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TOM.COM LIMITED

(Incorporated in the Cayman Islands with limited liability)

COMPLETION OF THE RICH WEALTH ACQUISITION

The Board is pleased to announce that Completion of the Rich Wealth Acquisition has taken place on 2nd November, 2000.

The Circular will be despatched to shareholders of Tom on 3rd November, 2000.

The continuation of the AIS Loan and the entering into of the Service Agreement will constitute connected transactions of Tom under Chapter 20 of the GEM Listing Rules. The four substantial shareholders have given written consents to Tom that they will approve the execution of the Service Agreement and are aware of the AIS Loan as part of the Rich Wealth Acquisition. Upon agreement being reached as to the service fee with respect to the Service Agreement, Tom will comply with Chapter 20 of the GEM Listing Rules.

Reference is made to the announcements of TOM.COM LIMITED (“Tom”) dated 4th September, 2000, 25th September, 2000, 9th October, 2000, 16th October, 2000, 20th October, 2000 and 31st October, 2000 (the “Announcements”) and the circular dated 2nd November, 2000 (the “Circular”) in respect of the Rich Wealth Acquisition. Terms used herein shall have the same meanings as defined in the Announcements and the Circular.

Completion of the Rich Wealth Acquisition

The board of Directors of Tom (the “Board”) is pleased to announce that Completion of the Rich Wealth Acquisition has taken place on 2nd November, 2000.

The Circular will be despatched to shareholders of Tom on 3rd November, 2000.

Pursuant to the GEM Listing Rules, the Rich Wealth Acquisition constitutes a connected transaction of Tom and is therefore conditional upon approval of Independent Shareholders. Tom has obtained from the Stock Exchange a waiver from strict compliance with rule 20.15 of the GEM Listing Rules to hold a general meeting to approve the Rich Wealth Acquisition on the basis, inter alia, that written approvals to the Rich Wealth Acquisition (which includes upon Completion the continuation of the AIS Loan and the entering into of the technology service agreement (the “Service Agreement”) between Tom WFOE and Shenzhen Freenet) have been obtained from Easterhouse Limited (“Easterhouse”), Romefield Limited (“Romefield”), Schumann International Limited (“Schumann”) and Handel International Limited (“Handel”) which together hold approximately 73.8% of the existing issued share capital of Tom and which interests in the Rich Wealth Acquisition are no different from other shareholders of Tom.

Variation of the terms of the Rich Wealth Agreement

As disclosed in the section headed “Major terms of the Rich Wealth Agreement” under the announcement dated 4th September, 2000 of Tom that the restructuring of Rich Wealth, its subsidiaries and Shenzhen Freenet shall include Ms. Ying Wang transferring her entire shareholding in Shenzhen Freenet to Mr. Sing Wang and Mr. Sing Wang executing an option and pledge agreement in favour of AIS for those shares acquired by Mr. Sing Wang from Ms. Ying Wang. However, at Completion, Mr. Wang Lei Lei (an employee of Tom and is independent from the Directors or chief executive or substantial shareholders or management shareholders of Tom or Tom’s subsidiaries or any of their respective Associates), instead of Mr. Sing Wang, will take up the interest of Ms. Ying Wang and simultaneously to that acquisition, Mr. Wang Lei Lei has executed an option and pledge agreement (on terms similar to those of the option and pledge agreement under the Loan Agreement) granting AIS an option to purchase such equity interest and pledging such equity interest to AIS.

This variation to the Rich Wealth Agreement is necessary as under the local laws of Guangzhou, a shareholder of a limited liability company may not own more than 90.0% equity interest in the company. As Mr. Sing Wang already has a 90.0% equity interest in Shenzhen Freenet, the equity interest in Shenzhen Freenet will be transferred to Mr. Wang Lei Lei instead of Mr. Sing Wang.

Connected transactions

The Board further announces that the Rich Wealth Acquisition includes the continuation of the AIS Loan and the entering into of the Service Agreement between Tom WFOE and Shenzhen Freenet as described below:

(1) AIS Loan

As disclosed in the Circular, Mr. Sing Wang, Chief Executive Officer and executive Director of Tom, has entered into the Loan Agreement with AIS. Pursuant to which, AIS has loaned to Mr. Sing Wang the AIS Loan for the sole purpose of on-lending the same to Shenzhen Freenet. As at 30th October, 2000 (the latest practicable date prior to the printing of the Circular), the AIS Loan is outstanding as to RMB76,899,381. The AIS Loan is interest free and is repayable in full to AIS upon Mr. Sing Wang having received in full the repayment of the loan from Shenzhen Freenet. The shareholders' loan from Mr. Sing Wang to Shenzhen Freenet is also interest free and is repayable on 15th December, 2000. It is expected that the shareholders' loan agreement between Mr. Sing Wang and Shenzhen Freenet will be amended such that the loan repayment date will be extended to 15th December, 2001.

After Completion, AIS will be wholly-owned by Effective Developments (a wholly-owned subsidiary of Tom). As Mr. Sing Wang is an executive Director of Tom and the AIS Loan will remain outstanding as at and after Completion, this will constitute a connected transaction of Tom under Chapter 20 of the GEM Listing Rules.

(2) Technology service agreement

As disclosed in the Circular, Tom WFOE will enter into the Service Agreement with Shenzhen Freenet upon Completion for the provision of services to Shenzhen Freenet whereby Shenzhen Freenet will pay a service fee to Tom WFOE pursuant to the Service Agreement.

Pursuant to the Service Agreement, Tom WFOE has agreed to provide technical services to Shenzhen Freenet, such services will include the maintenance of servers, the development, renewal and upgrading of server application software and web-user software, the training of technicians and any other technical service Shenzhen Freenet may require. Fees for such services shall be agreed by Tom WFOE and Shenzhen Freenet.

The existence of the Service Agreement will constitute a connected transaction of Tom under Chapter 20 of the GEM Listing Rules. Upon agreement being reached as to the service fee, Tom will comply with Chapter 20 of the GEM Listing Rules.

Easterhouse, Romefield, Schumann and Handel have given written consents to Tom that they will approve the aforesaid execution of the Service Agreement and are aware of the AIS Loan as part of the Rich Wealth Acquisition.

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

Hong Kong, 2nd November, 2000

This announcement, for which the directors of Tom collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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 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.