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TOM.COM LIMITED

(Incorporated in the Cayman Islands with limited liability)

VERY SUBSTANTIAL ACQUISITION INVOLVING THE ISSUE OF SHARES AND CONNECTED TRANSACTION

Proposed acquisition of 100% of the issued share capital of Puccini International Limited

The Board is pleased to announce that:

1. the Company, through its wholly-owned subsidiary, Bright Horizon, will acquire the Sale Share (representing the entire issued share capital of Puccini as at the date of this announcement and as at Completion) at a consideration comprising the Initial Consideration and the Earn-Out Consideration;
2. the Initial Consideration is:
 - (a) the sum of US\$1, which will be paid in cash; and
 - (b) in the event that the Holdco Shares are listed on GEM or any other recognised stock exchange by 31 December 2004, a sum of US\$18.5 million, which will be satisfied by the issue and allotment of such number of Holdco Shares (credited as fully paid) at an issue price equal to the IPO Price;
3. the Earn-Out Consideration is the amount by which the Earn-Out Amount exceeds the amount of the Initial Consideration, which will be paid by Bright Horizon as follows:
 - (a) if the Initial Consideration Shares are allotted and issued to Cranwood pursuant to paragraph 2(b) above, the Earn-Out Consideration will be an amount equal to the Earn-Out Amount less US\$18,500,001; or

- (b) if the Initial Consideration Shares are not allotted and issued to Cranwood pursuant to paragraph 2(b) above, the Earn-Out Consideration will be an amount equal to the Earn-Out Amount less US\$1;

4. the Earn-Out Amount will be:

- (a) an amount equal to 7.7 times the 2004 Net Profit; or
- (b) in the event that the 2004 Net Profit is less than an amount equal to 1.2 times the 2003 Net Profit, an amount equal to 6 times the 2004 Net Profit (for the purpose of this paragraph, the minimum amount of the 2003 Net Profit will be RMB40 million),

provided that the maximum amount of the Earn-Out Amount will not be more than US\$150 million;

5. the Earn-Out Consideration will be paid in the following manner:

- (a) irrespective of whether or not the Holdco Shares are listed on GEM or any other recognised stock exchange by 31 December 2004 and whether or not the Initial Consideration Shares are allotted and issued to Cranwood pursuant to paragraph 2(b) above, an amount equal to 50% of the Earn-Out Amount will be paid in cash provided that the maximum amount of the Earn-Out Cash Consideration will not be more than US\$75 million; and
- (b) (i) in the event that the Holdco Shares are listed on GEM or any other recognised stock exchange by 31 December 2004 and the Initial Consideration Shares are allotted and issued to Cranwood pursuant to paragraph 2(b) above, an amount equal to 50% of the Earn-Out Amount less US\$18,500,001 will be satisfied by the issue and allotment of the Earn-Out Consideration Shares (being such number of Holdco Shares (credited as fully paid) to be issued at an issue price equal to the average closing price of the Holdco Shares as quoted on GEM or, if the Holdco Shares are not listed on GEM, the average closing price of the Holdco Shares as quoted on any other recognised stock exchange on which the Holdco Shares are to be listed for the 30 Holdco Trading Days immediately preceding the 2004 Report Date) provided that if the aggregate number of the Holdco Shares to be so issued and allotted and the Holdco Shares already owned by Cranwood (and parties acting in concert with it (if any)), if any, as at the Holdco Allotment Date would be equal to or more than the GO Threshold of the then issued share capital of Holdco:
 - (1) the number of the Earn-Out Consideration Shares will be equal to the difference between: (i) such number of Holdco Shares representing 1% less than the GO Threshold of the then issued share capital of Holdco (as enlarged by the issue and allotment of such Holdco Shares); and (ii) the number of Holdco Shares already owned by Cranwood (and parties acting in concert with it (if any)) as at the Holdco Allotment Date; and

- (2) the balance of such 50% of the Earn-Out Amount less US\$18,500,001 will be paid in cash; or
 - (ii) in the event that the Holdco Shares are not listed on GEM or any other recognised stock exchange by 31 December 2004 and/or the Initial Consideration Shares are not allotted and issued to Cranwood pursuant to paragraph 2(b) above, an amount equal to 50% of the Earn-Out Amount will be satisfied by the issue and allotment of the TOM Consideration Shares (being such number of Shares (credited as fully paid) to be issued at an issue price equal to the average closing price of the Shares as quoted on GEM for the 30 Trading Days immediately preceding the 2004 Report Date) provided that if:
 - (1) the number of the TOM Consideration Shares will be equal to the difference between: (α) such number of Shares representing 1% less than the GO Threshold of the then issued share capital of the Company (as enlarged by the issue and allotment of such Shares); and (β) the number of Shares already owned by Cranwood (and parties acting in concert with it (if any)) as at the TOM Allotment Date; and
 - (2) the balance of such 50% of the Earn-Out Amount less US\$1 will be paid in cash; and
- 6. in the event that the Earn-Out Amount is less than the amount of the Initial Consideration, the Initial Consideration will be reduced by an amount equal to such shortfall, and Cranwood and Bright Horizon will jointly instruct the Escrow Agent to, through a broker appointed by Bright Horizon or Holdco, sell such number of the Initial Consideration Shares at a price agreed by the Holdco or Bright Horizon in accordance with applicable laws, rules and regulations. The proceeds of sale thereof (net of expenses and commissions) will be paid to Holdco or Bright Horizon (or as either may direct).

For illustration purposes, assuming that: (i) the Earn-Out Amount is US\$150 million; and (ii) an amount equal to 50% of the Earn-Out Amount will be satisfied by the issue and allotment of Shares and based on the Market Price, the TOM Consideration Shares represent approximately 5.83% and approximately 5.51% of the Existing Capital and the Enlarged Capital, respectively.

Based on the latest adjusted net assets of the Company and the application of Rule 19.18 of the GEM Listing Rules set out in the Extension Announcement:

- (1) the Acquisition constitutes a very substantial acquisition of the Company involving the issue of Shares under Chapter 19 of the GEM Listing Rules; and

- (2) as Cranwood is a substantial shareholder of the Company holding approximately 24.70% of the issued share capital of the Company as at the date of this announcement and is therefore a connected person of the Company under the GEM Listing Rules, the Acquisition constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. The Company is therefore subject to the reporting, announcement and independent shareholders' approval requirements under Rules 20.34, 20.35 and 20.36 of the GEM Listing Rules, respectively.

The Acquisition is conditional on, among other things, the approval by the shareholders of the Company (other than: (i) Easterhouse and Romefield (and their respective associates), who together are the controlling shareholders of the Company; and (ii) Cranwood (and its associates), who is a substantial shareholder of the Company, and any other shareholder of the Company who is interested in the proposed Acquisition, all of whom will abstain from voting on the relevant resolution(s)) at the EGM. As required under Rule 20.42 of the GEM Listing Rules, the vote at the EGM will be taken by poll.

The Independent Board Committee has been formed to advise the independent shareholders of the Company in respect of the Acquisition. In this regard, Rothschild has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee.

The Circular (which will contain, among other things: (i) further information on the Acquisition; (ii) the recommendation and opinion of the Independent Board Committee in relation to the Acquisition; (iii) the recommendation and opinion of the Company's independent financial adviser to the Independent Board Committee in relation to the Acquisition; and (iv) a notice of the EGM) will be despatched to the shareholders of the Company as soon as practicable.

Details of the Transaction Documents will be disclosed in the next published annual report of the Company. The issue of the Consideration Shares or, as the case may be, the TOM Consideration Shares will be disclosed in the annual report of Holdco or, as the case may be, the Company to be published after the date of issue of the Consideration Shares or, as the case may be, the TOM Consideration Shares.

The Company will also publish details of the modified ratio calculation as described in the Extension Announcement and its application to the notifiable transactions of the Company in the next published annual report and accounts.

