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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)

MAJOR TRANSACTION

POSSIBLE DEEMED DISPOSAL IN RELATION TO THE PROPOSED PRIVATE PLACEMENT BY DCITS TO RAISE FUNDS

PROPOSED PRIVATE PLACEMENT BY DCITS TO RAISE FUNDS

The Board is pleased to announce that DCITS plans to conduct the Proposed Private Placement to not more than 35 specific target subscribers to raise funds. The total amount of funds to be raised thereunder shall not exceed RMB1 billion, and the number of DCITS Shares to be issued shall not exceed 20% of the total issued shares of DCITS immediately prior to the completion of the Proposed Private Placement. The Proposed Private Placement is subject to the approval of the Shenzhen Stock Exchange and registration with CSRC.

IMPLICATIONS UNDER THE LISTING RULES

Assuming that the maximum number of DCITS Shares will be issued pursuant to the Proposed Private Placement (i.e. 195,154,887 DCITS Shares) and that there is no change in the number of DCITS Shares in issue of DCITS from the date of this announcement to the completion of the Proposed Private Placement, the issue and allotment of the DCITS Shares pursuant to the Proposed Private Placement will result in a reduction of the Company's percentage of equity interest in DCITS by approximately 6.44%, and will therefore constitute a deemed disposal of the Company pursuant to Rule 14.29 of the Listing Rules. As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules for the Proposed Private Placement is more than 25% but less than 75%, the Proposed Private Placement, if proceeded with, constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Proposed Private Placement has been approved by the Board. As each of Mr. GUO Wei and Mr. CAI Yinghua is a director of DCITS, each of them has a material interest in the Proposed Private Placement and hence abstained from voting on the relevant Board

resolutions. To the best of the Directors' knowledge, information and belief, none of the other Directors have a material interest in the Proposed Private Placement, and none of them were required to abstain or had abstained, from voting on the relevant Board resolutions.

INTRODUCTION

The Board is pleased to announce that DCITS plans to conduct the Proposed Private Placement to not more than 35 specific target subscribers to raise funds. The total amount of funds to be raised thereunder shall not exceed RMB1 billion, and the number of DCITS Shares to be issued shall not exceed 20% of the total issued share capital of DCITS immediately prior to the completion of the Proposed Private Placement. The Proposed Private Placement is subject to the approval of the Shenzhen Stock Exchange and registration with CSRC.

DETAILS OF THE PROPOSED PRIVATE PLACEMENT

The details of the Proposed Private Placement are set out below:

Issuer	DCITS
Target subscribers	The Proposed Private Placement will be carried out by way of non-public issuance of DCITS Shares to not more than 35 specific target subscribers, which may include, but not limited to, institutional investors such as securities investment fund management companies, securities firms, trust companies, finance companies, insurance companies, and qualified foreign institutional investors that comply with the regulations of the CSRC, as well as other legal persons, natural persons, or other qualified institutional investors that comply with the applicable laws and regulations. All the target subscribers are expected to be independent third parties and will subscribe for the DCITS Shares under the Proposed Private Placement in cash.
Number of DCITS Shares to be issued	The total number of DCITS Shares to be issued pursuant to the Proposed Private Placement shall not exceed [20]% of the total issued shares of DCITS immediately prior to the completion of the Proposed Private Placement. The number of DCITS Shares to be issued shall be determined by the DCITS Board as authorized by the general meeting of shareholders of DCITS, through negotiation with the sponsor (lead underwriter) of the Proposed Private Placement and in accordance with applicable laws, regulations, and normative documents, as well as the actual circumstances at the time of issuance, after the CSRC has made the decision to grant the registration for the Proposed Private Placement.
Pricing principles and issue price	The issue price shall not be lower than 80% of the average trading price of the DCITS Shares for the 20 trading days prior to the price determination date, subject to adjustments due to ex-rights or ex-dividends event of DCITS (such as distribution of cash dividend, bonus

