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This announcement is not an offer of securities for sale in the United States. Securities of TOM Online Inc. may not be offered or sold in the United States absent registration or an exemption from registration. Any public offering of securities of TOM Online Inc. to be made in the United States will be made by means of a prospectus to be issued by TOM Online Inc. that will contain detailed information on TOM Online Inc. and its management as well as its financial statements. TOM Online Inc. intends to register a part of its proposed offering of securities in the United States.

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TOM.COM LIMITED

(Incorporated in the Cayman Islands with limited liability)

**PROPOSED SPIN-OFF OF
TOM ONLINE INC.
BY WAY OF SEPARATE LISTING ON
THE GROWTH ENTERPRISE MARKET OF
THE STOCK EXCHANGE OF HONG KONG LIMITED
AND/OR THE NASDAQ NATIONAL MARKET**

CONDITIONAL PREFERENTIAL OFFER

As referred to in the Announcement, as part of the Proposed Spin-Off, Shareholders will be given assured entitlements to TOM Online Shares, either by way of dividend in specie of existing TOM Online Shares or by way of preferred application in any offering of existing or new TOM Online Shares. The Board announces that such assured entitlements are expected to be given by way of preferred application in the Global Offering.

The register of members of the Company will be closed on Tuesday, 24 February 2004 for the purpose of determining the Assured Entitlements. No transfer of the Shares may be registered on that day. In order to qualify for the Assured Entitlements, all transfer forms accompanied by the relevant share certificates must be lodged with the Registrar by no later than 4:00 p.m. on Monday, 23 February 2004.

As the listing of TOM Online Shares and/or ADSs pursuant to the Proposed Spin-Off and the Global Offering is subject to, amongst other things, the state of the equity markets, the approvals of the GEM Listing Committee and/or the NASDAQ Stock Market, the relevant United States regulatory process, the approval of Shareholders and the final decision of the Board, the Proposed Spin-Off may or may not proceed. In particular, there is no assurance that approval for the listing of securities of TOM Online will be granted by the GEM Listing Committee and/or NASDAQ Stock Exchange. If the Proposed Spin-Off and the Global Offering do not proceed for any reason, the Preferential Offer will not be made and there will be no determination of Assured Entitlements. Accordingly, Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

CONDITIONAL PREFERENTIAL OFFER TO QUALIFYING SHAREHOLDERS

As referred to in the Announcement, as part of the Proposed Spin-Off, Shareholders will be given assured entitlements to TOM Online Shares, either by way of dividend in specie of existing TOM Online Shares or by way of preferred application in any offering of existing or new TOM Online Shares. The Board announces that the Assured Entitlements are expected to be given by way of preferred application in the Global Offering.

FURTHER INFORMATION ON THE PROPOSED SPIN-OFF

The exact structure of the Proposed Spin-Off will be decided by the Board, but at present it is proposed to be effected by way of Global Offering of new TOM Online Shares which will comprise the Hong Kong Public Offer and the International Offering, and will be accompanied by a separate listing of TOM Online Shares on GEM and/or a separate quotation of ADSs on NASDAQ. The Global Offering will also include a preferential offering of Reserved Shares to Qualifying Shareholders as described in “Assured Entitlements” below.

The Proposed Spin-Off and the Global Offering will be conditional upon, among other things, the approval of Shareholders, a final decision of the Board and of the board of directors of TOM Online, the GEM Listing Committee granting approval for the listing of, and permission to deal in, all the TOM Online Shares in issue and to be issued pursuant to the Global Offering on GEM and/or the NASDAQ Stock Market granting approval for the inclusion of the ADSs for quotation on NASDAQ. There can be no assurance that any of the conditions will be satisfied.

ASSURED ENTITLEMENTS

It is expected that subject to the satisfaction or waiver of the conditions relating to the Proposed Spin-Off, Qualifying Shareholders will be invited to apply for Reserved Shares in the Preferential Offer.

Shareholders should note that their entitlements to Reserved Shares may represent TOM Online Shares not in a multiple of a full board lot of 2,000 TOM Online Shares, and dealings in odd lot TOM Online Shares may be at below their prevailing market price.

Assured Entitlements of Qualifying Shareholders will not be transferable and there will be no trading in nil paid entitlements on GEM. The underwriters will have the authority to reallocate all or any Reserved Shares not taken up by Qualifying Shareholders to the International Offering. Any TOM Online Shares to be issued pursuant to the Preferential Offer shall be fully paid and rank pari passu in all respects with other TOM Online Shares then in issue.

The Assured Entitlements are not being extended to Overseas Shareholders.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed on Tuesday, 24 February 2004 for the purpose of determining the Assured Entitlements. No transfer of Shares may be registered on that day. In order to qualify for the Assured Entitlements, all transfers must be lodged with the Registrar by no later than 4:00 p.m. on Monday, 23 February 2004 (or such later date as the Board may determine). However, if the Proposed Spin-Off is postponed, the Board may determine another date(s) for closure of the register of members of the Company for the purpose of determination of Assured Entitlements and a further announcement would be made to inform Shareholders in due course.

