



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 20 November 2006, certain subsidiaries of the Company have entered into the Tenancy Agreements with Beijing Oriental in relation to the lease of certain premises in Beijing Oriental Plaza.

As Beijing Oriental is a connected person of the Company by virtue of being an Associate of CKH, a substantial shareholder of the Company, the aggregated transactions contemplated under the Tenancy Agreements constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules. However, as each of the applicable percentage ratios for the aggregated transactions contemplated under the Tenancy Agreements is, on annual basis, less than 2.5%, 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.

TENANCY AGREEMENTS

The Board announces that certain subsidiaries of the Company have entered into the Tenancy Agreements with Beijing Oriental, a connected person of the Company, for the lease of certain premises in Beijing Oriental Plaza. Details of the Tenancy Agreements are set out below:

- (1)

Tenancy agreement between TOM China and Beijing Oriental

Date:20 November 2006

Landlord:Beijing Oriental

Tenant:TOM China

Premises:Rooms 3, 4, 5, 6B & 7B, 9/F., Tower W3, The Towers, Beijing Oriental Plaza with gross floor area of approximately 1,012.19 sq.m. (“Property 1”)

Term:3 years commencing from 15 December 2006 to 14 December 2009 (both days inclusive)

Rent:RMB144,743.17 per month, exclusive of rates and other outgoing charges

Management fee:RMB31,883.99 per month

Caps:RMB1,830,040 for the year ending 31 December 2007
RMB1,685,297 for the year ending 31 December 2008
RMB1,733,180 for the year ending 31 December 2009
The above Caps are based on the annual total amount of the rent and management fee payable to Beijing Oriental under this tenancy agreement for the 3 years ending 31 December 2009.
- (2)

Tenancy agreement between Beijing Super Channel and Beijing Oriental

Date:20 November 2006

Landlord:Beijing Oriental

Tenant:Beijing Super Channel

Premises:Rooms 1-12, 8/F., Tower W3, The Towers, Beijing Oriental Plaza with gross floor area of approximately 3,074 sq.m. (“Property 2”)

Term:3 years commencing from 15 December 2006 to 14 December 2009 (both days inclusive)

Rent:RMB439,582 per month, exclusive of rates and other outgoing charges

Management fee:RMB96,831 per month

Caps:RMB5,557,792 for the year ending 31 December 2007
RMB5,118,210 for the year ending 31 December 2008
RMB5,263,631 for the year ending 31 December 2009
The above Caps are based on the annual total amount of the rent and management fee payable to Beijing Oriental under this tenancy agreement for the 3 years ending 31 December 2009.
- (3)

Tenancy agreement between LTWJi and Beijing Oriental

Date:20 November 2006

Landlord:Beijing Oriental

Tenant:LTWJi

Premises:Rooms 7-8, 5/F., Tower W3, The Towers, Beijing Oriental Plaza with gross floor area of approximately 656 sq.m. (“Property 3”)

Term:3 years commencing from 15 December 2006 to 14 December 2009 (both days inclusive)

Rent:RMB93,808 per month, exclusive of rates and other outgoing charges

Management fee:RMB20,664 per month

Caps:RMB1,186,048 for the year ending 31 December 2007
RMB1,092,240 for the year ending 31 December 2008
RMB1,123,274 for the year ending 31 December 2009
The above Caps are based on the annual total amount of the rent and management fee payable to Beijing Oriental under this tenancy agreement for the 3 years ending 31 December 2009.
- (4)

Tenancy agreement between TOM International Beijing Office and Beijing Oriental

Date:20 November 2006

Landlord:Beijing Oriental

Tenant:TOM International Beijing Office

Premises:Rooms 1, 2, 6A, 7A & 8, 9/F., Tower W3, The Towers, Beijing Oriental Plaza with gross floor area of approximately 1,299.81 sq.m. (“Property 4”)

Term:3 years commencing from 15 December 2006 to 14 December 2009 (both days inclusive)

Rent:RMB185,872.83 per month, exclusive of rates and other outgoing charges

Management fee:RMB40,944.02 per month

Caps:RMB2,350,057 for the year ending 31 December 2007
RMB2,164,184 for the year ending 31 December 2008
RMB2,225,674 for the year ending 31 December 2009
The above Caps are based on the annual total amount of the rent and management fee payable to Beijing Oriental under this tenancy agreement for the 3 years ending 31 December 2009.

