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TOM.COM LIMITED

(Incorporated in the Cayman Islands with limited liability)

SHARE TRANSACTION

in respect of

**(1) the acquisition of 45% of the issued share capital
of Blue Quartz Limited**

and

(2) the equity interest in China Travel Network Company Limited

The Board is pleased to announce that on 14th December, 2001, Super Travel, a wholly-owned subsidiary of Tom, and Beijing Planet Travel, an indirect 55% owned subsidiary of Tom, have entered into the Agreement with certain independent third parties, under which and subject to certain terms and conditions thereof, (1) Super Travel agrees to acquire the remaining 45% of the issued share capital of Blue Quartz; and (2) Beijing Planet Travel will designate the BPT Nominees to purchase the CTN Registered Capital.

The Consideration for the Acquisitions will be satisfied by way of issuance and allotment of 4,300,000 new Shares (credited as fully paid) at HKD5.51 per Share to the Holders of the Consideration Shares. The Consideration Shares to be allotted and issued represent approximately 0.13% of each of the Existing Capital and the Enlarged Capital.

In view of the Consideration being fully satisfied by way of issuance of new Shares and based on the latest adjusted net tangible assets of Tom, the Acquisitions constitute a share transaction of Tom under Chapter 19 of the GEM Listing Rules.

THE AGREEMENT

Date: 14th December, 2001

Parties:

(1) In respect of Blue Quartz Shares

Purchaser: Super Travel
Vendor: CTN Holdings

(2) In respect of CTN Registered Capital

Purchaser: Beijing Planet Travel
Vendors: CITSHO, Hua Da Kang and Xinrong
Other parties: Suntek and CTN

Each of CTN Holdings, CITSHO, Hua Da Kang, Suntek, Xinrong, CTN, Consolid and Suntek Global and their respective beneficial owners are companies/persons independent from the Directors or chief executive or substantial shareholders or management shareholders of Tom or any of their respective associates (as defined in the GEM Listing Rules).

Assets to be acquired

- (1) 45% of the issued share capital of Blue Quartz; and
- (2) the entire registered capital of CTN

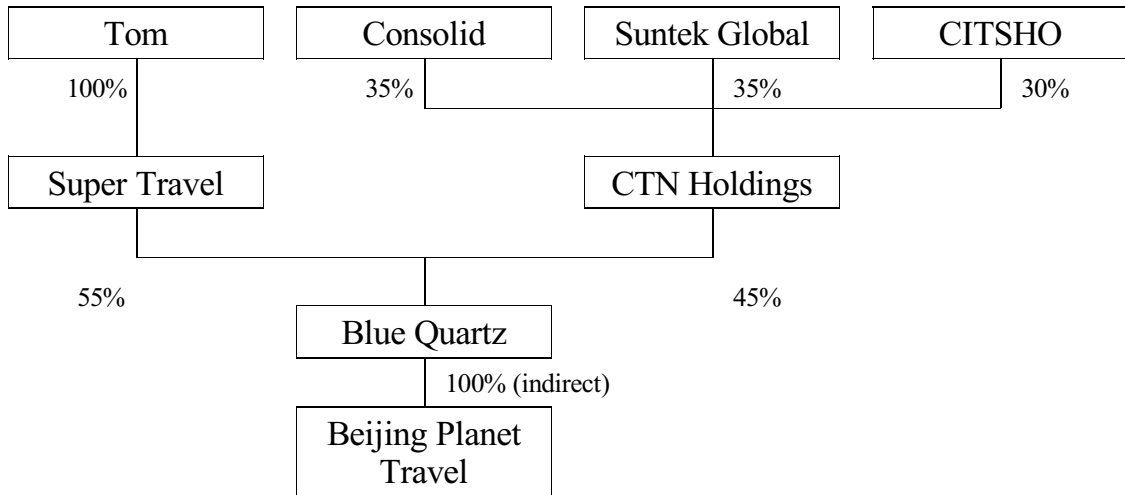
Major terms of the Agreement

- (a) Super Travel agrees to acquire from CTN Holdings 45% of the issued share capital of Blue Quartz on the Offshore Closing Date. Upon the Offshore Closing, Blue Quartz will become a wholly-owned subsidiary of Super Travel;
- (b) CTN, Hua Da Kang, CITSHO, Suntek and Beijing Planet Travel agree to terminate the Exclusive Purchase Agreement as the Agreement supersedes the Exclusive Purchase Agreement;
- (c) Beijing Planet Travel shall designate the BPT Nominees to acquire the CTN Registered Capital from Hua Da Kang, Xinrong and CITSHO; and
- (d) Each of the CTN Shareholders and CTN shall, and Beijing Planet Travel shall cause each of Nominee A and Nominee B to, execute an equity interest transfer contract to evidence the transfer of the CTN Registered Capital from Hua Da Kang, Xinrong and CITSHO to the Nominee A and Nominee B. Upon the Onshore Closing, Nominee A and Nominee B will own 95% and 5% of the CTN Registered Capital respectively.

