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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 Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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.

DIGITAL HONG KONG

DIGITALHONGKONG.COM

(incorporated in the Cayman Islands with limited liability)

Stock code: 8007

Results Announcement
For the year ended 30 June 2008

The board of directors (the "Board") of DIGITALHONGKONG.COM (the "Company" or "Digital HK") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2008 with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2008

	Notes	**2008** **HK$'000**	2007 *HK$'000*
Turnover	*(2)*	**5,018**	6,351
Other income		**339**	246
Acquired technology expensed		**(78)**	(858)
General and administrative expenses		**(2,145)**	(2,219)
Depreciation		**(8)**	(3)
Impairment loss recognised in respect of interest in an associate and amount due from an associate		**-**	(312)
Marketing and promotion expenses		**(751)**	(283)
Staff costs		**(3,361)**	(2,934)
Loss before taxation		**(986)**	(12)
Taxation	*(3)*	**-**	-
Loss for the year attributable to equity holders of the Company	*(4)*	**(986)**	(12)
Loss per share – basic	*(5)*	**HK(0.66) cents**	HK(0.01) cents

CONSOLIDATED BALANCE SHEET

At 30 June 2008

	Note	2008 *HK$'000*	2007 *HK$'000*
Non-current assets			
Property, plant and equipment		**17**	24
Interest in an associate		**-**	-
		17	24
Current assets			
Trade and other receivables	*(6)*	**2,111**	2,841
Amount due from a fellow subsidiary		**36**	-
Deposits, bank balances and cash		**16,714**	17,048
		18,861	19,889
Current liabilities			
Other payables		**934**	977
Amount due to a fellow subsidiary		**13**	19
		947	996
Net current assets		**17,914**	18,893
Net assets		**17,931**	18,917
Capital and reserves			
Share capital		**15,000**	15,000
Reserves		**2,931**	3,917
Equity attributable to equity holders of the Company		**17,931**	18,917

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2008

	Attributable to equity holders of the Company				
	Share capital *HK$'000*	**Capital reserve** *HK$'000*	**Share premium** *HK$'000*	**Accumulated losses** *HK$'000*	**Total** *HK$'000*
At 1 July 2006	15,000	7,540	8,461	(12,072)	18,929
Loss for the year and total recognised expenses	-	-	-	(12)	(12)
At 30 June 2007	15,000	7,540	8,461	(12,084)	18,917
Loss for the year and total recognised expenses	-	-	-	(986)	(986)
At 30 June 2008	**15,000**	**7,540**	**8,461**	**(13,070)**	**17,931**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2008

1. Basis of preparation and application of Hong Kong Financial Reporting Standards

The consolidated financial statements have been prepared on the historical cost basis and in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

In the current year, the Group has applied, for the first time, a number of new HKFRSs, Hong Kong Accounting Standards (the "HKASs") and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the HKICPA that are effective for accounting periods beginning on or after 1 July 2007.

HKAS 1 (Amendment)	Capital disclosures
HKFRS 7	Financial instruments: Disclosures
HK(IFRIC) - INT 11	HKFRS 2 – Group and treasury share transactions

The adoption of the new HKFRSs has had no material effect on how the results of the Group are prepared and presented for the current and prior accounting years. Accordingly, no prior year adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current period.

The Group has not early adopted the following new standards, amendments and interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of financial statements [1]
HKAS 23 (Revised)	Borrowing costs [1]
HKAS 27 (Revised)	Consolidated and separate financial statements [2]
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation [1]
HKFRS 2 (Amendment)	Vesting conditions and cancellations [1]
HKFRS 3 (Revised)	Business combinations [2]
HKFRS 8	Operating segments [1]
HK(IFRIC) - INT 12	Service concession arrangements [3]
HK(IFRIC) - INT 13	Customer loyalty programmes [4]
HK(IFRIC) - INT 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction [3]
HK(IFRIC) - INT 15	Agreements for the construction of real estate [1]
HK(IFRIC) - INT 16	Hedges of a net investment in a foreign operation [5]

[1] Effective for annual periods beginning on or after 1 January 2009.
[2] Effective for annual periods beginning on or after 1 July 2009.
[3] Effective for annual periods beginning on or after 1 January 2008.
[4] Effective for annual periods beginning on or after 1 July 2008.
[5] Effective for annual periods beginning on or after 1 October 2008.