REASONS FOR ENTERING INTO THE TENANCY AGREEMENTS

The Tenancy Agreements relate to the leasing of office space in Beijing Oriental Plaza for the use of certain subsidiaries of the Company in Beijing. On 20 November 2006, Beijing Super Channel and LTWJi have entered into new tenancy agreements with Beijing Oriental for the lease of Property 2 and Property 3 respectively. Property 2 and Property 3 are currently occupied by Beijing Super Channel and LTWJi under the existing tenancy agreements with Beijing Oriental. The total amounts of the rent and management fee paid and payable for Property 2 and Property 3 for the period from 1 January 2006 to 14 December 2006 are approximately RMB5,954,396 and RMB1,262,280 respectively. On the same day, TOM China and TOM International Beijing Office have also entered into new tenancy agreements with Beijing Oriental for the lease of Property 1 and Property 4 (which are new premises not occupied by the Group) respectively to accommodate the growing business of the Group. The Tenancy Agreements provide for a rent-free period of an aggregate of 7 months which are spread over a period of 3 years (2 months in the first and third years and 3 months in the second year).

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Tenancy Agreements are entered on normal commercial terms and in the ordinary and usual course of business of the Group. The rental payable under the Tenancy Agreements was determined by reference to the matters such as the condition of the premises, term of the lease and the size of the premises, and was at the market rates available to independent third parties. The Directors (including the independent non-executive Directors) are also of the view that the terms of the Tenancy Agreements and the relevant Caps are fair and reasonable and in the interest of the shareholders of the Company as a whole.

CONTINUING CONNECTED TRANSACTIONS

As Beijing Oriental is a connected person of the Company by virtue of being an Associate of CKH, a substantial shareholder of the Company, the aggregated transactions contemplated under the Tenancy Agreements constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules. However, as each of the applicable percentage ratios for the aggregated transactions contemplated under the Tenancy Agreements is, on annual basis, less than 2.5%, 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.

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 (TOM Online) (Hong Kong GEM stock code: 8282, Nasdaq stock symbol: TOMO), outdoor media, publishing, sports, television and entertainment across markets in Mainland China, Taiwan and Hong Kong.

DEFINITIONS

“Associate”	has the meaning ascribed to it in the Listing Rules
“Beijing Oriental”	means Beijing Oriental Plaza Co., Limited (北京東方廣場有限公司), a company organized and existing under the laws of the PRC and an Associate of CKH. Beijing Oriental is engaged in the property investment in the PRC
“Beijing Oriental Plaza”	means Beijing Oriental Plaza located at No.1 East Chang An Avenue, Dongcheng District, Beijing, the PRC
“Beijing Super Channel”	means Beijing Super Channel Network Limited (北京訊能網絡有限公司), a company organized and existing under the laws of the PRC and a non wholly-owned subsidiary of the Company
“Board”	means the board of directors of the Company
“Cap”	means the maximum annual aggregate value of a transaction
“CKH”	means Cheung Kong (Holdings) Limited, a company incorporated in Hong Kong with limited liability, whose securities are listed on the Main Board of the Stock Exchange
“Company”	means TOM Group Limited, a company incorporated in the Cayman Islands with limited liabilities, 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
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“LTWJi”	means Beijing Lei Ting Wu Ji Network Technology Company Limited (北京雷霆無極網絡科技有限公司), a company organized and existing under the laws of the PRC and a non wholly-owned subsidiary of the Company
“PRC” or “Mainland China”	means the People’s Republic of China
“RMB”	means Renminbi, the lawful currency of the PRC
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Tenancy Agreements”	means (i) the tenancy agreement dated 20 November 2006 entered into between TOM China and Beijing Oriental in relation to the lease of Property 1; (ii) the tenancy agreement dated 20 November 2006 entered into between Beijing Super Channel and Beijing Oriental in relation to the lease of Property 2; (iii) the tenancy agreement dated 20 November 2006 entered into between LTWJi and Beijing Oriental in relation to the lease of Property 3; and (iv) the tenancy agreement dated 20 November 2006 entered into between TOM International Beijing Office and Beijing Oriental in relation to the lease of Property 4
“TOM China”	means Tom.com (China) Investment Limited (諾定(中國)投資有限公司), a company organized and existing under the laws of the PRC and a non wholly-owned subsidiary of the Company
“TOM International Beijing Office”	means the Beijing representative office of 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
Pessy Yu
Company Secretary

Hong Kong, 20 November 2006

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

Executive Directors:

Ms. Tommei Tong
Ms. Angela Mak

Independent non-executive Directors:

Mr. Henry Cheong
Ms. Anna Wu
Mr. James Sha

* For identification purpose

Non-executive Directors:

Mr. Frank Sixt (Chairman)
Ms. Debbie Chang
Mrs. Susan Chow
Mr. Edmond Ip
Mrs. Angelina Lee
Mr. Wang Lei Lei