If the listing of TOM Online Shares is not approved by the GEM Listing Committee or the Proposed Spin-Off is not approved by the Shareholders, or if the Proposed Spin-Off does not proceed for any other reasons, the Preferential Offer will not be made and in such a case no Qualifying Shareholders will be entitled to subscribe for any Reserved Shares thereunder and there will be no determination of Assured Entitlements.

GENERAL

The Board expects that, if the approval of the GEM Listing Committee is obtained, the Shareholders approve the Proposed Spin-Off and the Proposed Spin-Off proceeds, the Prospectus containing, amongst other matters, details of the Preferential Offer, will be despatched to the Qualifying Shareholders in due course. Beneficial owners of Shares whose shares are registered in the names of stockbrokers or nominees as at the Record Date may be approached by their stockbrokers or nominees with respect to applications for the Reserved Shares. Beneficial owners of Shares who are in any doubt about applications for the Reserved Shares should consult their stockbrokers or nominees.

Further announcement will be made to update Shareholders and investors of any significant development related to the Proposed Spin-Off and the Preferential Offer.

In connection with the Global Offering, the price of the TOM Online Shares may be stabilized in accordance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). Details of any intended stabilization and how it will be regulated under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) will be contained in the Prospectus.

As the listing of TOM Online Shares and/or ADSs pursuant to the Proposed Spin-Off and the Global Offering is subject to, amongst other things, the state of the equity markets, the approvals of the GEM Listing Committee and/or the NASDAQ Stock Market, the relevant United States regulatory process, the approval of Shareholders and the final decision of the Board, the Proposed Spin-Off may or may not proceed. In particular, there is no assurance that approval for the listing of securities of TOM Online will be granted by the GEM Listing Committee and/or the NASDAQ Stock Market. If the Proposed Spin-Off and the Global Offering do not proceed for any reason, the Preferential Offer will not be made and there will be no determination of Assured Entitlements. Accordingly, Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

“ADS”	American depositary shares, each of which will represent the right to receive a certain number of TOM Online Shares
“Announcement”	the announcement dated 24 December 2003 issued by the Company in relation to the Proposed Spin-Off
“Assured Entitlements”	the entitlements of Qualifying Shareholders to apply for Reserved Shares under the Preferential Offer
“Board”	the board of Directors
“Company”	TOM.COM LIMITED
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing sub-committee of the board of the Stock Exchange with responsibility for GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Global Offering”	the proposed global offering of TOM Online Shares and ADSs (which will include the Hong Kong Public Offer and the International Offering)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Public Offer”	the proposed public offer in Hong Kong of new TOM Online Shares in connection with the Proposed Spin-Off
“International Offering”	the proposed placing and offering of ADSs (which may, at the option of investors, be delivered in the form of TOM Online Shares) outside of the Hong Kong Public Offer to professional, institutional and other investors in connection with the Proposed Spin-Off
“NASDAQ”	the NASDAQ National Market in the United States
“Offer Price”	the final price per Offer Share (exclusive of brokerage, SFC transaction levy, investor compensation levy and Stock Exchange trading fee) at which the Offer Shares are to be issued pursuant to the Global Offering, to be determined in the manner to be set out in the Prospectus

“Offer Shares”	the new TOM Online Shares to be offered for subscription under the Global Offering
“Overseas Shareholders”	registered holders of Shares whose addresses on the register of members of the Company at the close of business on the Record Date are outside Hong Kong
“Preferential Offer”	the proposed preferential offer to the Qualifying Shareholders for subscription of the Reserved Shares at the Offer Price
“Proposed Spin-Off”	the proposed spin-off of by the Company of TOM Online by way of separate listing of the TOM Online Shares on GEM and/or separate quotation of the ADSs on NASDAQ
“Prospectus”	the prospectus to be issued by TOM Online in relation to the Hong Kong Public Offer and the Preferential Offer
“Qualifying Shareholders”	holders of Shares, whose names appeared on the register of members of the Company at the close of business on the Record Date, other than Overseas Shareholders
“Record Date”	24 February 2004, being the record date for ascertaining the Assured Entitlements
“Registrar”	Computershare Hong Kong Investor Services Limited of Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Reserved Shares”	the TOM Online Shares being offered for subscription pursuant to the Preferential Offer as part of the Global Offering
“SFC”	the Securities and Futures Commission in Hong Kong
“Shareholders”	holders of the Shares
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TOM Online”	TOM Online Inc., a wholly-owned subsidiary of the Company which was incorporated in the Cayman Islands with limited liability on 28 August 2001
“TOM Online Shares”	ordinary share(s) of HK\$0.01 each in the share capital of TOM Online

“United States”

the United States of America, as defined in Regulation S under the United States Securities Act of 1933, as amended from time to time

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

Hong Kong, 9 February 2004

This announcement, for which the Directors 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 the Company. The Directors, 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 the Company at www.tomgroup.com.