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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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

DIGITAL HONG KONG

DIGITALHONGKONG.COM

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8007

Results Announcement
For the year ended 30 June 2012

The board of directors (the "Board") of DIGITALHONGKONG.COM ("Digital HK" or the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2012 with the comparative figures for 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2012

	Notes	**2012** **HK$'000**	2011 *HK$'000*
Turnover	*(2)*	**3,003**	3,124
Other income		**5**	9
General and administrative expenses		**(2,234)**	(2,296)
Marketing and promotion expenses		**(249)**	(303)
Staff costs		**(3,277)**	(3,099)
Loss before taxation		**(2,752)**	(2,565)
Taxation	*(3)*	**-**	-
Loss and total comprehensive expense for the year attributable to owners of the Company	*(4)*	**(2,752)**	(2,565)
Loss per share – basic	*(5)*	**HK(1.83) cents**	HK(1.71) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2012

	Note	2012 HK$'000	2011 HK$'000
Non-current assets			
Property, plant and equipment		**1**	2
Interest in an associate		**-**	-
		1	2
Current assets			
Trade and other receivables	(6)	**154**	404
Amount due from a fellow subsidiary		**24**	24
Bank balances and cash		**10,150**	11,667
		10,328	12,095
Current liabilities			
Other payables		**1,997**	1,013
Amount due to a fellow subsidiary		**3**	3
		2,000	1,016
Net current assets		**8,328**	11,079
Net assets		**8,329**	11,081
Capital and reserves			
Share capital		**15,000**	15,000
Reserves		**(6,671)**	(3,919)
Equity attributable to owners of the Company		**8,329**	11,081

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2012

	Attributable to owners 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 2010	15,000	7,540	8,461	(17,355)	13,646
Loss and total comprehensive expense for the year	-	-	-	(2,565)	(2,565)
At 30 June 2011	15,000	7,540	8,461	(19,920)	11,081
Loss and total comprehensive expense for the year	-	-	-	(2,752)	(2,752)
At 30 June 2012	**15,000**	**7,540**	**8,461**	**(22,672)**	**8,329**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2012

1. Basis of preparation and application of new and revised 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 ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Historical cost is generally based on the fair value of the consideration given in exchange for goods. 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 (the "GEM Listing Rules") and the Hong Kong Companies Ordinance.

In the current year, the Group has applied a number of revised Standard and amendments issued by the HKICPA that are mandatorily effective for accounting periods beginning on 1 July 2011.

The adoption of the revised Standard and amendments has had no material effect on the consolidated financial statements of the Group for the current and prior accounting periods.

2. Turnover and segment information

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

The Group's operating activities are attributable to a single operating segment focusing on development and operation of e-commerce infrastructure with payment capabilities which facilitate web-enabled transactions in the People's Republic of China, including Hong Kong and Macau. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conforming to HKFRSs, that are regularly reviewed by the executive directors of the Company. The executive directors of the Company regularly review the Group's turnover and overall results of the Group as a whole for the purpose of resources allocation. Accordingly, no analysis of this single operating segment is presented.

3. Taxation

No provision for Hong Kong Profits Tax has been made as the Group did not have assessable profit in both years.

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

	2012	2011
	HK$'000	*HK$'000*
Loss before taxation	**(2,752)**	(2,565)
Tax credit at Hong Kong Profits Tax rate of 16.5% (2011: 16.5%)	**(454)**	(423)
Tax effect of expenses not deductible for tax purposes	**10**	52
Tax effect of income not taxable for tax purposes	**(46)**	(40)
Tax effect of tax losses not recognised	**490**	411
Taxation for the year	**-**	-

4. Loss for the year

	2012 *HK$'000*	2011 *HK$'000*
Loss for the year has been arrived at after charging:		
Auditor’s remuneration	**516**	459
Depreciation of property, plant and equipment	**1**	1
Operating lease rentals in respect of rented premises	**66**	66
Research expenditures, including staff costs of HK$1,130,000 (2011: HK$1,007,000)	**1,162**	1,038

5. Loss per share

The calculation of the loss per share is based on the loss for the year attributable to owners of the Company of HK$2,752,000 (2011: HK$2,565,000) and on the number of 150,000,000 (2011: 150,000,000) shares in issue throughout the year.