Following the issue by the Company of a clarification announcement on 28 August 2003 regarding a possible spin-off, the Company is pleased to announce that it is considering a possible spin-off of Holdco and the listing of its securities on GEM and/or Nasdaq. The Company is currently in discussions with the Stock Exchange about the regulatory requirements of the Proposed Spin-Off of Holdco. No final decision has yet been made as to whether and when this proposal will be launched.

The Acquisition is not conditional upon the success of the Proposed Spin-Off of Holdco and listing of its securities on GEM and/or Nasdaq. The Proposed Spin-Off of Holdco and listing of its securities on GEM and/or Nasdaq is not conditional upon Completion.

There can be no assurance that the Proposed Spin-Off will proceed. A further announcement will be made in relation to the Proposed Spin-Off if and when appropriate.

As any listing of Holdco Shares pursuant to the Proposed Spin-Off is subject to, among other things, the state of the equity markets, the approvals of the Listing Committee of GEM, the relevant US regulatory process, Nasdaq and the final decision of the Board and the shareholders of the Company, shareholders of the Company and other investors are reminded to exercise caution when dealing in the securities of the Company.

SALE AND PURCHASE AGREEMENT

Date

25 September 2003

Parties

Purchaser: Bright Horizon, a direct wholly-owned subsidiary of Holdco and an indirect wholly-owned subsidiary of the Company as at the date of this announcement.

Vendor: Cranwood, a substantial shareholder of the Company holding approximately 24.70% of the Company's issued share capital as at the date of this announcement and therefore is a connected person of the Company under Chapter 20 of the GEM Listing Rules.

Guarantors: (a) Holdco, a wholly-owned subsidiary of the Company as at the date of this announcement; and
(b) the Company.

Assets to be acquired

The Sale Share, representing 100% of the issued share capital of Puccini as at the date of this announcement and as at Completion.

Upon its establishment (which will take place before Completion), WFOE will be a wholly-owned subsidiary of Puccini.

Under the Contractual Arrangements, Puccini and WFOE will be able to enjoy the economic interest in LTWJi.

Consideration

1. The Consideration comprises the Initial Consideration and the Earn-Out Consideration.
2. The initial consideration for the Acquisition (“Initial Consideration”) is:
 - (a) the sum of US\$1, which will be paid in cash (“Initial Cash Consideration”); and
 - (b) in the event that the Holdco Shares are listed on GEM or any other recognised stock exchange by 31 December 2004, a sum of US\$18.5 million, which will be satisfied by the issue and allotment of such number of Holdco Shares (credited as fully paid) at an issue price equal to the IPO Price (“Initial Consideration Shares”).
3. The Earn-Out Consideration is the amount by which the Earn-Out Amount exceeds the amount of the Initial Consideration, which will be paid by Bright Horizon as follows:
 - (a) if the Initial Consideration Shares are allotted and issued to Cranwood pursuant to paragraph 2(b) above, the Earn-Out Consideration will be an amount equal to the Earn-Out Amount less US\$18,500,001; or
 - (b) if the Initial Consideration Shares are not allotted and issued to Cranwood pursuant to paragraph 2(b) above, the Earn-Out Consideration will be an amount equal to the Earn-Out Amount less US\$1.
4. The Earn-Out Amount will be:
 - (a) an amount equal to 7.7 times the 2004 Net Profit; or
 - (b) in the event that the 2004 Net Profit is less than an amount equal to 1.2 times the 2003 Net Profit, an amount equal to 6 times the 2004 Net Profit (for the purpose of this paragraph, the minimum amount of the 2003 Net Profit will be RMB40 million),provided that the maximum amount of the Earn-Out Amount will not be more than US\$150 million.
5. The Earn-Out Consideration will be paid in the following manner:
 - (a) irrespective of whether or not the Holdco Shares are listed on GEM or any other recognised stock exchange by 31 December 2004 and whether or not the Initial Consideration Shares are allotted and issued to Cranwood pursuant to paragraph 2(b) above, an amount equal to 50% of the Earn-Out Amount will be paid in cash (“Earn-Out Cash Consideration”) provided that the maximum amount of the Earn-Out Cash Consideration will not be more than US\$75 million. Subject to the successful listing of the Holdco Shares on a recognised stock exchange, the Earn-Out Cash Consideration will be satisfied by Holdco’s listing proceeds. Otherwise, the Earn-Out Cash Consideration will be satisfied by the Company’s internal resources; and

- (b) (i) in the event that the Holdco Shares are listed on GEM or any other recognised stock exchange by 31 December 2004 and the Initial Consideration Shares are allotted and issued to Cranwood pursuant to paragraph 2(b) above, an amount equal to 50% of the Earn-Out Amount less US\$18,500,001 will be satisfied by the issue and allotment of Holdco Shares (credited as fully paid) at an issue price equal to the average closing price of the Holdco Shares as quoted on GEM or, if the Holdco Shares are not listed on GEM, the average closing price of the Holdco Shares as quoted on any other recognised stock exchange on which the Holdco Shares are to be listed for the 30 Holdco Trading Days immediately preceding the 2004 Report Date (“Earn-Out Consideration Shares”) provided that if the aggregate number of the Holdco Shares to be so issued and allotted and the Holdco Shares already owned by Cranwood (and parties acting in concert with it (if any)) as at the Holdco Allotment Date would be equal to or more than the GO Threshold of the then issued share capital of Holdco:
- (1) the number of the Earn-Out Consideration Shares will be equal to the difference between: (i) such number of Holdco Shares representing 1% less than the GO Threshold of the then issued share capital of Holdco (as enlarged by the issue and allotment of such Holdco Shares); and (ii) the number of Holdco Shares already owned by Cranwood (and parties acting in concert with it (if any)) as at the Holdco Allotment Date; and
 - (2) the balance of such 50% of the Earn-Out Amount less US\$18,500,001 will be paid in cash (“Holdco Cash Consideration”). The Holdco Cash Consideration will be satisfied by Holdco’s listing proceeds; or
- (ii) in the event that the Holdco Shares are not listed on GEM or any other recognised stock exchange by 31 December 2004 and/or and the Initial Consideration Shares are not allotted and issued to Cranwood pursuant to paragraph 2(b) above, an amount equal to 50% of the Earn-Out Amount will be satisfied by the issue and allotment of Shares (credited as fully paid) at an issue price equal to the average closing price of the Shares as quoted on GEM for the 30 Trading Days immediately preceding the 2004 Report Date (“TOM Consideration Shares”), provided that if the aggregate number of the Shares to be so issued and allotted and the Shares already owned by Cranwood (and parties acting in concert with it (if any)) as at the TOM Allotment Date would be equal to or more than the GO Threshold of the then issued share capital of the Company:
- (1) the number of the TOM Consideration Shares will be equal to the difference between: (i) such number of Shares representing 1% less than the GO Threshold of the then issued share capital of the Company (as enlarged by the issue and allotment of such Shares); and (ii) the number of Shares already owned by Cranwood (and parties acting in concert with it (if any)) as at the TOM Allotment Date; and

- (2) the balance of such 50% of the Earn-Out Amount less US\$1 will be paid in cash (“TOM Cash Consideration”). The TOM Cash Consideration will be satisfied by the Company’s internal resources.
6. In the event that the Earn-Out Amount is less than the amount of the Initial Consideration, the Initial Consideration will be reduced by an amount equal to such shortfall, and Cranwood and Bright Horizon will jointly instruct the Escrow Agent to, through a broker appointed by Bright Horizon or Holdco, sell such number of the Initial Consideration Shares at a price agreed by the Holdco or Bright Horizon in accordance with applicable laws, rules and regulations. The proceeds of sale thereof (net of expenses and commissions) will be paid to Holdco or Bright Horizon (or as either may direct).
7. For illustration purposes, assuming that: (i) the Earn-Out Amount is US\$150 million; and (ii) an amount equal to 50% of the Earn-Out Amount will be satisfied by the issue and allotment of Shares (in the manner mentioned in paragraph (2)(b)(ii) above) and based on the Market Price, the TOM Consideration Shares represent approximately 5.83% and approximately 5.51% of the Existing Capital and the Enlarged Capital, respectively.
8. The Consideration was arrived at after arm’s length negotiations between Cranwood and Bright Horizon and being a price acceptable to Cranwood and Bright Horizon with reference to the past, present and future financial performance and the strategic value of the Puccini Group.

