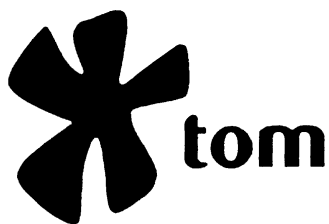


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## **TOM.COM LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

### **DISCLOSEABLE TRANSACTION INVOLVING CASH CONSIDERATION AND ISSUANCE OF NEW SHARES**

#### **Subscription of 49% of the issued share capital of Home Media Group Limited**

Further to the announcement of Tom dated 14th May, 2001 whereby the Directors announced the signing of the Framework Agreement in respect of, inter alia, the acquisition of 49% of the issued share capital of a joint venture to be established in the print media business, the Directors hereby announce that on 7th August, 2001, Tom International and Domatic, both wholly-owned subsidiaries of Tom, have entered into the Subscription Agreement in relation to the Acquisition with PC Home Shareholders and Cité Shareholders who are independent to Tom. The Subscription Agreement replaces and supersedes the Framework Agreement. Subject to the terms and conditions of the Subscription Agreement (including any adjustment of the Consideration), Domatic agreed to subscribe for HMG Shares representing 49% of the issued share capital of HMG for a Consideration of NTD1,301,440,000 (approximately HKD309,866,667).

NTD553,112,000 (approximately HKD131,693,333), being 42.5% of the Consideration, shall be satisfied by cash received from the placement of the 23,900,786 Consideration Shares (credited as fully paid) at HKD5.51 per Share to the Initial Shareholders. The Consideration Shares represent 0.743% and 0.737% of the Existing Capital and Enlarged Capital, respectively. NTD553,112,000 (approximately HKD131,693,333), being 42.5% of the Consideration will be satisfied by cash from internal resources of Tom. The balance of NTD195,216,000 (approximately HKD46,480,000), being 15.0% of the Consideration, shall be satisfied by the Deposit as stated in the Framework Agreement.

The Acquisition constitutes a discloseable transaction involving issuance of new Shares under Chapter 19 of the GEM Listing Rules. A circular containing further details of the Acquisition will be despatched to shareholders of Tom as soon as practicable.

## **INTRODUCTION**

Further to the announcement of Tom dated 14th May, 2001 whereby the Directors announced the signing of the Framework Agreement in respect of, inter alia, the acquisition of 49% of the issued share capital of a joint venture to be established in the print media business, the Directors hereby announce that on 7th August, 2001, Tom International and Domatic, both wholly-owned subsidiaries of Tom, have entered into the Subscription Agreement in relation to the Acquisition with PC Home Shareholders and Cité Shareholders who are independent to Tom. The Subscription Agreement replaces and supersedes the Framework Agreement. Subject to the terms and conditions of the Subscription Agreement (including any adjustment of Consideration), Domatic agrees to subscribe for HMG Shares representing 49% of the issued share capital of HMG for a Consideration of NTD1,301,440,000 (approximately HKD309,866,667).

## **THE SUBSCRIPTION AGREEMENT**

Date: 7th August, 2001

Parties: Tom International, Domatic  
HMG  
Initial Shareholders, Management Shareholders  
PC Home Shareholders, Cité Shareholders  
PC Home, Cité

### **Major terms of the Subscription Agreement**

#### *(1) Termination of the Framework Agreement*

Domatic, Mr. Jan, Mr. Ho, PC Home and Cité, being parties to the Framework Agreement, agreed to enter into the Subscription Agreement which supersedes and replaces the Framework Agreement. The terms of the Framework Agreement in relation to, inter alia, the management and board composition of HMG, and future funding and listing arrangement will be covered by the shareholders' agreement of HMG which will be entered into at Completion as described in paragraph (f) of the section headed "Conditions precedent".

