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TOM.COM LIMITED

(Incorporated in the Cayman Islands with limited liability)

CONTINUING CONNECTED TRANSACTIONS in relation to the Proposed acquisition of 100% of the issued share capital of Puccini International Limited

As disclosed in the Initial Announcement and the section headed “Contractual Arrangements” in Part M of the letter from the Board in the Circular, Mr. Wang, Ms. Wang, Devine Gem, Puccini, WFOE and LTWJi will enter into the Contractual Arrangements (the terms of which are in agreed form) after the Continuing Connected Transactions are approved by the independent Shareholders and before Completion. The Technical and Consultancy Services Agreement (which is an integral part of the Contractual Arrangements) will enable Puccini (through its wholly-owned subsidiary, WFOE) to enjoy the economic benefits of LTWJi. As Mr. Wang (who is a non-executive Director) is the owner of 80% of the registered capital of LTWJi, LTWJi is deemed to be an associate of Mr. Wang under the GEM Listing Rules. Each of Mr. Wang and LTWJi is therefore a connected person of the Company and transactions between members of the Enlarged TOM Group, and Mr. Wang and/or LTWJi will constitute connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

The Continuing Connected Transactions are conditional on the approval by the Shareholders (other than Mr. Wang, his associates and any other shareholder of the Company who is interested in the Continuing Connected Transactions, all of whom will abstain from voting on the relevant resolution(s)) at the EGM. As required under Rule 20.40 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 in respect of the Continuing Connected Transactions. In this regard, Rothschild has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee. Please refer to the letter from the Independent Board Committee and the letter from Rothschild as set out in the Circular.

Unless the context requires otherwise, words and expressions defined in the Announcements and the Circular shall have the same meaning when used in this announcement.

Continuing Connected Transactions

As disclosed in the Initial Announcement and the section headed “Contractual Arrangements” in Part M of the letter from the Board in the Circular, as one of the conditions precedent to Completion, Devine Gem, Puccini, LTWJi, WFOE, Mr. Wang (being the owner of 80% of the registered capital of LTWJi) and Ms. Wang (being the owner of 20% of the registered capital of LTWJi) will enter into the following Contractual Arrangements after the Continuing Connected Transactions are approved by the independent Shareholders and before Completion, under which Puccini (through its wholly-owned subsidiary, WFOE) will enjoy the economic benefits of LTWJi:

- (a) the Loan Assignment Agreements;
- (b) the Business Operation Agreement;
- (c) the Equity Pledge Agreements;
- (d) the Technical and Consultancy Services Agreement; and
- (e) the Option Agreements.

Of the Contractual Arrangements, only the Technical and Consultancy Services Agreement is of a recurrent nature.

Notwithstanding that the owners of the registered capital of LTWJi are Mr. Wang (as to 80%) and Ms. Wang (as to 20%), pursuant to the Contractual Arrangements, the TOM Group (through Puccini and WFOE) will enjoy the economic benefits of LTWJi and the financial statements of LTWJi will be consolidated with those of the Enlarged TOM Group after Completion.

As Mr. Wang (who is a non-executive Director) is the owner of 80% of the registered capital of LTWJi, LTWJi is deemed to be an associate of Mr. Wang under the GEM Listing Rules. Each of Mr. Wang and LTWJi is therefore a connected person of the Company and transactions between members of the Enlarged TOM Group, and Mr. Wang and/or LTWJi will constitute connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

The Technical and Consultancy Services Agreement (which is an integral part of the Contractual Arrangements) will enable Puccini (through WFOE) to enjoy the economic benefits of LTWJi. Under the Technical and Consultancy Services Agreement, LTWJi will engage WFOE to provide, and WFOE will provide, the following technical and consulting services to LTWJi on an exclusive basis:

- maintenance of equipment room and websites;
- provision and maintenance of office networking conditions;
- provision of overall security services for websites; and
- overall structure design implementation of network including instalment and 24 hours maintenance services or the server systems.