Payment terms

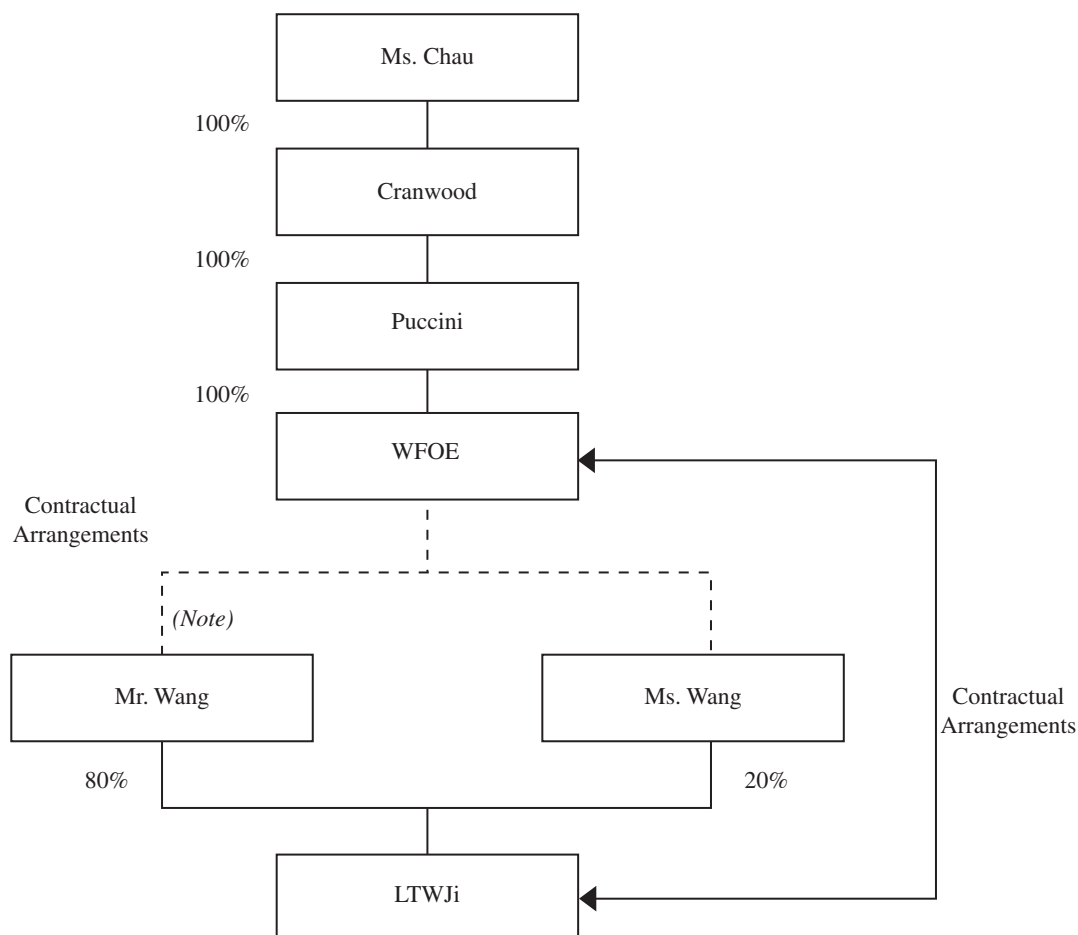
1. The Initial Cash Consideration will be paid to Cranwood (or as it may direct in writing) at Completion.
2. The Initial Consideration Shares will be allotted and issued to Cranwood (or its nominee(s), which will be wholly-owned subsidiary/subsidiaries of Cranwood) at any time prior to, or six months’ after, the commencement of trading of the Holdco Shares on GEM or such other recognised stock exchange. Immediately upon such issue of the Initial Consideration Shares, the share certificate(s), and instruments of transfer and contract notes executed in blank by Cranwood in respect of the Initial Consideration Shares will be deposited with an escrow agent to be jointly appointed by Cranwood and Bright Horizon (“Escrow Agent”). Subject to, among other things, paragraph 2.1(c)(iii) in the sub-section headed “Warranties and undertakings” in the section headed “Other major terms” below, the Escrow Agent will release the share certificate(s), instruments of transfer and contract notes to Cranwood (or the relevant registered owner(s) of the Initial Consideration Shares) on the 1st Business Day after the Final Payment Date (“Escrow Period”). Cranwood will be entitled to exercise voting rights attaching to, and receive any dividends or distributions in respect of, all of the Initial Consideration Shares during the Escrow Period.
3. The Earn-Out Cash Consideration (if any) will be paid to Cranwood (or as it may direct in writing) on the Final Payment Date.

4. The Earn-Out Consideration Shares (if any) or, as the case may be, the TOM Consideration Shares (if any) will be allotted and issued to Cranwood (or its nominee(s), which will be wholly-owned subsidiary/subsidiaries of Cranwood) and, if applicable, the Holdco Cash Consideration or, as the case may be, the TOM Cash Consideration shall be paid to Cranwood (or as it may direct in writing) on the Final Payment Date or within three Business Days after shareholder approval of Holdco or, as the case may be, the Company, as is required for the issue and allotment of the Earn-Out Consideration Shares or, as the case may be, the TOM Consideration Shares, have been obtained.

