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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Digital China Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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**DIGITAL CHINA HOLDINGS LIMITED**

**(神州數碼控股有限公司\*)**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00861)**

- (1) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL,  
(2) GENERAL MANDATES TO ISSUE SHARES,  
(3) PROPOSED REFRESHMENT OF THE SCHEME MANDATE  
LIMIT UNDER THE EXISTING SHARE OPTION SCHEME,  
(4) PROPOSED APPOINTMENT OF NOMINATED DIRECTORS,  
AND  
(5) NOTICE OF SGM**

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A notice convening the SGM is set out on pages 14 to 18 of this circular. If you are not able to attend the SGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the public office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjourned meeting thereof (as the case may be). Completion and return of the accompanying form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting thereof (as the case may be) should you so wish.

\* For identification purpose only

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context otherwise requires:*

“2001 Share Option Scheme”	the share option scheme adopted by the Company on 14 May 2001 which was terminated on 18 July 2002
“2002 Share Option Scheme”	the share option scheme adopted by the Company on 18 July 2002 which expired on 17 July 2012
“AGM”	the annual general meeting of the Company held on 31 May 2017
“Board”	the board of Directors of the Company
“business day(s)”	a day (excluding Saturdays, Sundays and public holidays) on which licensed banks in Hong Kong and in the PRC are generally open for business
“Bye-Laws”	the bye-laws of the Company
“CCASS”	The Central Clearing and Settlement System established and operated by the Hong Kong Securities Clearing Company Limited
“Company”	Digital China Holdings Limited (神州數碼控股有限公司*), an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00861)
“Director(s)”	the director(s) of the Company
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 15 August 2011
“Extension Mandate”	an authorisation to extend the Issue Mandate by an amount representing the aggregate nominal amount of the Shares bought back under the general and unconditional mandate granted to the Directors at the annual general meeting of the Company held on 31 May 2017 to exercise all the powers of the Company to buy back Shares up to 10% of the aggregate nominal amount of the issued share capital of the Company as at 31 May 2017
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of PRC

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## DEFINITIONS

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“Issue Mandate”	a general and unconditional mandate to the Directors to exercise all the powers of the Company to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the ordinary resolution in relation thereof, and the discount for any shares to be issued for cash shall not be 20% or more unless the Stock Exchange agrees otherwise
“Latest Practicable Date”	28 November 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining the information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Options”	the options granted under the Share Option Schemes to subscribe for Shares in accordance with the terms of the respective Share Option Schemes
“PRC”	the People’s Republic of China
“Rights Issue”	the rights issue of Shares on the basis of one (1) rights share for every four (4) existing Shares held by the Shareholders whose name appeared on the register of members of the Company on 18 August 2017, the particulars of which are contained in the prospectus of the Company dated 23 August 2017
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon exercise of all options to be granted under the Existing Share Option Scheme and any other share option schemes of the Company which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Existing Share Option Scheme and thereafter, if refreshed, shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“SFO”	the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong, as amended from time to time
“SGM”	a special general meeting of the Company to be convened and held at Taishan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 27 December 2017 at 10:30 a.m. (Hong Kong time) or any adjournment thereof
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company

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## DEFINITIONS

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“Share Option Schemes”	the 2002 Share Option Scheme and the Existing Share Option Scheme
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

\* *For identification purposes only*



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)

**Executive Directors:**

Mr. GUO Wei (*Chairman*)

Mr. LIN Yang (*Chief Executive Officer*)

**Independent Non-Executive Directors**

Mr. WONG Man Chung, Francis

Ms. NI Hong (*Hope*)

Dr. LIU Yun, John

Ms. YAN Xiaoyan

Prof. LAI Daniel, *BBS, JP*

**Registered Office:**

Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

**Head Office and Principal Place of  
Business in Hong Kong:**

Suite 2008, 20th Floor  
Devon House  
Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

