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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)

ANNOUNCEMENT

UPDATE

ON

DISCLOSEABLE TRANSACTION

in relation to

**Proposed acquisition of approximately 80.6%
of the issued share capital of Indiagames Limited**

The Board announces that TOM Online Games will not subscribe for the Subscription Shares and the Subscription Completion will not take place accordingly.

Reference is made to the joint announcements of TOM Group Limited (the "Company") and TOM Online Inc. ("TOM Online") dated 17 December 2004 and 24 February 2005 ("Joint Announcements") and the circular of the Company dated 10 January 2005 ("Circular") in respect of the proposed acquisition of approximately 80.6% of the issued share capital of Indiagames Limited and the joint announcement of the Company and TOM Online dated 31 March 2005 ("Deferral Announcement") in respect of the further deferral of Subscription Completion. Unless otherwise defined herein, terms used herein shall have the same meaning as defined in the Joint Announcements, the Circular and the Deferral Announcement.

Subscription Completion will not take place

At the Sale Completion which took place on 24 February 2005, TOM Online Games has successfully acquired approximately 76.29% of the issued share capital of Indiagames.

As disclosed in the Deferral Announcement, the parties to the Sale and Subscription Agreement have agreed that the Subscription Completion will be further deferred and will take place on or before 30 April 2005.

The board of directors of the Company ("Board") announces that TOM Online Games have agreed that it will not subscribe for the Subscription Shares and the Subscription Completion will not take place accordingly.

Cisco Systems, Inc. ("Cisco") and Macromedia Inc. ("Macromedia") will replace TOM Online Games to subscribe for 61,976 shares and 50,707 shares in Indiagames, respectively (equal to the number of the Subscription Shares) ("Subscription") (representing approximately 10% and approximately 8.18% of the issued share capital of Indiagames as enlarged by the allotment and issue of such new shares of Indiagames to Cisco and Macromedia respectively as at the closing of the Subscription).

Cisco and Macromedia are third parties independent of and not connected with the Company or any of its associates and not connected persons (as defined in the Listing Rules) of the Company.

At closing of the Subscription, the shareholding interest of TOM Online Games in Indiagames will be diluted from approximately 76.29% to approximately 62.42%.

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

Hong Kong, 29 April 2005

As at the date hereof, the directors of the Company are:

Executive Directors:

Mr. Sing Wang

Ms. Tommei Tong

Independent non-executive Directors:

Mr. Henry Cheong

Ms. Anna Wu

Mr. James Sha

Non-executive Directors:

Mr. Frank Sixt (Chairman)

Ms. Debbie Chang

Mrs. Susan Chow

Mr. Edmond Ip

Mrs. Angelina Lee

Mr. Holger Kluge

Mr. Wang Lei Lei

* for identification purpose