,000,000 Shares and 348,000,000 Shares held by Cranwood Company Limited, Schumann International Limited and Handel International Limited respectively.

So far as is known to any Directors or chief executive of the Company, as at the Latest Practicable Date, the following companies/persons were interested in 10% or more of the equity interests of the subsidiaries of the Company:

Name of subsidiaries	Name of shareholders	No. and class of shares held	Percentage of shareholding
Aiya Entertainment Holdings Limited	Bloom Time Holdings Limited	1,000 ordinary shares	10.00%
Aiya Entertainment Holdings Limited	Eastpower Trading Limited	1,160 ordinary shares	11.60%
Beijing GreaTom United Technology Company Limited	長城科技股份有限公司	Registered capital RMB2,500,000	10.00%
Business World Consulting Co., Ltd.	Yu Kuo-ting	194,250 ordinary shares	13.88%
Cernet Information Technology Company Limited	賽爾網絡有限公司	Registered capital RMB29,400,000	49.00%
China Entertainment Television Broadcast Limited	Turner Broadcasting System Asia Pacific, Inc.	10,778 ordinary shares	28.64%
Chongqing TOM Media Company Limited	重慶金朝廣告有限公司	Registered capital RMB2,940,000	49.00%

APPENDIX**GENERAL INFORMATION**

Name of subsidiaries	Name of shareholders	No. and class of shares held	Percentage of shareholding
Cite (H.K.) Publishing Group Limited	Lo Siu On	500,000 ordinary shares	11.91%
Cite (Malaysia) SDN. BHD.	Chew Kim Ming	47,059 ordinary shares	11.76%
CNPIT TOM Culture Company Limited	中圖信息技術有限公司	Registered capital RMB1,500,000	30.00%
Fujian TOM Seeout Media Company Limited	福建省新奧戶外廣告有限公司	Registered capital RMB1,500,000	30.00%
Guangdong Yangcheng Advertising Company Limited	羊城晚報經濟發展總公司	Registered capital RMB1,000,000	20.00%
Guangdong Yangcheng Press Sports Development Limited	羊城晚報經濟發展總公司	Registered capital RMB1,000,000	20.00%
Liaoning New Star Guangming Media Assets Company Limited	遼寧鑫星盛世廣告有限公司	Registered capital RMB4,000,000	40.00%
Nong Nong Magazine Company Limited	Barbizon Interculture Publication Company Limited	500,000 ordinary shares	20.00%
Pixnet Digital Media Corporation Limited	蜂健生化科技有限公司	918,398 ordinary shares	10.00%
Shandong TOM Longjun Media Company Limited	濟南齊魯廣告有限公司	Registered capital RMB4,400,000	40.00%
Shanghai TOM Haosheng Advertising Company Limited	上海浩盛廣告有限公司	Registered capital RMB385,140	38.51%
Shanghai TOM Haosheng Advertising Company Limited	上海弘盛廣告有限公司	Registered capital RMB104,860	10.49%
Shenyang TOM Media Company Limited	宮芷英	Registered capital RMB1,120,000	40.00%
Shenyang TOM Sano Media Company Limited	王成城	Registered capital RMB1,200,000	40.00%

APPENDIX**GENERAL INFORMATION**

Name of subsidiaries	Name of shareholders	No. and class of shares held	Percentage of shareholding
Shenzhen TOM Ray Advertising Company Limited	深圳市之光廣告發展有限公司	Registered capital RMB1,700,000	34.00%
Shenzhen TOM Ray Advertising Company Limited	深圳市皇馬廣告發展有限公司	Registered capital RMB750,000	15.00%
Sichuan TOM Southwest Outdoor Media Company Limited	四川西南國際廣告有限公司	Registered capital RMB900,000	30.00%
Taiwan Cable Holdings Limited	CDIB Venture Investment (Asia) Limited	19.99 ordinary shares	19.99%
Taiwan Cable Holdings Limited	CDIB & Partners Investment Holding (Cayman) Ltd.	20.02 ordinary shares	20.02%
Tel-Online Limited	Skype Communications S.á.r.l.	49 ordinary shares	49.00%
Xiamen TOM Bomei Advertising Company Limited	廈門市博美廣告有限公司	Registered capital RMB1,000,000	40.00%
Xiamen TOM Bomei Shiji Advertising Company Limited	廈門市博美廣告有限公司	Registered capital RMB600,000	40.00%
Wuhan TOM Outdoor Information & Media Company Limited	Chen Gang	Registered capital RMB750,000	15.00%
YCP Advertising Limited	Yangcheng Enterprise Limited	2 ordinary shares	20.00%

