
IMPORTANT

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in DIGITALHONGKONG.COM, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular, for which the directors of the Company collectively and individually accept full responsibility, include particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market on 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 circular 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 circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



DIGITALHONGKONG.COM

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8007)

The notice convening the Annual General Meeting of the Company to be held at 3rd Floor, Kantone Centre, 1 Ning Foo Street, Chai Wan, Hong Kong on 23 November, 2007 at 8:50 a.m. is set out on page 10 to page 12 of this circular.

A form of proxy for the Annual General Meeting is enclosed. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the principal office of the Company at Room 1702, One Exchange Square, 8 Connaught Place, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy will not prevent you from attending and voting at the meeting if you so wish.

This circular will remain on the GEM website at "www.hkgem.com" on the "Latest Company Announcements" page for at least 7 days from the date of posting.

28 September, 2007

CHARACTERISTICS OF GEM

Growth Enterprise Market (“GEM”) has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

LETTER FROM THE BOARD



DIGITALHONGKONG.COM

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8007)

Directors:

Paul Kan Man Lok (*Chairman*)
Shirley Ha Suk Ling (*Chief Executive Officer*)
John Wong Yuk Lung
Leo Kan Kin Leung*
Lai Yat Kwong*
Francis Gilbert Knight**
Billy Ho Yiu Ming**
Shao Xiang Ming**

Principal office:

Room 1702
One Exchange Square
8 Connaught Place
Hong Kong

* *Non-executive directors*

** *Independent non-executive directors*

28 September, 2007

To the shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES
NOTICE OF ANNUAL GENERAL MEETING AND RE-ELECTION OF DIRECTORS**

INTRODUCTION

At the annual general meeting of DIGITALHONGKONG.COM (the "Company") for the year ended 30 June, 2007, resolutions will be proposed to grant to the directors of the Company general mandates to issue shares and repurchase shares of the Company.

The purpose of this circular is to give you further details of the abovementioned proposals and notice of the annual general meeting of the Company for the year ended 30 June, 2007 (the "AGM"). In compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market on The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules"), this circular also contains the explanatory statement and gives all the information reasonably necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the purchase by the Company of its own shares, together with particulars of the directors proposed to be re-elected at the AGM.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed to grant a general mandate to the directors of the Company to allot, issue and dispose of shares of the Company not exceeding 20 per cent. of the issued share capital of the Company to provide flexibility to the Company to raise fund by issue of shares efficiently. On 21 September, 2007 (the "Latest Practicable Date"), being the latest practicable date prior to printing of this circular, there were in issue an aggregate of 150,000,000 shares of HK\$0.10 each in the Company ("Shares"). On the assumption that no Shares will be issued prior to the date of the AGM, exercise in full of the mandate could accordingly result in up to 30,000,000 Shares being issued by the Company.

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will also be proposed to grant a general mandate to the directors of the Company to exercise all powers of the Company to repurchase issued and fully paid shares of the Company. Under such mandate, the number of shares that the Company may repurchase shall not exceed 10 per cent. of the share capital of the Company in issue on the date of the resolution. The Company's authority is restricted to purchases made on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in accordance with the GEM Listing Rules. Based on 150,000,000 Shares in issue as at the Latest Practicable Date and on the assumption that no Shares will be issued prior to the date of the AGM, exercise in full of the mandate could result in up to 15,000,000 Shares being repurchased by the Company. The mandate allows the Company to make or agree to make purchases only during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company.

The directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company with the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases may enhance the net value of the Company and/or earnings per Share. With reference to the financial position of the Company as at 30 June, 2007 (being the date of its latest audited accounts), the directors consider that there would be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed purchases were to be carried out in full during the proposed purchase period. No purchase would be made in circumstances that such purchase would give rise to a material adverse impact on the working capital or gearing ratio of the Company.

LETTER FROM THE BOARD

The Company is empowered by its Memorandum and Articles of Association to purchase its Shares. The Cayman Islands law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of profits of the Company or funds out of a fresh issue of shares of the Company made for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the Cayman Companies Law, out of capital. The amount of premium payable on repurchase may only be paid out of the profits of the Company or from sums standing the credit of the share premium account of the Company or, if authorised by the Articles of Association and subject to the Cayman Companies Law, out of capital. Under the Cayman Islands law, the repurchased shares will be cancelled but will remain part of the authorised but unissued share capital of the Company.

The directors intend to apply the capital paid up on the relevant Shares or the profits that would otherwise be available for distribution by way of dividend for any purchase of its Shares.

Directors, their associates and connected persons

None of the directors nor, to the best of the knowledge and belief of the directors having made all reasonable enquiries, any of the associates of any of the directors has any present intention, in the event that the proposal is approved by shareholders, to sell Shares to the Company.