Moratorium and trading restrictions

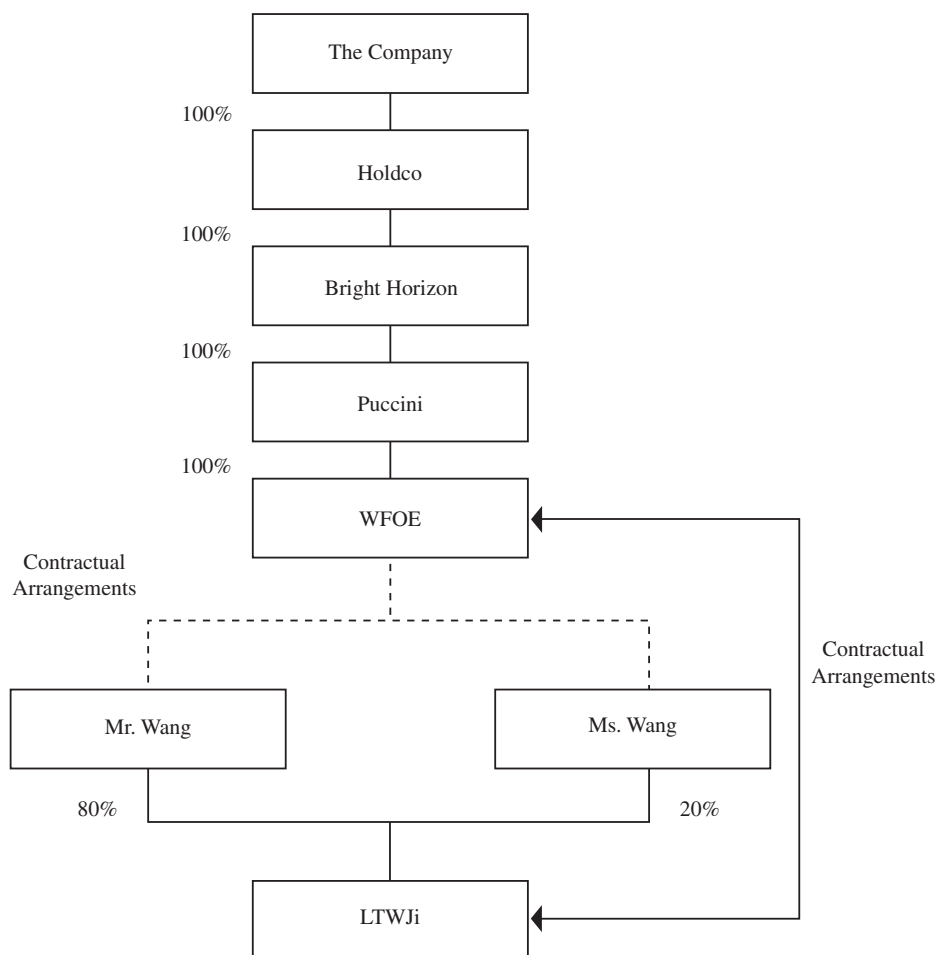
1. In the case of the Consideration Shares, except with the prior consent of Bright Horizon and other than in compliance with the requirements of the Stock Exchange, the GEM Listing Rules, and the rules and regulations of any other relevant stock exchange:
 - (a) at any time on or before the date falling 6 months after the Final Payment Date (“Lockup Date”), Cranwood (or the relevant registered owner(s) of the Consideration Shares) may not dispose, transfer or assign any interests, directly or indirectly, (collectively, “Sell”) any of the Consideration Shares; and
 - (b) after the Lockup Date, Cranwood (or the relevant registered owner(s) of the Consideration Shares) may not Sell more than 1% of the aggregate number of the Consideration Shares on any Holdco Trading Day (“Holdco Daily Limit”). For the avoidance of doubt, all or any part of any unused Holdco Daily Limit in respect of any one Holdco Trading Day shall not be carried forward to any other Holdco Trading Day and/or accumulated with the Holdco Daily Limit in respect of any other Holdco Trading Day.
2. In the case of the TOM Consideration Shares, except with the prior consent of the Purchaser:
 - (a) at any time on or before the Lockup Date, Cranwood (or the relevant registered owner(s) of the TOM Consideration Shares) may not Sell any of the TOM Consideration Shares; and
 - (b) after the Lockup Date, Cranwood (or the relevant registered owner(s) of the TOM Consideration Shares)) may not Sell more than 1% of the aggregate number of the TOM Consideration Shares on any Trading Day (“TOM Daily Limit”). For the avoidance of doubt, all or any part of any unused TOM Daily Limit in respect of any one Trading Day shall not be carried forward to any other Trading Day and/or accumulated with the TOM Daily Limit in respect of any other Trading Day.

Structure chart of the Puccini Group immediately before Completion



Note: As disclosed in the Company's half-year report for the six months ended 30 June 2003, Mr. Wang is a director and shareholder of LTWJi, who had granted an option to Devine Gem, under which Devine Gem was entitled to acquire all of Mr. Wang's equity interests in LTWJi. Prior to Completion, such option will be cancelled and, as part of the Contractual Arrangements, a new exclusive option agreement will be entered into between Puccini and each of Mr. Wang and Ms. Wang, under which Puccini will have an exclusive right to acquire from Mr. Wang all of his equity interest in LTWJi as and when permitted under PRC law.

Structure chart of the Puccini Group immediately after Completion



Conditions precedent

Completion is conditional upon, among other things, the following conditions (“Conditions”) having been fulfilled or waived in accordance with the Sale and Purchase Agreement on or before 28 October 2003:

1. the passing by the respective board of directors of Bright Horizon, Holdco and the Company of resolutions approving, among other things, the Acquisition;
2. to the extent required under the GEM Listing Rules, the approval by the independent shareholders of the Company of, among other things, the Acquisition (including, without limitation, the allotment and issue of the Consideration Shares or, as the case may be, the TOM Consideration Shares);
3. the Beijing Mobile Wireless IVR Services Agreement being renewed or being replaced by a new contract between LTWJi and Beijing Mobile (or another subsidiary of China Mobile) which, in each case, is (in Bright Horizon’s reasonable opinion) on substantially the same terms (including in respect of duration) and in respect of substantially the same subject matter;
4. each of the Contractual Arrangements having been duly entered into by each of the parties thereto;

5. the delivery of the following legal opinions (in agreed form) to Bright Horizon:
 - (a) a legal opinion issued by a Liberian counsel opining on the due incorporation of Cranwood, and the validity and enforceability of the terms of the Sale and Purchase Agreement against Cranwood; and
 - (b) a legal opinion issued by a PRC counsel opining on the legality of the terms of the Contractual Arrangements under all applicable laws, rules, regulations or public policies in the PRC, and the validity and enforceability of the terms of the Contractual Arrangements against the relevant parties thereto;
6. new contracts of employment for a term of not less than 3 years from the date of Completion having been entered into on terms satisfactory to Bright Horizon between LTWJi and each of the senior management of LTWJi;
7. the results of the legal and financial due diligence carried out by Bright Horizon on each member of the Puccini Group being satisfactory to Bright Horizon;
8. there not having occurred, and there being no fact, matter or circumstance which could, in the reasonable opinion of Bright Horizon, give rise to any material breach of certain pre-Completion undertakings given by Cranwood (such as, the ensuring by Cranwood that each member of the Puccini Group will continue to carry on its business in the ordinary and usual course);
9. none of the representations made and warranties given by Cranwood under the Sale and Purchase Agreement being untrue, inaccurate or misleading in any material respect;
10. none of the current Business Agreements having terminated or expired and not having been immediately renewed or replaced by a further agreement between LTWJi and Beijing Mobile (or another subsidiary of China Mobile) which is/are (in Bright Horizon's reasonable opinion) on substantially the same terms (including in respect of duration) and in respect of substantially the same subject matter; and
11. there not having occurred any event(s) beyond Puccini's or Bright Horizon's control, after making all reasonable efforts to prevent its or their occurrence, as a result of which LTWJi ceases to hold all necessary licenses or LTWJi ceases to have the benefit of any of the Business Agreements that are required for LTWJi to carry on the Business in the ordinary course.

Completion

Completion will take place on the 5th Business Day after the date of fulfilment (or waiver) of the last of the Conditions (or such other date as Cranwood and Bright Horizon may agree in writing prior to Completion).

Non-competition

For a period of 24 months after the date of Completion, Cranwood will not and will procure that none of its subsidiaries or holding companies or companies controlled by Cranwood or such holding companies will, without the prior written consent of Bright Horizon, either on its own account or in conjunction with or on behalf of any person, firm or company:

1. carry on or be interested in the business of provision of IVR Services (other than the provision of content in relation to the IVR Services) in the PRC (“Competing Business”);
2. solicit or entice away or attempt to solicit or entice away from LTWJi any of their customers, whose custom is in connection with the Competing Business prior to or as at Completion; and/or
3. employ, solicit or entice away or attempt to employ, solicit or entice away from LTWJi any of their officers, employees or consultants employed or engaged in connection with the Competing Business prior to or as at Completion.

Guarantees by the Company and Holdco

1. Holdco has agreed to guarantee the proper and punctual observance and performance by Bright Horizon of all of its obligations in relation to payment of the Consideration.
2. The Company has agreed to guarantee, for so long as none of Holdco’s securities are listed on GEM or Nasdaq or any other recognised stock exchange, the proper and punctual observance and performance by Holdco of all of its obligations in relation to the issue and allotment of the Consideration Shares.
3. The obligations of the Company under paragraph 2 above shall automatically terminate upon the commencement of trading of any of Holdco’s securities on GEM or Holdco’s securities being included for quotation on Nasdaq or any other recognised stock exchange and, upon such termination, Cranwood will have no claim whatsoever against the Company under the Sale and Purchase Agreement.