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. The adoption of HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new or revised standards, amendments and interpretations will have no material impact on the results and the financial position of the Group.

2. Turnover and segment information

Turnover represents the amounts received and receivable for services rendered in establishing and providing secure electronic payment processing platform and provision of software licensing services.

	2008	2007
	HK$'000	*HK$'000*
Provision of secure electronic payment processing platform	**5,018**	5,181
Provision of software licensing services	**-**	1,170
	5,018	6,351

No business segment analysis and geographical segment analysis are presented for both years as substantially all of the Group's turnover and contribution to results were derived from the business of development and operation of payment infrastructure which facilitates web-enabled transactions in the People's Republic of China including Hong Kong and Macau.

3. Taxation

No provision for Hong Kong Profits Tax has been made for both years as the estimated assessable profit was wholly absorbed by tax losses carried forward.

The tax charge for the year can be reconciled to the loss per the consolidated income statement as follows:

	2008	2007
	HK$'000	*HK$'000*
Loss before taxation	**(986)**	(12)
Tax at Hong Kong Profits Tax rate of 16.5% (2007: 17.5%)	**(163)**	(2)
Tax effect of expenses not deductible for tax purposes	**18**	190
Tax effect of income not taxable for tax purposes	**(211)**	(43)
Tax effect on utilisation of tax losses previously not recognised	**-**	(223)
Tax effect of tax losses not recognised	**356**	80
Others	**-**	(2)
Taxation for the year	**-**	-

4. Loss for the year

	2008	2007
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging:		
Auditor's remuneration	**410**	437
Depreciation of property, plant and equipment	**8**	3
Research and development costs, including staff costs of HK$1,098,000 (2007: HK$1,085,000)	**1,176**	2,063

5. Loss per share

The calculation of loss per share is based on the loss for the year of HK$986,000 (2007: HK$12,000) and on the number of 150,000,000 (2007: 150,000,000) shares in issue throughout the year.

6. Trade and other receivables

	2008	2007
	HK$'000	*HK$'000*
Trade receivables	**1,984**	2,679
Other receivables	**127**	162
	2,111	2,841

The Group allows an average credit period of 90 days for its trade customers depending on their credit worthiness, nature of services and condition of the market. The aging analysis of trade receivables at the balance sheet date is as follows:

	2008	2007
	HK$'000	*HK$'000*
0-60 days	**1,196**	1,728
61-120 days	**788**	951
	1,984	2,679

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 30 June 2008 (2007: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

The year under review saw the slowdown of the macro economy amidst continuing credit crisis and very challenging market conditions. Various enterprises in different sectors, especially small and medium-sized enterprises (SMEs), had responded by delaying or scaling back their IT expenditure.

The Group's performance had been impacted by the generally cautious market sentiment. Thanks to the Group's prudent management style, quick decision in easing out of some unprofitable investments, and agility in adapting itself in the highly competitive marketplace, Digital HK was able to maintain a healthy financial position and ended the year with a comfortable level of current assets and no bank borrowings.

Operations Review

During the year under review, the Group maintained its focus on providing customised e-commerce solutions and services. Service fees derived from its enabling solutions and technical consultation on e-commerce integration and application customisation remained the primary source of income for the Group.

Amidst cautious market sentiment and intense competition, the Group had taken a conservative approach in rolling out its business objectives. Spending on new systems and networks, as well as infrastructure upgrades, was strictly in line with the level of business attained, and the Group's resources were deployed in such a way as to produce the optimum results.

The performance of the Group's investment in a healthcare project which focused on consultancy and the development of software packages for advancing scientific knowledge in the field of healing therapy and curative remedies had not hit its financial targets. Management will continue to monitor the progress of the Group's investment portfolio, and where necessary, will take appropriate actions in response to changes in market situation. No further impairment charges to the investment projects were made in the year under review.

