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TOM.COM LIMITED

(Incorporated in the Cayman Islands with limited liability)

**DISCLOSEABLE TRANSACTION
INVOLVING CASH CONSIDERATION AND ISSUANCE OF NEW SHARES
in respect of
the acquisition of 60% of the equity interest in an outdoor media advertising company
to be established in the People's Republic of China**

The Board is pleased to announce that on 1st February, 2002, TOM Outdoor Media, a wholly-owned subsidiary of TOM, has entered into the Agreement with certain independent third parties, under which and subject to the terms and conditions thereof, TOM Outdoor Media agrees to acquire, through the Equity Transfer and the Share Acquisition, an aggregate of 60% of the equity interest in Qilu PRC Co., an outdoor advertising company to be established in the PRC for an aggregate consideration of RMB78,446,466 (approximately HKD74,006,100) (subject to adjustment).

RMB22,238,400 (approximately HKD20,979,623) (subject to adjustment), being approximately 28% of the Consideration, will be satisfied by cash; and RMB56,208,066 (approximately HKD53,026,477) (subject to adjustment), being approximately 72% of the Consideration, will be satisfied by way of issuance and allotment of 9,623,680 Consideration Shares (representing approximately 0.29% of the Existing Capital and 0.29% of the Enlarged Capital) (credited as fully paid) at HKD5.51 per TOM Share.

Based on the adjusted net tangible assets of TOM as at 30th September, 2001, the Qilu Acquisition constitutes a discloseable transaction involving issuance of new TOM Shares under Chapter 19 of the GEM Listing Rules. A circular containing further details of the Qilu Acquisition will be despatched to the shareholders of TOM as soon as practicable.

THE AGREEMENT

Date: 1st February, 2002

Parties:

- (1) TOM Outdoor Media
- (2) Mr. Meng
- (3) Qilu International
- (4) Jinan Qilu

Assets to be acquired

60% of the equity interest in Qilu PRC Co., which will be acquired by TOM Outdoor Media through the Equity Transfer and the Share Acquisition.