Other major terms

1. Economic benefits of LTWJi
Prior to Completion, Bright Horizon will be entitled to enjoy all of the economic benefits of the Puccini Group through certain contractual arrangements under the Contractual Arrangements with effect from the date of the Sale and Purchase Agreement (“Economic Benefits”) provided that Cranwood will be entitled to distribute the retained earnings of the Puccini Group accumulated prior to the date of the Sale and Purchase Agreement.
2. Warranties and undertakings
 - 2.1 Cranwood has warranted to and undertaken with Bright Horizon that, among other things:
 - (a) LTWJi has a minimum of RMB5 million in cash as at the date of the Sale and Purchase Agreement to satisfy its working capital and capital expenditure requirements;

- (b) as long as Cranwood (and/or any of its affiliated companies) provide(s) content in relation to the IVR Services, Cranwood will, and will procure that its affiliated companies will, exclusively provide such content to the Puccini Group; and
- (c) if at any time after Completion but before the Final Payment Date, there occurs any of the following events or matters:
 - (α) any event(s) beyond Puccini's or Bright Horizon's control, after making all reasonable efforts to prevent its or their occurrence, as a result of which LTWJi ceases to hold all of the licenses or LTWJi ceases to have the benefit of any of the Business Agreements that are required for LTWJi to carry on the Business in the ordinary course; and/or
 - (β) any breach or alleged breach of certain representations made and warranties given by Cranwood under the Sale and Purchase Agreement,

Bright Horizon may elect at its sole discretion to rescind the Sale and Purchase Agreement by giving notice in writing to Cranwood and the Acquisition will be reversed as at the date of such written notice, and each of Cranwood and Bright Horizon will do and/or procure to be done all such acts and things to put the other back to the position as if the Sale and Purchase Agreement had never been entered into, including (without limitation) the following actions:

- (i) Bright Horizon will transfer the Sale Share and any other issued share in Puccini back to Cranwood free from any encumbrance (or its nominee(s)) at nominal consideration;
- (ii) Cranwood will refund to Bright Horizon (or as it may direct in writing) all of the Initial Cash Consideration (with interest at a rate of 0.5% over LIBOR accrued from the date of payment of the Initial Consideration to Cranwood to the date of refund of the Initial Consideration by Cranwood) that has already been paid (if any);
- (iii) Bright Horizon may (at its absolute discretion) instruct the Escrow Agent to, through a broker appointed by Bright Horizon or Holdco, sell all or any part of the Initial Consideration Shares at the then market price of the Holdco Shares. All of the proceeds of sale thereof (net of expenses and commissions) will be paid to Holdco or Bright Horizon (or as either may direct); and
- (iv) Bright Horizon will:
 - (1) subject to the obtaining of all necessary consents, waivers and approvals, do and/or procure to be done all such acts and things to put the shareholding structure of Puccini back to the position existing as at the date of the Sale and Purchase Agreement;

- (2) ensure that Puccini and LTWJi is free of any external indebtedness by the date on which the Sale Share and any other issued share in Puccini is/are transferred back to Cranwood and, to the extent that there is any such external indebtedness, it will be assumed by Bright Horizon (or its nominee(s)) prior to such re-transfer of the Sale Share and any other issued share in Puccini; and
- (3) repay to Cranwood any dividends actually declared and paid by Puccini to Bright Horizon (with interest at a rate of 0.5% over HIBOR accrued from the date of payment of such dividends to Bright Horizon to the date of repayment of the same by Bright Horizon),

within 90 days after the date of the written notice from Bright Horizon.

2.2 Bright Horizon has undertaken with Cranwood that during the period from the date of Completion to the earlier of: (α) 31 December 2004; and (β) the date of rescission pursuant to paragraph 2.1 above, among other things, it will procure that:

- (a) LTWJi carries on and develops its business in the ordinary and usual course and will use its reasonable endeavours (subject always to external market conditions) to ensure that there is no diminution in value of the Business;
- (b) unless with the prior written consent of the Vendor (which consent shall not be unreasonably withheld or delayed), LTWJi will not:
 - (i) transfer or dispose of any part of the Business, its assets as at the Completion Date (including, without limitation, contracts, facilities, fixed assets and intangible rights in relation to or for the benefit of the Business) or current revenues or any other act which is not in the ordinary course of business of LTWJi and which would have a material adverse effect on the Business;
 - (ii) acquire any material asset or business except in its ordinary course of business; and
 - (iii) none of the members of the Puccini Group will acquire any interest in any shares, debentures or other securities issued by any undertaking (other than any other member of the Puccini Group).

3. Unsecured-loan from Cranwood

Cranwood has agreed that, if following a written request from either Holdco (if Holdco Shares are listed on GEM or any other recognised stock exchange by 31 December 2004) or the Company (if Holdco Shares are not so listed) (“Borrower”), made at any time within 10 Business Days immediately following the Final Payment Date, Cranwood will advance to the Borrower, by way of an unsecured term loan (for a period of 12 months from the date of drawdown), a principal amount which is equal to 50% of the Earn-Out Cash Consideration actually received by Cranwood at an interest rate of 0.5% over LIBOR.

Such loan may constitute a connected transaction between Cranwood and Holdco and will be subject to, and will be dealt with in accordance with, the connected transaction requirements of the GEM Listing Rules.

TAX INDEMNITY

At Completion, Cranwood will execute the Tax Indemnity in favour of the Company, LTWJi and Bright Horizon. Under the Tax Indemnity, Cranwood and Devine Gem will indemnify the relevant member(s) of the Puccini Group and Bright Horizon against certain tax liabilities (such as profits tax, stamp duty and estate duty) incurred by any member of the Puccini Group prior to the date of Completion and which are not disclosed in the audited balance sheet of LTWJi made up as at 30 June 2003 and the audited profit and loss account of LTWJi for the period from the date of establishment of LTWJi (being 31 July 2002) to 30 June 2003.

INFORMATION ON BRIGHT HORIZON

Bright Horizon is a direct wholly-owned subsidiary of Holdco and an indirect wholly-owned subsidiary of the Company as at the date of this announcement.

INFORMATION ON HOLDCO

Holdco is currently a wholly-owned subsidiary of the Company. It is currently proposed that Holdco's business may include short message services, multi media messaging service and online advertising business.

INFORMATION ON THE PUCCINI GROUP

Puccini is a company incorporated in the Cayman Islands with limited liability. Cranwood is the sole legal and beneficial owner of the Sale Share.

Puccini and WFOE will, prior to Completion, be able to enjoy the economic interest in LTWJi through the Contractual Arrangements with LTWJi, Mr. Wang (who is the registered owner of 80% of the equity interest in LTWJi and a director of LTWJi) and Ms. Wang (who is the registered owner of 20% of the equity interest in LTWJi). Mr. Wang and Ms. Wang are not related. Neither of Mr. Wang nor Ms. Wang is involved in the day-to-day management of the business operations of LTWJi.

LTWJi is a domestic company established in Beijing, the PRC on 31 July 2002. LTWJi began offering IVR Services on a trial basis in October 2002. IVR Services are a new category of wireless value-added services in the PRC that allow users to access pre-recorded information from their mobile telephones by dialling access telephone numbers, and to interact with each other in chat-rooms and through one-on-one dating communications service. LTWJi offers IVR Services, including weather forecasts, stock prices, news on celebrities, jokes, short stories and songs as well as chat-rooms and dating communications services. Mobile telephone users access LTWJi's IVR Services via China Mobile's Monternet platform.

WFOE is a wholly-foreign owned enterprise to be established in Beijing, the PRC and, upon its establishment prior to Completion, will be a wholly-owned subsidiary of Puccini. The scope of business of WFOE will include technology development in network, computer (software and hardware), IVR Services and communications and the provision of related consultancy services. Before Completion, WFOE will enter into such part of the Contractual Arrangements to which it is a party.

