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PROFIT WARNING

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of Digital China Holdings Limited (the “**Company**”) wishes to inform the shareholders of the Company and potential investors that based on its preliminary review of the unaudited consolidated management accounts of the Company and its subsidiaries (the “**Group**”) for the nine-month ended 31 December 2013, profit attributable to equity holders of the Group for the nine-month ended 31 December 2013 is approximately HK\$630 million, before taking into account of the financial loss arising from the spin-off (the “**Spin-off**”) of Digital China Information Service Co., Ltd.* (“**DCITS**”) and is approximately HK\$30 million, after taking into account of such financial loss.

As disclosed in the Company’s announcement dated 26 December 2013, the financial loss arising from the dilution in the Group’s shareholding in DCITS as a result of the Spin-off is a one-off loss which is not a real cash outflow.

Reference is also made to the Company’s interim results announcement dated 19 November 2013 where it is stated that the provision for employees’ bonuses that was historically accounted for during the fourth quarter of the financial year will be made and recorded earlier in December, due to the change of the financial year end date of the Company. Such expenses that will be recorded for the nine-month ended 31 December 2013 is approximately HK\$150 million.

In addition to the above one-off financial loss and the expenses brought forward as a result of the change of financial year end date, the Group’s results for the nine-month ended 31 December 2013 are also adversely affected by the worsening macro-economic conditions on the information technology market in 2013.

The Company is in the process of finalising the Group’s annual results for the nine-month ended 31 December 2013. The information contained in this announcement is only a preliminary assessment by the management based on information currently available to it, including the unaudited consolidated management accounts of the Group for the nine-month ended 31

December 2013, which have not been audited or reviewed by the auditors of the Company and may be subject to adjustments.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Digital China Holdings Limited
(神州數碼控股有限公司*)
GUO Wei
Chairman

Hong Kong, 27 January 2014

As at the date of this announcement, the Board comprises eight Directors namely:

Executive Directors: Mr. GUO Wei (Chairman), Mr. LIN Yang (Chief Executive Officer) and Mr. YAN Guorong (President)

Non-executive Director: Mr. Andrew Y. YAN

Independent Non-executive Directors: Mr. HU Zhaoguang, Mr. WONG Man Chung, Francis, Ms. NI Hong (Hope) and Mr. ONG Ka Lueng, Peter

Website: www.digitalchina.com.hk

**For identification purpose only*