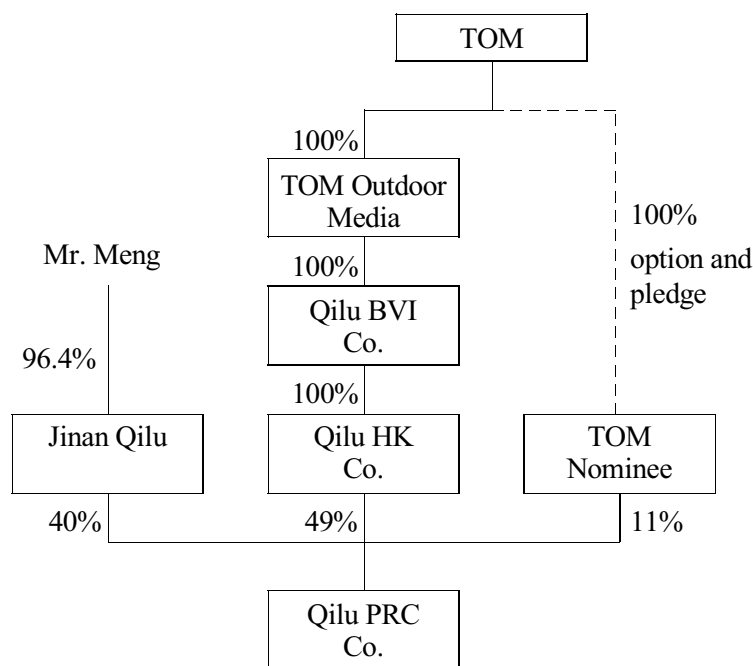
Major terms of the Agreement

- (i) Mr. Meng will establish Qilu PRC Co. with a registered capital of RMB11 million (approximately HKD10.4 million) (which will be fully paid by Mr. Meng and Jinan Qilu) in the PRC within 30 days from the date of the Agreement. When established, Qilu PRC Co. will be owned by Mr. Meng and Jinan Qilu or other companies controlled by Mr. Meng. Qilu PRC Co. will engage in the business of design, production and distribution of domestic and foreign advertisements (including, without limitation, outdoor advertisements);
- (ii) upon the establishment of Qilu PRC Co., each of Qilu and Mr. Meng will transfer to Qilu PRC Co. all outdoor advertising business/assets owned by it/him as at the date of the Agreement;
- (iii) at the completion of the Asset Acquisition, Qilu PRC Co. will enter into the Consultancy Agreement with TOM Consultant whereby TOM Consultant will provide certain management consultancy services (such as financial control systems which will assist with the integration of Qilu PRC Co. into the TOM Group) to Qilu PRC Co. for a term commencing from the date of the Consultancy Agreement and terminating on the date of Completion at a service fee of an amount equal to 60% of the after-tax profits of Qilu PRC Co. during the term of the Consultancy Agreement;
- (iv) Mr. Meng will, within 30 days from the date of the Agreement, establish Qilu BVI Co. to be wholly-owned by him and Qilu BVI Co. will in turn establish Qilu HK Co. to be wholly-owned by it;
- (v) after the establishment of Qilu BVI Co., Mr. Meng will transfer or procure the transfer of 49% of the equity interest in Qilu PRC Co. to Qilu HK Co., whereupon Mr. Meng shall procure that Qilu PRC Co. be converted from a PRC domestic entity to a sino-foreign equity joint venture enterprise;

- (vi) TOM Nominee will acquire 11% of the equity interest in Qilu PRC Co. from Mr. Meng or his nominee, whereupon Qilu PRC Co. will be owned as to 40% by Jinan Qilu, as to 49% by Qilu HK Co. and as to 11% by TOM Nominee; and
- (vii) TOM Outdoor Media or its nominee will acquire the entire issued share capital of Qilu BVI Co. from Mr. Meng at Completion. Immediately after Completion, the board of directors of Qilu PRC Co. will consist of 5 members of which 3 shall be indirectly nominated by TOM Outdoor Media and the remaining 2 shall be nominated by Jinan Qilu.

The Equity Transfer and the Share Acquisition are conditional upon each other.

Shareholding structure of Qilu PRC Co. immediately after Completion



Upon Completion, Qilu PRC Co. will become a subsidiary of TOM however this is subject to the confirmation from the auditors.

Consideration

Subject to adjustments as described in the section headed “Adjustment of Consideration” below, the aggregate consideration for the Share Acquisition and the Equity Transfer is RMB78,446,466 (approximately HKD74,006,100), of which,

- (a) RMB22,238,400 (approximately HKD20,979,623), being approximately 28% of the Consideration, will be satisfied by cash. The Cash Consideration will be funded by internal resources of TOM;

The Cash Consideration will be paid in the following manner:

- (i) RMB15,566,880 (approximately HKD14,685,736) will be paid to Mr. Meng within 10 business days from the date of the Agreement;

- (ii) RMB6,671,520 (approximately HKD6,293,887) will be paid to Mr. Meng within 30 days from the date of issue of the proforma combined audited accounts of Qilu for the year ended 31st December, 2001 (which audited accounts is expected to be issued in late March, 2002).
- (b) RMB56,208,066 (approximately HKD53,026,477), being approximately 72% of the Consideration, will be satisfied by way of issuance and allotment of 9,623,680 Consideration Shares (representing approximately 0.29% of the Existing Capital and 0.29% of the Enlarged Capital) (credited as fully paid) at HKD5.51 per TOM Share to Mr. Meng and/or his nominee(s). The price per Consideration Share represents a premium of approximately 45.96% to the closing price of HKD3.775 per TOM Share as quoted on the Stock Exchange on 1st February, 2002 (date of the Agreement) and a premium of approximately 46.82% to the average closing price of HKD3.753 per TOM Share of 10 consecutive trading days (including 1st February, 2002) before and including 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 Mr. Meng, Qilu and TOM Outdoor Media.

Subject to the fulfillment of all the conditions precedent (as described in the Agreement), the Consideration Shares will be issued to Mr. Meng and/or his nominee(s) in the following manner:

- (i) 6,736,576 Consideration Shares will be issued within 30 days from the date of issue of the proforma combined audited accounts of Qilu for the year ended 31st December, 2001 (which audited accounts is expected to be issued in late March, 2002); and
- (ii) the balance of 2,887,104 Consideration Shares will be issued within 30 days from the date of issue of the proforma combined audited accounts of Qilu PRC Co. for the year ending 31st December, 2002 (which audited accounts is expected to be issued in late March, 2003).