The audited net revenues of LTWJi as reported under HK GAAP for the period from 31 July 2002 (being the date of establishment of LTWJi) to 31 December 2002 and for the six months ended 30 June 2003 were approximately HK\$79,000 and approximately HK\$12,476,000, respectively. The audited net loss whether before or after tax for LTWJi as reported under HK GAAP for the period from 31 July 2002 to 31 December 2002 was approximately HK\$52,000 and net profit before tax and after tax for the six months ended 30 June 2003 as reported under HK GAAP was approximately HK\$9,440,000 and approximately HK\$6,325,000, respectively. As at 30 June 2003, the audited net asset of LTWJi as reported under HK GAAP was approximately HK\$7,213,000.

INFORMATION ON CRANWOOD

Cranwood is a company incorporated in the Republic of Liberia with limited liability. Ms. Chau is the sole legal and beneficial owner of the entire issued share capital of Cranwood.

Cranwood is a substantial shareholder of the Company holding approximately 24.70% of the issued share capital of the Company as at the date of this announcement and is therefore a connected person of the Company under the GEM Listing Rules.

REASONS FOR ENTERING INTO THE TRANSACTIONS

The Directors believe that the Group will benefit from the synergies between the Group's wireless data services businesses and the Business, which will strengthen the Group's position as a leader in providing value-added multimedia products and services and helps distinguish the Group's online business from that of the Group's competitors. In addition, because both the Group's current online business and the Business target a similar user base, the Directors believe that the Group will be able to cross-sell the Group's wireless data services and LTWJi's wireless IVR Services in order to expand the user base for both of these services. Furthermore, the Acquisition will provide the Group with an additional distribution channel for the Group's existing content, which will increase the Group's revenue and may improve the Group's economies of scale. Moreover, following Completion, the Group will be the only leading Internet portal company in the PRC that provides wireless IVR services. As LTWJi is a leader in providing wireless services in the PRC, the Directors believe that the Acquisition will position the Group well to capture growth in this market and to establish a foundation for providing voice related services.

The Directors consider that the Acquisition, the issue of Consideration Shares or, as the case may be, the TOM Consideration Shares in satisfaction of 50% of the Consideration and the other terms of the Transaction Documents were arrived at after arm's length negotiations between Cranwood and Bright Horizon and being a price acceptable to Cranwood and Bright Horizon with reference to the past, present and future performance and strategic value for the Puccini Group so far as the independent shareholders are concerned.

VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION

Based on the latest adjusted net assets of the Company and the application of Rule 19.18 of the GEM Listing Rules set out in the Extension Announcement:

1. the Acquisition constitutes a very substantial acquisition of the Company involving the issue of Shares under Chapter 19 of the GEM Listing Rules; and
2. as Cranwood is a substantial shareholder of the Company holding approximately 24.70% of the issued share capital of the Company as at the date of this announcement and is therefore a connected person of the Company under the GEM Listing Rules. The Company is therefore subject to the reporting, announcement and independent shareholders' approval requirements under Rules 20.34, 20.35 and 20.36 of the GEM Listing Rules, respectively.

The Acquisition is conditional on, among other things, the approval by the shareholders of the Company (other than: (i) Easterhouse and Romefield (and their respective associates), who together are the controlling shareholders of the Company; and (ii) Cranwood (and its associates), who is a substantial shareholder of the Company, and any other shareholder of the Company who is interested in the proposed Acquisition, all of whom will abstain from voting on the relevant resolution(s)) at the EGM. As required under Rule 20.42 of the GEM Listing Rules, the vote at the EGM will be taken by poll.

The Independent Board Committee has been formed to advise the independent shareholders of the Company in respect of the Acquisition. In this regard, Rothschild has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee.

INFORMATION FOR SHAREHOLDERS OF THE COMPANY

The Circular (which will contain, among other things: (i) further information on the Acquisition; (ii) the recommendation and opinion of the Independent Board Committee in relation to the Acquisition; (iii) the recommendation and opinion of the Company's independent financial adviser to the Independent Board Committee in relation to the proposed Acquisition; and (iv) a notice of the EGM) will be despatched to the shareholders of the Company as soon as practicable. The Company will also publish details of the modified ratio calculation as described in the Extension Announcement and its application to the notifiable transactions of the Company in the next published annual report and accounts. The unaudited consolidated net assets of the Company as at 22 August 2003 as disclosed in the Company's circular dated 26 August 2003 was approximately HK\$1,399,006,000.

Details of the Transaction Documents will be disclosed in the next published annual report of the Company. The issue of the Consideration Shares or, as the case may be, the TOM Consideration Shares will be disclosed in the annual report of Holdco or, as the case may be, the Company to be published after the date of issue of the Consideration Shares or, as the case may be, the TOM Consideration Shares.

THE PROPOSED SPIN-OFF

Following the issue by the Company of a clarification announcement on 28 August 2003 regarding a possible spin-off, the Company is pleased to announce that it is considering a possible spin-off of Holdco and the listing of its securities on GEM and/or Nasdaq. The Company is currently in discussions with the Stock Exchange about the regulatory requirements of the proposed spin-off of Holdco. No final decision has yet been made as to whether and when this proposal will be launched.

The Acquisition is not conditional upon the success of the Proposed Spin-Off of Holdco and listing of its securities on GEM and/or Nasdaq. The Proposed Spin-Off of Holdco and listing of its securities on GEM and/or Nasdaq is not conditional upon Completion.

As any listing of Holdco Shares pursuant to the Proposed Spin-Off are subject to, among other things, the state of the equity markets, the approvals of the Listing Committee of GEM, the relevant US regulatory process, Nasdaq and the final decision of the Board and the shareholders of the Company, shareholders of the Company and other investors are reminded to exercise caution when dealing in the securities of the Company.

There can also be no assurance that the Proposed Spin-Off will proceed. A further announcement will be made in relation to the Proposed Spin-Off if and when appropriate.

GENERAL

The Directors consider that the Transaction Documents are or will be entered into on normal commercial terms in the ordinary and usual course of business of the TOM Group and that the terms of the Transaction Documents are fair and reasonable and in the interests of the TOM Group so far as the independent shareholders of the Company are concerned.

In the event that the TOM Consideration Shares are to be issued in satisfaction of 50% of the Consideration under the Sale and Purchase Agreement as mentioned above, the Company will make an application to the Listing Committee of GEM for the listing of, and permission to deal in, the TOM Consideration Shares to be issued pursuant to the Sale and Purchase Agreement. The TOM Consideration Shares will be allotted and issued pursuant to a specific mandate to be granted to the Directors by the independent shareholders of the Company at the EGM.

Holdco recognises that, in the event that Holdco Shares are listed on GEM and any issue and allotment of Consideration Shares to Cranwood will have to be made, it will be required to ensure that the number of Holdco Shares in the hands of the public do not fall below the minimum prescribed percentage prescribed by Rule 11.23 of the GEM Listing Rules. In addition, if Holdco is listed on GEM, any allotment and issue of Consideration Shares will be pursuant to a general mandate and such issuance of shares will be subject to the requirements of the GEM Listing Rules. Furthermore, if Holdco Shares are listed on GEM, Holdco will need to comply with the requirements under the GEM Listing Rules in relation to the timing of publication of its financial information.

The business of the Group includes the operation of cross-media and telecom value added services which include an internet portal delivering internet infotainment content and services, e-commerce propositions, development of software and computer network systems, provision for related services and event production, broadband content and service provision, sports-related content, event management and advertising, web-based e-mail service provision, outdoor media, online media businesses and publishing businesses.