	issue, or conversion of capital reserve into share capital) during the period between the price determination date and the issue date. The final issue price will be determined by the DCITS Board after negotiation with the lead underwriter in accordance with the authorization of the general meeting of shareholders of DCITS, the provisions of relevant laws and regulations and the requirements of regulatory authorities, as well as the actual circumstances at the time of issuance.
Conditions precedent of the Proposed Private Placement	The Proposed Private Placement is conditional upon: (a) the approval of the Proposed Private Placement by the DCITS Board and the shareholders of DCITS at the general meeting; (b) the approval of the Proposed Private Placement by the Shareholders at the SGM; (c) the approval of the Proposed Private Placement by the Shenzhen Stock Exchange and the registration of the Proposed Private Placement by the CSRC; and (d) the obtaining of any other necessary approval and/or filings in respect of the Proposed Private Placement from any applicable regulatory authorities. None of the conditions above may be waived by any party . Therefore, if any of the conditions above is not satisfied, DCITS will not proceed with the Proposed Private Placement. In respect of the condition set out in paragraph (d) above, as at the date of this announcement, the Company is not aware of any other approvals and/or filings which are required to be obtained by DCITS in respect of the Proposed Private Placement. As at the date of this announcement, save that the Proposed Private Placement has been approved by the DCITS Board, none of the remaining conditions precedent has been fulfilled. As informed by the DCITS Board, the Proposed Private Placement is currently expected to be completed in the fourth quarter of 2026.
Lock-up period	All target subscribers shall not transfer the DCITS Shares subscribed under the Proposed Private Placement within six months from the date of completion thereof, subject to the applicable laws, regulations and normative documents. Furthermore, any additional DCITS Shares received by the target subscribers in respect of the relevant DCITS Shares subscribed under the Proposed Private Placement as a result of events such as the distribution of share dividend or the conversion of capital reserve into share capital shall also be subject to the aforementioned lock-up arrangements.

Place of listing of the DCITS Shares to be issued	The DCITS Shares to be issued under the Proposed Private Placement will be listed and traded on the Shenzhen Stock Exchange.
Use of proceeds	Assuming that the maximum total amount of funds of RMB1 billion will be raised under the Proposed Private Placement, the net proceeds from the Proposed Private Placement (after deducting all applicable costs and expenses incurred in connection with the Proposed Private Placement) are currently intended to be used by DCITS in the following manner: (a) approximately RMB320.91 million will be used to increase DCITS' investments in AI technologies; (b) approximately RMB387.97 million will be used to establish a business base in Eastern China; and (c) approximately RMB291.12 million will be used to replenish the working capital of DCITS, provided that the actual amount to be used to replenish the working capital of DCITS shall not exceed 30% of the total amount of funds to be raised from the Proposed Private Placement. The total amount of funds to be raised under the Proposed Private Placement and the intended use of the net proceeds from the Proposed Private Placement are subject to the approval by the relevant PRC regulatory authorities.

EFFECT OF THE PROPOSED PRIVATE PLACEMENT ON THE SHAREHOLDING STRUCTURE OF DCITS

As of the date of this announcement, the total number of DCITS Shares in issue was 975,774,437. For illustrative purposes only, assuming that the maximum number of DCITS Shares will be issued pursuant to the Proposed Private Placement (i.e. 195,154,887 DCITS Shares, representing 20% of the total number of DCITS Shares in issue as of the date of this announcement and approximately 16.67% of the total number of DCITS Shares as enlarged by the Proposed Private Placement) and that there is no change in the number of DCITS Shares in issue of DCITS from the date of this announcement to the completion of the Proposed Private Placement, the issue and allotment of the DCITS Shares by DCITS pursuant to the Proposed Private Placement will result in a reduction of the Group's percentage of equity interest in DCITS by approximately 6.44% and DCITS will be held as to approximately 32.18% by the Group immediately upon completion of the Proposed Private Placement. DCITS will remain a subsidiary of the Group.

FINANCIAL EFFECT OF THE PROPOSED PRIVATE PLACEMENT

As DCITS will remain as a subsidiary of the Group upon completion of the Proposed Private Placement, the financial results of DCITS will continue to be consolidated into the financial statements of the Group. The Group does not expect to recognize any gain or loss on deemed disposal arising from the Proposed Private Placement in profit or loss.