If all or any of the conditions precedent (as described in the Agreement) shall not have been fulfilled or waived by the date(s) mentioned in paragraphs (i) and (ii) above on which all or part of the Consideration Shares are supposed to be issued, then such Consideration Shares will be issued within 30 days after the date of Completion.

For the avoidance of doubt, the proforma combined audited accounts of Qilu for the year ended 31st December, 2001 will solely include the outdoor advertising business which will be transferred to Qilu PRC Co. as specified in the Asset Acquisition.

The Consideration was arrived at after arm's length negotiations based on TOM's internal evaluation of the current size of business and future prospects (i.e. revenue growth and profit growth) of Qilu PRC Co..

Lock-up period

- (a) 6,736,576 of the Consideration Shares may not be sold before the end of the 13th month after the date of the proforma combined audited accounts for the outdoor advertising business of Qilu for the year ended 31st December, 2001 and 2,887,104 of the Consideration Shares may not be sold before the end of the 13th month after the date of the proforma combined audited accounts of Qilu PRC Co. for the year ending 31st December, 2002 (“Lock-up Period”);
- (b) The Consideration Shares may be sold after the Lock-up Period, but the aggregate number of the Consideration Shares sold on any one trading day may not exceed 1% of the total Consideration Shares; and
- (c) All of the Consideration Shares will be pledged with TOM Outdoor Media during the aforesaid lockup period as a security for the due performance of the obligations of Qilu and Mr. Meng under the Agreement.

Adjustment of Consideration

- (1) If:
 - (a) the amount of the proforma combined audited after-tax profits made by the outdoor advertising business of Qilu in 2001 (“2001 Actual Profit”) is less than RMB9,266,000 (approximately HKD8,741,509); or
 - (b) the preferential rate(s) (which may be up to 50% of the statutory tax rate) of business tax and/or profits tax enjoyed by Qilu shall cease to be applicable to Qilu PRC Co. in 2002, then the 2002 applicable rate(s) of business tax and/or profits tax adopted by Qilu PRC Co. will be used for the purposes of calculating the 2001 Actual Profit; or
 - (c) all or part of the accounts receivable to be transferred to Qilu PRC Co. pursuant to the Asset Acquisition shall not have been collected by 31st December, 2002, then such uncollected amount shall be treated as bad debts for the purposes of calculating the 2001 Actual Profit (as at 30th June, 2001, such unaudited accounts receivable prepared in accordance with the HKGAAP amounted to RMB1.3 million (approximately HKD1.2 million)),

the Consideration will be adjusted on two occasions: (i) after the issue of the proforma combined audited accounts of Qilu for the year ended 31st December, 2001 and (ii) after the issue of the proforma combined audited accounts of Qilu PRC Co. for the year ending 31st December, 2002 as follows: –

$$A = \frac{B}{9,266,000} \times 78,446,466$$

Where:

- (i) A = Adjusted Consideration
- (ii) B = 2001 Actual Profit after adjustments for (b) and (c) above (if any)

The aforesaid formula for calculating the Adjustment of Consideration is reached after arm's length commercial negotiations between the parties which takes into account the possible return of investment of TOM.

- (2) The Adjustment of Consideration is only applicable to downward adjustment. The amount of the Cash Consideration and the number of the Consideration Shares will accordingly be adjusted on a pro rata basis (in the case of adjustment to Cash Consideration, this will be effected by way of repayment of the relevant portion of cash by Mr. Meng to TOM Outdoor Media or from proceeds from the sale of Consideration Shares that have been pledged) and:
 - (a) Mr. Meng shall pay to TOM Outdoor Media an amount equal to the difference between the Cash Consideration and the Adjusted Cash Consideration within 14 business days from the date on which the amount of Adjusted Cash Consideration is confirmed (which confirmation shall be made as soon as practicable after the proforma combined audited accounts of Qilu for the year ended 31st December, 2001 (which audited accounts is expected to be issued in late March, 2002) and the proforma combined audited accounts of Qilu PRC Co. for the year ending 31st December, 2002 (which audited accounts is expected to be issued in late March, 2003) are issued); and
 - (b) such number of the Adjusted Consideration Shares instead of the number of the Consideration Shares will be issued by TOM within 30 days from (i) the date of issue of the proforma combined audited accounts of Qilu for the year ended 31st December, 2001 (which audited accounts is expected to be issued in late March, 2002); and (ii) the date of issue of the proforma combined audited accounts of Qilu PRC Co. for the year ending 31st December, 2002 (which audited accounts is expected to be issued in late March, 2003).