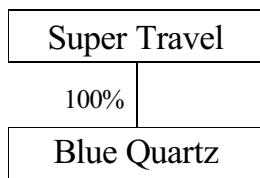
Shareholding structure of Blue Quartz before and after Offshore Closing

The shareholding structures of Blue Quartz before and after Offshore Closing are set out below:

(i) Shareholding structure of Blue Quartz before Offshore Closing



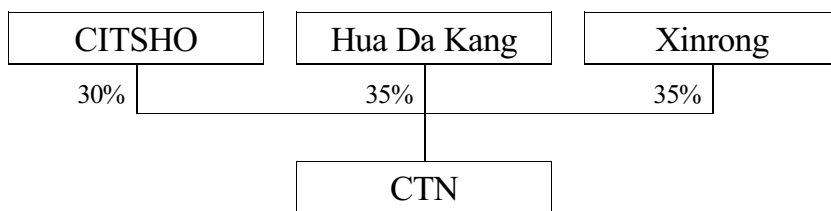
(ii) Shareholding structure of Blue Quartz after Offshore Closing



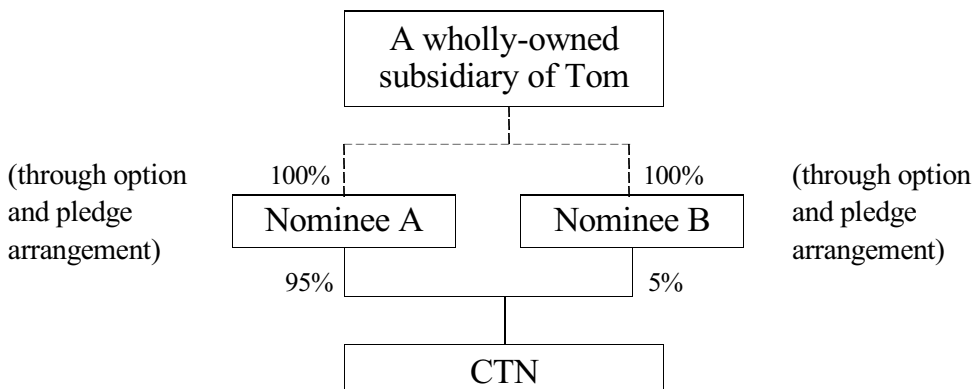
Shareholding structure of CTN before and after Onshore Closing

The shareholding structures of CTN before and after Onshore Closing are set out below:

(i) Shareholding structure of CTN before Onshore Closing



(ii) Shareholding structure of CTN after Onshore Closing



Consideration

The Consideration for the Acquisitions will be satisfied by way of the issuance and allotment by Tom of a total of 4,300,000 new Shares (representing approximately 0.13% of each of the Existing Capital and the Enlarged Capital) (credited as fully paid) at HKD5.51 per Share. The price per Consideration Share represents a premium of approximately 36.05% to the closing price of HKD4.05 per Share as quoted on the Stock Exchange on 14th December, 2001 (the date of the Agreement) and a premium of approximately 79.63% to the average closing price of HKD3.0675 per Share of the 10 consecutive trading days before the date of the Agreement as quoted on the Stock Exchange. The price per Consideration Share was arrived at based on arm's length negotiations and the price being acceptable by the vendors.

The Consideration Shares will be issued to each of the Holders of the Consideration Shares in such portions as directed and notified in writing by CTN Holdings and/or CTN to Super Travel within 7 business days after the later of the Offshore Closing Date or the Onshore Closing Date. The Consideration Shares will be allotted to the Holders of the Consideration Shares and/or their respective beneficial owners in proportion to their respective shareholdings in CTN and CTN Holdings.

