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TOM Group Limited

TOM集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2383)



TOM Online Inc.

TOM在線有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8282)

JOINT ANNOUNCEMENT

The respective board of directors of TOM Group and TOM Online noted the recent volatility in the price of the shares of TOM Online and wishes to state that TOM Group and TOM Online are not aware of any reason for such volatility. This announcement is made to update the public of the latest development of TOM Online and the revenue expectations for the third quarter of 2004 so as to keep the public apprised of the position of the TOM Online Group.

Shareholders of TOM Group and TOM Online and investors are advised to exercise caution when dealing in the shares of TOM Group and TOM Online.

The respective board of directors of TOM Group Limited (“TOM Group”) and TOM Online Inc. (“TOM Online”) noted the recent volatility in the price of the shares of TOM Online and wishes to state that TOM Group and TOM Online are not aware of any reason for such volatility. This announcement is made to update the public of the latest development of TOM Online and the revenue expectations for the third quarter of 2004 so as to keep the public apprised of the position of TOM Online and its subsidiaries (the “TOM Online Group”).

While the TOM Online Group continues to maintain its revenues and although the TOM Online Group has not been sanctioned by mobile operators, its interactive voice response (IVR) business has been impacted as the TOM Online Group operates in the same environment as companies in the sector who have been sanctioned. While the TOM Online Group is not experiencing a double digit growth in revenues that it had expected, after incorporating its Treasure Base acquisition effective mid August 2004, its revenues are expected to maintain and grow as the TOM Online Group is seeing a gradual stability in the overall market.

For the third quarter of 2004, TOM Online currently anticipates total revenues of approximately US\$28 - US\$32 million. This compares with the US\$30.9 million reported for the second quarter ended 30 June 2004, and with TOM Online’s prior third-quarter outlook of 10-15% growth in total revenues from the second quarter ended 30 June 2004 as disclosed in its half-year report for the six months ended 30 June 2004. TOM Online attributed its revised revenue expectations to lower than anticipated sales of IVR products and services, due principally to a slowdown of marketing and promotional activities for such products and services in response to sanctions imposed by mobile operators on other wireless value-added services providers. IVR services accounted for 28% of the total wireless internet revenue in second quarter of 2004 and although TOM Online has not been sanctioned by mobile operators, it has experienced a decline in its third quarter IVR revenues.

Shareholders of TOM Group and TOM Online and investors are advised to exercise caution when dealing in the shares of TOM Group and TOM Online.

By Order of the Board
TOM GROUP LIMITED
Angela Mak
Company Secretary

By Order of the Board
TOM ONLINE INC.
Angela Mak
Company Secretary

Hong Kong, 29 October 2004

As at the date hereof, Mr. Frank Sixt (Chairman), Ms. Debbie Chang, Mrs. Susan Chow, Mr. Edmond Ip, Mrs. Angelina Lee, Mr. Holger Kluge and Mr. Wang Lei Lei are non-executive directors of TOM Group; Mr. Sing Wang and Ms. Tommei Tong are executive directors of TOM Group; Mr. Henry Cheong, Ms. Anna Wu and Mr. James Sha are the independent non-executive directors of TOM Group.

As at the date thereof, Mr. Frank Sixt (Chairman), Mr. Sing Wang (Vice Chairman) and Ms. Tommei Tong are non-executive directors of TOM Online; Mrs. Susan Chow is an alternate director to Mr. Frank Sixt; Mr. Wang Lei Lei, Mr. Xu Zhiming, Mr. Peter Schloss, Ms. Elaine Feng, Mr. Fan Tai and Mr. Wu Yun are executive directors of TOM Online; Mr. Gordon Kwong, Mr. Ma Wei Hua and Dr. Lo Ka Shui are independent non-executive directors of TOM Online.

This announcement, for which the directors of TOM Online collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to TOM Online. The directors of TOM Online, 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 statements 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 TOM Online at www.tom.com.

** for identification purpose*

Please also refer to the published version of this announcement in The Standard.