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## **TOM.COM LIMITED**

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

### **ANNOUNCEMENT PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES**

#### **SUMMARY**

On 6th September, 2000, each of Easterhouse, Romefield, Schumann, Handel and Tom entered into a placing agreement with BNP Peregrine, pursuant to which BNP Peregrine will purchase or procure purchasers to acquire, and Easterhouse, Romefield, Schumann and Handel will together sell in aggregate 60,000,000 existing Shares at a price of HK\$5.08 per Share. The Shares to be placed represent about 2.04% of the existing issued share capital of Tom and about 1.99% of the issued share capital of Tom as enlarged by the subscription of 80,000,000 new Shares (see below). Under the Placing Agreement, BNP Peregrine has been granted an Option to require Easterhouse, Romefield, Schumann and Handel to sell up to an additional 15,800,000 existing Shares in aggregate at the Placing Price.

On the same day, Tom, Easterhouse, Romefield, Schumann and Handel entered into a subscription agreement, pursuant to which, Easterhouse, Romefield, Schumann and Handel have conditionally agreed to subscribe for 80,000,000 new Shares in total at HK\$5.08 per Share, which is the same as the Placing Price. Should BNP Peregrine exercise the Option, Easterhouse, Romefield, Schumann and Handel will, in addition to the 80,000,000 new Shares, have the right to subscribe for and require Tom to issue up to an additional 15,800,000 new Shares to the extent that they are required to sell further Shares as a result of the exercise of the Option. Pursuant to the Subscription Agreement, Tom will bear the costs and expenses of this transaction (including the expenses related to the Placing and the Subscription) so that the proceeds received by Tom will be net of such costs and expenses. The interest, if any, received by each of Easterhouse, Romefield, Schumann and Handel from the Placing will be utilised by Tom to reduce the aforesaid costs and expenses.

The net proceeds from the Subscription are estimated to amount to about HK\$400 million (or about HK\$478 million if the Option is fully exercised), which is intended to be used in connection with the general corporate purposes of Tom, including further investments which are in line with the business objectives of Tom as described in the prospectus of Tom dated 18th February, 2000.

At the request of Tom, trading in the Shares on the Stock Exchange has been temporarily suspended from 10:00 a.m. on 6th September, 2000, pending the release of this announcement. An application has been made by Tom to the Stock Exchange for resumption of trading in the Shares with effect from 10:00 a.m. on 7th September, 2000. A further announcement in respect of the results of the Placing will be made by Tom in due course.

## **THE PLACING (THE “PLACING”)**

### **Date of the agreement (the “Placing Agreement”)**

6th September, 2000

### **Parties**

Vendors: Easterhouse Limited (“Easterhouse”), Romefield Limited (“Romefield”), Schumann International Limited (“Schumann”) and Handel International Limited (“Handel”)

Placing Agent: BNP Paribas Peregrine Securities Limited (“BNP Peregrine”)

Company: TOM.COM LIMITED (“Tom”)

### **Number of Shares to be placed**

*If the Option is not exercised:*

60,000,000 existing shares of HK\$0.10 each (“Shares”), representing about 2.04% of the existing issued share capital of Tom. These Shares also represent about 1.99% of the issued share capital of Tom as enlarged by the Subscription (as defined below) of 80,000,000 Shares.

*If the Option is fully exercised:*

75,800,000 existing Shares, representing about 2.58% of the existing issued share capital of Tom. These Shares also represent about 2.50% of the issued share capital of Tom as enlarged by the Subscription of 95,800,000 Shares.

### **The Option**

BNP Peregrine was granted an option (the “Option”) to require Easterhouse, Romefield, Schumann and Handel to sell up to an additional 15,800,000 existing Shares at the Placing Price exercisable on or before 5:30 p.m. on the first day trading in the Shares resumes following this announcement (“Trading Date”). Such additional new Shares represent about 0.54% of the existing issued share capital of Tom. A further announcement will be made by Tom if and when BNP Peregrine has exercised the Option.

### **The Placing Price**

HK\$5.08 per Share (the “Placing Price”) was arrived at after arm’s length negotiations between Easterhouse, Romefield, Schumann, Handel and BNP Peregrine. It represents a discount of approximately 12.41% to the closing price of HK\$5.80 per Share as quoted on the Stock Exchange on 5th September, 2000 (being the last trading day for the Shares immediately prior to suspension of trading on 6th September, 2000) and a discount of about 11.96% to the average closing price of about HK\$5.77 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 5th September, 2000.