The Framework Agreement provides that, among other things:

- (a) the board of HMG would consist of seven members which four shall be nominated by Domatic and the remaining three shall be nominated by the Initial Shareholders;
- (b) In respect of future funding, the parties agreed that the funding for HMG for working capital purposes, when necessary, shall be satisfied by way of bank loans, shareholders loans, subscription of new shares by existing or new investors or convertible loans to be provided by Domatic; and

- (c) In the event that the intended listing of HMG does not take place within 18 months after HMG achieves the minimum listing requirements except in certain specified circumstances, Domatic may either sell its interest to the Initial Shareholders or acquire the Initial Shareholders' interests in HMG.

It should be noted that such matters as set out in the Framework Agreement will be provided for in the shareholders' agreement as mentioned in paragraph (f) of the section headed "Conditions precedent"; but however, the terms as set out in the shareholders' agreement may be different from the terms as set out above.

*(2) Subscriptions of HMG Shares by Domatic and the Initial Shareholders*

- (a) The Initial Shareholders agreed to subscribe for an aggregate of 510,000,000 HMG Shares representing 51% of the issued share capital of HMG at par value amounting to USD5,100 (approximately HKD39,780); and
- (b) Domatic agreed to subscribe for 490,000,000 HMG Shares representing 49% of the issued share capital of HMG for the Consideration amount.

The HMG Shares to be issued pursuant to the above subscriptions will be credited as fully paid and rank in pari passu in all respects between themselves.

*(3) Consideration*

Subject to any adjustment of the Consideration as described in paragraph (4) of "Acquisition of PC Home and Cité by HMG" below, the Consideration for the Acquisition is NTD1,301,440,000 (approximately HKD309,866,667), which shall be payable in the following manner:

- (a) NTD553,112,000 (approximately HKD131,693,333), being 42.5% of the Consideration, shall be satisfied by cash received from the placement of the Consideration Shares to the Initial Shareholders as described in paragraph (5) of "Subscription of Consideration Shares by the Initial Shareholders" below;
- (b) NTD553,112,000 (approximately HKD131,693,333), being 42.5% of the Consideration, shall be satisfied by cash from internal resources of Tom;
- (c) NTD195,216,000 (approximately HKD46,480,000), being 15.0% of the Consideration, shall be satisfied by the Deposit as stated in the Framework Agreement.

The Consideration was based on the consideration as originally agreed in the Framework Agreement which was arrived at after arm's length negotiations based on relevant benchmarks (such as business profile and future prospects) and the management representations of the business prospects of HMG.

(4) *Acquisition of PC Home and Cité by HMG*

The parties to the Subscription Agreement agree that, contemporaneously with the subscription of HMG Shares by Domatic and the Initial Shareholders, HMG shall acquire PC Home from the PC Home Shareholders and Cité from the Cité Shareholders. It is the intention of the parties to the Subscription Agreement that HMG shall acquire 100% of the issued share capital of both PC Home and Cité. According to PC Home and Cité, as at the date of the Subscription Agreement, majority of the shareholders of PC Home, collectively holding approximately 94% of the issued share capital of PC Home have executed the consent letters to sell of which; approximately 86% have either returned the transfers and share certificates or have their shares pledged to financial institutions; approximately 8% have not returned their share certificates or have lost their share certificates and awaiting replacement share certificates. The remaining shareholders of PC Home holding approximately 6% interest in PC Home have not yet consented. Similarly, majority of the shareholders of Cité representing approximately 99% interest in Cité have executed the consent letters to sell of which; approximately 95% have returned the transfers and share certificates; approximately 4% have not returned their share certificates. The remaining shareholders of Cité holding 1% in Cité have not returned their confirmation to sell.

PC Home's 29.91% interest in PC Home Online Limited is not included in the Consideration as stated in the announcement of Tom dated 14th May, 2001 in relation to the Framework Agreement and consequently excluded from the pro forma unaudited consolidated accounts of HMG. PC Home Online Limited is engaged in the operations of an internet portal in Taiwan. PC Home provides content to PC Home Online Limited and also distributes its electronic newsletters via the platform of PC Home Online Limited.