REASONS FOR AND BENEFITS OF THE PROPOSED PRIVATE PLACEMENT

Optimizing DCITS's Capital Structure to Enhance Risk resilience and Profitability

DCITS intends to use a portion of the proceeds to replenish the working capital requirements for its business development, which will help optimize its capital structure, reduce its gearing ratio, strengthen its risk resilience and better meet its funding needs for ongoing business development. As DCITS's "AI + Finance" strategy accelerates its implementation and the productization and commercialization of its software continue to progress, DCITS's research and development ("R&D") and delivery capabilities are expected to be significantly enhanced, which will further expand its business scale, leading to sustained growth in its operating revenue and net profit, thereby improving its profitability.

Building an Integrated Three-in-One AI System to Consolidate DCITS's Leading Position in Fintech

DCITS intends to use a portion of the proceeds to increase its investments in AI technologies. Through the centralized management of diverse financial knowledge assets, DCITS aims to reduce knowledge operations and maintenance costs, and introduce Retrieval-Augmented Generation (RAG) technology to safeguard the accuracy and regulatory compliance of outputs generated by large language models. In addition, DCITS plans to develop an Intelligent Software Engineering Platform for the financial industry spanning the full R&D lifecycle, enabling intelligent upgrades across key processes including requirements analysis and code generation, with a view to enhancing R&D quality and delivery reliability. Furthermore, DCITS intends to develop an Agent matrix covering business scenarios such as marketing, wealth management and credit services, establishing a "digital workforce" system to drive the intelligent transformation of the relevant business operations.

Establishing a Business Base in East China for Further Business Growth

DCITS intends to use a portion of the proceeds to establish a business base in East China. As a fintech service provider, DCITS's core competitiveness is highly dependent on its R&D and delivery talents. DCITS has an established client base and a sizeable team in East China. Given that financial institution clients have stringent requirements for system stability, localized and immediate response capabilities can significantly shorten troubleshooting time and reduce communication costs. The establishment of a business base in East China is intended to improve the working environment and, through integrated planning, to consolidate office operations and enhance synergy between R&D and delivery functions, thereby improving resource utilization efficiency and response capability. This will establish a highly efficient and integrated R&D-and-delivery system to support the large-scale expansion of DCITS's business and its sustained rapid growth.

The Company expects to directly benefit from DCITS's business growth and the value of the Shares of the Company will also be enhanced, which will be in the interest of the Shareholders as a whole.

Having considered the terms and the benefits of the Proposed Private Placement, the Directors believe that the terms of the Proposed Private Placement will be fair and reasonable, and is in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Company

Digital China Holdings Limited was established in 2000 and has been listed on the Main Board of the Stock Exchange since 2001. Since its inception, the Group has remained committed to the mission of "Digitalizing China" and upheld its core values of "Customer Success, Value Creation, Pursuing Excellence, and Open Collaboration". Committed to leadership in vision, technology and practice, the Group takes root in China with a global vision and strive for innovation. Guided by the "AI for Process" philosophy, the Group is steadfastly pursuing a strategic upgrade via "Data x AI." By leveraging its full-stack AI technologies and achievements in integrated supply chain scenarios, the Group continues to empower enterprises in intelligent process transformation, striving to build a new intelligent economy ecosystem characterized by technological autonomy and shared value.

DCITS

DCITS is a company established under the laws of the PRC with its issued shares listed on the Shenzhen Stock Exchange (stock code: 000555). Founded in 1996, DCITS is a major player in the fintech industry with over 300 financial software products. DCITS is committed to becoming a leading partner in the digital transformation of the financial sector. DCITS also provides top-tier services to over 2,000 financial institutions to meet demands in business applications, technical platforms and infrastructure.