### **Shares under the Placing and the Option**

The Shares to be placed under the Placing (including those arising from the exercise of the Option, if applicable) will be sold free from all liens, charges, encumbrances, claims, options or any third party rights and together with all rights attaching thereto as at the date of this announcement, including the right to all dividends or other distributions which may be declared, paid, or made after the date of the Placing Agreement.

### **Independence of placees and the placing agent**

The placees are expected to be third parties independent from the directors, chief executive or substantial shareholders or management shareholders of Tom or Tom’s subsidiaries or any of their respective associates (as defined in the GEM Listing Rules). It is expected that there will be over six placees who will be (i) professional and institutional investors which generally include brokers, dealers and companies (including fund managers), whose ordinary business involves dealing in shares and other securities; (ii) corporate entities which regularly invest in shares and other securities; and (iii) individuals.

The placing agent, BNP Peregrine, is a third party independent from the directors, chief executive or substantial shareholders or management shareholders of Tom or Tom’s subsidiaries or any of their respective associates.

### **Force majeure and completion of the Placing**

The Placing Agreement is subject to there being no occurrence of certain force majeure events or any material breach of certain representations and warranties set out in the Placing Agreement prior to 10:00 a.m. on the second business day (other than a Saturday) after the Trading Date which in the reasonable opinion of BNP Peregrine would or might adversely affect the success of the Placing. Force majeure events include any change in national, local, financial, political, industrial, economic or market conditions if in the reasonable opinion of BNP Peregrine any such change would materially prejudicially affect the Placing.

## **THE SUBSCRIPTION (THE “SUBSCRIPTION”)**

### **Date of the agreement (the “Subscription Agreement”)**

6th September, 2000

### **Parties**

Issuer: Tom

Subscribers: Easterhouse, Romefield, Schumann and Handel

### **Number of new Shares to be subscribed for**

*If the Option is not exercised:*

80,000,000 new Shares, representing about 2.72% of the existing issued share capital of Tom and about 2.65% of the issued share capital of Tom as enlarged by the issue of new Shares pursuant to the Subscription.

*If the Option is fully exercised:*

Should BNP Peregrine exercise the Option, Easterhouse, Romefield, Schumann and Handel will, in addition to the 80,000,000 new Shares, have the right to subscribe for and require Tom to issue up to an additional 15,800,000 new Shares, if and to the extent that they are required to sell further Shares as a result of the exercise of the Option. In the event of the full exercise of this right by Easterhouse, Romefield, Schumann and Handel, the Shares to be subscribed will represent about 3.26% of the existing issued share capital of Tom and about 3.15% of the issued share capital of Tom as enlarged by the Subscription of 95,800,000 Shares.

The new Shares will be issued pursuant to the general mandate granted to the directors of Tom under the written resolutions of the shareholders of Tom dated 11th February, 2000.

### **The Subscription Price**

HK\$5.08 per Share (the “Subscription Price”), which is the same as the Placing Price. Pursuant to the Subscription Agreement, Tom shall bear the costs and expenses of this transaction (including the expenses relating to the Placing and the Subscription) so that the proceeds received by Tom will be net of such costs and expenses. The interest, if any, received by each of Easterhouse, Romefield, Schumann and Handel from the Placing will be utilised by Tom to reduce the aforesaid costs and expenses.

### **Ranking of new Shares**

The new Shares, when fully paid, will rank pari passu in all respects with the existing Shares.

## **Conditions and completion of the Subscription**

The Subscription is conditional upon:

- completion of the Placing having occurred pursuant to the terms of the Placing Agreement; and
- the Stock Exchange granting listing of and permission to deal in all the new Shares to be issued pursuant to the Subscription.

Completion of the Subscription shall take place at or before 3:00 p.m. on the business day after the date upon which all conditions stated above have been fulfilled, and in any event not later than 14 days after the date of the Subscription Agreement (which is 20th September, 2000), or such other date as Tom and Easterhouse, Romefield, Schumann and Handel may agree in writing.

If the Subscription is not completed within the 14-day period (which ends on 20th September, 2000), shareholders' approval from the independent shareholders of Tom will be required.

## **Reason for the Subscription and use of proceeds**

Tom has continued to pursue its objective of building the most popular portal (in Chinese characters) in the PRC with best-in-class portal applications and most comprehensive contents. In line with such objective, Tom has recently entered into agreements to acquire 163.net, shawei.com and certain leading sports advertising and event management companies in the PRC.