Also stated in the announcement of Tom dated 14th May, 2001, PC Home's interest in SmartNet Inc. will be included in the Acquisition. At Completion, PC Home will directly and through a subsidiary hold 19.01% interest in SmartNet Inc. which will be included in the Acquisition. Currently, PC Home Online Limited holds approximately 18.66% in SmartNet Inc.. SmartNet Inc. operates a financial portal in Taiwan providing news, reviews, research, real stock quotes and community forum. In addition to online business, SmartNet Inc. also publishes magazines. PC Home is the distribution agent of two magazines published by SmartNet Inc.

HMG will acquire the interests in PC Home and Cité using the subscription proceeds from Domatic's purchase of HMG Shares.

Between the signing of the Subscription Agreement and Completion, should HMG receive less than 100% acceptances from the selling shareholders of PC Home and Cité, the Consideration shall be adjusted accordingly.

(5) *Subscription of Consideration Shares by the Initial Shareholders*

Subject to the terms and conditions of the Subscription Agreement, the Initial Shareholders will, using NTD553,112,000 (approximately HKD131,693,333) of the sales proceeds of PC Home and Cité, subscribe for 23,900,786 Consideration Shares at HKD5.51 per Consideration Share. The price per Consideration Share is based on the terms as originally agreed in the Framework Agreement and was arrived at based on arm's length negotiations and the price being acceptable by the Initial Shareholders. The Consideration Shares represent approximately 0.743% of the Existing Capital and approximately 0.737% of the Enlarged Capital. The price of HKD5.51 per Consideration Share represents a premium of approximately 172% to the closing Share price of HKD2.025, as quoted on the Stock Exchange on 7th August, 2001 and a premium of approximately 171% to the average closing Share price of HKD2.034 for the 10 consecutive trading days (including 7th August, 2001) before the date of the Subscription Agreement, as quoted on the Stock Exchange.

Each of the Management Shareholders undertakes with Domatic that it will not, within the Lock-up Period:

- (a) pledge, charge, sell, contract to sell, sell any option or otherwise transfer or dispose of any Consideration Shares acquired by it under the Subscription Agreement or grant any option, right or warrant to purchase any such Consideration Shares; or
- (b) enter into any swap or other arrangement that transfer to another, in whole or in part, any of the economic consequences of ownership of such Consideration Shares.

Without prejudice to the undertakings given above, each of the Management Shareholders undertakes with Domatic that it will not, at any time after the Lock-up Period, sell, contract to sell, sell any option or otherwise transfer or dispose of any Shares acquired by it under the Subscription Agreement or grant any option, right or warrant to purchase any such Shares that would exceed a maximum limit of an aggregate of 1% per day and that any unused portion of such limit may be accumulated up to 10% for subsequent disposal. Such maximum limit on the disposal of Shares by the Management Shareholders shall not apply in the event that the Management Shareholders are selling their respective shareholding of Shares in one or more private placement.

The Consideration Shares to be issued pursuant to the above subscription will be credited as fully paid and rank in pari passu in all respects with the existing Shares.

### **Conditions Precedent**

Completion of the Subscription Agreement is subject to and is conditional upon, inter alia, the satisfaction of the following conditions:

