

The directors (the “Directors”) of Digital China Holdings Limited (the “Company”) would like to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2003 together with the comparative figures for the corresponding period of last financial year.

## CONDENSED CONSOLIDATED INCOME STATEMENT

		Three months ended 30 September 2003 (Unaudited)	Six months ended 30 September 2003 (Unaudited)	Three months ended 30 September 2002 (Unaudited) (Restated)	Six months ended 30 September 2002 (Unaudited) (Restated)
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	2	3,719,574	7,020,122	2,941,220	5,790,632
Cost of inventories sold		(3,519,531)	(6,595,662)	(2,713,811)	(5,324,718)
Selling expenses		(23,510)	(42,048)	(20,004)	(40,256)
Promotion and advertising expenses		(23,125)	(42,646)	(22,640)	(39,227)
Staff costs		(90,113)	(171,022)	(63,448)	(129,467)
Other operating expenses, net		16,174	(217,456)	(47,094)	(128,085)
Earnings/(Loss) before interest, tax and depreciation		79,469	(48,712)	74,223	128,879
Depreciation		(12,939)	(25,726)	(9,754)	(17,309)
Interest income	2	616	1,378	775	1,726
Profit/(Loss) from operating activities	3	67,146	(73,060)	65,244	113,296
Finance costs		(10,252)	(23,603)	(8,104)	(17,420)
Share of losses of associates		(1,050)	(4,077)	(2,221)	(4,762)
Profit/(Loss) before tax		55,844	(100,740)	54,919	91,114
Tax	4	965	7,774	(2,669)	(2,304)
Profit/(Loss) before minority interests		56,809	(92,966)	52,250	88,810
Minority interests		864	2,004	(105)	31
Net profit/(loss) from ordinary activities attributable to shareholders		57,673	(90,962)	52,145	88,841
Earnings/(Loss) per share	5				
— Basic (HK cents)			(10.59)		10.35
— Diluted (HK cents)			N/A		9.79