4 December 2017

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL,  
(2) GENERAL MANDATES TO ISSUE SHARES,  
(3) PROPOSED REFRESHMENT OF THE SCHEME MANDATE  
LIMIT UNDER THE EXISTING SHARE OPTION SCHEME,  
(4) PROPOSED APPOINTMENT OF NOMINATED DIRECTORS,  
AND  
(5) NOTICE OF SGM**

**1. INTRODUCTION**

As disclosed in the announcement of the Company dated 31 May 2017 in relation to the poll results of the AGM, less than 50% of the votes were cast in favour of the following resolutions by the then Shareholders: (1) to approve the increase in authorised share capital; (2) to grant a general mandate to the Board to issue new shares of the Company not

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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exceeding 20% of the then issued share capital of the Company as at the date of the AGM; (3) to grant an extension mandate to the Board to extend the aforesaid issue mandate by an amount permitted under the Listing Rules; and (4) to approve the refreshment of the scheme mandate limited under the Existing Share Option Scheme (together with (1), (2) and (3), the “**Relevant Resolutions**”).

After the conclusion of the AGM, the Company’s management was highly concerned about the voting results and in particular, wished to understand the concerns of the then Shareholders who voted against the Relevant Resolutions. However, given that most of the Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, the Company did not have access to information as to which ultimate beneficial owners of the Shares voted for or against the Relevant Resolutions as well as to their shareholding percentage in the Company. Based on the communications with the Shareholders after the conclusion of the AGM, the Company’s management conjectured that the Shareholders may not have fully understood the latest business strategy of the Group and hence they were concerned about the dilution effect on their shareholdings in the Company in the event that the Company utilizes the general mandate and the refreshed scheme mandate if the Relevant Resolutions were passed.

In the listing document of the Company regarding the Rights Issue, it was stated that the Group would expand into various industries with the help of cloud computing, healthcare technologies, artificial intelligence and big data technologies, in order to fulfil its mission and vision pertaining to the “Digitalised China”. It is also disclosed that the Board intends to invest the majority funds raised through the Rights Issue in China Healthcare Big Data Technology Development Group Ltd.\* (中國健康醫療大數據科技發展集團有限公司), an entity principally engaged in the development and application of big data analysis in the healthcare industry. The successful completion of the Rights Issue, which was over-subscribed by nearly 16 times, clearly demonstrated the wide recognition of the Shareholders and investors of the Company regarding the Group’s business strategy and transformation towards cloud and big data services.

Apart from communicating with Shareholders through corporate communications, the Company also organised an investors’ conference on 18 September 2017 to further elaborate and reinforce its business strategy and meet with various Shareholders. At the conference, the management explained that since 2017, the Company has been transforming towards an innovative big data services provider by leveraging its advantages in multi-industry IT services and exploring key application areas such as precision medicine, modern agriculture, Sm@rt City and Sm@rt Manufacturing. To implement such business strategy, the Group has been (i) expanding its existing business in the areas of healthcare technologies, big data services and Sm@rt City; and (ii) seeking investment opportunities in fast-growing targets with prospects and synergies with the business of the Group. Further details are available in the announcement of the Company dated 18 September 2017.

During the investors’ conference, Shareholders present at the meeting enquired about (i) the expansion plan of the existing business of the Group; and (ii) the industry areas that the Group is keen to invest in externally. The Shareholders also asked how the Issue

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## LETTER FROM THE BOARD

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Mandate would be utilized if approved. The management introduced its strategic plan as follows: (1) to cooperate with reputable medical institutions and pharmaceutical companies to provide big data analysis services in the area of precision medicine; (2) to expand big data services through city information platform and data extraction and analysis technology for Sm@rt City; and (3) to integrate upstream and downstream resources for its supply chain business and to raise capital by introducing strategic investors to expand market share. As far as external investments are concerned, the Group will seek investment opportunities in related industries with a focus on healthcare and big data services and the Issue Mandate would be utilized when investment opportunities materialize where the seller prefers holding Shares and participating in the growth the Group to receiving cash consideration. Many Shareholders and investors indicated to the Company that they are supportive towards the business strategy and future development of the Group and they would like the Company to put forward the Relevant Resolutions to Shareholders for voting again. They appreciate that the Group is in a transforming stage and understand that the value of the transformation will ultimately be reflected in the value of the Shares despite the fact that their shareholdings may get diluted in the short term.

