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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)

ANNOUNCEMENT PURSUANT TO RULE 13.09 OF THE LISTING RULES AND THE INSIDE INFORMATION PROVISIONS

CESSATION OF OPERATION OF SUBSIDIARY

This announcement is made by TOM Group Limited (“**Company**”, together with its subsidiaries, “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of the Securities on The Stock Exchange of the Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (“**Board**”) would like to announce that it has resolved to, by the end of this year, cease the operation of China Entertainment Television Broadcast Limited (“**CETV**”) and its subsidiaries (“**CETV Group**”). CETV, as at the date of this announcement, is effectively held by the Company as to 99.99% of its issued share capital. CETV was incorporated in Hong Kong as a limited liability company, together with its subsidiaries incorporated in the Mainland China, carried out the operations such as satellite television channel and provision of content and television programmes to various platforms including satellite television and syndication network.

References are made to (i) the Company’s 2016 interim report dated 4 August 2016 and (ii) the Company’s 2015 annual report dated 10 March 2016, in which it was mentioned that, among other things, the Group has been realigning its cost structure to match its strategic priorities in technology sectors including e-commerce, fintech and big data analytics. In addition, the advertising market downturn has impeded the performance of the CETV Group, which continued to operate under a tough regulatory environment. The Board believes that the cessation of operation of CETV Group is in the best interest of the shareholders of the Company.

In connection with the cessation of operation of CETV Group, steps will be taken to obtain all necessary regulatory approvals and to terminate all relevant existing contracts, agreements and arrangements (collectively, “**CETV Agreements**”) in accordance with the relevant terms of the CETV Agreements.

The total amount of expenses to be incurred in connection with the cessation of operation of the CETV Group will be assessed, and the relevant information will be included in subsequent audited consolidated financial statements of the Group, if required. As at the date of this announcement and based on the information currently available to the Board, the Board believes that the termination of the CETV Agreements, the cessation of the operation of CETV will not have material effect on the operation of the Group.

The information contained in the announcement is only based on the preliminary assessment by the Company's management according to the unaudited consolidated management accounts by the Group currently available which has not been confirmed or reviewed by the auditor of the Company. The Company will continue to evaluate the impact of the cessation of CETV's operation. Further announcement will be made by the Company as and when required.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 25 October 2016

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:

Mr. Dominic Lai
(Alternate to Mr. Frank Sixt)