For the avoidance of doubt, the proforma combined audited accounts of Qilu for the year ended 31st December, 2001 will solely include the outdoor advertising business which will be transferred to Qilu PRC Co. as specified in the Asset Acquisition.

If there are any adjustments to the Consideration, such adjustments will be reviewed by the independent Directors and TOM will make the appropriate disclosures in an announcement and TOM's annual report accordingly.

Taxi Shelters Investment

After Completion, Qilu PRC Co. will invest an amount of approximately RMB5 million (approximately HKD4.7 million) to construct at least 100 taxi-stop shelters in Jinan, the Shandong Province, the PRC.

TOM Outdoor Media, TOM Nominee and Jinan Qilu will discuss and agree on whether or not TOM Outdoor Media (or TOM Nominee) is required to fund the Taxi Shelters Investment. As of the date of this announcement, there is no concrete plan as on how and when the Taxi Shelters Investment will be made. TOM anticipates such investment will be made sometime in 2002.

- (1) if TOM Outdoor Media and/or TOM Nominee is required to fund the Taxi Shelters Investment on the basis pro-rata to its shareholding in Qilu PRC Co. (i.e. 60% as of the date of this announcement), then:
 - (a) when the audited after-tax profit of the Taxi Shelters Investment is equal to or exceeds RMB700,000 (approximately HKD660,377) (“Target Profit”) for the first time in any financial year ending 31st December, TOM Outdoor Media will issue Incentive Shares to Mr. Meng and/or his nominee(s) at an aggregate issue price of RMB5 million (approximately HKD4.7 million). The Incentive Shares will be allotted and issued within 60 days from the date of issue of the audited accounts of Qilu PRC Co. for the relevant financial year/period showing that the Target Profit is achieved; and
 - (b) when the accumulated amount of audited after-tax profit of the Taxi Shelters Investment is equal to or exceeds 115% of the total investment costs (which is approximately RMB5 million (approximately HKD4.7 million)) of the Taxi Shelters Investment for Qilu PRC Co. (“Accumulated Profit”) for the first time in any financial year, TOM Outdoor Media will issue Incentive Shares to Mr. Meng and/or his nominee(s) at an aggregate issue price of RMB2.5 million (approximately HKD2.4 million). The Incentive Shares will be allotted and issued within 60 days from the date of issue of the audited accounts of Qilu PRC Co. for the relevant financial year showing that the Accumulated Profit is achieved; or
- (2) if TOM Outdoor Media and/or TOM Nominee is not required to fund the Taxi Shelters Investment, then TOM Outdoor Media will issue Incentive Shares to Mr. Meng and/or his nominee(s) at an aggregate issue price of RMB7.5 million (approximately HKD7.1 million) when the Target Profit is achieved for the first time in any financial year.

The issue price per Incentive Share will be equal to the then average closing price of each TOM Share over the 10 consecutive trading days, as quoted on the Stock Exchange, immediately before the date of issue of the audited accounts of Qilu PRC Co.. For reference only, if using the closing price of TOM on 1st February, 2002 as quoted on the Stock Exchange, the maximum amount of Incentive Shares to be issued represents approximately 0.06% and approximately 0.06% of TOM’s Existing Capital and Enlarged Capital respectively. The allotment and issuance of the Incentive Shares will be a one-off event and, unless the parties agree otherwise, no further TOM Shares will be issued to Mr. Meng in relation to the Taxi Shelters Investment once all of the Incentive Shares have been duly allotted and issued in the manner mentioned in paragraphs (1) and (2) above.