In consideration of the provision of the above services by WFOE to LTWJi, LTWJi will pay WFOE service fees on a monthly basis, which fees will be calculated based on the actual air-time used by the

customers of LTWJi multiplied by a rate which is equal to 50% of the air-time rate charged by LTWJi for the provision of the IVR Services. The Technical and Consultancy Services Agreement will be valid for a term of 10 years from the date of execution thereof, which may be extended after the expiry of such 10-year term at the option of WFOE for a period to be agreed between WFOE and LTWJi.

The relevant consideration payable under or, where appropriate, the value of each of the Contractual Arrangements (other than the Technical and Consultancy Services Agreement) is as follows:

1. No consideration is payable under an assignment agreement to be entered into between Devine Gem, Puccini and Mr. Wang in respect of the assignment of the rights and interests of Devine Gem under the Loan Agreement. The total value of this assignment agreement is equal to the amount of the loan to be assigned thereunder, being RMB500,000 (of which RMB400,000 was advanced to Mr. Wang and RMB100,000 was advanced to Ms. Wang).
2. No consideration is payable under the Business Operation Agreement.
3. No consideration is payable under an equity pledge agreement to be entered into between WFOE and Mr. Wang. The total value of this agreement is equal to 80% of the registered capital of LTWJi (being RMB800,000) pledged thereunder.
4. The exercise price of the option (which can only be exercised once) under an exclusive option agreement to be entered into between Puccini and Mr. Wang prior to Completion is RMB800,000.

The Contractual Arrangements (other than the Continuing Connected Transactions) will, upon Completion, constitute connected transactions of the Company under Chapter 20 of the GEM Listing Rules. As the Directors are of the view that these arrangements are on normal commercial terms, these arrangements therefore fall within the de minimis exemption under Rule 20.25(3) of the GEM Listing Rules. Accordingly, the Contractual Arrangements (other than the Continuing Connected Transactions) will be exempt from the reporting, announcement and shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

The Continuing Connected Transactions will, upon Completion, constitute continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules. The Continuing Connected Transactions are subject to the following requirements:

(a) Disclosure

The Company shall disclose in its next published annual report and accounts information on the Continuing Connected Transactions as required by Rule 20.34(1) to (5) of the GEM Listing Rules.

(b) Independent non-executive Director's review

The independent non-executive Directors shall review annually the Continuing Connected Transactions and confirm, in the Company's annual report and accounts for the year in question, that the Continuing Connected Transactions have been entered into:

- (i) in the ordinary and usual course of business of the Company;
- (ii) on terms no less favourable to the Company than terms available to independent third parties; and

(iii) in accordance with the Technical and Consultancy Services Agreement, on terms that are fair and reasonable and in the interest of the Shareholders as a whole.

(c) Auditors' review

The Company's auditors shall review the Continuing Connected Transactions annually and shall provide the Directors with a letter confirming that the Continuing Connected Transactions:

- (i) have received the approval of the Directors;
- (ii) are in accordance with the pricing policies of the Company;
- (iii) have been entered into in accordance with the terms of the Technical and Consultancy Services Agreement.

The letter of the auditors is to be addressed to the Directors and a copy of which is to be provided to the Stock Exchange. In the event that, for whatever reason, the auditors decline to accept the engagement or are unable to provide that letter, the Directors shall contact the Stock Exchange immediately.

(d) Shareholders' approval

The Shareholders (other than Mr. Wang, his associates and any other shareholder of the Company who is interested in the Continuing Connected Transactions, all of whom will abstain from voting) will be asked to vote on an ordinary resolution for approving the Continuing Connected Transactions (including, without limitation, that the Continuing Connected Transactions not be subject to any maximum aggregate annual value and that the term of the Technical and Consultancy Services Agreement be 10 years) at the EGM. As required under Rule 20.40 of the GEM Listing Rules, the vote at the EGM will be taken by poll.