- (a) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Consideration Shares (either unconditionally or subject only to conditions to which neither Domatic nor HMG reasonably objects);
- (b) the simultaneous completion of the acquisitions of PC Home and Cité by HMG as described in the paragraph (4) of the section headed “Major terms of the Subscription Agreement” above;
- (c) the obtaining of all authorisations, registrations, filings, licenses, confirmations, clearances, rulings, decisions, permissions and approvals from the Stock Exchange or other authorities or the bankers or creditors of the parties to the Subscription Agreement, if any, that are necessary or appropriate for or in connection with the transactions contemplated under the Subscription Agreement, including without limitation to the approval required in Taiwan for the acquisition of PC Home and Cité by HMG;
- (d) no action or proceeding being pending or threatened by any person, firm, corporation or other entity, or any government, governmental authority, regulatory body or agency to enjoin, restrict, oppose or prohibit:
  - (i) the issue and allotment of the new HMG Shares by HMG pursuant to the subscription by Domatic and the Initial Shareholders;
  - (ii) the right of Domatic to subscribe and own the HMG Shares;
  - (iii) the transfer of the issued shares of PC Home and Cité to HMG;
  - (iv) the issue and allotment of the Consideration Shares to the Initial Shareholders; and
  - (v) the execution, delivery and/or performance of the Subscription Agreement and consummation of the transactions contemplated therein by any of the parties named in the Subscription Agreement.
- (e) the Initial Shareholders having duly authorized and appointed Mr. Jan as their attorney-in-fact to execute and deliver the Subscription Agreement and any and all other documents contemplated under the Subscription Agreement and to perform in their names and on their behalf of any actions to be taken by the Initial Shareholders, and the respective shareholders of PC Home and/or Cité (as the case may be);
- (f) the Initial Shareholders being beneficially interested in not less than 51% of the HMG Shares issued to the Initial Shareholders, which shall include all of the Management Shareholders, having entered into a shareholders’ agreement with Domatic, Tom International, Mr. Jan, Mr. Ho and HMG in form and substance as set forth in the Subscription Agreement. The shareholders’ agreement, which will govern the business and conduct of HMG, will include, inter alia, the organisation and management of

HMG, board composition, and future funding and listing arrangement. The parties shall enter into the shareholders' agreement at the Completion. Major terms of the shareholders' agreement shall be disclosed in the circular to be despatched to the shareholders of Tom;

- (g) the PC Home Shareholders being beneficially interested in not less than 90% of PC Home Shares having duly agreed to sell all of their PC Home Shares to HMG and having delivered the share certificates evidencing their PC Home Shares (free of any security interest or encumbrance) to PC Home for escrow; and
- (h) the Cité Shareholders being beneficially interested in not less than 95% of Cité Shares having duly agreed to sell all of their Cité Shares to HMG and having delivered the share certificates evidencing their Cité Shares (free of any security interest or encumbrance) to Cité for escrow.

### **Completion of the Subscription Agreement**

Completion of the Subscription Agreement will take place within seven business days after all the relevant conditions in the Subscription Agreement are fulfilled or in any event on or before 31st December, 2001 or such later date Domatic and HMG may agree in writing prior to Completion. Should the Completion not be completed by 31st December, 2001 or such later date as Domatic and HMG may agree, the Deposit shall be repaid to Domatic together with any accrued interest as calculated per the Framework Agreement jointly and severally by Mr. Jan, Mr. Ho, PC Home and Cité, and the Subscription Agreement shall terminate.

### **INFORMATION ON PC HOME AND CITÉ**

PC Home is a leading magazine publishing group on information technology, personal finance and learning in Taiwan. Established in December, 1995, PC Home publishes and owns the intellectual property rights to 18 popular magazines titles in Taiwan including *PC Home*, *PC Office*, *PC Gamer*, *PC Shopper*, *Smart*, *Smart Car*, *Download*, and *Business Next*.

Cité was established in September, 1996 and is currently one of the leading book publishers in Taiwan with operations in the PRC, Malaysia and Hong Kong. Cité presently has 19 publishing brands targeting different market segments. For example, Rye Field Press specialises in literature, Owl Publishing excels in reference books; Grimm Publishing is know for its children pictorial books; and Mook, a new entrant in the market, is popular for its Chinese language travel and finance publications. Cité currently holds the rights to publish over 4,000 different titles in Taiwan. In addition, it has also expanded into Greater China since 1997 through licensing and sub-licensing of rights to over 30 titles and co-publishing with a PRC publisher for 10 popular titles.

