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神州控股
DC Holdings
DIGITAL CHINA HOLDINGS LIMITED
(神 州 數 碼 控 股 有 限 公 司*)
(*Incorporated in Bermuda with limited liability*)
(Stock Code: 00861)

PROFIT ALERT

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the 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**") would like to inform the shareholders of the Company and potential investors, that based on the Board's preliminary review of the latest unaudited consolidated management accounts of the Company and its subsidiaries (the "**Group**") and having considered other information known to the Board, it is expected that the loss attributable to equity holders of the Group for the six months ended 30 June 2017 (the "**Period**") would be in the range of approximately HK$320 million to HK$480 million, which mainly due to (1) share-based payment expenses (non-cash item) of approximately HK$310 million due to the grant of share options and restricted share units in the Period; (2) the proposed provision of approximately HK$110 million to HK$230 million (equivalent to approximately RMB100 million to RMB200 million) to be made by the Group for the wealth management financial products for the sake of prudence, in light of the possible loss in the principal and interests of wealth management financial products. Meanwhile, the Group has requested to redeem such wealth management financial products to preserve the value of the assets; and (3) a profit of approximately HK$60 million to HK$100 million from the continuing operations of the Group.

The Group is in the process of finalizing its interim results for the six months ended 30 June 2017. The information contained in this announcement is only a preliminary assessment by the management of the Company based on information that is currently available, including the latest unaudited consolidated management accounts of the Group and other information known to the Board, which are subject to adjustments. Details of the Group's financial information will be disclosed in the interim results announcement to be published by end of August 2017.

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

For the purpose of this announcement, amounts denominated in RMB have been translated into HK$ at an exchange rate of RMB1:HK$1.14. No representation is made that any amounts in RMB and HK$ can be or could have been converted at the relevant dates at the above rates or at any other rates at all.

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

Hong Kong, 7 July 2017

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. WANG Xinhui (President)

Independent Non-executive Directors: Mr. WONG Man Chung, Francis, Ms. NI Hong (Hope), Dr. LIU Yun, John, Ms. YAN Xiaoyan and Prof. LAI Daniel, BBS, JP

Website: www.dcholdings.com.hk

** For identification purpose only*