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TOM.COM LIMITED

(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT UNDER RULE 17.10 OF THE GEM LISTING RULES

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

PRELIMINARY INDICATIVE PRICE RANGE PER ADS IN THE INTERNATIONAL OFFERING AND FURTHER INFORMATION ON THE PROPOSED SPIN-OFF OF TOM ONLINE INC.

The Board is pleased to announce that the preliminary indicative price range per ADS under the International Offering of TOM Online is US\$13.56 to US\$15.56. Each ADS will represent ownership of 80 TOM Online Shares and, accordingly, this preliminary indicative price range is equivalent to a price range of HK\$1.30 to HK\$1.50 per TOM Online Share (excluding brokerage of 1%, SFC transaction levy of 0.005%, SFC investor compensation levy of 0.002% and Hong Kong Stock Exchange trading fee of 0.005%).

Shareholders and other investors should note that this preliminary indicative price range per ADS under the International Offering is subject to change and the final price range for the Hong Kong Public Offer and the Preferential Offer will be that stated in the Prospectus which is expected to be available on 2 March 2004.

On the basis of the current timetable and subject to the approval of the Proposed Spin-Off by the Shareholders at the EGM, (i) the final Offer Price for the Hong Kong Public Offer and the Preferential Offer is expected to be determined on or about Friday, 5 March 2004 and published on the GEM website by TOM Online on Wednesday, 10 March 2004, and (ii) dealings in TOM Online Shares on GEM are currently expected to commence on Thursday, 11 March 2004. **Shareholders and other investors should note that this timetable is subject to change, depending on the prevailing market conditions. If there are changes to this timetable, the Company will publish an announcement on the GEM website.**

The Board also announces that the proposed structure of the Global Offering described in the Company's circular to shareholders dated 14 February 2004 has been amended, as the Over-allotment Option is now proposed to be granted by the Company over its existing TOM Online Shares rather than by TOM Online over new TOM Online Shares. Pursuant to this Over-allotment Option, the Company proposes to grant an option to the Joint Global Coordinators to require the Company from time to time up to 30 days after the date on which dealings in the TOM Online Shares commence on GEM to sell up to a certain number of existing TOM Online Shares, expected to represent up to 15% of the Offer Shares initially proposed to be offered in the Global Offering. These existing TOM Online Shares will be sold at the Offer Price.

On the basis of the preliminary indicative price range stated in this announcement, TOM Online estimates that the aggregate net proceeds from the Global Offering (other than those attributable to the sale of TOM Online Shares by the Company upon the exercise of the Over-allotment Option), after deducting the estimated underwriting fees and expenses payable by TOM Online in the Global Offering, will range between approximately US\$146 million and US\$170 million.

As the listing of TOM Online Shares and ADSs pursuant to the Proposed Spin-Off and the Global Offering is subject to, among others, the state of the equity markets, the approvals of the GEM Listing Committee and the US SEC, the relevant United States regulatory process, and to the final decision of the Board and Shareholders, Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

Reference is made to the announcements of TOM.COM LIMITED (“the Company”) dated 24 December 2003, 9 February 2004 and 13 February 2004 (the “Announcements”), and to the circular despatched to Shareholders on 14 February 2004 (the “Circular”), relating to the Proposed Spin-Off. Unless the context otherwise requires, terms used in this announcement shall have the same meanings as those used in the Announcements.

PRELIMINARY INDICATIVE PRICE RANGE PER ADS FOR THE INTERNATIONAL OFFERING

The Board is pleased to announce that the preliminary indicative price range per ADS under the International Offering of TOM Online is US\$13.56 to US\$15.56. Each ADS will represent ownership of 80 TOM Online Shares and, accordingly, this preliminary indicative price range is equivalent to a price range of HK\$1.30 to HK\$1.50 per TOM Online Share (excluding brokerage of 1%, SFC transaction levy of 0.005%, SFC investor compensation levy of 0.002% and Hong Kong Stock Exchange trading fee of 0.005%).

Shareholders and other investors should note that this preliminary indicative price range per ADS under the International Offering is subject to change and the final price range for the Hong Kong Public Offer and the Preferential Offer will be that stated in the Prospectus which, subject to the approval of the Proposed Spin-Off by the Shareholders at the EGM, is expected to be available on 2 March 2004.

On the basis of the current timetable and subject to the approval of the Proposed Spin-Off by the Shareholders at the EGM, (i) the final Offer Price for the Hong Kong Public Offer and the Preferential Offer is expected to be determined on or about Friday, 5 March 2004 and published on the GEM website by TOM Online on Wednesday, 10 March 2004, and (ii) dealings in TOM Online Shares on GEM are currently expected to commence on Thursday, 11 March 2004. **Shareholders and other investors should note that this timetable is subject to change, depending on the prevailing market conditions. If there are changes to this timetable, the Company will publish an announcement on the GEM website.**

Shareholders and other investors should note that the Offer Price per TOM Online Share in the Hong Kong Public Offer and the Preferential Offer will be set at a level slightly lower than, but will after addition of brokerage of 1%, SFC transaction levy of 0.005%, SFC investor compensation levy of 0.002% and Hong Kong Stock Exchange trading fee of 0.005% be equal to, the price per TOM Online Share of the ADSs in the International Offering, subject to any necessary rounding.