Financial Review

For the year under review, the Group recorded a turnover of HK$5,018,000 and a loss of HK$986,000, compared with turnover of HK$6,351,000 and a loss of HK$12,000 last year. For the quarter ended 30 June 2008, turnover was HK$1,294,000 and loss was HK$657,000. Loss per share for the year was HK0.66 cents. The lower turnover reflected a combination of a softening economy, a highly competitive market, and the Group's strategy of preserving margins by focusing on customised solutions.

Overall operating costs decreased by 4% to HK$6,343,000, compared with HK$6,609,000 in the previous corresponding period. The increase in staff costs of 15% to HK$3,361,000 amidst inflationary pressures and the higher level of expenses in marketing and promotion to maintain brand awareness were partially offset by savings in acquired technology and the absence of impairment charges.

The Group's financial position remained liquid and healthy, and did not have any bank borrowings as at 30 June 2008. It financed its operations primarily with internally generated cashflows.

The Board does not recommend the payment of any dividend for the year as it considers prudent to retain cash to finance the continuing development of the Group's business as well as prospective investment opportunities.

Liquidity and Financial Resources

As at 30 June 2008, the Group had current assets of approximately HK$18,861,000, which comprised mainly deposits, bank balances and cash of approximately HK$16,714,000. The Group had no non-current liabilities, and its current liabilities amounted to approximately HK$947,000, consisting mainly of payables arising in the normal course of operation.

The Group did not have any bank borrowings at 30 June 2008. The Group financed its operations primarily with internally generated cashflows. As at 30 June 2008, the Group did not have any material contingent liabilities nor any charges on its assets. With net current assets of HK$17,914,000, the Group was in a financially liquid position at the end of the year under review. The Group's gearing ratio, based on the Group's total borrowings which were nil, and equity attributable to equity holders of the Company of approximately HK$17,931,000, was nil.

The directors of the Company consider that the Group's financial resources are sufficient for its operation expenditure and development of new software solutions based on the current plan. If necessary, the Board would consider either debt or equity financing, or both, for business expansion, especially when appropriate business opportunities are identified and market conditions are favourable.

During the year, the Group made no acquisition or disposal of subsidiaries or affiliated companies.

Capital Commitments

As at 30 June 2008, the Group's capital commitments authorised but not contracted for was HK$500,000 (2007: HK$500,000). These commitments were set aside for the acquisition of property, plant and equipment, and development of systems and networks.

Exposure to Exchange Rate Fluctuations

The Group's foreign currency exposure is limited, as most of its transactions, assets and liabilities are denominated in Hong Kong dollars and United States dollars.

Outlook

Management remains confident about the prospects of e-commerce and Internet-based services as a whole, and will continue the Group's development efforts in new solutions to stay competitive.

Faced with market uncertainty and a volatile economy in the year ahead, the Group will adopt a conservative approach in rolling out its business objectives. On an ongoing basis, the Group will continue to look for investments in strategic growth areas that can expand its income base and generate reliable cashflows, while focusing on controlling costs, improving productivity and operational efficiency.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the year, none of the directors of the Company was aware of any information which would reasonably indicate that the Company was not in compliance with the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules save that since the decease of Mr Ho Yiu Ming on 9 December 2007, the Company did not have (i) three independent non-executive directors (as required under Rule 5.05(1) of the GEM Listing Rules); (ii) one independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise (as required under Rule 5.05(2) of the GEM Listing Rules); and (iii) at least one member of the audit committee being an independent non-executive director with the aforesaid qualifications or expertise (as required under Rule 5.28 of the GEM Listing Rules). The Company appointed an independent non-executive director on 28 January 2008 to comply with such rules.

AUDIT COMMITTEE

The audit committee of the Company has reviewed with the management of the Group the accounting principles and practices adopted by the Group, its internal controls and financial reporting matters and the above audited annual results of the Group for the year ended 30 June 2008.

By Order of the Board
Paul KAN Man Lok
Chairman

Hong Kong, 16 September 2008

As at the date of this announcement, the executive directors of the Company are Mr Paul Kan Man Lok, Ms Shirley Ha Suk Ling and Mr John Wong Yuk Lung; the non-executive directors are Mr Leo Kan Kin Leung and Mr Lai Yat Kwong; and the independent non-executive directors are Mr Francis Gilbert Knight, Mr Alec Ho Yat Wan and Ms Shao Xiang Ming.

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