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e-K_港NG
e-Kong Group Limited

(Incorporated in Bermuda with limited liability)

www.e-kong.com

(Stock Code : 524)

ANNOUNCEMENT

The Board of the Company wishes to inform its shareholders and investors that, following the decision to write off certain existing assets of the Group as a result of significant technological and market development in the telecommunications industry, and changes in the manner certain business processes in the Group's operations will be conducted, it is expected that a material non-cash accounting loss will be recorded for the year ended 31 December 2004, but such non cash-related loss is not expected to affect the EBITDA, business operations or management of the Group.

This announcement is made pursuant to Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The board of directors (the "Board") of e-Kong Group Limited (the "Company", which together with its subsidiaries is collectively referred to as the "Group") wishes to inform its shareholders and investors that as a result of significant technological and market development in the telecommunications industry, and the Group resolving to outsource certain business processes in the Group's telecommunication operations in the United States with an objective to reduce the technical risks, to reduce time for launching new products and services to market and to improve its overall operational efficiency, it will be advisable to write off certain existing equipment of the Group, and its related hardware and software, to reflect the changes in the manner in which such operations will continue to be conducted.

The writing-off will have a one-off adverse impact on the financial results of the Group for the year ended 31 December 2004, and, as a result, the Group expects that a material non-cash accounting loss will be recorded for the year ended 31 December 2004, the extent of which is yet to be finalised. Nevertheless, such writing-off is not expected to affect the EBITDA, business operations or management of the Group.

The Company's auditor is in the course of auditing the Group's financial statements for the year ended 31 December 2004, and the Company will publish the audited results of the Group as soon as practicable in accordance with the Listing Rules and other applicable laws. It is currently anticipated that the 2004 annual results announcement of the Company will be published in or about mid-April 2005.

Shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
Lau Wai Ming Raymond
Company Secretary

Hong Kong, 3 February 2005

As at the date of this announcement, the Board of the Company comprises Executive Directors Mr. Richard John Siemens, Mr. Kuldeep Saran and Mr. Lim Shyang Guey; Non-executive Director Mr. William Bruce Hicks and Independent Non-executive Directors Mr. Shane Frederick Weir, Mr. Matthew Brian Rosenberg and Mr. John William Crawford.

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