OVER-ALLOTMENT OPTION

The Board also announces that the proposed structure of the Global Offering described in the Company’s circular to shareholders dated 14 February 2004 has been amended, as the Over-allotment Option is now proposed to be granted by the Company over its existing TOM Online Shares rather than by TOM Online over new TOM Online Shares. Pursuant to this Over-allotment Option, the Company proposes to grant an option to the Joint Global Coordinators to require the Company from time to time up to 30 days after the date on which dealings in the TOM Online Shares commence on GEM to sell up to a certain number of existing TOM Online Shares, expected to represent up to 15% of the Offer Shares initially proposed to be offered in the Global Offering. These existing TOM Online Shares will be sold at the Offer Price.

TOM Online will not receive any proceeds from the sale of TOM Online Shares by the Company upon the exercise of the Over-allotment Option. All of the net proceeds from such sale will be for the benefit of the Company.

The Board is of the view that the grant of the Over-allotment Option, taking into account the net proceeds from the exercise of the Over-allotment Option and the dilution of the Company's interest in TOM Online, is in the interests of the Company and its Shareholders as a whole and Rothschild (the independent financial adviser to the Shareholders in respect of the Proposed Spin-Off) has confirmed that it agrees with this view.

EXPECTED USE OF PROCEEDS FROM THE GLOBAL OFFERING BY TOM ONLINE

On the basis of the preliminary indicative price range stated in this announcement, TOM Online estimates that its aggregate net proceeds from the Global Offering (other than those attributable to the sale of TOM Online Shares by the Company upon the exercise of the Over-allotment Option), after deducting the estimated underwriting fees and expenses payable by TOM Online in the Global Offering, will range between approximately US\$146 million and US\$170 million. Based on the mid-point of the preliminary indicative price range stated in this announcement, TOM Online currently intends to use these net proceeds as follows, though the allocation of use of proceeds may change along with evolving business conditions and other management considerations:

- up to US\$7 million for enhancing and expanding its content and applications for wireless value-added services;
- up to US\$15 million for research and development of new technologies and future upgrading of its existing technologies and infrastructure;
- up to US\$8 million for sales and marketing activities;
- up to US\$10 million for any contingent payments owed in connection with the acquisition of Puccini (however, if at the time of such payments, TOM Online has sufficient internal or other resources, all or a portion of such payments may be satisfied by such resources);
- up to US\$80 million for funding future potential acquisitions and strategic alliances in the wireless value-added services, content and Internet industries in the PRC, although no material future potential acquisitions or strategic investments are pending other than as described in the Prospectus. The timing for the application of the proceeds for future potential acquisitions has not yet been determined; and
- any remaining balance for general corporate purposes.

The Internet, content and wireless value-added service industries in China are still in the stages of development and growth, with a large number of companies developing various proprietary content, distribution channels, technology and products. TOM Online believes that it should be strongly positioned to respond to acquisition and growth opportunities, and it intends to continue to selectively acquire companies and form strategic alliances within its focused line of business to gain market share, grow its business and build its brand. Therefore, TOM Online believes that it needs to have sufficient cash resources to act on acquisition opportunities, if and when they arise.

In the event that the price per ADS in the International Offering is set above the mid-point of the preliminary indicative price range stated in this announcement, the estimated additional net proceeds to be received by TOM Online will be allocated equally between (i) future potential acquisitions and strategic alliances and (ii) general corporate purposes. In the event that the price per ADS in the International Offering is set below the mid-point of the preliminary indicative price range stated in this announcement, the net proceeds to be allocated between (i) future potential acquisitions and strategic alliances and (ii) general corporate purposes will be reduced equally. In either case, the other amounts in the use of proceeds will remain unchanged.

To the extent that the net proceeds from the Global Offering (other than those attributable to the sale of TOM Online Shares by the Company upon the exercise of the Over-allotment Option) are not immediately applied for the above purposes, TOM Online intends to use them for its working capital, to purchase US Treasury debt securities and other short-term investment grade debt securities or to deposit the proceeds into interest-bearing bank accounts.

TOM Online's industry is evolving rapidly and could cause significant and rapid changes to its strategies and business plans. Accordingly, the actual application of the proceeds may change. As new business opportunities arise or circumstances change, TOM Online may reallocate all or part of the net proceeds to other business plans or new projects or hold such funds in temporary investments. In the event that there are any material changes or modifications to the use of proceeds, an appropriate announcement would be made by TOM Online.

Reference is made to the estimated range of aggregate net proceeds from the Global Offering set out in the Circular. The estimated range of aggregate net proceeds set out in this announcement is different from that set out in the Circular, in particular, the estimated maximum net proceeds from the Global Offering has been increased to US\$170 million. The Board is of the view that the change in the estimated maximum net proceeds is in the interests of the Company and its Shareholders as a whole and Rothschild (the independent financial adviser to the Shareholders in respect of the Proposed Spin-Off), after assessing the effects of the Proposed Spin-Off under the revised estimated range of aggregate net proceeds, has confirmed that their opinion as set out in the Circular remains unchanged.

GENERAL

All times in this announcement refer to Hong Kong local time, unless the context otherwise requires.

For the purpose of this announcement, amounts in US\$ have been translated into HK\$ at the rate of US\$1 = HK\$7.7751.

Further announcements will be made in relation to the Proposed Spin-Off and the Global Offering by the Company if and when required.

As the listing of TOM Online Shares and ADSs pursuant to the Proposed Spin-Off and the Global Offering is subject to, among others, the state of the equity markets, the approvals of the GEM Listing Committee and the US SEC, the relevant United States regulatory process, and to the final decision of the Board and Shareholders, Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 23 February 2004

This announcement, for which the directors of the Company (“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.