The pro forma unaudited consolidated net revenue of HMG as reported under IAS, were approximately NTD1,813 million and NTD1,479 million (approximately HKD431.7 million and HKD352.1 million) for the year ended 31st December, 2000 and 31st December, 1999, respectively. The pro forma unaudited consolidated net loss of HMG as reported under IAS were approximately NTD68.8 million and NTD40.0 million (approximately HKD16.4 million and HKD9.5 million) for the year ended 31st December, 2000 and 31st December, 1999 respectively. As at 31st December, 2000, the pro forma unaudited consolidated net tangible assets of HMG as reported under IAS were approximately NTD390.0 million (approximately HKD92.9 million). The financial information of HMG mentioned herein is based on the assumption that HMG acquires 100% of the issued share capital of both PC Home and Cité.

As disclosed in the announcement of Tom dated 14th May, 2001 in relation to the Framework Agreement, the combined net revenues of PC Home and Cité were approximately NTD2 billion (approximately HKD476 million) in year 2000 and the combined net tangible assets of PC Home and Cité as at 31st December, 2000 were approximately NTD827 million (approximately HKD197 million). These financial figures were prepared under Taiwan GAAP based on preliminary due diligence and information provided by the management of PC Home and Cité, and included PC Home's 29.91% interest in PC Home Online Limited. The interest in PC Home Online Limited was recorded as a long-term investment in the accounts of PC Home.

The difference between the two sets of financial figures of HMG as at the Framework Agreement and the Subscription Agreement is mainly due to the exclusion of the interest of PC Home Online Limited.

## **REASONS FOR ENTERING INTO THE SUBSCRIPTION AGREEMENT**

The Directors consider PC Home and Cité to be successful magazine and book publishers respectively, with thematic titles, strong market recognition and mass appeal in Taiwan. Hence, HMG represents a credible and sizeable platform for Tom's growth in the Chinese language print media business. In addition, the Acquisition further reinforces Tom's cross-media strategy; allowing the wide range of offline content produced by HMG to be distributed through Tom's family of online assets. This would have the effect of substantially increasing Tom's cross-media advertising selling capability, yielding additional revenue and enhancing market competitiveness.

Combining the strength and resources of Tom, PC Home and Cité, the Directors are of the view that the Acquisition by Tom will provide a solid foundation for Tom to further develop its print media business. With the strong shareholders backing and management expertise, HMG aims to become the largest Chinese language print media platform through further acquisitions in the PRC and other parts of the Greater China Region. Growth will also come from extending the successful franchises of PC Home and Cité to other Chinese speaking populations worldwide.



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

It is the intention of the parties to the Subscription Agreement that after the Completion, HMG will endeavour to seek a listing on an appropriate stock exchange. The parties shall give such co-operation and assistance to the board of HMG so as to enable HMG to qualify for listing.

## **GENERAL**

The Directors consider that the Subscription Agreement has been entered into on normal commercial terms in the ordinary and usual course of business of Tom Group and that the terms of the Subscription Agreement are fair and reasonable and in the interests of the Tom Group so far as the shareholders are concerned.

The Consideration Shares 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 under the Subscription Agreement in accordance to the GEM Listing Rules.

Subject to the finalisation of the terms and conditions of the shareholders' agreement of HMG as mentioned above, Tom and its auditor will determine the accounting treatment on the investment in HMG by Tom's year-end audit.

Driven by the convergence of media and technology, the business of the Tom Group includes the operation of cross media and telecom value-added services. The cross media operation bundles online and offline assets to deliver integrated marketing services. The online arm straddles broadband and narrowband businesses, including broadband content production, broadband Internet value-added service provision, and the operation of a family of portals offering infotainment content, sports news service, and web-based e-mail service. The offline arm includes sports event management, magazine publishing, and outdoor media advertising. The telecom value-added services operation is engaged in the provision of dial-up Internet access and premium online services across a virtual ISP and VoIP platform.