In addition, as disclosed in the announcement of the Company dated 15 September 2017 in relation to the results of the Rights Issue and adjustments of the share options of the Company, the number of Shares that the options holders are entitled to subscribe under the outstanding share options exceed the current Scheme Mandate Limit. The Company needs to seek approval from the Shareholders in relation to the refreshment of the scheme mandate limit as soon as practicable in order to effect the abovementioned adjustments.

The Board, having considered the financial flexibility that the Relevant Resolutions would bring to the Group when investment opportunities arise and the Shareholders' supportive attitude towards the business strategy and future development of the Group, is of the view that it is fair and reasonable and in the interest of the Shareholders as a whole to put forward the Relevant Resolutions at the SGM for Shareholders' consideration.

Accordingly, at the SGM, ordinary resolutions will be proposed to approve (1) the proposed increase in authorised share capital, (2) the granting of the Issue Mandate and the Extension Mandate, (3) the proposed refreshment of the scheme mandate limit, and (4) the proposed appointment of nominated directors.

The purpose of this circular is to provide you with the necessary information to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the SGM.

## **2. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

The current authorised share capital of the Company is HK\$200,000,000 divided into 2,000,000,000 Shares of HK\$0.10 each. As at the Latest Practicable Date, 1,677,261,976 Shares were in issue. In order to provide the Company with greater flexibility for future fund raisings as and when appropriate when investment opportunities arise or for other corporate purposes, the Board proposes to increase the authorised share capital of the Company to HK\$250,000,000 divided into 2,500,000,000 Shares by the creation of an

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additional 500,000,000 new Shares of HK\$0.10 each. An ordinary resolution, full text of which is set out as resolution no. 1 in the notice of SGM, will be proposed at the SGM to approve the proposed increase in authorised share capital of the Company.

As at the Latest Practicable Date, save and except any Shares which may be issued upon the exercise of the Options, the Directors do not have any present intention of issuing any part of the unissued authorised share capital of the Company.

### **3. ISSUE MANDATE AND EXTENSION MANDATE**

#### **Background of and reasons for the grant of the Issue Mandate**

The Directors are of the view that the grant of the Issue Mandate is in the interests of the Group and the Shareholders as a whole as the Group will be in a position to capture business development and/or investment opportunities which may arise from time to time and thereby maintain the financial flexibility for the Group's future business development and/or investment should any business opportunity arise that requires the issue of new Shares of the Company. The Issue Mandate will provide flexibility to the Board to issue consideration shares alongside cash raised from the Rights Issue.

At the SGM, an ordinary resolution, full text of which is set out as resolution no. 2 in the notice of SGM, will be proposed to the Shareholders to grant to the Directors the Issue Mandate. As at the Latest Practicable Date, the issued share capital of the Company comprised of 1,677,261,976 Shares and on the basis that no further Shares are issued or bought back by the Company prior to the date of the SGM, the Company will be allowed to issue up to a maximum of 335,452,395 Shares, being 20% of the issued share capital of the Company as at the Latest Practicable Date. Unless the Stock Exchange agrees otherwise, any Shares to be allotted and issued for cash under the authority granted by the proposed Issue Mandate shall not be at a discount of 20% or more to the "benchmark price" (as described in Rule 13.36(5) of the Listing Rules).

In addition, an ordinary resolution, full text of which is set out as resolution no. 3 in the notice of SGM, will be proposed at the SGM to grant to the Directors the Extension Mandate.

### **4. PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT**

The Company adopted the Existing Share Option Scheme at the annual general meeting of the Company held on 15 August 2011. Since the 2001 Share Option Scheme was terminated and the 2002 Share Option Scheme was expired, respectively, the Existing Share Option Scheme is the only share option scheme that remains effective as at the Latest Practicable Date.

