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)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that, based on its preliminary review of the relevant unaudited consolidated management accounts of the Group, it is expected to record a profit attributable to equity holders of the Company in the range of approximately HK$100 million to HK$200 million for the year ended 31 December 2018 as compared to the loss attributable to equity holders of the Company amounted to HK$413 million for the year ended 31 December 2017.

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

This announcement is made by Digital China Holdings Limited (神州數碼控股有限公司*) (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on its preliminary review of the relevant unaudited consolidated management accounts of the Group, it is expected to record a profit attributable to equity holders of the Company in the range of approximately HK$100 million to HK$200 million for the year ended 31 December 2018 as compared to the loss attributable to equity holders of the Company amounted to HK$413 million for the year ended 31 December 2017. Based on the relevant information currently available to the Company, the Board considers that the expected turnaround from loss to profit of the Group was mainly due to the improvement of the overall performance of the Group's business operation and the increase in cost effectiveness, especially of the Sm@rt Logistics business and Sm@rt City business; and the net gains from certain non-recurring items. Further, as compared to that for the year of 2017, share-based payment expenses were significantly reduced during the year and no additional provision was required to be made for the wealth management financial products that would have adverse impact on the Group's profit. The aforesaid expectation has taken into account the business operation performance of 神州數碼信息服務股份有限公司 (Digital China Information Service Company Ltd.*), a subsidiary of the Company listed on the Shenzhen Stock Exchange.

The information contained in this announcement is only based on the preliminary review of the relevant unaudited consolidated management accounts of the Group and information currently available to the Board. Such information has not been confirmed or audited by the Company's auditor and is subject to adjustments and finalization. The audited annual results announcement of the Group for the year ended 31 December 2018 is expected to be released in March 2019.

Shareholders 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 and Chief Executive Officer

Hong Kong, 30 January 2019

At the publication of this announcement, the Board comprises nine Directors, namely:

Executive Directors: Mr. GUO Wei (Chairman and Chief Executive Officer) and Mr. LIN Yang (Vice Chairman)

Non-executive Directors: Mr. YU Ziping and Mr. PENG Jing

Independent Non-executive Directors: Mr. WONG Man Chung, Francis, Ms. NI Hong (Hope), Dr. LIU Yun, John, Ms. YAN Xiaoyan and Mr. KING William

Website: www.dcholdings.com.hk

** For identification purpose only*