

**TOM.COM SUED FOR \$HK72 MILLION**

A wholly owned subsidiary of publicly listed tom.com Ltd (Code: 8001, The Growth Enterprise Market of The Stock Exchange of Hongkong Ltd) has been sued for nearly \$HK72 million.

tom.com is the corporate 'baby' of Mr Li Ka Shing, the wealthiest man in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

International Merchandising Corporation, a company incorporated in Cleveland, Ohio, USA, and controlled by a Mr Mark McCormack, is the Plaintiff in High Court Action Number 2875, while tom.com International Ltd is the Defendant.

Paragraph 3 of the Statement of Claim, attached to the Writ of Summons, alleges that on or about January 17, 2000, International Merchandising entered into negotiations with tom.com *'regarding the possibility of the Defendant sponsoring the Chinese National Football League and the Chinese FA Cup during the period 2000-2003 and participating in relation to the official internet website of the Chinese Football Association ("the Website")...'*

This paragraph goes on to state that the negotiations were in a bit of a hurry *'in view of the forthcoming listing of the Defendant's shares (tom.com Ltd) on the Hong Kong Stock Exchange on 1<sup>st</sup> March 2000 ...'*

A Heads of Agreement was, purportedly, signed by tom.com International and International Merchandising, and this document formed part of the Prospectus of tom.com Ltd when it went public.

Paragraph 4 of the Statement of Claim alleges that an agreement in writing, dated March 8, 2000, spelled out that tom.com agreed, among other things, *'to be the Presenting Sponsor of the Chinese National Football League, an Official Sponsor of the Chinese FA Cup and to participate in the design, creation, operation, maintenance, hosting and connectivity of the Website ...'*

Paragraph 5 (3) of the Statement of Claim alleges that tom.com *'agreed to contribute value-in-kind or barter services having a value of US\$500,000 in each Contract Year towards the funding of the budget regarding the costs of creating, operating, maintaining and developing the Website ("the Website Budget"), and the offsetting of specific hardware, software, labour or other special requirements ...'*

Paragraph 5 (4) alleges that tom.com agreed to pay to International Merchandising ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to*

*[editor@targetnewspapers.com](mailto:editor@targetnewspapers.com) or [targnews@hkstar.com](mailto:targnews@hkstar.com). TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*

 [Site Meter](#)