The current Scheme Mandate Limit is 109,206,058 Shares, which represents 10% of the Shares in issue as at the date of approval and adoption of the Existing Share Option Scheme on 15 August 2011 in compliance with the Listing Rules. Immediately before the completion of the Rights Issue on 18 September 2017, there were outstanding share options entitling the

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holders to subscribe for an aggregate of 111,978,000 Shares. Immediately after the completion of the Rights Issue on 18 September 2017, the above number of Shares was adjusted to 117,504,897 Shares (i.e. 2,915,013 Shares under the 2002 Share Option Scheme and 114,589,884 Shares under the Existing Share Option Scheme) pursuant to the terms of the 2002 Share Option Scheme and the Existing Share Option Scheme as a result of the Rights Issue, subject to the approval of the Scheme Mandate Limit by the Shareholders at the SGM.

According to the terms of the Existing Share Option Scheme and the Listing Rules, subject to prior Shareholders' approval, the Company may, at any time thereafter, refresh the Scheme Mandate Limit to the extent not exceeding 10% of the Shares in issue as at the date of the said Shareholders' approval. As the Scheme Mandate Limit has depleted, the Board proposed to refresh the Scheme Mandate Limit so that the Company would be allowed to grant further options to eligible participants to reward such eligible participants for their contribution to the Company or motivate them to contribute to the success of the Company.

According to the Listing Rules:

- (1) the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2002 Share Option Scheme, the Existing Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the Shares in issue from time to time; and
- (2) the total number of Shares which may be issued upon exercise of all options to be granted under the Existing Share Option Scheme and any other share option schemes of the Company under the limit as "refreshed" must not exceed 10% of the Shares in issue as at the date of approval by the Shareholders of the refreshed limit.

Options previously granted under the Existing Share Option Scheme and any other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised) will not be counted for the purpose of calculating the Scheme Mandate Limit as "refreshed".

If the Scheme Mandate Limit is "refreshed", on the basis of 1,677,261,976 Shares in issue as at the Latest Practicable Date and assuming that no Shares will be issued or repurchased by the Company prior to the SGM, the Scheme Mandate Limit will be re-set at 167,726,197 Shares (being 10% of the Shares in issue as at the Latest Practicable Date) and the Company will be allowed to grant further options under the Existing Share Option Scheme carrying the rights to subscribe for a maximum of 167,726,197 Shares.

### **Reasons for the refreshment of the Scheme Mandate Limit**

Upon adjustments made as a result of the Rights Issue, the number of Shares that the options holders are entitled to subscribe under the outstanding share options is 117,504,897 Shares, which will exceed the current Scheme Mandate Limit. In addition,

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## LETTER FROM THE BOARD

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as at the Latest Practicable Date, options that are still available to be granted under the Scheme Mandate Limit only carry right to subscribe for 6,058 Shares. In view of the increase in the issued share capital of the Company, the Directors consider that it is in the interests of the Company and the Shareholders as a whole to refresh the Scheme Mandate Limit in order to provide the Company with greater flexibility in granting options to the eligible participants of the Company under the Existing Share Option Scheme as incentives to reward their contribution or potential contribution to the Company.

### **Conditions of the refreshment of the Scheme Mandate Limit**

The proposed refreshment of the Scheme Mandate Limit is conditional upon:

- (1) the passing of the ordinary resolution by the Shareholders at the SGM to approve the proposed refreshment of the Scheme Mandate Limit; and
- (2) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of options granted under the refreshed Scheme Mandate Limit.

### **Application for listing**

Application will be made to the Stock Exchange for granting approval of the listing of, and permission to deal in, the Shares which may be issued upon exercise of options to be granted under the refreshed Scheme Mandate Limit.

