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TOM.COM LIMITED

(Incorporated in the Cayman Islands with limited liability)

ADVANCES TO AN ENTITY AND FINANCIAL ASSISTANCE TO AFFILIATED COMPANIES

As at 31st December, 2001, (1) the aggregate amount of advances to an entity; and (2) the aggregate amount of the financial assistance given to, and guarantee given for the benefit of, the affiliated companies of TOM respectively, exceeded 25% of the net tangible assets of the TOM Group as at 31st December, 2001. Accordingly, the Board announces the details of such advances, financial assistance and guarantee pursuant to Rules 17.15, 17.17 and 17.18 of the GEM Listing Rules.

The disclosure obligation pursuant to Rules 17.15, 17.17 and 17.18 of the GEM Listing Rules, arises when the audited consolidated accounts for the year ended 31st December, 2001 are published in TOM's annual report. Notwithstanding that, as the value of the net tangible assets as shown in the audited accounts of the TOM Group for the year ended 31st December, 2001 was approved by the Board on 15th March, 2002, the Board considers that it is in the interest of TOM's shareholders that disclosure in respect of the advances to an entity or the financial assistance given to, and guarantee given for the benefit of, the affiliated companies of TOM as at 31st December, 2001 (which respectively exceeded 25% of the net tangible assets of the TOM Group as at 31st December, 2001) be made on 15th March, 2002.

As at 31st December, 2001, (1) the aggregate amount of advances to an entity; and (2) the aggregate amount of the financial assistance given to, and guarantee given for the benefits of, the affiliated companies of TOM respectively, exceeded 25% of the net tangible assets of the TOM Group as at 31st December, 2001. Accordingly, the Board announces the details of such advances, the financial assistance and guarantee as at 31st December, 2001 as follows:

ADVANCES TO AN ENTITY

The aggregate advances (including guarantee given by the TOM Group) made by the TOM Group to Maya Online amounted to HKD101,587,000 as at 31st December, 2001, representing approximately 89.7%, approximately 17.5% and approximately 6.1% of the net tangible assets, the net asset value and the total assets, respectively (which are HKD113,264,000, HKD579,003,000 and HKD1,667,443,000, respectively) of the TOM Group as at 31st December, 2001. Details of such advances are disclosed under the section headed "Financial assistance to affiliated companies" below.

FINANCIAL ASSISTANCE TO AFFILIATED COMPANIES

As at 31st December, 2001, the aggregate advances, financial assistance and guarantee provided by the TOM Group to its affiliated companies amounted to HKD107,463,000, representing approximately 94.9%, approximately 18.6% and approximately 6.4% of the net tangible assets, the net asset value and the total assets, respectively (which are HKD113,264,000, HKD579,003,000 and HKD1,667,443,000, respectively) of the TOM Group as at 31st December, 2001. Details of which were as follows:

Name of affiliated company	Advances HKD'000	Corporate guarantee HKD'000
Maya Online	11,271 (Note 1) 18,798 (Note 2) 62,118 (Note 3)	9,400 (Note 4)
Redsail	3,760 (Note 5)	—
AA Stocks	2,116 (Note 6)	—

Notes:

1. This advance to Maya Online made on 16th August, 2000 is unsecured, bearing interest at the rate of 6.5% per annum and is repayable on or before 1st August, 2010.
2. This advance to Maya Online made on 10th May, 2001 is unsecured, bearing interest at the rate of 6% per annum and is repayable on or before 30th April, 2011.
3. These advances to Maya Online made between the period from 27th December, 2000 to 31st December, 2001 are unsecured, interest free and repayable on demand.
4. This represents the corporate guarantee secured by the deposition of a fixed deposit of HKD9,400,000 for a bank loan of RMB10,000,000 granted to Maya Online on 26th September, 2001 for working capital purposes. The aforesaid bank loan has been fully utilized by Maya Online.
5. This advance to Redsail made on 4th June, 2001 is unsecured, bearing interest at the rate of 6% per annum and is repayable on or before 17th April, 2004.
6. HKD600,000 advance is made on 25th September, 2001 pursuant to a zero coupon convertible bond issued by AA Stocks due on 21st September, 2003. The remaining balance of the advances to AA Stocks made on 21st December, 2001 is unsecured, interest free and repayable on demand.

The above advances were funded by internal resources of the TOM Group and were made for the purpose of providing working capital for the respective companies.

Save as disclosed above, there is no capital commitment to the affiliated companies of TOM as at 31st December, 2001.

Pursuant to Rule 17.24 of the GEM Listing Rules, a proforma combined balance sheet of the above affiliated companies will be included in the 2001 annual report of TOM.

No disclosure obligation under Rules 17.15, 17.17 and 17.18 of the GEM Listing Rules was arisen prior to this announcement.

DEFINITIONS

“AA Stocks”	means AA Stocks International Limited, a company incorporated in the British Virgin Islands and is owned as to 50% by a wholly-owned subsidiary of TOM and as to 50% by All Asia Financial, LLC 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
“Board”	means the board of Directors of TOM
“Directors”	means the director(s) of TOM
“GEM”	means the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on GEM
“HKD”	means Hong Kong dollars
“Maya Online”	means 上海美亞在線寬頻網絡有限公司 (Shanghai Maya Online Broadband Network Company Limited), a sino-foreign equity joint venture enterprise established under the laws of the PRC. Maya Online is owned as to 50% by a wholly-owned subsidiary of TOM, as to 35% by 上海美亞音像有限公司 (Shanghai Maya Audio Video Company Limited) 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 and as to 15% by 上海信息產業有限公司 (Shanghai Information Industry Company Limited) 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

- “PRC” means the People’s Republic of China
- “Redsail” means 北京紅帆網神數據網絡技術有限公司 (Beijing Redsail Netlegend Data Network Technology Company Limited), a domestic limited liability company organised and existing under the laws of the PRC. Redsail is owned as to 40% by a wholly-owned subsidiary of TOM (through option and pledge arrangement), as to 49% by 北京紅帆譽翔公用電話有限公司, 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 and as to 11% by 北京三錦泰和科技發展有限公司 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
- “Stock Exchange” means The Stock Exchange of Hong Kong Limited
- “TOM” means TOM.COM LIMITED, a company incorporated in the Cayman Islands and whose shares are listed on GEM
- “TOM Group” means TOM and its subsidiaries

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

Hong Kong, 15th March, 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 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.