Based on the adjusted net tangible assets of Tom as at 31st March, 2001, the Acquisition constitutes a discloseable transaction involving issuance of new Shares under Chapter 19 of the GEM Listing Rules. A circular containing further details of the Acquisition will be despatched to shareholders of Tom as soon as practicable.

## **DEFINITIONS**

“Acquisition” means the subscription by Domatic of 49% of the issued share capital of HMG by way of subscription of new shares in HMG

“Board”	means the board of Directors of Tom
“Citè”	means Citè Publishing Limited (城邦文化事業股份有限公司), a limited liability company incorporated in Taiwan on 19th September, 1996 which is independent from the Directors, chief executive, substantial shareholders or management shareholders of Tom or any of their associates as defined under the GEM Listing Rules
“Citè Shares”	means the issued and outstanding shares of capital stock of Citè
“Citè Shareholders”	means the 115 shareholders of Citè as at the date of the Subscription Agreement, who collectively hold approximately 95% of the issued share capital of Citè and any other persons named in any addendum to the Subscription Agreement after the date of the Subscription Agreement (being those shareholders of Citè agreeing to sell their shareholding after the date of the Subscription Agreement), and are independent from the Directors, chief executive, substantial shareholders or management shareholders of Tom or any of their associates as defined under the GEM Listing Rules. Excluding the Management Shareholders, the Citè Shareholders include individual investors, investment funds, corporations and employees of Citè. Their shareholdings in Citè range from 0.004% to 22.5% as at the date of the Subscription Agreement
“Completion”	means the fulfillment of the terms and conditions precedent of the Subscription Agreement and completion of the Acquisition and allotment and issue of the HMG Shares to Domatic and the Initial Shareholders
“Consideration”	means the total consideration in the amount of NTD1,301,440,000 (approximately HKD309,866,667) payable by Domatic for the Acquisition
“Consideration Shares”	means 23,900,786 Shares credited as fully paid at HKD5.51 per Share to be allotted and issued to the Initial Shareholders as part of the Consideration
“Deposit”	means a refundable cash deposit in the amount of NTD195,216,000 (approximately HKD46,480,000) paid by Domatic to Mr. Jan, Mr. Ho, PC Home and Citè under the terms of the Framework Agreement which will be applied to satisfy part of the Consideration

“Director(s)”	means the director(s) of Tom
“Domatic”	means Domatic International Limited, a limited liability company incorporated in the British Virgin Islands on 8th February, 2000, being a wholly-owned subsidiary of Tom
“Enlarged Capital”	means 3,242,850,461 Shares in issue upon completion of the Acquisition assuming that there are no further issues of Shares from 7th August, 2001 up to completion of the Acquisition other than the Consideration Shares
“Existing Capital”	means 3,218,949,675 Shares in issue on 7th August, 2001
“Framework Agreement”	means a conditional agreement entered into between Domatic and Mr. Jan, Mr. Ho, PC Home and Cité on 14th May, 2001 setting out, inter alia, the major terms of the Acquisition
“GEM Listing Rules”	means Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange
“GEM”	means the Growth Enterprise Market of the Stock Exchange
“HMG”	means Home Media Group Limited, an exempted limited liability company incorporated in the Cayman Islands on 2nd February, 2001 which will be the holding company of PC Home and Cité upon Completion, and is independent from the Directors, chief executive, substantial shareholders or management shareholders of Tom or any of their associates as defined under the GEM Listing Rules
“HMG Share(s)”	means share(s) of USD0.00001 each in the capital of HMG
“HKD”	means Hong Kong Dollars
“IAS”	means International Accounting Standards
“Initial Shareholders”	means the PC Home Shareholders and the Cité Shareholders (including all Management Shareholders) who will subscribe for the new HMG Shares pursuant to the Subscription Agreement and are independent from the Directors, chief executive, substantial shareholders or management shareholders of Tom or any of their associates as defined under the GEM Listing Rules, who collectively will be the largest shareholder of HMG, and any other persons named in any

addendum to the Subscription Agreement after the date of the Subscription Agreement (being those shareholders of PC Home and Cité agreeing to sell their shareholding after the date of the Subscription Agreement). Excluding the Management Shareholders, the Initial Shareholders include individual investors, investment funds, corporations and employees of PC Home and Cité. Their shareholdings in HMG range from 0.00134% to 8.53% as at the date of the Subscription Agreement