If for any reason the Incentive Shares cannot be issued to Mr. Meng and/or his nominee(s), cash in lieu of TOM Shares will be paid to Mr. Meng and/or his nominee(s) within 60 days after TOM becomes aware of the fact that it is unable to issue the Incentive Shares.

Before the issuance of the Incentive Shares, the calculation will be reviewed by the independent Directors and TOM will make the appropriate disclosures in TOM's annual report.

Conditions precedent

Completion is conditional on, inter alia, the following conditions having been fulfilled or waived on or before 30th September, 2002: –

- (a) Qilu PRC Co. having been converted to a sino-foreign equity joint venture advertising company, being owned as to 40% by Jinan Qilu, as to 49% by Qilu HK Co. and as to 11% by TOM Nominee, which conversion having been duly approved by the relevant authorities in the PRC;
- (b) the Asset Acquisition having been completed in accordance with all applicable laws, rules and regulations;
- (c) a long term service agreement having been duly executed between Qilu PRC Co. and each member of the management team of Qilu PRC Co.;
- (d) the proforma combined balance sheet of Qilu PRC Co. made up as at 1st January, 2002 in the form substantially set out in schedule 3 to the Agreement having been prepared, which shows that, inter alia, as at 1st January, 2002, Qilu PRC Co. has a net asset value of not less than RMB11 million (approximately HKD10.4 million) (including RMB1.5 million (approximately HKD1.4 million) in cash), and that Qilu PRC Co. has no liability in relation to any unpaid tax, employee benefits reserve and/or any other debts not incurred in relation to Qilu PRC Co.'s outdoor advertising business;
- (e) TOM Outdoor Media having been satisfied with the result of the due diligence exercise carried out by it on the assets and liabilities, business and prospects of Qilu PRC Co.;
- (f) a legal opinion (in the form and substance satisfactory to TOM Outdoor Media) opining on the legality of the transactions contemplated under the Agreement having been issued by the PRC legal counsels of Qilu and Mr. Meng;
- (g) Qilu and Mr. Meng having executed a warranty warranting the matters mentioned in the representations and warranties provisions of the Agreement;
- (h) the board of directors of TOM Outdoor Media having approved the transactions contemplated under the Agreement;

- (i) the Board and/or shareholders, if necessary, of TOM having approved the transactions contemplated under the Agreement (including, without limitation, the issuance of the Consideration Shares); and
- (j) the Stock Exchange having granted the listing of, and permission to deal in, the Consideration Shares.

Completion

Completion shall take place on the 7th business day after all the conditions precedent as described in the Agreement is fulfilled (or waived) on or before 30th September, 2002 or such other date as the parties may otherwise agree.

INFORMATION ON QILU

Established in 1993, Qilu International was the largest outdoor media company in Shandong, a populous province with the third highest GDP in China. Mr. Meng, the president of Qilu, had eight years' experience in advertising. Jinan Qilu is based in Jinan with a strong presence in the unipole sector. Its wide range of outdoor assets include newsstand light boxes, lamp post light boxes, taxi stand light boxes and billboards. Jinan Qilu has an extensive client base with advertisers such as China Mobile, Audio VCD, Huaxia Bank, Huabao Air Conditioners, Nokia, Ericsson, Motorola, etc.

The unaudited proforma combined net revenues of Qilu PRC Co. as reported under HKGAAP were approximately RMB14.5 million, approximately RMB15.4 million and approximately RMB8.7 million (approximately HKD13.7 million, approximately HKD14.5 million and approximately HKD8.2 million) for the years ended 31st December, 1999, 31st December, 2000 and for the six months ended 30th June, 2001, respectively. The unaudited proforma combined profit before taxation of Qilu PRC Co. as reported under HKGAAP were approximately RMB5.9 million, approximately RMB9.1 million and approximately RMB5.3 million (approximately HKD5.6 million, approximately HKD8.6 million and approximately HKD5 million) for the years ended 31st December, 1999, 31st December, 2000 and for the six months ended 30th June, 2001 respectively. The unaudited proforma combined profits after taxation of Qilu PRC Co. as reported under HKGAAP were approximately RMB5 million, approximately RMB7.6 million and approximately RMB4.4 million (approximately HKD4.7 million, approximately HKD7.2 million and approximately HKD4.2 million) for the years ended 31st December, 1999, 31st December, 2000 and for the six months ended 30th June, 2001 respectively. As at 30th June, 2001, the unaudited proforma combined net tangible assets of Qilu PRC Co. as reported under HKGAAP was approximately RMB4.6 million (approximately HKD4.3 million). For the avoidance of doubt, the proforma numbers described above relates to such outdoor advertising businesses that are the subject matter of this Agreement.