The Consideration was arrived at after arm's length negotiations based on Tom's internal evaluation of the synergy to Tom's portal and potential in enriching and generating travel content for Tom's portal.

Sale restrictions

Each of the Holders of the Consideration Shares agrees that the issuance of the Consideration Shares is subject to the following restrictions:

- (a) Each Holder of Consideration Shares may only Sell the Consideration Shares six months after the later of the Offshore Closing Date or the Onshore Closing Date;
- (b) Each Holder of Consideration Shares may Sell or effect a Sale of the Consideration Shares from the beginning of the 7th month after the later of the Offshore Closing Date or the Onshore Closing Date, provided that the aggregate number of the Consideration Shares subject to any Sale by such Holder of Consideration Shares on any day may not exceed 1% of the total Consideration Shares issued to such Holder of Consideration Shares; and
- (c) If any Holder of the Consideration Shares does not Sell the maximum permitted amount of the Consideration Shares stated above on any particular day, the amount not sold by such Holder of Consideration Shares shall not accrue to the amount permitted to be sold by such Holder of Consideration Shares on any subsequent day.

Offshore Closing

The Offshore Closing shall take place on the third business day after the date of a written notice from CTN Holdings to Super Travel that all the closing deliverables as set out in the Agreement has been delivered and/or completed (each of which may be waived by Super Travel), which include: –

- (a) CTN Holdings, Super Travel and Blue Quartz having executed a termination deed with respect to the Blue Quartz shareholders' agreement;
- (b) All representations and warranties made by CTN Holdings and CITSHO being true and accurate on the Offshore Closing Date as if made on and as of the Offshore Closing Date;
- (c) CTN Holdings and Blue Quartz having carried out and attended to all the relevant corporate procedures that are required under the laws of the British Virgin Islands in order to complete the sale and purchase of the Blue Quartz Shares; and
- (d) Consolid and Suntek Global having executed the non-competition and confidentiality agreement with Super Travel, CTN and Blue Quartz each agreeing not to compete with Super Travel and Blue Quartz and be bound by confidentiality provisions in relation to the business of Blue Quartz and CTN for 10 years from the date of the Agreement.

Onshore Closing

The Onshore Closing shall take place on the third business day after the date of a written notice from the CTN Shareholders to the BPT Nominees that all the closing deliverables set out in the Agreement can be delivered and/or completed (each of which may be waived by any of Super Travel or the BPT Nominees), which include:

- (a) the board of directors of CTN having adopted the revisions to the articles of association of CTN, amended to indicate that Nominee A and Nominee B owning 95% and 5% of the CTN Registered Capital respectively;
- (b) Beijing Planet Travel being satisfied with the financial position of CTN, and any assets or liabilities of CTN requested by Beijing Planet Travel to be assigned or transferred by CTN to one or more of the CTN Shareholders having been duly and properly assigned and transferred;
- (c) All representations and warranties made by the CTN Shareholders being true and accurate on the Onshore Closing Date as if made on and as of the Onshore Closing Date; and
- (d) The CTN Shareholders and CTN having carried out and attended to all the relevant corporate procedures that are required under the laws of the PRC in order to complete the transfer of the CTN Registered Capital to the BPT Nominees.

The Offshore Closing and the Onshore Closing are not inter conditional to each other.

Closing

Closing shall take place on or before the 7th business day after the later of the Offshore Closing Date or the Onshore Closing Date.

INFORMATION ON BLUE QUARTZ AND CTN

Blue Quartz

Blue Quartz, an indirect 55% owned subsidiary of Tom, is an investment holding company holding a number of wholly-owned subsidiaries including itravel (HK) Limited and Beijing Planet Travel. itravel (HK) Limited operates the travel website www.gochinago.com. Beijing Planet Travel is engaging in the development of travel related software and the provision of consulting services in the PRC.

Blue Quartz recorded an unaudited loss of approximately HKD8.1 million and approximately HKD87 million for the years ended 31st December, 1999 and 31st December, 2000 respectively. As at 31st December, 1999, the net tangible assets of Blue Quartz were approximately HKD7.5 million. As at 31st December, 2000, the net tangible liability of Blue Quartz was approximately HKD64 million.

CTN

Established in October 1997, CTN is owned as to 35% by Hua Da Kang, as to 35% by Xinrong and as to 30% by CITSHO, the largest travel agency in the PRC. CTN focuses in the domestic travel market in the PRC. CTN has established a strong branding in the mainland market with a wide membership base.