No connected person of the Company (as defined in the GEM Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make purchases of Shares.

Undertaking of the directors

The directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the GEM Listing Rules and all applicable laws of the Cayman Islands, and in accordance with the regulations set out in the Memorandum and Articles of Association of the Company.

Effect of Takeovers Code

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Hong Kong Code on Takeovers and Mergers (the "Code").

LETTER FROM THE BOARD

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Champion Technology Holdings Limited (“Champion Technology”), which held approximately 78.2 per cent. of the issued share capital of the Company, was the only substantial shareholder holding more than 10 per cent. of the issued share capital of the Company. In the event that the directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholding of Champion Technology Holdings Limited in the Company would be increased to approximately 86.89 per cent. of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Code, but would lead to the Company’s failure to comply with the public float requirement under the GEM Listing Rules. The directors of the Company have no present intention to exercise the repurchase mandate to the extent that the Company would be unable to comply with such public float requirement.

Stock Exchange Rules for repurchases of shares

The GEM Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(a) Shareholders’ approval

The GEM Listing Rules provide that all share repurchases effected on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, which may be by way of general mandate, or by special resolution in relation to specific transactions.

(b) Source of funds

Repurchases must be funded out of funds legally available for the purpose.

General

During each of the six months preceding the date of this circular, no Shares have been repurchased by the Company.

LETTER FROM THE BOARD

During each of the previous 12 months, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Month	Per Share	
	Highest HK\$	Lowest HK\$
2006		
September	0.190	0.165
October	0.160	0.140
November	0.178	0.135
December	0.133	0.080
2007		
January	0.158	0.105
February	0.350	0.185
March	1.400	0.400
April	1.000	0.660
May	1.140	0.650
June	1.640	0.940
July	1.710	0.850
August	1.320	0.850

ANNUAL GENERAL MEETING

You will find on pages 10 to 12 of this circular a notice of the AGM to be held at 8:50 a.m. on 23 November, 2007 at 3rd Floor, Kantone Centre, 1 Ning Foo Street, Chai Wan, Hong Kong.

Resolution no. 4A will be proposed as an ordinary resolution to give a general mandate to the directors to allot, issue and deal with shares of the Company with an aggregate nominal value not exceeding 20 per cent. of the share capital of the Company in issue as at the date of the resolution.

Resolution no. 4B will be proposed as an ordinary resolution to give a general mandate to the directors to make on-market purchases of shares of the Company of up to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the resolution.

Resolution no. 4C will be proposed as an ordinary resolution to extend resolution no. 4A to include the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors pursuant to resolution no. 4B.

There is enclosed a form of proxy for use at the AGM. You are requested to complete the form of proxy and return it to the principal office of the Company in accordance with the instructions printed thereon not less than 48 hours before the

LETTER FROM THE BOARD

time fixed for holding the meeting, whether or not you intend to be present at the meeting. The completion and return of the form of proxy will not prevent you from attending and voting in person should you so wish.

RIGHT OF SHAREHOLDERS TO DEMAND POLL

According to the Articles of Association of the Company, before or on the declaration of the result of voting on a show of hands on a resolution by the chairman of the AGM or on the withdrawal of any demand for a poll at the AGM, a poll may be demanded by:

- (a) at least three members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy entitled to vote at the AGM; or
- (b) any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and representing not less than 10 per cent. of the total voting rights of all the members having the right to vote at the AGM; or
- (c) any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the AGM being shares on which an aggregate sum has been paid up equal to not less than 10 per cent. of the total sum paid up on all the shares conferring that right.

RE-ELECTION OF DIRECTORS

Resolutions will be proposed at the AGM for re-election of Madam Shirley Ha Suk Ling, Madam Shao Xiang Ming and Mr. Lai Yat Kwong as directors according to the Company's Articles of Association. Their particulars are as follows:

Shirley HA Suk Ling, 51, is the Chief Executive Officer of the Company, which she joined in 2000. She is responsible for overseeing the business activities including corporate finance and strategic development of the Company and its subsidiaries (the "Group"). She also focuses on building strategic partnerships and alliances for the Group, liaising with government departments, solutions and business partners, different sectors of the business and academic communities in driving the e-revolution. Prior to joining the Group, she was the Executive Vice President of Corporate Development for Champion Technology which she joined in March 1992, and oversaw the listing and corporate development of three listed companies within the Champion Technology group. She holds a Bachelor's degree in Arts from the University of Hong Kong and a Master's degree in Business Administration from the Chinese University of Hong Kong. She is a General Committee Member of the Federation of Hong Kong Industries and Vice Chairman of the Hong Kong Information Technology Industry Council; Executive Committee Member of

LETTER FROM THE BOARD

Internet Professional Association and Co-Chairman of Special Interest Group in Venture Capital and New Business Development; Member of Information and Communications Technology Industry Training Advisory Committee of Education and Manpower Bureau of HKSAR; Honorary Secretary of Hungarian – Hong Kong Innovative Business Council; and Mentor under the Mentorship Programme of the Hong Kong Science and Technology Parks Corporation. She is also a member of the Hong Kong Corporate Counsel Association.

