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VOLUNTARY ANNOUNCEMENT

BUSINESS UPDATE

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**”) on a voluntary basis to provide shareholders of the Company (the “**Shareholders**”) and potential investors with the latest business update of the Group.

1. Multiple signed digital transformation projects worth over RMB250 million in Jilin Province

In April this year, the Group successfully signed two projects for Changchun city, in Jilin Province. Of which, RMB200 million was for the establishment of the Changchun City computing center (the “**Computing Center**”), and RMB50 million was for the development of the Changchun City Intelligent Water Management Center (the “**WMC**”). The Group will leverage on its expertise and industry know-how to primarily provide the relevant solution for artificial intelligence computation capabilities within the Computing Center. The establishment of the Computing Center fills the gap in Changchun city’s digitalization initiatives, and will be essential in driving technological innovation within universities, research institutions and enterprises. Areas of focus shall be on intelligent network-linked vehicles, biomedical development, smart manufacturing and artificial intelligence capabilities.

On the other hand, the development of the WMC will focus on elements surrounding water conservancy and water affairs management through the construction and implementation of the Group’s core products and technologies including the spatial-temporal big data platform, “knowledge graphs”, Internet of Things as well as digital twin. The WMC, through consolidating and aggregating water affairs-related data points across various sources, will create a first step for the city’s managers to assess, upgrade and monitor complex water-related issues. For example, the WMC can model various scenarios for pipe network management and provide reasoning and recommendations for piping network improvements which cover

the full chain from sources such as rivers, lakes and large pools through to the water plants and stations. The Group has been deeply involved in the various digitalization initiatives in Jilin Province and the signing of these two contracts are testimony to the recent development of the Group.

2. Building a future “Digital City” together with Wanda and the Kunshan County government

In March this year, the Group, together with Wanda Group, signed a series of cooperation agreements in Kunshan County where the Group will leverage its core competencies in smart tourism, intelligent property management and digital twin technology, and combine that with Wanda Group’s expertise and resources in luxury tourism and high-end hotel management to modernize and revamp Kunshan County’s tourism and to meet the needs of overflowing tourists from Shanghai as well as local businesses for conferences and leisure related activity. Kunshan County has ranked first among the top 100 counties and cities in China for 18 consecutive years. In 2022 Kunshan County achieved a regional GDP of RMB 500.67 billion, becoming the first county-level city in the country whose GDP exceeds RMB500 billion. Since 2011, the Group has been deeply involved in the development of Kunshan County. In particular, the Group has been involved in the building of the Kunshan Dianshanhu Science Technology and Innovation Park, attracting over one hundred companies to set up offices there. In addition, the Group has also established its own national smart property management headquarters in Kunshan. By integrating its own solutions around artificial intelligence, smart security, property management SaaS, Internet of Things, smart parks, urban operation management platforms and others, the Group will be able to execute more effective and cost efficient resource management over its operation in the Kunshan County.

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, 3 May 2023

As at the date 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. ZENG Shuigen and Ms. CONG Shan

Independent Non-executive Directors: Mr. WONG Man Chung, Francis, Miss NI Hong (Hope), Dr. LIU Yun, John, Mr. KING William and Mr. Timothy CHEN Yung-cheng

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**For identification purpose only*