- “Lock-up Period” means the period of six months commencing from the date of the Completion of the Subscription Agreement
- “Management Shareholders” means the 23 Initial Shareholders who, collectively, will hold approximately 13.91% of HMG as at the date of the Subscription Agreement and participate in the management of HMG, namely 詹宏志, 何飛鵬, 李宏麟, 童再興, 林文玲, 謝斐如, 嚴立羣, 葉其鋒, 徐人強, 陳素蘭, 王心一, 李世宏, 鍾明通, 林奇芬, 周東宜, 蘇拾平, 陳明順, 郝廣才, 陳美玲, 涂玉雲, 呂學正, 陳穎青, 謝宜英
- “Mr. Ho” means Fei-Peng Ho (何飛鵬), the chairman of PC Home, managing director of Cité and a shareholder of both Cité and PC Home (approximately 1.3% in Cité and approximately 10.7% in PC Home), who is independent from the Directors, chief executive, substantial shareholders or management shareholders of Tom or any of their associates as defined under the GEM Listing Rules
- “Mr. Jan” means Jan Hung-Tze (詹宏志), the chief executive officer of PC Home, chairman of Cité and a shareholder of both Cité and PC Home (approximately 1.2% in Cité and approximately 10.1% in PC Home), who is independent from the Directors, chief executive, substantial shareholders or management shareholders of Tom or any of their associates as defined under the GEM Listing Rules
- “NTD” means New Taiwan Dollars
- “PC Home” means PC Home Publications Inc. (電腦家庭文化事業股份有限公司), a limited liability company incorporated in Taiwan on 13th December, 1995 which is independent from the Directors, chief executive, substantial shareholders or management shareholders of Tom or any of their associates as defined under the GEM Listing Rules

“PC Home Shares”	means the issued and outstanding shares of capital stock of PC Home
“PC Home Shareholders”	means the 109 shareholders of PC Home as at the date of the Subscription Agreement, who collectively hold approximately 86% of the issued share capital of PC Home and any other persons named in any addendum to the Subscription Agreement after the date of the Subscription Agreement (being those shareholders of PC Home agreeing to sell their shareholding after the date of the Subscription Agreement), and are independent from the Directors, chief executive, substantial shareholders or management shareholders of Tom or any of their associates as defined under the GEM Listing Rules. Excluding the Management Shareholders, the PC Home Shareholders include individual investors, investment funds, corporations and employees of PC Home. Their shareholdings in PC Home range from 0.00459% to 4.54% as at the date of the Subscription Agreement
“PRC”	means the People’s Republic of China (excluding Hong Kong and Macau)
“Share(s)”	means share(s) of par value of HKD0.10 each in the capital of Tom
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	means the agreement entered into between HMG, Domatic, Tom International, Initial Shareholders, Management Shareholders, PC Home Shareholders, Cité Shareholders, PC Home and Cité on 7th August, 2001 in relation to the subscription of shares of HMG
“Taiwan”	means Taiwan
“Tom”	means TOM.COM LIMITED
“Tom Group”	means Tom and its subsidiaries
“Tom International”	means Tom.com International Limited, a limited liability company incorporated in Hong Kong being a wholly-owned subsidiary of Tom
“USD”	means United States Dollars

HKD1 = NTD4.2  
HKD7.8 = USD1

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

Hong Kong, 7th August, 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](http://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](http://www.tom.com).*