No diluted loss per share is presented as there were no potential ordinary shares in issue for 2012 and 2011.

6. Trade and other receivables

	2012 *HK$'000*	2011 *HK$'000*
Trade receivables *(Note)*	**-**	273
Other receivables	**154**	131
	154	404

Note:

The Group allows an average credit period of 180 days for its trade customers depending on their credit worthiness, nature of services and conditions of the market. The aging analysis of trade receivables based on the invoice date at the end of the reporting period is as follows:

	2012 *HK$'000*	2011 *HK$'000*
0 - 60 days	**-**	273

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 30 June 2012 (2011: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Operations and Financial Review

During the year, the Group was principally engaged in the provision of customised internet business solutions and services which offered advice on the integration of various service offerings for online transactions. Service fees derived from the Group’s enabling solutions and technical consultation on e-commerce application customisation was the primary source of income for the Group.

Consistent with its prudent financial management, the Group's spending on new systems and networks, as well as infrastructure upgrades was strictly in line with the level of business attained, and its resources were deployed in such a way as to produce optimum results.

For the year ended 30 June 2012, the Group recorded a turnover at HK$3,003,000, a 4 percent decline as compared with HK$3,124,000 of last year, and loss attributable to owners of the Company was HK$2,752,000 compared with loss of HK$2,565,000 for the previous year. Loss per share for the year was HK1.83 cents. The lower turnover reflected mainly a combination of a decline in customer budget and expenditure, and a highly competitive market.

Total operating costs for the year under review were HK$5,760,000 (2011: HK$5,698,000). General and administrative expenses were HK$2,234,000 (2011: HK$2,296,000) while staff costs increased 6 percent to HK$3,277,000 (2011: HK$3,099,000), reflecting the prevailing market conditions.

The Group's financial position remained positive, and did not have any bank borrowings as at 30 June 2012. Operation was primarily financed by internally generated cashflows.

The Board does not recommend the payment of any dividend for the year. The Group will retain cash to finance the continuing development of its business as well as prospective investment opportunities.

Liquidity and Financial Resources

As at 30 June 2012, the Group had current assets of approximately HK$10,328,000, which comprised mainly bank balances and cash of approximately HK$10,150,000. The Group had no non-current liabilities, and its current liabilities amounted to approximately HK$2,000,000, consisting mainly of payables arising in the normal course of operation.

The Group did not have any bank borrowings as at 30 June 2012. The Group financed its operations primarily with internally generated cashflows. As at 30 June 2012, the Group did not have any material contingent liabilities or charges on its assets. With net current assets of approximately HK$8,328,000, the Group was in a financially liquid position at the end of the year under review. The Group had no borrowings and hence no gearing ratio was presented. Equity attributable to owners of the Company as at 30 June 2012 was approximately HK$8,329,000.

The Board considers that the Group's financial resources are sufficient for its operation. If necessary, the Board would consider either debt or equity financing, or both, for business development, 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 2012, the Group's capital commitments authorised but not contracted for amounted to HK$500,000 (2011: 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, Macau Pataca and United States dollars.

Outlook

e-Commerce is fast evolving into a mainstream channel of doing business. We remain confident about the prospects of e-commerce and internet-based services as a whole, and will continue our 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 plans. 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.

In line with China's national policy to promote its culture industry, which is expected to emerge as a new engine in driving the economy, the Group will leverage its expertise in IT and e-commerce to engage in the promotion and trading of cultural products and related services. In particular, the Group will collaborate with niche partners to develop different income streams for a wide range of culture-related topics, taking advantage of the rising interest in Chinese culture and heritage among consumers around the world.

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 the Company's listed securities.

CORPORATE GOVERNANCE CODE

During the year, the Company complied with the code provisions of the Corporate Governance Code set out in Appendix 15 of the GEM Listing Rules.

AUDIT COMMITTEE

The audit committee of the Company has reviewed with the management of the Group the financial and accounting policies 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 2012.

By Order of the Board
Shirley HA Suk Ling
Director

Hong Kong, 10 August 2012

As at the date of this announcement, the executive directors of the Company are Dr. Paul Kan Man Lok and Ms. Shirley Ha Suk Ling; 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.

This announcement will remain on the GEM website at "www.hkgem.com" on the "Latest Company Announcements" page for 7 days from the day of its posting.