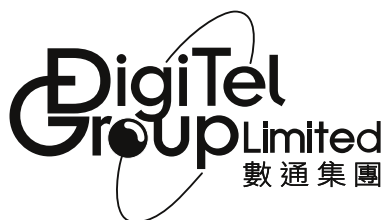


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## **DIGITEL GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

### **RESIGNATION OF CONTINUING SPONSOR**

The Directors of DigiTel Group Limited (the “Company”) announce that First Shanghai Capital Limited has terminated its role as the continuing sponsor to the Company with effect from 18th September 2002.

Trading in the shares of the Company was suspended on 2nd July 2002 and will remain suspended pending the issue of an announcement in relation to the writs and claims issued against the Company and its subsidiaries (the “Group”).

The Directors of the Company announce that First Shanghai Capital Limited (“FSCL”) has terminated its role as the continuing sponsor to the Company with effect from 18th September 2002.

On 28th December 1999, a mandate letter (“Mandate Letter”) was entered into between, inter alia, FSCL and the Company whereby FSCL agreed to act as the Sponsor to the Company and provide advisory services and supervision to the Company for the period from 12th July 2000 to 31st December 2002.

On 18th September 2002, FSCL issued a Writ (“Writ”) under High Court Action No. 3579 of 2002 against the Company alleging its failure to pay the purported outstanding retainer fees for the period from 31st August 2001 to 17th September 2002, thereby having been in breach of the Mandate Letter. FSCL further alleged that the Company failed to pay a fee of HK\$20,000 pursuant to another agreement dated 30th July 2001 for the advisory services provided by FSCL in relation to a connected transaction.

As this will constitute conflict of interest between further advising the Company as a continuing sponsor and being a plaintiff in a legal action against the Company, FSCL under this exceptional circumstances, terminated its role as a continuing sponsor to the Company under Rule 6.61 of the GEM Listing Rules.

The Company intends to defend strenuously such claims and is currently seeking legal advice for further action in relation to the Writ. To preserve the Company’s legal position, anything herein contained shall be on entirely without prejudice basis in respect of the Writ.

The Directors also announce that there remains outstanding the appointment of a replacement sponsor by the Company and the Company will use its best endeavours to appoint a replacement sponsor within 3 months for the remaining period up to 31st December 2002 pursuant to Rule 6.63 of the GEM Listing Rules.

Trading in the shares of the Company was suspended at the request of the Company with effect from 9:30 a.m. on 2nd July 2002 and will remain suspended pending the issue of an announcement in relation to the writs and claims issued against the Group.

By order of the Board  
**DigiTel Group Limited**  
**Lee Chuen Bit**  
*Chairman*

Hong Kong, 26th September 2002

*This announcement, for which the directors of the Company 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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 on the "Latest Company Announcements" page for at least 7 days of its posting.*