



TOM Group Limited
An associate of Hutchison Whampoa Limited
TOM集團有限公司
和記黃埔有限公司聯營機構

Press Release 新聞稿

TOM Group reports rapid growth in e-commerce and mobile Internet

Hong Kong, 29 July 2013 - TOM Group Limited (HKEx:2383, "TOM Group" or "the Group"), the Chinese-language media conglomerate in Greater China, today announced its interim results for the six months ended 30 June 2013.

Ken Yeung, Chief Executive Officer and Executive Director said, "Ule (www.ule.com), the e-commerce joint venture with China Post Group, has been outperforming the market since its debut in August 2010 with triple-digit growth in transaction value in the past three years. During the reporting period, Ule's gross merchandise value grew more than double to RMB 517 million in the first six months this year. Average order per transaction jumped 31% to RMB 432, doubled the industry standard.

The Chinese government's latest policy of boosting domestic consumption and e-commerce industry will benefit Ule's business growth. Currently, Chinese e-commerce market only accounted for 7.4% of the nation's domestic consumption, the potential of more than 90% offline consumption has yet to be unleashed. In addition, the rising smartphone penetration will drive the rapid growth in mobile commerce. Mobile commerce market grew more than 2 times to RMB 26.6 billion in the first quarter of 2013. Leveraging on China Post's nation-wide offline resources, and the Group's rich experiences in China's mobile Internet sector with diversified sales channels, Ule is in the best position to tap the offline and mobile commerce market with huge growth potential, and aiming to become one of the top-10 players in the China's B2C e-commerce market."

"Ule has deepened its collaboration with the provincial post offices across the nation and launched a total 31 online provincial zones last year to bring wide-range of provincial products to users. It also partnered with Australia Post Office and New Zealand Post Office to enrich overseas product offerings. Ule will establish closer ties with local post offices by implementing "industrial products go rural, provincial products go urban" model, to speed up luring merchants to enrich product offerings. The increased collaboration with rural post offices should help Ule to explore new opportunities in the currently underserved rural e-commerce market. During the reporting period, Ule offered about 168,000 units of merchandises to users from over 5,000 merchants. The number of product offerings surged more than 5 times in the past 2 years. "

"Leveraging on China Post's nation-wide logistic and sales network, Ule focuses on serving the nation's consumers who do not shop online. In addition to the 11185 customer hotline, there are more than 50,000 post offices and 20,000 postal convenient stations in rural villages of 24 provinces offering over-the-counter services for Ule's users. Ule has established a unique offline to online access platform to tap all potential customers. Ule and China Post also work closely together to promote Ule to offline customers in post offices, and launch nationwide marketing campaign in Chinese New Year, Dragon Boat Festival and Mid-Autumn Festival to boost sales. Moreover, around 6.5 million co-branded debit cards have been issued in collaboration with the Postal Savings Bank, providing strong offline customer base for Ule."

"Mobile commerce is the next high growth engine of the nation's e-commerce market. With 1.1 billion mobile phone users in China, of which more than 300 million are 3G users, Ule is ready to tap the strong momentum of mobile commerce by establishing closer ties with handset makers and mobile operators, and using mobile phone as a tool to bring offline shoppers to mobile. Ule's smartphone app, which enables users to place orders, pay bills, buy tickets and redeem products, are embedded in more than 600,000 mobile phones, laying a solid foundation for Ule's mobile platform. During the reporting period, Ule's



registered users surged 65% to around 3 million, repeated buyers stood at 47% level. Ule's unique merchandise and diversified sales channels are well received by users. According to web information company Alexa Internet Inc, Ule users tend to spend 10 minutes in average on the site. Ule enjoys higher user stickiness with 25% bounce rate in average, lower than industry peers of 30% to 40%. To further enhance service quality, Ule and China Post are planning to establish after-sales offices in Beijing, Shanghai, Fujian, Sichuan and Hebei. In the past 2 years, Ule outperformed the industry in product delivery time and return rate."

"The Mobile Internet Group continued to benefit from the rising smartphone penetration in China, as well as the increasing adoption of 3G mobile service. During the reporting period, the Group continued investment in its scalable mobile platforms for a wide range of mobile Internet services replacing traditional 2.5G wireless value-added services. Revenue jumped 18% in the reporting period from previous 6 months, demonstrating strong growth momentum. PK Game, the social game platform, reported a 68% revenue growth in the reporting period from the previous 6 months, thank to the 89% jump in activated users. During the reporting period, 226 games were available for users. Social music platform 637.FM is recognised as a media platform for record companies and artists in a bid to lure more fans to drive traffic and usage. During the reporting period, 40 record companies, 121 artists and 58 fans groups collaborated with our platform for promotion and hosted 78 activities. Payment business fueled the growth of Mobile Internet Group with the launch of software development kit (SDK) for mobile application developers running on Android platform, which enables them to bill phone users. During the reporting period, revenue jumped 18% from the previous six months period."

"The Group will continue to invest in new technology and high value media assets to facilitate the digitalisation and sustainable growth of its traditional businesses including Publishing, Outdoor Media and Television and Entertainment."

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TOM Group Limited

TOM Group Limited (HKEx stock code: 2383) is listed on The Main Board of the Stock Exchange of Hong Kong. A leading Chinese-language media conglomerate in Greater China, TOM Group has diverse business interests in E-commerce, Internet (TOM Online), Publishing, Television and Entertainment and Outdoor Media (TOM Outdoor Media Group) across markets in Mainland China, Taiwan and Hong Kong. In each of the areas it operates, TOM Group has secured market leadership.

The Group was founded in October 1999 as a joint venture between Hutchison Whampoa, Cheung Kong (Holdings) Limited, and other strategic investors. Headquartered in Hong Kong, the Group has regional headquarters in Beijing, Shanghai and Taipei with about 2,800 employees in about 20 cities.

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