

Fact Sheet

IT • Services • Innovation



Company Profile

Digital China Holdings Limited ("Digital China" or the "Group"; Stock Code: 00861) is a leading integrated IT services provider in China. Digital China was listed on the main board of The Stock Exchange of Hong Kong Limited on 1 June 2001 following a spin off from the Legend Group. It focuses on providing customers with sophisticated and applicable IT solutions, driving technological innovations for work and life and enhancing the digitalization process in China. In order to achieve these goals, the Group is striving to become the premier IT services provider with the most comprehensive services for a majority of Chinese users.

Digital China focuses on eight major business segments in the China market: IT Planning, Business Process Outsourcing, Application Development, System Integration, Hardware Infrastructure Services, Maintenance, Hardware Installation, Distribution and Retail. A full range of IT services are available to industry clients, large enterprises, SMEs and individual consumers.

Headquartered in Beijing, Digital China has regional centres in 19 major cities in China. Leveraging on its strategic partnership with over 100 leading IT vendors world-wide and a network of over 10,000 re-sellers and agents across the country, the Group provides the best and most convenient IT services to users in China. With extensive experience in the market, the Group is a leading IT Services provider to the financial, telecommunications and government sectors. Digital China has also sustained to be the leading IT products distributor for years.



Market Facts

HKEX	00861.HK
52-week Price Range	HK\$ 1.66 (21 Nov 08) -HK\$ 6.55 (06 Aug 09)
Total Share Outstanding	962.4 million
Free Float	43%
Market Capitalization	HK\$ 5.86 billion

Core Businesses

Services Business (with a primary focus on Industry Market)

• Focused on telecommunications, finance, government, taxation and manufacturing sectors, the services business provides consulting, application software development, system integration, training and IT outsourcing services with solid industry-specific knowledge across verticals and capacity

Supply Chain Services Business (with a primary focus on High-tech Industries Market)

• Targeting IT corporations, major account customers in vertical market segments, and other high-value products manufacturers, the unit will offer modular supply chain management products and customised services. The unit was dedicated to the implementation aspect of Supply Chain Services, such as the provision of consultation and execution services in relation to one-stop supply chain, comprising logistics, business flow, capital flow and information flow.

Systems Business (with a primary focus on Enterprise Market)

• Targeting corporate users, the business provides systems products which include mainframe servers, networking and storage products, and packaged software systems products; and technical solution provisioning, hardware maintenance and training

Distribution Business (with a primary focus on SMB & Consumer Markets)

• The Group distributes various IT products ranging from PCs, servers, storage products, peripherals, networking products, mobile office equipment, wireless access equipment and software through an extensive network of 9,000 down-stream resellers and chain stores in China

Investment Highlights

- Largest IT Product Distributor in China
- Leading IT Services Provider in Key Industry Sectors
- Significant Growth Opportunity in China IT Services Sector
- Value of Large Customer Base
- Strong Brand Name and Successful Track Record
- Business Model Innovations and Process Re-engineering Broaden Revenue Base
- Strong Management Leadership and Supportive Investors

Key Financial Figures

HK\$ million	FY08/09 Annual	FY07/08 Annual	YOY Change	FY09/10 Q1	FY08/09 Q1	YoY Change
Turnover	42,326	35,244	+20.10%	10,660	10,011	+6.49%
Gross profit margin (%)	6.99	7.12	--	6.42	6.61	--
Profit from operating activities	884	651	+35.82%	313	170	+84.66%
Net profit	641	401	+59.84%	262	114	+129.86%
Basic EPS (HK cents)	66.58	43.72	+52.29%	27.24	11.83	+130.26%

Contact Us

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Key Financial Figures

	As of 30 June 2009	As of 30 June 2008
Current ratio	1.47x	1.43x
	As of 31 March 2009	As of 31 March 2008
Capital Expenditures (HK\$ mm)	77	98
ROE	20.42%	15.28%

FY09/10 1Q Gross Profit Breakdown by Segment HK\$ (mm)