CTN's website, www.ctn.com.cn, is a well-established and reputable travel website specialised in providing domestic travel information for the mainland market. CTN's travel website provides comprehensive travel content covering China's 33 provinces, 121 cities and over 3,000 scenic locations. Travel information on international travel destinations spans 23 countries, 108 cities and over 1,000 scenic locations. There are also itinerary recommendations, message board, China and international travel news, hotel and airline information and travelling tips, targeting business and leisure travellers. The website is ranked No. 1 amongst all Chinese travel websites by CNNIC in 2000.

CTN recorded an unaudited loss of approximately HKD2.15 million and approximately HKD2.03 million for the years ended 31st December, 1999 and 31st December, 2000 respectively. As at 31st December, 1999 and 31st December, 2000, the net tangible assets of CTN were approximately HKD5.56 million and approximately HKD3.32 million respectively.

REASONS FOR ENTERING INTO THE AGREEMENT

Tom expects strong demand for online travel information with China sustaining steady economic growth of 7% a year, fuelled to a large extent by domestic consumption. China's entry to the World Trade Organisation and the 2008 Beijing Olympics will all spur interest in travelling to China. Tom is set to benefit from the potential China travel boom in coming years given its strong position in online travel content.

There are cross-licensing opportunities between CTN's online travel content and Tom's other offline media assets such as Cité Publishing's popular Chinese-language travel guide series – *MOOK*. CTN's travel content will also be integrated into Tom's online platform, further strengthening Tom's cross-media platform and enhancing cross-selling opportunities to advertisers.

The Directors believe that with CTN's strong brand in online travel content provision, Tom is confident of tapping the huge potential of the vast PRC travel market.

The Acquisitions are in line with the statement of business objectives of Tom as disclosed in Tom's prospectus dated 18th February, 2000.

SHARE TRANSACTION

In view of the Consideration being fully satisfied by way of issuance of new Shares and based on the adjusted net tangible assets of Tom as at 30th September, 2001, the Acquisitions constitute a share transaction of Tom under the GEM Listing Rules.

The Consideration Shares will be allotted and issued pursuant to the general mandate granted to the Directors by the shareholders of Tom at the annual general meeting of Tom held on 27th April, 2001.

Tom will, in accordance with the GEM Listing Rules, make an application to the Listing Committee of GEM for the listing of and permission to deal in the Consideration Shares to be issued under the Acquisitions.

GENERAL

The Directors consider that the Agreement is entered into on normal commercial terms in the ordinary and usual course of business of the Tom Group and that the terms of the Agreement are fair and reasonable and in the interests of the Tom Group so far as the shareholders are concerned.

The business of the Tom Group includes cross-media strategy 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 of 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 advertising, online media businesses and magazine publishing.

DEFINITIONS

“Acquisitions” means the acquisition by Super Travel of the Blue Quartz Shares and the acquisition of the CTN Registered Capital by the BPT Nominees who are designated by Beijing Planet Travel

“Agreement”	means a share sale and purchase agreement entered into between Super Travel, CITSHO, CTN Holdings, Hua Da Kang, Suntek, Xinrong, Beijing Planet Travel and CTN on 14th December, 2001
“Beijing Planet Travel”	means 北京環宇網遊信息技術有限公司(Beijing Planet Network Travel Information Technology Limited), a wholly foreign-owned limited liability company established in the PRC and a wholly-owned subsidiary of Blue Quartz which is in turn a 55% owned subsidiary of Tom through Super Travel
“Blue Quartz”	means Blue Quartz Limited, a company incorporated under the laws of the British Virgin Islands on 12th August, 1999 and is owned as to 55% by Super Travel and as to 45% by CTN Holdings
“Blue Quartz Shares”	means 45% of the issued share capital of Blue Quartz currently held by CTN Holdings
“Board”	means the board of Directors of Tom
“BPT Nominees”	means Nominee A and Nominee B
“CITSHO”	means 中國國際旅行社總社 (China International Travel Service Head Office), a state-owned enterprise established in the PRC and currently owns 30% of the issued share capital of CTN Holdings and 30% of the CTN Registered Capital
“Closing”	means the closing of the Acquisitions
“Consideration Shares”	means the 4,300,000 Shares credited as fully paid at HKD5.51 per Share to be allotted and issued to the Holders of the Consideration Shares pursuant to the Agreement
“Consideration”	means the total consideration payable by Super Travel for the Acquisitions
“Consolid”	means 華康投資控股有限公司 (W.T. Consolid Investment Holdings Limited), a company incorporated under the laws of Hong Kong and owns 35% of the issued share capital of CTN Holdings. Consolid is an affiliated company (as defined under the GEM Listing Rules) of Hua Da Kang and is owned as to 49% by Enormous Investments Limited Corporation which is ultimately owned by Chen Guoping (who is a director of CTN Holdings, CTN, Beijing Planet Travel and Consolid) and as to 51% by Wah Tat (HK)

