

The board of directors (the “**Board**”) of Digital China Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2006 together with comparative figures for the corresponding period of last financial year as follows:

## CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Three months ended 30 September 2006 (Unaudited) HK\$'000	Six months ended 30 September 2006 (Unaudited) HK\$'000	Three months ended 30 September 2005 (Unaudited) HK\$'000	Six months ended 30 September 2005 (Unaudited) HK\$'000
Revenue	3	6,259,735	11,871,649	4,879,803	8,808,131
Cost of sales		(5,816,468)	(11,043,101)	(4,527,311)	(8,179,386)
Gross profit		443,267	828,548	352,492	628,745
Other income and gains	3	36,538	84,858	70,001	83,576
Selling and distribution costs		(267,724)	(490,959)	(182,338)	(342,675)
Administrative expenses		(71,622)	(139,292)	(75,702)	(126,439)
Other operating expenses, net		(56,886)	(113,607)	(47,114)	(87,183)
Total operating expenses	4	(396,232)	(743,858)	(305,154)	(556,297)
Finance costs		(42,296)	(72,532)	(25,936)	(39,837)
Share of profits and losses of:					
Jointly-controlled entities		(2,153)	(3,334)	(628)	(628)
Associates		(503)	(2,296)	(1,064)	(785)
Profit before tax	5	38,621	91,386	89,711	114,774
Tax	6	(4,436)	(5,856)	(1,109)	(373)
Profit for the period		34,185	85,530	88,602	114,401
Attributable to:					
Equity holders of the parent		36,652	91,542	89,485	118,790
Minority interests		(2,467)	(6,012)	(883)	(4,389)
		34,185	85,530	88,602	114,401
Earnings per share attributable to ordinary equity holders of the parent	7				
Basic (HK cents)			10.53		13.78
Diluted (HK cents)			10.48		13.71