

13:06 DIGITAL CHINA<00861> - Results Announcement

Digital China Holdings Limited announced on 24/08/2004:

(stock code: 00861)

Year end date: 31/03/2005

Currency: HKD

Auditors' Report: N/A

Interim report reviewed by: Audit Committee

(Unaudited)

(Unaudited)
Current

Last

Corresponding

Period
from 01/04/2004

Period
from

01/04/2003

to 30/06/2004

to

30/06/2003

Note ('000)

('000

)

Turnover : 3,453,945

3,300,548

Profit/(Loss) from Operations : 39,571
(140,206)

Finance cost : (10,626)
(13,351)

Share of Profit/(Loss) of
Associates : (31) (3,027)

Share of Profit/(Loss) of
Jointly Controlled Entities : N/A N/A

Profit/(Loss) after Tax & MI : 30,336
(148,635)

% Change over Last Period : N/A %

EPS/(LPS)-Basic (in dollars) 2 : 0.0353
(0.1731)

-Diluted (in dollars) 2 : 0.0351 N/A
Extraordinary (ETD) Gain/(Loss) : N/A N/A

Profit/(Loss) after ETD Items : 30,336
(148,635)

1st Quarter Dividend : NIL NIL
per Share

(Specify if with other
options) : N/A N/A

B/C Dates for
1st Quarter Dividend : N/A

Payable Date : N/A

B/C Dates for (-)
General Meeting : N/A

Other Distribution for
Current Period : N/A

B/C Dates for Other
Distribution : N/A

Remarks:

1. Basis of presentation and principal accounting policies

The unaudited condensed consolidated financial statements for the three months ended 30 June 2004 are prepared in accordance with Hong Kong Statement of Standard Accounting Practice No. 25 "Interim financial reporting" issued by the Hong Kong Society of Accountants. In preparing the unaudited condensed consolidated financial statements, the same basis of presentation, accounting policies and methods of computation as set out in the Group's consolidated financial statements for the year ended 31 March 2004 had been consistently applied except for the following change in segment accounting policy:

Change in segment accounting policy

During the three months ended 30 June 2004, the Group has changed its identification of reportable business segments. The Group has reclassified its previous three business segments, namely, "Distribution of information technology products", "Provision of systems integration services" and "Development and distribution of networking products" into three new business segments, namely, "Distribution", "Systems" and "Services". In the opinion of the directors of the Company, the new basis of segmentation provides a more appropriate presentation of the segment information.

2. Earnings/(Loss) per share

The calculation of basic earnings/(loss) per share was based on the net profit/(loss) attributable to shareholders for the three months ended 30 June 2004 of approximately HK\$30,336,000 (for the three months ended 30 June 2003: net loss of approximately HK\$148,635,000), and the weighted average of 860,520,836 (for the three months ended 30 June 2003: 858,704,331) ordinary shares in issue during the three months ended 30 June 2004.

The calculation of diluted earnings per share was based on the net profit attributable to shareholders for the three months ended 30 June 2004 of approximately HK\$30,336,000 and 863,680,884 ordinary shares, which was the weighted average of 860,520,836 ordinary shares in issue during the three months ended 30 June 2004 and the weighted average of 3,160,048 ordinary shares deemed to have been issued at no consideration on the deemed exercise of all the outstanding share options during the three months ended 30 June 2004.

Diluted loss per share for the three months ended 30 June 2003 has not been calculated as the impact of the outstanding options was anti-dilutive.