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ANNOUNCEMENT

CHANGE IN DIRECTOR

Appointment of Executive Director

The board of directors (the “**Board**”) of Digital China Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that with effect from 21 July 2017, Mr. Denis Shing Fai YIP (“**Mr. YIP**”) has been appointed as an Executive Director and President of the Company. Mr. YIP has been appointed as a Chief Executive Officer of the Company since 1 May 2017 and he will continue to act as a Chief Executive Officer of the Company.

Mr. YIP, aged 48, has over 26 years of worldwide industry experience in information management, software and global sales and services. Mr. YIP holds a Bachelor of Science and Master of Science degrees in Electrical Engineering and Computer Science from University of California, Berkeley. He also holds an MBA degree from Golden Gate University. Prior to joining the Group, Mr. YIP has been the Global Senior Vice President and the President of Greater China of EMC Corporation (“**EMC**”) since July 2006, and was in charge of the overall business operations in mainland China, Hong Kong and Taiwan. Upon the merger of Dell Inc. (“**DELL**”) and EMC, Mr. YIP continued to be appointed as the Global Senior Vice President of DELL and the President of Greater China of EMC. He was also a key member in the integration of DELL and EMC in Greater China region.

From January 1999 to July 2006, Mr. YIP held a variety of senior management positions at International Business Machines Corporation (“**IBM**”), including Global Vice President, General Manager of the Asia Pacific Storage Division, President of the AS/400 Business in Asia Pacific Region, and General Manager of the AS/400 and RS/6000 Businesses in Greater China region. Mr. YIP was in charge of various businesses at IBM based in Guangzhou, Beijing, Tokyo and Shanghai, and was at the time the youngest Global Vice President of IBM in 2003. In June 2016, Mr. YIP was also elected to the Board of Trustees of The Webb Schools, a private Boarding School in Claremont, CA in the United States.

Save as disclosed above, Mr. YIP has not held any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years preceding the date of this announcement. Apart from the relationship arising from his directorship in the Company, Mr. YIP does not have any relationship with any other directors, senior management or substantial or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) of the Company or other major appointments and professional qualifications.

Mr. YIP will enter into a service agreement with the Company which shall continue in force until terminated by (i) either the Company or Mr. YIP serving on each other of not less than 3 months’ notice, (ii) his retirement as a director without being re-elected as a director by the shareholders of the Company in an annual general meeting in accordance with the Bye-Laws of the Company, or (iii) in the event of Mr. YIP’s default under the terms of the said service agreement. Mr. YIP will be subject to retirement by rotation and re-election at the next annual general meeting of the Company in accordance with the Bye-Laws of the Company. The remuneration and benefits of Mr. YIP as an Executive Director, a Chief Executive Officer and President of the Company shall remain the same as those disclosed in the Company’s announcement dated 29 March 2017.

As at the date of this announcement, Mr. YIP (i) does not have any interest in or is deemed to be interested in any shares or underlying shares of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (ii) does not hold any other positions in the Company or any of its subsidiaries.

Save for the information disclosed above, there are no other matters concerning the appointment of Mr. YIP as an Executive Director that need to be brought to the attention of the shareholders of the Company nor any information to be disclosed pursuant to the requirements under Rule 13.51(2) of the Listing Rules.

The Board would like to take this opportunity to welcome Mr. YIP for joining the Board.

Resignation of Executive Director

The Board announces that Mr. WANG Xinhui (“**Mr. WANG**”) has tendered his resignation as an Executive Director and the President of the Company with effect from 21 July 2017 due to other work allocation by the Group.

Mr. WANG has confirmed that he has no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the shareholders 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, 21 July 2017

At the publication of this announcement, the Board comprises eight directors, namely:

Executive Directors: Mr. GUO Wei (Chairman), Mr. LIN Yang (Chief Executive Officer) and Mr. Denis Shing Fai YIP (Chief Executive Officer and 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

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** For identification purpose only*