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TOM.COM LIMITED

(Incorporated in the Cayman Islands with limited liability)

CLARIFICATION ANNOUNCEMENT

The Board wishes to clarify the acquisition of 97.71% (and not 100%) of the issued share capital of PC Home in the announcement of Tom dated 31st October, 2001 (the “Completion Announcement”).

Reference is made to the announcements of Tom dated 7th August, 2001 and 31st October, 2001 (the “Announcements”). Capitalised terms used in this announcement shall have the same meaning as those defined in the Announcements unless stated otherwise.

The Board wishes to clarify the statement “HMG has acquired 100% of the issued share capital of PC Home” in the Completion Announcement. The Board would like to clarify that only 97.71 % of the issued share capital of PC Home has been acquired by HMG.

As stated in the Completion Announcement, at Completion, a supplemental agreement was entered into between the parties to the Subscription Agreement whereby the parties agreed on, amongst other things, the percentages of PC Home, which was 100%, and Cité, which was 99.97%, to be acquired by HMG and the resulting Consideration adjustment at Completion.

One of the PC Home Shareholders who holds approximately 2.29% of the issued share capital of PC Home (the “Non-Selling Party”) had given a power of attorney in favour of an attorney dated 3rd October, 2001 to sell its entire shareholding interests in PC Home to HMG and to execute any documents in connection therewith. Upon such attorney having executed the supplemental agreement on behalf of the Non-Selling Party on the date of Completion, being 31st October, 2001, the parties proceeded to Completion. On this basis, it was determined that HMG had successfully acquired 100% of the issued share capital of PC Home.

On or about middle of November, 2001, it came to the attention of the management of Tom that the Non-Selling Party challenged its sale of its interests in PC Home as the relevant share certificate of PC Home held by the Non-Selling Party was never delivered as required under the supplemental agreement. The Non-Selling Party alleged that the power of attorney had been revoked by a notice dated 30th October, 2001, which was the date prior to the date of Completion.

Accordingly, clarification has to be made that HMG has so far acquired 97.71% (and not 100%) of the issued share capital of PC Home. At present, it is uncertain as to whether the Non-Selling Party will subsequently sell its approximately 2.29% of the issued share capital of PC Home to HMG. The entitlement of the Non-Selling Party in relation to the Acquisition, which amounts to NTD8,368,076 (approximately HKD1,877,934) and 361,597 Consideration Shares, has been put in escrow. In any event, the Board is looking into this matter and is considering various possible actions that may be taken by Tom.

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

HKD1 = NTD4.456 (for reference purpose only)

Hong Kong, 12th 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 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 at least 7 days from the date of its posting and on the website of Tom at www.tom.com.