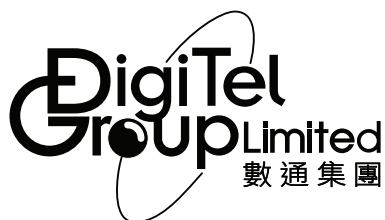


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DIGITEL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

SALE OF INVESTMENT PROPERTY

The Directors announce that the Receivers of the Investment Property of the Group entered into the Sale and Purchase Agreement on 2 September 2003 with the Purchaser for the sale of the Investment Property at a consideration of HK\$11.20 million. The sale proceeds shall be applied for the partial repayment of the outstanding amount due to the Bank.

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 until the release of an announcement in relation to a proposed cash injection into the Company and compliance with the relevant requirements of the GEM Listing Rules.

This announcement is made in compliance of rule 17.27 (4) of the GEM Listing Rules.

SALE AND PURCHASE AGREEMENT

The Directors announce that the Receivers of the Investment Property of the Group entered into the Sale and Purchase Agreement on 2 September 2003 with the Purchaser for the sale of the Investment Property at a consideration of HK\$11.20 million. Completion of the Sale and Purchase Agreement shall take place on or before 6 October 2003. Deposit of HK\$1.12 million has been paid by the Purchaser to the Bank and the balance of the consideration HK\$10.08 million will be paid by the Purchaser to the Bank upon completion of the Sale and Purchase Agreement.

CHARGE OF THE INVESTMENT PROPERTY AND RECEIVERSHIP

The Investment Property was pledged to the Bank to secure a mortgage loan and other banking facilities granted to the Group by the Bank to the extent of approximately HK\$26.00 million. The Bank issued a writ against the Group in respect of these banking facilities on 31 May 2002. On 16 July 2002, pursuant to the Legal Charge, the Bank appointed the Receivers in respect of the Investment Property.

Upon completion of the Sale and Purchase Agreement, the sale proceeds HK\$11.20 million will be wholly applied for the repayment of the amount due to the Bank. The Group will continue to negotiate with the Bank with a view to settle the remaining balance due to the Bank by a mutually agreed arrangement.

Details of the litigation with the Bank and other litigations and claims of the Group have been disclosed in the 2003 interim results announcement dated 13 August 2003.

FINANCIAL INFORMATION

Reference is made to the announcement dated 5 August 2003 for the latest audited 2002 annual results and the announcement dated 13 August 2003 for the unaudited interim results of the Group.

The audited capital deficiency of the Group as at 31 December 2002 is approximately HK\$53.28 million. The unaudited capital deficiency of the Group as at 30 June 2003 is approximately HK\$57.81 million.

The Investment Property was revalued at 31 December 2002 at HK\$13.50 million on the basis of its open market value in existing use by Vigers Hong Kong Limited, an independent firm of professional valuers. Upon completion of the Sale and Purchase Agreement, the sale of the Investment Property will give rise to a loss and an increase in capital deficiency of approximately HK\$2.36 million. Such amount is calculated based on the sale proceeds of HK\$11.20 million, the book value of HK\$13.50 million and the related costs.

APPLICATION OF THE SALE PROCEEDS

The sale proceeds HK\$11.20 million will be wholly applied for the repayment of the amount due to the Bank. The related expenses, such as property agency fee shall be borne by the Group.

GENERAL

The Group is currently in negotiation with its banks and creditors with a view to achieve a debt restructuring agreement. No format agreement has been reached up to the date of this announcement. The Directors will make appropriate announcement if and when necessary to inform the public of the progress.

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 until the release of an announcement in relation to a proposed cash injection into the Company and compliance with the relevant requirements of the GEM Listing Rules.

DEFINITIONS

“Bank”	Industrial and Commercial Bank of China (Asia) Limited
“Company”	DigiTel Group Limited, a company incorporated in the Cayman Islands and the Shares of which are listed on the GEM
“Directors”	directors of the Company
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Investment Property”	The premises owned by the Group and located at Unit B, 16 Floor, United Centre, No. 95 Queensway, Hong Kong

“Legal Charge”	The legal charge dated 29 March 2000 in respect of the pledge of the Investment Property in favour of the Bank
“Purchaser”	Supreme Century Limited, an independent third party not connected with the Directors, the chief executive, management shareholders or substantial shareholders of the Company or their respective associate as defined in the GEM Listing Rules
“Receivers”	Messrs. Darach E. Haughey and Lai Kar Yan Derek, the joint and several receivers and managers of the Investment Property appointed by the Bank pursuant to the Legal Charge
“Sale and Purchase Agreement”	the sale and purchase agreement dated entered into between the Receivers and the Purchaser on 2 September 2003 in relation to the sale of the Investment Property
“Shares”	ordinary shares of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 2 September 2003

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of the Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, 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.