This announcement is not an offer of securities for sale in the US. Securities of Holdco may not be offered or sold in the US absent registration or an exemption from registration. Any public offering of securities of Holdco to be made in the US will be made by means of a prospectus that may be obtained from the issuer or the selling security holder and that will contain detailed information on Holdco and its management, as well as its financial statements. Holdco and the selling security holder intend to register a part of the proposed offering in the US.

DEFINITIONS

“2003 Audited Accounts”	the audited consolidated balance sheet of Puccini made up as at 31 December 2003 and the audited consolidated profit and loss account of Puccini for the year ending 31 December 2003 prepared in accordance with US GAAP
“2003 Net Profit”	the consolidated net profit after tax and before extraordinary items of Puccini as shown in the 2003 Audited Accounts (which, for the purpose of determining the Consideration, shall exclude amortisation of intangibles arising from the Acquisition, if any)
“2004 Audited Accounts”	the audited consolidated balance sheet of Puccini made up as at 31 December 2004 and the audited consolidated profit and loss account of Puccini for the year ending 31 December 2004 prepared in accordance with US GAAP
“2004 Net Profit”	the consolidated net profit after tax and before extraordinary items of Puccini as shown in the 2004 Audited Accounts (which, for the purpose of determining the Consideration, will exclude amortisation of intangibles arising from the Acquisition, if any)
“2004 Report Date”	the date of the auditors report on the 2004 Audited Accounts or such later date as the 2004 Audited Accounts are agreed between the parties or determined in accordance with the terms of the Sale and Purchase Agreement
“Acquisition”	the proposed sale and purchase of the Sale Share upon the terms and subject to the conditions set out in the Sale and Purchase Agreement

“Beijing Mobile”	Beijing Mobile Communications Company Limited (北京移動通信有限責任公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of China Mobile
“Beijing Mobile Wireless IVR Services Agreement”	the wireless IVR Services agreement for the provision of information products dated 30 October 2002 (as supplemented by a supplemental agreement dated 3 June 2003) entered into between LTWJi and Beijing Mobile
“Board”	the board of directors of the Company
“Borrower”	has the meaning ascribed to it in the sub-section headed “Unsecured loan from Cranwood” in the section headed “Other major terms” above
“Bright Horizon”	Bright Horizon Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability, and a direct wholly-owned subsidiary of Holdco and an indirect wholly-owned subsidiary of the Company as at the date of this announcement and as at Completion
“Business”	the business of provision of IVR Services currently carried out by LTWJi in the PRC
“Business Agreements”	<p>(a) the Beijing Mobile Wireless IVR Services Agreement;</p> <p>(b) the 12586 wireless IVR Services agreement for the provision of community-oriented products dated 3 July 2003 entered into between LTWJi and Beijing Mobile; and</p> <p>(c) the SMS services agreement entered into between LTWJi and Beijing Mobile effective from 1 May 2003,</p>
	in each case as they may be supplemented, varied, amended, renewed or replaced (including where a different subsidiary of China Mobile replaces Beijing Mobile as the contracting party)
“Business Day”	a day (excluding Saturdays and days on which a tropical cyclone warning No. 8 or above or a “black” rain warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks generally are open in Hong Kong for the transaction of normal banking business

“Cash Consideration”	the Initial Cash Consideration and the Earn-Out Cash Consideration (if any)
“China Mobile”	China Mobile (Hong Kong) Limited, which is a company incorporated in Hong Kong with limited liability, whose shares are listed on the Stock Exchange and the New York Stock Exchange
“Code”	the Hong Kong Code on Takeovers and Mergers
“Conditions”	has the meaning ascribed to it in the section headed “Conditions precedent” above
“Company”	TOM.COM LIMITED, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on GEM
“Competing Business”	has the meaning ascribed to it in paragraph 1 in the section headed “Non-competition” above
“Completion”	completion of the Acquisition upon the terms and subject to the conditions set out in the Sale and Purchase Agreement
“Consideration”	the Initial Consideration and the Earn-Out Consideration
“Consideration Shares”	the Initial Consideration Shares and the Earn-Out Consideration Shares
“Contractual Arrangements”	<p>(a) loan agreements dated 25 July 2002 entered into between Devine Gem (as lender) and each of Mr. Wang and Ms. Wang (as borrowers), under which Devine Gem agreed to advance certain funds to each of Mr. Wang and Ms. Wang solely for the sole purpose of his/her investing in the working capital of LTWJi;</p> <p>(b) (i) assignment agreements to be entered into between Devine Gem, Puccini, and each of Mr. Wang and Ms. Wang prior to Completion, under which Devine Gem will assign to Puccini all of its rights and interests in and to the loan agreements mentioned in paragraph (a) above; and (ii) covenants to be given by each of Mr. Wang and Ms. Wang in favour of Puccini prior to Completion in respect of such assignment;</p>

- (c) business operating agreement to be entered into between WFOE, LTWJi, Mr. Wang and Ms. Wang prior to Completion, under which, among other things: (i) without the prior written consent of WFOE, LTWJi will not to engage in any activity that could have a material adverse affect on its assets, liabilities, equity and/or operations; and (ii) WFOE will guarantee the performance by LTWJi of its obligations under its transactions with third parties;
- (d) equity pledge agreements to be entered into between WFOE and each of Mr. Wang and Ms. Wang prior to Completion, under which each of Mr. Wang and Ms. Wang will pledge all of his/her equity interest in LTWJi to WFOE as a security for the performance by LTWJi of its obligations under the exclusive technical and consultancy services agreement mentioned in paragraph (e) below;
- (e) exclusive technical and consultancy services agreement to be entered between WFOE and LTWJi prior to Completion, under which WFOE will provide certain technical consultancy services to LTWJi on an exclusive basis at a fee based on the actual air-time rate per minute; and
- (f) exclusive option agreements to be entered into between Puccini and each of Mr. Wang and Ms. Wang prior to Completion, under which Puccini will have an exclusive right to acquire from each of Mr. Wang (at exercise price of RMB800,000) and Ms. Wang (at exercise price of RMB200,000) all of his/her equity interest in LTWJi at any time within a period of 10 years (which may be extended for another 10 years at the option of Puccini) from the date of such new option agreements as and when permitted under PRC law

“Cranwood”

Cranwood Company Limited, a company incorporated in the Republic of Liberia and a company wholly-owned by Ms. Chau, which owns 952,683,363 Shares (representing approximately 24.70% of the issued share capital of the Company) as at the date of this announcement

“Devine Gem”

Devine Gem Management Limited, a company incorporated in the British Virgin Islands with limited liability, which is indirectly wholly-owned by Ms. Chau

“Directors”	the directors of the Company
“Easterhouse”	Easterhouse Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Hutchison Whampoa Limited, which owns 952,683,363 Shares (representing approximately 24.70% of the issued share capital of the Company) as at the date of this announcement
“Earn-Out Amount”	<p>(a) an amount equal to 7.7 times the 2004 Net Profit; or</p> <p>(b) in the event that the 2004 Net Profit is less than an amount equal to 1.2 times the 2003 Net Profit, an amount equal to 6 times the 2004 Net Profit (for the purpose of this paragraph, the minimum amount of the 2003 Net Profit will be RMB40 million),</p> <p>provided that the maximum amount of the Earn-Out Amount will not be more than US\$150 million</p>
“Earn-Out Cash Consideration”	has the meaning ascribed to it in paragraph 5(a) in the section headed “Consideration” above
“Earn-Out Consideration”	the additional amount of consideration for the Acquisition as set out in paragraph 3 in the section headed “Consideration” above
“Earn-Out Consideration Shares”	has the meaning ascribed to it in paragraph 5(b)(i) in the section headed “Consideration” above
“Economic Benefits”	has the meaning ascribed to it in paragraph 1 in the section headed “Other major terms” above
“EGM”	the extraordinary general meeting of the shareholders of the Company to be convened by the Board for considering and, if appropriate, approving the Acquisition
“Enlarged Capital”	the issued share capital of the Company as enlarged by the issue of the TOM Consideration Shares (assuming that: (i) the amount of the Consideration is US\$150 million; (ii) all of the 50% of the Consideration will be satisfied by the issue and allotment of Shares (in the manner mentioned in paragraph (2)(b)(ii) in the section headed “Consideration” above); and (iii) no further Shares (other than the TOM Consideration Shares) will be issued on or before Completion)
“Escrow Agent”	has the meaning ascribed to it in paragraph 2 in the section headed “Payment terms” above