Ms. Ha also sits on the boards of Champion Technology and Kantone Holdings Limited (“Kantone”) as non-executive director.

SHAO Xiang Ming, 46, has been an independent non-executive director of the Company since March 2004. She has over 15 years of experience in biomedical research, Chinese Medicine, and healthcare products. She graduated from No.3 Military Medical University in China in 1985 with a Bachelor’s degree in medicine, and in 1988, with a Master’s degree in Pathology Analysis. In 2000, she served as a director of the World Association of Special Medical Treatment. In 2001, she was appointed as Deputy Executive Officer of Health and Poverty Relief of The Foundation of Chinese Elementary Hygiene and Healthcare, responsible for the promotion of health education and the use of preventive medicine in villages and communities. Since 2001, she has served as chief research officer of Beijing East-West Medical Center, responsible for research and development of bioenergetic medicine. In the past ten years, Ms. Shao’s main research interest is information medicine.

LAI Yat Kwong, 58, has been a non-executive director of the Company since January 2005. He is the Chief Financial Officer and an executive director of Champion Technology, and the Chief Executive Officer (Acting), Chief Financial Officer, as well as an executive director of Kantone. He holds a Bachelor’s degree in Business Administration from the Chinese University of Hong Kong and has over 35 years of experience in accounting, auditing and company secretarial matters. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants (Practising).

Madam Shirley Ha Suk Ling does not have any written service contract with the Company. She is not appointed for a specific term but are subject to retirement by rotation in annual general meetings of the Company in accordance with the Articles of Association of the Company. She is paid HK\$1,092,000 as remuneration for the year ended 30 June 2007. Such emoluments are determined with reference to factors such as the Company’s operating results, individual performance, salaries paid by comparable companies, time commitment and responsibilities of the director, employment conditions and desirability of performance-based remuneration.

LETTER FROM THE BOARD

Madam Shao Xiang Ming has a service contract with the Company for a term of 1 year from 29 March 2007 to 28 March 2008 and Mr. Lai Yat Kwong also has a service contract with the Company for a term of 1 year from 3 January 2007 to 2 January 2008. Their respective service contracts will be renewed for 1 year if they are re-elected as a director of the Company. Under their respective service contracts, Madam Shao Xiang Ming is paid a director's fee of HK\$10,000 per annum and remuneration of HK\$24,000 per annum for acting as a member of certain committees of the Company. Mr. Lai Yat Kwong is also paid a director's fee of HK\$10,000 per annum and remuneration of HK\$18,000 per annum for acting as a member of certain committees of the Company. Their remunerations are nominal honorarium in recognition of their respective contributions to the Company.

Save as disclosed above, none of the aforesaid directors (i) has other directorship held in listed public companies in the last three years; (ii) has any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company; or (iii) has any interests in the shares of the Company within the meaning of Part XV of the SFO.

All the above named directors confirm that save as disclosed above, there is no information which is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there is no other matters that need to be brought to the attention of shareholders of the Company.

RECOMMENDATION

The directors consider that the proposed granting of the mandates to issue and repurchase shares of the Company are in the interest of the Company and so recommend you to vote in favour of all the relevant resolutions at the AGM. The directors will vote all their shareholdings in favour of such resolutions and other resolutions.

Yours faithfully,
By order of the Board
Paul Kan Man Lok
Chairman

NOTICE OF ANNUAL GENERAL MEETING



DIGITALHONGKONG.COM

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8007)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the abovenamed company (the "Company") will be held at 3rd Floor, Kantone Centre, 1 Ning Foo Street, Chai Wan, Hong Kong on 23 November, 2007 at 8:50 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 30 June, 2007.
2. To elect directors and to authorise the board of directors to fix their remuneration.
3. To appoint auditors and to authorise the board of directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

A. "THAT:

- (a) subject to paragraph (c), the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue or scrip dividend scheme or similar arrangement of the Company or the exercise of the subscription

NOTICE OF ANNUAL GENERAL MEETING

rights under the share option scheme of the Company shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

B. “THAT:

- (a) the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

C. “THAT conditional upon resolution no. 4B above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in resolution no. 4B above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 4A above.”

By Order of the Board
Jennifer Cheung Mei Ha
Company Secretary

Hong Kong, 28 September, 2007

Principal Office:

Room 1702
One Exchange Square
8 Connaught Place
Hong Kong

Notes:

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company.
- (2) In order to be valid, the form of proxy must be deposited at the Company’s principal office in Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.