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**TOM Group Limited**

**TOM集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8001)

**UPDATE ON  
MAJOR TRANSACTION  
INVOLVING CASH CONSIDERATION AND ISSUANCE OF NEW SHARES  
in respect of the acquisition of  
the entire issued share capital of Business Weekly Publishing Inc.**

The Board announces that due to the reason of the IPO Company not being able to be listed by the IPO Share Payment Last Date, the remaining balance of the Earn-out Payment in respect of the IPO Shares and the Deferred Payment in an aggregate amount of NTD412,500,000 (approximately HKD96,763,000) has been paid to the Management Shareholders and the BW Shareholders on 8<sup>th</sup> April, 2004 in cash in lieu of the IPO Shares.

**BUSINESS WEEKLY ACQUISITION**

Reference is made to the announcements of TOM Group Limited (“TOM”) dated 12<sup>th</sup> December, 2001, 28<sup>th</sup> December, 2001, 20<sup>th</sup> March, 2002 and 4<sup>th</sup> April, 2003 (the “Announcements”) and the circular of TOM dated 24<sup>th</sup> January, 2002 (the “Circular”) in respect of the Business Weekly Acquisition. Unless otherwise defined herein, the terms used herein shall have the same meanings as those defined in the Announcements and the Circular.

**BACKGROUND**

Pursuant to the Stock Purchase Agreement, Diamond, a 83.19% owned subsidiary of TOM, acquired the entire issued share capital of Business Weekly. Completion of the Business Weekly Acquisition took place on 20<sup>th</sup> March, 2002.

As disclosed in the announcement of TOM dated 4<sup>th</sup> April, 2003, Diamond determined not to exercise the option to acquire the Specified Reserved Companies and the Contingent Payment will not be made. Accordingly, the total consideration for the Business Weekly Acquisition is

reduced to NTD1,450,000,000, of which,

- (i) NTD825,000,000 has been paid to the Management Shareholders and the BW Shareholders on 20<sup>th</sup> March, 2002;
- (ii) NTD106,250,000 has been paid to the Management Shareholders and the BW Shareholders by way of allotment and issuance of 4,361,710 TOM Shares (credited as fully paid) at HKD5.51 per TOM Share on 24<sup>th</sup> May, 2002 to satisfy part of the Year 2001 Earn-out Payment; and
- (iii) NTD106,250,000 has been paid to the Management Shareholders and the BW Shareholders by way of allotment and issuance of 4,332,312 TOM Shares (credited as fully paid) at HKD5.51 per TOM Share on 14<sup>th</sup> May, 2003 to satisfy part of the Year 2002 Earn-out Payment.

The remaining Consideration shall be payable in the following manner:

- (i) NTD50,000,000 shall be paid by way of issuance and allotment of the IPO Shares in such number equal to the HKD equivalent of NTD50,000,000 divided by the initial public offering price per IPO Share to satisfy the remaining balance of the Earn-out Payment; and
- (ii) NTD362,500,000 shall be paid by way of issuance and allotment of the IPO Shares in such number equal to the HKD equivalent of NTD362,500,000 divided by the initial public offering price per IPO Share to satisfy the Deferred Payment.

#### **PAYMENT OF EARN-OUT PAYMENT AND DEFERRED PAYMENT IN CASH IN LIEU OF THE IPO SHARES**

Pursuant to the Stock Purchase Agreement, if the Earn-out Payment in respect of the IPO Shares and the Deferred Payment cannot be paid to the Management Shareholders and the BW Shareholders solely by reason of the IPO Company not being able to be listed by the IPO Share Payment Last Date (i.e. 19<sup>th</sup> March, 2004, being the last day of the 24th months from the Completion Date), the Earn-out Payment in respect of the IPO Shares and the Deferred Payment shall be payable in cash in lieu of the IPO Shares. Any cash payment in lieu of the IPO Shares shall be made within 21 days after the IPO Share Payment Last Date to the Management Shareholders and the BW Shareholders in proportion to their respective then shareholdings in Business Weekly.

The Board announces that due to the reason of the IPO Company not being able to be listed by the IPO Share Payment Last Date, the remaining balance of the Earn-out Payment in respect of the IPO Shares and the Deferred Payment in an aggregate amount of NTD412,500,000 (approximately HKD96,763,000) has been paid to the Management Shareholders and the BW Shareholders on 8<sup>th</sup> April, 2004 in cash in lieu of the IPO Shares.

By Order of the Board  
**TOM GROUP LIMITED**  
**Angela Mak**  
Company Secretary

Hong Kong, 8<sup>th</sup> April, 2004

*The Directors as at the date hereof are Mr. Frank Sixt, Mr. Sing Wang, Ms. Tommei Tong, Mr. Henry Cheong, Mrs. Angelina Lee, Ms. Anna Wu, Ms. Debbie Chang, Mrs. Susan Chow, Mr. Edmond Ip, Mr. Holger Kluge, Mr. James Sha and Mr. Wang Lei Lei.*

*This announcement, for which the Directors of TOM 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 TOM. The Directors of TOM, 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 statements 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](http://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 TOM at [www.tomgroup.com](http://www.tomgroup.com).*

*\* for identification purpose*