“Escrow Period”	has the meaning ascribed to it in paragraph 2 in the section headed “Payment terms” above
“Existing Capital”	3,856,690,338 Shares in issue as at the date of this announcement
“Extension Announcement”	the announcement of the Company dated 8 April 2003 regarding, among other things, the extension granted by the Stock Exchange of the applicable period for the modified ratio calculations and its application to the notifiable transactions of the Company
“Final Payment Date”	the Holdco Allotment Date or, as the case may be, the TOM Allotment Date
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“GO Threshold”	30% or such other percentage as specified in the Code from time to time as the threshold for triggering a mandatory general offer obligation under Rule 26.1 of the Code
“Group”	the Company and its subsidiaries
“HK GAAP”	the generally accepted accounting principles in Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong. For the purpose of this announcement: <ul style="list-style-type: none"> (a) the conversion rate between HK\$ and RMB is HK\$1 ≡ RMB1.0638; and (b) the conversion rate between US\$ and HK\$ is US\$1 ≡ HK\$7.8
“Holdco”	TOM Online Inc., a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
“Holdco Allotment Date”	the date on which the Earn-Out Consideration Shares are allotted and issued to Cranwood (or its nominee(s), which will be wholly-owned subsidiary/subsidiaries of Cranwood) which shall be within 30 days of the 2004 Report Date (which is not expected to be earlier than March 2005) in accordance with paragraph 4 in the section headed “Payment terms” above

“Holdco Cash Consideration”	has the meaning ascribed to it in paragraph 5(b)(i)(2) in the section headed “Consideration” above
“Holdco Daily Limit”	has the meaning ascribed to it in paragraph 1(b) in the section headed “Moratorium and trading restrictions” above
“Holdco Shares”	shares of HK\$0.01 each in the capital of Holdco, which are proposed to be listed on a recognised stock exchange. For the purpose of this announcement, unless specified otherwise in Holdco’s articles of association, each Holdco Share shall carry one vote
“Holdco Trading Day”	any one day on which the Holdco Shares are traded on the relevant stock exchange on which the Holdco Shares are to be listed
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, which comprises Mrs. Angelina Lee, Mr. Henry Cheong and Ms. Anna Wu, all being the independent non-executive Directors
“Initial Cash Consideration”	has the meaning ascribed to it in paragraph 2(a) in the section headed “Consideration” above
“Initial Consideration”	has the meaning ascribed to it in paragraph 2 in the section headed “Consideration” above
“Initial Consideration Shares”	has the meaning ascribed to it in paragraph 2(b) in the section headed “Consideration” above
“IPO Price”	the offer price per Holdco Share under any initial public offering of Holdco Shares and listing of Holdco Shares on GEM pursuant to the Proposed Spin-Off (excluding any brokerage, Securities and Futures Commission transaction levy, investor compensation levy and the Stock Exchange trading fee) or, if not listed on GEM, such other relevant recognised stock exchange
“IVR Services”	wireless interactive-voice recognition services provided through mobile telephone networks in the PRC
“LIBOR”	the London inter-bank offered rate
“Lockup Date”	has the meaning ascribed to it in paragraph 1(a) in the section headed “Moratorium and trading restrictions” above

“LTWJi”	Beijing Leitingwuji Network Technology Company Limited (北京雷霆無極網絡科技有限公司), a domestic company established in Beijing, the PRC
“Market Price”	the closing price of HK\$2.60 per Share as quoted on the Stock Exchange on 25 September 2003
“Mr. Wang”	Mr. WANG Lei-lei (王雷雷), who is a non-executive Director
“Ms. Chau”	Ms. CHAU Hoi Shuen (周凱旋), who is the sole legal and beneficial owner of Cranwood, and therefore is a substantial shareholder and a connected person of the Company under the GEM Listing Rules
“Ms. Wang”	Ms. WANG Xiu-ling, Anita (王秀玲), who is independent of and not connected with any of the Directors, chief executives, substantial shareholders or management shareholders of the Company or any of their respective associates (as defined under the GEM Listing Rules)
“Nasdaq”	the Nasdaq National Market in the US
“PRC”	the People’s Republic of China
“Proposed Spin-Off”	the proposed spin-off of Holdco by way of separate listing of its securities on GEM and/or Nasdaq
“Puccini”	Puccini International Limited, a company incorporated in the Cayman Islands and a wholly-owned subsidiary of Cranwood as at the date of this announcement
“Puccini Group”	Puccini, LTWJi and, upon its establishment, WFOE
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Rothschild”	N M Rothschild & Sons (Hong Kong) Limited, an authorised financial institution deemed to have been registered under section 119(1) of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) for Types 1, 4, 6 and 9 regulated activities from 1 April 2003 (previously an investment adviser registered with the Securities and Futures Commission) and the independent financial adviser to the Independent Board Committee in respect of the Acquisition

“Romefield”	Romefield Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Cheung Kong (Holdings) Limited, which owns 476,341,182 Shares (representing approximately 12.35% of the issued share capital of the Company) as at the date of this announcement
“Sale and Purchase Agreement”	the agreement for the sale and purchase of the Sale Share dated 25 September 2003 entered into between Cranwood as vendor and Bright Horizon as purchaser
“Sale Share”	1 share of US\$1 each in the capital of Puccini, representing the entire issued share capital of Puccini as at the date of this announcement and as at Completion
“Sell”	has the meaning ascribed to it in paragraph 1(a) in the section headed “Moratorium and trading restrictions” above
“Shares”	shares of HK\$0.10 each in the capital of the Company. For the purpose of this announcement, unless specified otherwise in the Company’s articles of association, each Share shall carry one vote
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tax Indemnity”	the deed of indemnity to be executed by Cranwood and Devine Gem in favour of the Company, LTWJi and Bright Horizon at Completion
“TOM Allotment Date”	the date on which the TOM Consideration Shares are allotted and issued to Cranwood (or its nominee(s), which will be wholly-owned subsidiary/subsidiaries of Cranwood) which shall be within 30 days of the 2004 Report Date (which is not expected to be earlier than March 2005) in accordance with paragraph 4 in the section headed “Payment terms” above
“TOM Cash Consideration”	has the meaning ascribed to it in paragraph 5(b)(ii)(2) in the section headed “Consideration” above
“TOM Consideration Shares”	has the meaning ascribed to it in paragraph 5(b)(ii) in the section headed “Consideration” above
“TOM Daily Limit”	has the meaning ascribed to it in paragraph 2(b) in the section headed “Moratorium and trading restrictions” above
“Trading Day”	any one day on which the Shares are traded on GEM

“Transaction Documents”	the Sale and Purchase Agreement, a disclosure letter dated 25 September 2003 from Cranwood to Bright Horizon disclosing certain information which qualifies some of the representations made and warranties given by Cranwood under the Sale and Purchase Agreement and the Tax Indemnity
“US”	the United States of America
“US GAAP”	the generally accepted accounting principles in the US
“US\$”	US dollars, the lawful currency of the US
“WFOE”	Puccini Network Technology (Beijing) Limited (普其利網絡科技(北京)有限公司), a wholly-foreign owned enterprise to be established in Beijing, the PRC and a wholly-owned subsidiary of Puccini

By Order of the Board
TOM.COM LIMITED
Angela Mak
Company Secretary

Hong Kong, 25 September 2003

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.tomgroup.com.