The Stock Exchange has confirmed that, subject to compliance with the requirements set out in paragraphs (a) to (d) above, the requirements: (i) under Rule 20.26(2) of the GEM Listing Rules that the Continuing Connected Transactions be subject to a maximum aggregate annual value ("cap"); and (ii) under Rule 20.30 of the GEM Listing Rules that the Continuing Connected Transactions be subject to annual independent Shareholders' approval where the cap in any year is to be greater than the higher of HK\$10 million or 3% of the net tangible assets of the Company, will be waived.

GENERAL

The Directors (other than the Independent Board Committee, whose views are set out in "Letter from the Independent Board Committee" in the Circular) are of the view that the Continuing Connected Transactions are fair and reasonable and in the interest of the Shareholders as a whole.

The Continuing Connected Transactions are conditional on the approval by the Shareholders (other than Mr. Wang, his associates and any other shareholder of the Company who is interested in the Continuing Connected Transactions, all of whom will abstain from voting on the relevant resolution(s)) at the EGM. The EGM will be held at the Grand Ballroom I, Harbour Plaza Hong Kong, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Wednesday, 19 November 2003 at 11:00 a.m. at which, inter alia, an ordinary resolution will be proposed and, if thought fit, passed to approve the Continuing Connected Transactions. As required under Rule 20.40 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 in respect of the Continuing Connected Transactions. In this regard, Rothschild has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee. Please refer to the letter from the Independent Board Committee and the letter from Rothschild as set out in the Circular.

DEFINITIONS

“Announcements”	the Initial Announcement and the Deferral Announcements
“Business Operation Agreement”	a business operation agreement to be entered into between WFOE, LTWJi, Mr. Wang and Ms. Wang prior to Completion, under which, among other things: (a) without the prior written consent of WFOE, LTWJi will not engage in any activity that could have a material adverse effect on its assets, liabilities, equity and/or operations; and (b) WFOE will guarantee the performance by LTWJi of its obligations under its transactions with third parties
“Circular”	the circular of the Company dated 3 November 2003 (which contains, among other things: (i) further information on, among other things, the Acquisition and the Continuing Connected Transactions; (ii) the recommendation and opinion of the Independent Board Committee in relation to the Acquisition and the Continuing Connected Transactions; (iii) the recommendation and opinion of the Company’s independent financial adviser to the Independent Board Committee in relation to the Acquisition and the Continuing Connected Transactions; and (iv) a notice of the EGM) despatched to the Shareholders in accordance with the relevant requirements under the GEM Listing Rules
“Continuing Connected Transactions”	the transactions contemplated under the Technical and Consultancy Services Agreement
“Deferral Announcements”	the announcements of the Company dated 15 October 2003 and 29 October 2003, respectively in respect of the delay in despatch of the Circular and deferral of the Longstop Date
“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
“Equity Pledge Agreements”	an equity pledge agreement 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 Technical and Consultancy Services Agreement
“Initial Announcement”	an announcement of the Company dated 25 September 2003 in respect of, among other things, the Acquisition
“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

“Loan Assignment Agreements”	(i) an assignment agreement 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 agreement dated 25 July 2002 entered into between Devine Gem, and each of Mr. Wang and Ms. Wang; 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
“Mr. Wang”	Mr. Wang Lei Lei (王雷雷), who is a non-executive Director
“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 or any of their respective associates (as defined under the GEM Listing Rules)
“Option Agreements”	the 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
“Puccini”	Puccini International Limited, a company incorporated in the Cayman Islands (on 13 March 2000) and a wholly-owned subsidiary of Cranwood
“Shareholders”	the shareholders of the Company
“Technical and Consultancy Services Agreement”	an exclusive technical and consultancy services agreement to be entered into between WFOE and LTWJi prior to Completion, under which WFOE will provide certain technical and consultancy services to LTWJi on an exclusive basis, further details of the terms of which are set out in the section headed “Continuing Connected Transactions” above
“WFOE”	Puccini Network Technology (Beijing) Limited (普其利網絡科技(北京)有限公司), a wholly-foreign owned enterprise 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, 3 November 2003

This announcement, for which the Directors 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, 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.