REASONS FOR ENTERING INTO THE AGREEMENT

The Directors consider that the Qilu Acquisition will strengthen TOM's nationwide outdoor media network, which spans Beijing, Shanghai, Guangzhou, and five provinces – Guangdong, Shandong, Sichuan, Yunnan and Henan.

TOM aims to build and expand its PRC's outdoor media advertising market by acquiring and integrating the larger and highly profitable companies with quality outdoor media assets in key PRC cities. With a remarkable geographical coverage and higher market penetration, TOM is building a solid foundation for further expansion nationwide.

The Qilu Acquisition is in line with the statement of business objectives of TOM as disclosed in TOM's prospectus dated 18th February, 2000.

GENERAL

The Directors consider that the Agreement is entered into on normal commercial terms in the ordinary and usual course of business of 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 Consideration Shares and the Incentive Shares (if any) 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 make an application to the Listing Committee of GEM for the listing of and permission to deal in the Consideration Shares to be issued pursuant to the Agreement and the in-principle approval for the listing of and permission to deal in the Incentive Shares (if any).

Based on the adjusted net tangible assets of TOM as at 30th September, 2001, the Qilu Acquisition constitutes a discloseable transaction involving issuance of new TOM Shares under Chapter 19 of the GEM Listing Rules. A circular containing further details of the Qilu Acquisition will be despatched to the shareholders of TOM as soon as practicable.

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

“Adjusted Cash Consideration” means the Cash Consideration after adjustment as described in the section headed “Adjustment of Consideration”

“Adjusted Consideration” means the Consideration after adjustment as described in the section headed “Adjustment of Consideration”

“Adjusted Consideration Shares”	means the Consideration Shares after adjustment as described in the section headed “Adjustment of Consideration”
“Agreement”	means a cooperation framework agreement entered into between TOM Outdoor Media, Mr. Meng, Qilu International and Jinan Qilu in respect of the Qilu Acquisition on 1st February, 2002
“Asset Acquisition”	means the transfer by each of Qilu and Mr. Meng of all outdoor advertising business/assets owned by it/him as at the date of the Agreement to Qilu PRC Co. upon the establishment of Qilu PRC Co.
“Board”	means the board of Directors of TOM
“BVI”	means the British Virgin Islands
“Cash Consideration”	means the amount of RMB22,238,400 (approximately HKD20,979,623) to be paid in cash to satisfy part of the Consideration
“Completion”	means the completion of the Share Acquisition
“Consideration”	means the aggregate consideration in the amount of RMB78,446,466 (approximately HKD74,006,100) (subject to adjustment) payable by TOM Outdoor Media for the Qilu Acquisition
“Consideration Shares”	means the Consideration Shares credited as fully paid at HKD5.51 per TOM Share to be allotted and issued to Mr. Meng and/or his nominee(s) as part of the Consideration
“Consultancy Agreement”	means a management consultancy agreement to be entered into between Qilu PRC Co. and TOM Consultant, under which, TOM Consultant will provide certain management consultancy services to Qilu PRC Co.
“Director(s)”	means the director(s) of TOM
“Enlarged Capital”	means 3,290,901,488 TOM Shares in issue upon the Completion assuming that there are no further issues of TOM Shares from 1st February, 2002 up to the Completion other than the Consideration Shares