Save as disclosed above, as at the Latest Practicable Date, there was no other persons/companies (not being a Director or chief executive of the Company) who have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or any options in respect of such capital.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

Mr. Frank Sixt and Mrs. Susan Chow, the non-executive Chairman of the Company and a non-executive Director respectively, are executive directors of Hutchison Whampoa Limited (“HWL”), Cheung Kong Infrastructure Holdings Limited (“CKI”) and directors of certain of their respective associates (collectively referred to as “HWL Group” and “CKI Group” respectively). In addition, Mr. Frank Sixt is also a non-executive director of Cheung Kong (Holdings) Limited (“CKH”) and Hutchison Telecommunications International Limited (“HTIL”) and director of certain of their associates (collectively referred to as “CKH Group” and “HTIL Group” respectively). Mrs. Susan Chow is a non-executive director and an alternate director of HTIL and director of certain of its associates. Mr. Edmond Ip, a non-executive Director, is the deputy managing director of CKH, senior vice president and chief investment officer of CK Life Sciences Int’l, (Holdings) Inc. (“CK Life”), the deputy chairman of CKI and a non-executive director of Excel Technology International Holdings Limited (“Excel Technology”). HWL Group is engaged in e-commerce, Internet and information technology services. CKH Group, CKI Group, CK Life and Excel Technology are engaged in information technology, e-commerce or new technology where applicable. HTIL Group is engaged in providing mobile and fixed-line telecommunications services, including voice services, broadband services, multimedia services, enhanced calling features, IDD services, international roaming services and mobile and fixed-line Internet services. The Directors believe that there is a risk that such businesses may compete with those of the Group.

Save as disclosed above, none of the Directors of the Company or their respective associates have any interests in a business, which competes or may compete with the business of the Group.

5. DIRECTORS' INTEREST IN ASSETS AND CONTRACTS

- (a) As at the Latest Practicable Date, none of the Directors has, or has had, any direct or indirect interest in any assets which have, since 31 December 2008, being the date of the latest published audited accounts of the Group, been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to, any member of the Group.
- (b) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at such date and which was significant in relation to the business of the Group.
- (c) As at the Latest Practicable Date, none of the Directors has any service contract with any member of the Group which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

6. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice, which is contained in this circular:

Name	Qualification
Somerley	Licensed corporation under the SFO to conduct type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities

As at the Latest Practicable Date, Somerley did not have any shareholding interest in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Somerley did not have any direct or indirect interest in any assets which have, since 31 December 2008, being the date of the latest published audited accounts of the Group, been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

Somerley has given and has not withdrawn its written consent to the issue of this circular and the inclusion herein of its letter and reference to its name in the form and context in which it is included.

7. MATERIAL ADVERSE CHANGE

The Directors confirmed that, as at the Latest Practicable Date, there is no material adverse change in the financial or trading position of the Group since 31 December 2008, being the date of the latest published audited accounts of the Group.

8. GENERAL

- (a) The registered office of the Company is at P.O. Box 309, Uglund House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies.
- (b) The head office and principal place of business of the Company is at 48th Floor, The Center, 99 Queen's Road Central, Central, Hong Kong. The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) The Company Secretary of the Company is Ms. Angela Mak. Ms. Mak holds a Bachelor of Commerce degree and a Bachelor of laws degree from the University of New South Wales in Australia and has been admitted as a solicitor in New South Wales (Australia), England and Wales and Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company at 48th Floor, The Center, 99 Queen's Road Central, Central, Hong Kong during normal business hours on any weekdays (except public holidays) from the date of this circular up to and including 17 June 2009:

- (a) the Agreement;
- (b) the letter from the Independent Board Committee, the text of which is set out on page 17 of this circular;
- (c) the letter from Somerley to the Independent Board Committee and the independent Shareholders, the text of which is set out on pages 8 to 16 of this circular; and
- (d) the written consent of Somerley referred to in the section headed "Expert and Consent" in this appendix.