The Directors consider that it is in the best interest of Tom to raise further capital from the equity market by way of the Placing and the Subscription at the Placing/Subscription Price. The net proceeds from the Subscription are estimated to amount to about HK\$400 million (or about HK\$478 million if the Option is fully exercised). It is the current intention of Tom to use such funds for general corporate purposes of Tom, including further investments which are in line with the business objectives of Tom as described in the prospectus of Tom dated 18th February, 2000. As at the date hereof, the cash on hand of Tom and its subsidiary companies amounts to about HK\$632 million.

## SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of Tom immediately before and after completion of the Placing and the Subscription, assuming the Option is not exercised:

<i>Shareholder</i>	<b>Before completion of the Placing</b>		<b>Immediately after completion of the Placing</b>		<b>Immediately after completion of the Placing and the Subscription</b>	
	<i>Number of Shares</i>	<i>% of issued share capital</i>	<i>Number of Shares</i>	<i>% of issued share capital</i>	<i>Number of Shares</i>	<i>% of issued share capital</i>
Easterhouse	920,000,000	31.28%	896,000,000	30.47%	928,000,000	30.72%
Romefield	460,000,000	15.64%	448,000,000	15.23%	464,000,000	15.36%
Schumann	575,000,000	19.55%	560,000,000	19.04%	580,000,000	19.20%
Handel	345,000,000	11.73%	336,000,000	11.42%	348,000,000	11.52%
Sub-total	2,300,000,000	78.20%	2,240,000,000	76.16%	2,320,000,000	76.80%
Public shareholders	641,130,899	21.80%	701,130,899	23.84%	701,130,899	23.20%
Total	<u>2,941,130,899</u>	<u>100.00%</u>	<u>2,941,130,899</u>	<u>100.00%</u>	<u>3,021,130,899</u>	<u>100.00%</u>

Set out below is the shareholding structure of Tom immediately before and after completion of the Placing and the Subscription, assuming the Option is fully exercised:

<i>Shareholder</i>	<b>Before completion of the Placing</b>		<b>Immediately after completion of the Placing</b>		<b>Immediately after completion of the Placing and the Subscription</b>	
	<i>Number of Shares</i>	<i>% of issued share capital</i>	<i>Number of Shares</i>	<i>% of issued share capital</i>	<i>Number of Shares</i>	<i>% of issued share capital</i>
Easterhouse	920,000,000	31.28%	889,680,000	30.25%	928,000,000	30.56%
Romefield	460,000,000	15.64%	444,840,000	15.12%	464,000,000	15.28%
Schumann	575,000,000	19.55%	556,050,000	18.91%	580,000,000	19.10%
Handel	345,000,000	11.73%	333,630,000	11.34%	348,000,000	11.46%
Sub-total	2,300,000,000	78.20%	2,224,200,000	75.62%	2,320,000,000	76.40%
Public shareholders	641,130,899	21.80%	716,930,899	24.38%	716,930,899	23.60%
Total	<u>2,941,130,899</u>	<u>100.00%</u>	<u>2,941,130,899</u>	<u>100.00%</u>	<u>3,036,930,899</u>	<u>100.00%</u>

## GENERAL

Easterhouse is a wholly-owned subsidiary of Hutchison Whampoa Limited group (“HWL Group”). The HWL Group operates business in over 25 countries, including ports and related services; telecommunications; property development and holding; and retail, manufacturing and other services; and energy and infrastructure.

Romefield is a wholly-owned subsidiary of Cheung Kong (Holdings) Limited group (“Cheung Kong Group”). Cheung Kong Group is principally engaged in the field of property development and investment, real estate agency and management, and investment in securities.

Schumann and Handel are engaged in the provision of management consulting services and are owned and managed by a group of consultants with extensive experience in the planning and development of projects in China. Each of Schumann and Handel is owned as to 90% by Cranwood Company Limited, a company controlled by Ms. Chau Hoi Shuen and the remaining 10% of each company is divided equally between companies controlled by Ms. Debbie Chang and Mr. Feng Qi, both being non-executive Directors of Tom.

An application will be made to the Stock Exchange for the listing of, and permission to deal

in, the new Shares to be issued pursuant to the Subscription Agreement.

At the request of Tom, trading in the Shares on the Stock Exchange has been temporarily suspended from 10:00 a.m. on 6th September, 2000, pending the release of this announcement. An application has been made by Tom to the Stock Exchange for resumption of trading in the Shares with effect from 10:00 a.m. on 7th September, 2000. A further announcement in respect of the results of the Placing will be made by Tom in due course.

By Order of the Board  
**Angela Mak**  
Company Secretary

Hong Kong, 6th September, 2000

*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 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](http://www.hkgem.com) on the “Latest Company Announcements” page for 7 days from the date of its posting and on the website of Tom at [www.tom.com](http://www.tom.com).*