Below are summaries selected consolidated financial information of DCITS prepared under the China Accounting Standards for Business Enterprises for the periods/dates indicated:

	Year ended December 31,	
	2024 *(RMB'000, audited)*	**2025** *(RMB'000, audited)*
Revenue	10,002,832	13,162,812
Net profit/(loss) before tax	(510,069)	12,731
Net profit/(loss) attributable to shareholders of the parent company	(524,060)	56,428

	As of December 31,	
	2024 *(RMB'000, audited)*	**2025** *(RMB'000, audited)*
Total assets	11,979,374	12,525,576
Net assets attributable to shareholders of the parent company	5,643,854	5,688,129

IMPLICATIONS UNDER THE LISTING RULES

Assuming that the maximum number of DCITS Shares will be issued pursuant to the Proposed Private Placement (i.e. 195,154,887 DCITS Shares) and that there is no change in the number of DCITS Shares in issue of DCITS from the date of this announcement to the completion of the Proposed Private Placement, the issue and allotment of the DCITS Shares pursuant to the Proposed Private Placement will result in a reduction of the Company's percentage of equity interest in DCITS by approximately 6.44%, and will therefore constitute a deemed disposal of the Company pursuant to Rule 14.29 of the Listing Rules. As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules for the Proposed Private Placement is more than 25% but less than 75%, the Proposed Private Placement, if proceeded with, constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

In the event that after the book building process for the Proposed Private Placement, any connected person(s) of the Company becomes a target subscriber which shall participate in the Proposed Private Placement, such participation will constitute a connected transaction of the Company, which is subject to the applicable requirements under Chapter 14A of the Listing Rules. Since participation by any connected person(s) in the Proposed Private Placement can only be determined after the book building process, it is currently envisaged that upon completion of the book building process, if any connected person does participate in the Proposed Private Placement, the Company will comply with the aforesaid applicable requirements as and when appropriate.

The Proposed Private Placement has been approved by the Board. As each of Mr. GUO Wei and Mr. CAI Yinghua is a director of DCITS, each of them has a material interest in the Proposed Private Placement and hence abstained from voting on the relevant Board resolutions. To the best of the Directors' knowledge, information and belief, none of the other Directors have a material interest in the Proposed Private Placement, and none of them were required to abstain or had abstained, from voting on the relevant Board resolutions.

SGM

The SGM will be convened to consider and, if thought fit, approve, among other things, the Proposed Private Placement. The voting in relation to the Proposed Private Placement at the SGM will be conducted by way of poll.

A circular containing, among other things, further details of the Proposed Private Placement, and other information as required under the Listing Rules will be despatched to the Shareholders on or before 19 May 2026.

Shareholders and potential investors of the Company should note that the Proposed Private Placement and relevant arrangements are conditional upon, among others, various regulatory and corporate approvals, market conditions and other considerations. Accordingly, the Proposed Private Placement may or may not occur. There is no assurance that the Proposed Private Placement will take place and, if so, when it may take place. This announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for DCITS Shares or Shares of the Company. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Board"	the board of Directors
"Company"	Digital China Holdings Limited （神州數碼控股有限公司*）, an exempted company incorporated under the laws of Bermuda with limited liability, whose shares are listed on the main board of the Stock Exchange
"connected person"	has the meaning ascribed to it under the Listing Rules
"CSRC"	the China Securities Regulatory Commission
"DCITS"	神州數碼信息服務集團股份有限公司 (Digital China Information Service Group Company Ltd.*), an indirect non-wholly owned subsidiary of the Company with its shares listed on the Shenzhen Stock Exchange (stock code: 000555)
"DCITS Board"	the board of directors of DCITS
"DCITS Shares"	the share(s) of DCITS with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange in force for the time being
"PRC"	the People's Republic of China
"Proposed Private Placement"	the proposed non-public issuance of DCITS Shares to not more than 35 specific target subscribers
"RMB"	Renminbi, the lawful currency of the PRC
"SGM"	the special general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Proposed Private Placement
"Share(s)"	the ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholders"	the shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"%"	per cent

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, 27 April 2026

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

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

Non-executive Directors: Ms. CONG Shan and Mr. LIU Jun Qiang

Independent Non-executive Directors: Dr. LIU Yun, John, Mr. KING William, Dr. GUO Song, Mr. CHAN Wai Hong, Michael and Dr. LI Jing

Website: www.dcholdings.com

**For identification purpose only*