Limited Corporation which engages in the business of making investments in the PRC. These companies/person (Enormous Investments Limited Corporation, Chen Guoping and Wah Tat (HK) Limited Corporation) are independent from the Directors or chief executive or substantial shareholders or management shareholders of Tom or any of their respective associates (as defined in the GEM Listing Rules)

- “CTN Holdings” means CTN Holdings Limited, a company incorporated under the laws of the British Virgin Islands and owns 45% of the issued share capital of Blue Quartz. CTN Holdings is owned as to 35% by Consolid, as to 35% by Suntek Global and as to 30% by CITSHO. CTN Holdings and CTN have a common shareholder, namely, CITSHO
- “CTN Registered Capital” means the entire registered capital of CTN, being RMB10,000,000 (approximately HKD9,433,962) to be acquired by the BPT Nominees pursuant to the Agreement. Of which, 35% will be acquired from Hua Da Kang, 35% from Xinrong and 30% from CITSHO
- “CTN Shareholders” means Hua Da Kang, Xinrong and CITSHO, the existing owners of 35%, 35% and 30% of the CTN Registered Capital respectively
- “CTN” means 華夏旅遊網絡有限公司 (China Travel Network Company Limited), a limited liability company established in the PRC. CTN is owned as to 35% by Hua Da Kang, as to 35% by Xinrong and as to 30% by CITSHO. CTN and CTN Holdings have a common shareholder, namely, CITSHO
- “Director(s)” means the director(s) of Tom
- “Enlarged Capital” means 3,281,945,808 Shares in issue upon the Closing assuming that there are no further issues of Shares from 14th December, 2001 to Closing other than the Consideration Shares
- “Exclusive Purchase Agreement” means the exclusive purchase agreement entered into between CTN (for and on behalf of itself and the CTN Shareholders) and Beijing Planet Travel on 28th January, 2000 whereby the CTN Shareholders granted to Beijing Planet Travel an exclusive right to purchase, or to nominate one or more persons or entities to purchase, from the CTN Shareholders any or all of each such CTN Shareholder’s

portion of the CTN Registered Capital. Details of which has been disclosed in the prospectus dated 18th February, 2000 of Tom. The Exclusive Purchase Agreement is terminated pursuant to the Agreement

- “Existing Capital” means 3,277,645,808 Shares in issue as at 14th December, 2001
- “GEM Listing Rules” means the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
- “GEM” means the Growth Enterprise Market of the Stock Exchange
- “HKD” means Hong Kong dollars
- “Holders of Consideration Shares” means CTN Holdings, Hua Da Kang, Xinrong and CITSHO and/or their respective beneficial owners to whom the Consideration Shares will be allotted
- “Hong Kong” means the Hong Kong Special Administrative Region of the PRC
- “Hua Da Kang” means 廣東華達康投資有限公司 (Guangdong Hua Da Kang Investment Co., Ltd.), a limited liability company established in the PRC and currently owns 35% of the CTN Registered Capital. Hua Da Kang is an affiliated company (as defined under the GEM Listing Rules) of Consolid and is owned as to 40% by Liu Yuquan, as to 20% by Zou Hua, as to 20% by Chu Ki Hung and as to 20% by Lei Nam, all these persons are independent from the Directors or chief executive or substantial shareholders or management shareholders of Tom or any of their respective associates (as defined in the GEM Listing Rules)
- “Nominee A” means a purely domestic PRC company to be nominated by Super Travel and designated by Beijing Planet Travel to acquire 95% of the CTN Registered Capital. Nominee A is owned as to 80% by Mr. Wang Lei Lei, a PRC national and an employee of Tom and as to 20% by Ms. Wang Xiu Ling, a PRC national and an independent third party. Both of Mr. Wang and Ms. Wang have granted options to a wholly-owned subsidiary of Tom under which, such subsidiary of Tom is entitled at any time to acquire all the respective equity interests of Mr. Wang and Ms. Wang in Nominee A at the consideration of RMB800,000 (approximately HKD754,717) and RMB200,000 (approximately HKD188,679) respectively, which together is the registered paid up capital of Nominee A