“Equity Transfer”	means the acquisition by TOM Nominee of 11% of the equity interest in Qilu PRC Co. from Mr. Meng or his nominee
“Existing Capital”	means 3,281,277,808 TOM Shares in issue as at 1st February, 2002
“GEM”	means the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“HKGAAP”	means Statements of Standard Accounting Practice issued by the Hong Kong Society of Accountants and accounting principles generally accepted in Hong Kong
“HKD”	means Hong Kong dollars
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“Incentive Shares”	means the TOM Shares to be allotted and issued to Mr. Meng and/or his nominee(s) if the Target Profit in relation to the Taxi Shelters Investment is met
“Jinan Qilu”	means 濟南齊魯新基業戶外廣告有限公司 (Jinan Qilu Xinjiye Advertising Company Limited), a domestic limited liability company organized and existing under the laws of the PRC which is independent from the Directors, chief executive, substantial shareholders or management shareholders of TOM or any of their respective associates as defined under the GEM Listing Rules. As at the date of the Agreement, Jinan Qilu is owned as to 96.4% by Mr. Meng and as to 3.6% by Xu Gui Lan (荀桂蘭), a person independent from the Directors, chief executive, substantial shareholders or management shareholders of TOM or any of their respective associates as defined under the GEM Listing Rules
“Mr. Meng”	means Meng Xian-wei (孟憲偉), the president of Qilu, who is independent from the Directors, chief executive, substantial shareholders or management shareholders of TOM or any of their respective associates as defined under the GEM Listing Rules. As at the date of the Agreement, Mr. Meng owns 90% and 96.4% of the equity interests of Qilu International and Jinan Qilu respectively

“PRC”	means the People’s Republic of China
“Qilu”	means Qilu International and Jinan Qilu
“Qilu Acquisition”	means the Equity Transfer and the Share Acquisition pursuant to the Agreement
“Qilu International”	means 齊魯國際廣告有限公司 (Qilu International Advertising Company Limited), a domestic limited liability company organized and existing under the laws of the PRC which is independent from the Directors, chief executive, substantial shareholders or management shareholders of TOM or any of their respective associates as defined under the GEM Listing Rules. As at the date of the Agreement, Qilu International is owned as to 90% by Mr. Meng and 10% by Kong Hao (孔浩), a person independent from the Directors, chief executive, substantial shareholders or management shareholders of TOM or any of their respective associates as defined under the GEM Listing Rules
“Qilu BVI Co.”	means a limited liability company to be incorporated in the BVI as a wholly-owned subsidiary of Mr. Meng. Upon its establishment, Qilu BVI Co. will establish Qilu HK Co. to be wholly-owned by it
“Qilu HK Co.”	means a limited liability company to be incorporated in the Hong Kong as a wholly-owned subsidiary of Qilu BVI Co. and Qilu HK Co. will acquire 49% of the equity interest in Qilu PRC Co.
“Qilu PRC Co.”	means a domestic company to be established in the PRC and owned by Qilu and Mr. Meng or other companies controlled by Mr. Meng
“RMB”	means Renminbi
“Share Acquisition”	means the acquisition by TOM Outdoor Media of the entire issued share capital of Qilu BVI Co. from Mr. Meng or his nominee(s) at Completion
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited

- “Taxi Shelters Investment” means the investment of an amount of approximately RMB5 million (approximately HKD4.7 million) by Qilu PRC Co. to construct at least 100 taxi-stop shelters in Jinan, the Shandong Province, the PRC after Completion
- “TOM” means TOM.COM LIMITED, a company incorporated in the Cayman Islands and whose shares are listed on GEM
- “TOM Consultant” means a nominee of TOM Outdoor Media, which will enter into the Consultancy Agreement with Qilu PRC Co. for the provision of certain management consultancy services to Qilu PRC Co.
- “TOM Group” means TOM and its subsidiaries
- “TOM Nominee” means a purely domestic PRC entity to be nominated by TOM Outdoor Media to acquire 11% of the equity interest in Qilu PRC Co. from Mr. Meng or his nominee. The shareholders of TOM Nominee 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 the shareholders in TOM Nominee at the total consideration equals to the entire registered capital of TOM Nominee
- “TOM Outdoor Media” means Tom.com Outdoor Media Group Limited, a limited liability company incorporated under the laws of the BVI on 28th January, 2000, being a wholly-owned subsidiary of TOM
- “TOM Share(s)” means share(s) of par value of HKD0.10 each in the capital of TOM

HKD1 = RMB1.06

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

Hong Kong, 1st February, 2002

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.