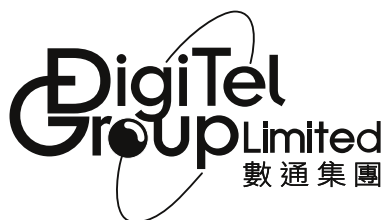


The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



DIGITEL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

UPDATES ON WRITS, CLAIMS, POTENTIAL INVESTMENT AND RECENT DEVELOPMENT OF THE COMPANY

The Company confirms that there are no material changes in respect of the writs, the claims and the status of the potential investment from the independent investors since the issue of the announcements of the Company dated 4 October 2002 and 25 November 2002.

This announcement also includes updates on the recent operations of the Company.

Trading in the shares of the Company was suspended at the request of the Company with effect from 9:30 a.m. on 2 July 2002. The Company has requested that trading in the shares of the Company be suspended continuously until the release of an announcement in relation to a proposed investment into the Company and compliance with the relevant requirements of the GEM Listing Rules.

This announcement is made in accordance with Rule 17.10 of the Rules Governing the Listing of Securities (“GEM Listing Rules”) on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

Status of the writs, the claims and the potential investment

DigiTel Group Limited (the “Company”) confirms that there are no material changes in respect of the writs, the claims and the status of the potential investment from the independent investors. The Company is not aware of other writs or legal proceedings having been issued against the Company other than those writs and claims contained in the announcements of the Company dated 4 October 2002 and 25 November 2002. While the Company is substantially engaged in the course of negotiation with 2 independent third parties in relation to investments of about HK\$30 million into the Company as disclosed in the announcement of the Company dated 4 October 2002, there has not been much progress with respect to the investment since the announcement of 25 November 2002. The Company has not signed any agreements with the potential investors and the investment may or may not proceed. The Company therefore cannot comment on the outcome of the potential investment at this stage.

The Operations of the Group

The Company refers to the announcement dated 4 October 2002. The Company and its subsidiaries (the “Group”) currently employ 9 (10, as at 4 October 2002) employees as at the date of this announcement. The existing staff consist of 2 executive directors, 1 senior manager, 1 qualified accountant, 1 accounting clerk, 1

human resources and administration officer and 3 engineers. The Company also has 2 independent non-executive directors as at the date of this announcement.

The Group expects that the system integration project for an extranet system in Hong Kong will be completed by January 2003. In the PRC, the Group is still pursuing the radio system project which is pending on the application by the customer for a new frequency bandwidth to be granted by the PRC Central Government.

The Group is now at the final stage of negotiation with customers for engaging new maintenance service contracts in the PRC for system integration projects previously delivered by the Group. The commencements and the maintenance periods of these maintenance service contracts vary from January 2003 to June 2003 and from 1 year to 3 years respectively. The maintenance service contracts will constitute the major portion of the Group's recurring income.

As at the date of this announcement, the Group has cash at bank of approximately HK\$570,000. The Company may have insufficient working capital for maintaining its daily operations if the potential investments do not crystallise or no alternative sources of funding are available to the Company.

Trading in the shares of the Company was suspended at the request of the Company with effect from 9:30 a.m. on 2 July 2002. The Company has requested that trading in the shares of the Company be suspended continuously until the release of an announcement in relation to a proposed investment into the Company and compliance with the relevant requirements of the GEM Listing Rules.

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

Hong Kong 30 December 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.