“Nominee B”	means a purely domestic PRC company or PRC national(s) to be nominated by Super Travel and designated by Beijing Planet Travel to acquire 5% of the CTN Registered Capital. Nominee B is owned as to 80% by Mr. Wang Lei Lei and as to 20% by Ms. Wang Xiu Ling. Both of Mr. Wang and Ms. Wang have granted options to a wholly-owned subsidiary of Tom under which, such subsidiary of Tom is entitled at any time to acquire all the respective equity interests of Mr. Wang and Ms. Wang in Nominee B at the consideration of RMB800,000 (approximately HKD754,717) and RMB200,000 (approximately HKD188,679) respectively, which together is the registered paid up capital of Nominee B
“Offshore Closing Date”	means the date of the Offshore Closing
“Offshore Closing”	means the closing of the purchase of Blue Quartz Shares pursuant to the Agreement
“Onshore Closing Date”	means the date of the Onshore Closing
“Onshore Closing”	means the closing of the purchase of CTN Registered Capital pursuant to the Agreement
“PRC”	means the People’s Republic of China
“Sell” or “Sale”	means sell, transfer, mortgage, pledge, lend, hypothecate or otherwise dispose of
“Share(s)”	means the share(s) of par value of HKD0.1 each in the capital of Tom
“Stock Exchange”	means the Stock Exchange of Hong Kong Limited
“Suntek Global”	means 新太全球信息產業有限公司 (Suntek Global Information Resources Limited), a company incorporated under the laws of Hong Kong and currently owns 35% of the issued shares capital of CTN Holdings. Suntek Global is an affiliated company (as defined under the GEM Listing Rules) of Suntek and is owned as to 30% by Zhou Zi Yong, who is a director of Beijing Planet Travel, CTN, Suntek and Suntek Global, as to 40% by Zhai Cai Zhong, and as to 30% by Deng Long Long. All these companies/persons are independent from the Directors or chief executive or substantial shareholders or management shareholders of Tom or any of their respective associates (as defined in the GEM Listing Rules)

“Suntek”

means 廣東新太信息產業有限公司 (Guangdong Suntek Information Industrial Co., Ltd.), a limited liability company established in the PRC and is owned as to 51% by 廣州市新技術研究設計院, as to 11% by Liang Ping, as to 12% by Zhai Cai Zhong, as to 6% by Zhang Guo Hua, as to 4% by Hu Guang Xiong, as to 4% by Ye Heng Qiang, as to 7% by Zhou Zi Yong, as to 4% by Wu Jun Bin, as to 1% by Wu Xiao Chun, all of them are independent from the Directors or chief executive or substantial shareholders or management shareholders of Tom or any of their respective associates (as defined in the GEM Listing Rules). Suntek provides telecommunication value added services in the PRC. Suntek is a party to the Exclusive Purchase Agreement whereby it granted to Beijing Planet Travel an exclusive right to purchase all its 35% of the registered capital of CTN. However, Suntek transferred all its 35% of the registered capital of CTN to Xinrong in July, 2000

“Super Travel”

means Super Travel Limited, a company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of Tom

“Tom”

means TOM.COM LIMITED, a company incorporated under the laws of the Cayman Islands

“Tom Group”

means Tom and its subsidiaries

“Xinrong”

means 廣州新嶸信息產業有限公司 (Guangzhou Xinrong Information Industrial Co., Ltd.), a limited liability company established in the PRC and currently owns 35% of the CTN Registered Capital. Xinrong is owned by as to 76% by 廣州新太新技術研究設計有限公司 which provides system integration services and as to 3% by Wu Xiao Chun, as to 2% by Wang Yong Chao, as to 9% by Wu Jun Bin, and as to 10% by Zhou Zi Yong, who is a director of Beijing Planet Travel, CTN, Suntek and Suntek Global. All these companies/persons are independent from the Directors or chief executive or substantial shareholders or management shareholders of Tom or any of their respective associates (as defined in the GEM Listing Rules)

HKD1 = RMB1.06

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

Hong Kong, 14th December, 2001

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 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.tom.com.