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TOM.COM LIMITED

(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT

This announcement is made at the request of the Stock Exchange.

The Board announces that Maya Online is treated as a jointly controlled entity of Tom (instead of a subsidiary as disclosed in the Announcement and the Circular) for accounting purposes.

The published financial results of Tom have not been affected by the aforesaid accounting treatment of Maya Online.

This announcement is made at the request of the Stock Exchange.

Reference is made to the Announcement and the Circular in respect of the Maya Online Acquisition. Terms used herein shall have the same meanings as defined in the Announcement and the Circular, unless the context otherwise requires.

BACKGROUND

Pursuant to the Announcement and the Circular, it was announced that Mountergate, a wholly-owned subsidiary of Tom, has entered into the Equity Transfer Contract with Maya Audio, under which, Mountergate has agreed to acquire 50% equity interest of Maya Online at a total consideration of USD25,000,000 (approximately HKD195,000,000) plus an amount equal to the US dollar equivalent of RMB25,000,000 (approximately HKD23,500,000) as registered capital contribution to Maya Online. The Maya Online Acquisition was completed in July, 2000.

ACCOUNTING TREATMENT OF MAYA ONLINE

As disclosed in the Announcement and the Circular, Maya Online will be a subsidiary of Tom upon completion of the Equity Transfer Contract on the basis that Mountergate is entitled to nominate 3 out of 5 directors to the board of Maya Online. Pursuant to the Companies Ordinance, a company shall be deemed to be a subsidiary of another company if that other company controls the composition of the board of directors of the first mentioned company.

Notwithstanding the deeming provisions under the Companies Ordinance, Tom hereby clarifies that Maya Online should be accounted for as a jointly controlled entity of Tom for accounting purposes (instead of a subsidiary as previously disclosed) under the definition of SSAP 2.121 “Accounting for interests in joint ventures” by virtue of the fact that:

- (a) there is no one single party which has control of Maya Online. Maya Online is owned by Mountergate as to 50%, by Maya Audio as to 35% and by Shanghai information as to 15%; and
- (b) unanimous approval is required for major strategic and operating decisions, including, inter alia, approval of annual budget and business plan.

The Board confirms that the published financial results of Tom have not been affected by the aforesaid accounting treatment of Maya Online.

DEFINITIONS

“Announcement”	means the announcement dated 28th April, 2000 of Tom
“Circular”	means the circular dated 19th May, 2000 of Tom
“Companies Ordinance”	means Companies Ordinance (Chapter 32 of the laws of Hong Kong)
“Maya Online”	means Shanghai Maya Online Broadband Network Company Limited, a Chinese-foreign equity joint venture company organised and existing under the laws of the PRC
“Maya Online Acquisition”	means the acquisition by Mountergate of 50% equity interest of Maya Online
“SSAP”	means Statement of Standard Accounting Practice

“Tom”

means TOM.COM LIMITED

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

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