## **5. PROPOSED APPOINTMENT OF NOMINATED DIRECTORS**

The Board received a nomination notice from Guangzhou City Investment Co., Ltd.\* (廣州市城投投資有限公司) (“**GZ Investment**”) nominating Mr. YU Ziping and Mr. PENG Jing to be elected as non-executive Directors. As at the date of the deposit of the nomination notice, GZ Investment is holding, directly or indirectly, 365,151,928 Shares, representing approximately 21.77% of the total issued share capital of the Company. As the Board considers that it is in the best interest of the Company to put forward the Relevant Resolutions at the SGM for Shareholders’ consideration, the Board, having considered the details of the nomination notice, including the reasons for nomination and the biographic details of the nominated directors, also considers it appropriate to put forward the resolution of the proposed appointments of nominated directors at the SGM together with the Relevant Resolutions. The proposed election and appointment of each of the nominated directors is subject to the approval of the Shareholders by way of an ordinary resolution at the SGM.

Particulars of Mr. YU Ziping and Mr. PENG Jing, which have been reproduced from and are solely based on the information provided by GZ Investment, are set out in Appendix I to this circular. Such information has not been independently verified by the

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## LETTER FROM THE BOARD

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Company or the Directors. If any additional information is subsequently obtained and is considered to be necessary to be disclosed, the Board will make further announcement as and when appropriate.

### 6. SGM

A notice convening the SGM to be held at Taishan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 27 December 2017 at 10:30 a.m. is set out on pages 14 to 18 this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders in relation to the resolutions to be proposed at the SGM will be taken by poll. Further announcement on the results of the poll vote will be made by the Company after the SGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the resolution to be proposed at the SGM and therefore, no Shareholder is required to abstain from voting at the SGM.

A form of proxy for use at the SGM is also enclosed with this circular and such form is also available at the websites of the Company at [www.dcholdings.com.hk](http://www.dcholdings.com.hk) and the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). If you are not able to attend the SGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the public office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting thereof (as the case may be) should you so wish.

### 7. RECOMMENDATION

The Directors believe that (1) the proposed increase in authorised share capital, (2) the granting of the Issue Mandate and the Extension Mandate, (3) the proposed refreshment of the scheme mandate limit, and (4) the proposed appointment of nominated directors, are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM.

### 8. GENERAL INFORMATION

Your attention is drawn to additional information as set out in the appendices to this circular.

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## LETTER FROM THE BOARD

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### 9. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility (save for the information set out in Appendix I to this circular, which was provided by GZ Investment), includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular (save for the information set out in Appendix I to this circular, which was provided by GZ Investment) is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular or this circular misleading.

Yours faithfully,  
By Order of the Board  
**Digital China Holdings Limited**  
(神州數碼控股有限公司\*)  
**GUO WEI**  
*Chairman*

*The followings are biography details of Mr. YU Ziping and Mr. PENG Jing, the proposed directors nominated by GZ Investment, the wording of which were provided to the Company by GZ Investment, which have not been independently verified by the Company:*

**1. Mr. YU Ziping (“Mr. YU”)**

Mr. YU, aged 46, currently serves as the General Manager of Guangzhou Environment Energy CCI Capital Ltd. (“GEE”), the Chairman of Guangzhou Wisdom City Science and Technology Development Co., Ltd. (a joint venture of the Company and GEE), a director of Guangzhou Chengtou Runze Technology Co., Ltd., and the Legal Representative and General Manager of Guangzhou Wisdom Shipping Marketing Data Services Ltd., and is also a member of the Investment Committee of GZ Investment Group. Mr. YU graduated from Northeastern University in 1994 with a Bachelor’s Degree in Engineering and graduated from Jinan University in 2003 with MBA Degree. He obtained architect qualification in 2000.

Mr. YU had worked at several large state-owned enterprises and multinational joint ventures. During the period, he was responsible for the formation of companies, port shipping, urban infrastructure construction and investment operation and management, as well as the development of new industries and other business. In recent years, mainly focused on the wisdom city and big data business. He was the Commercial Manager of Business Development Department at Guangzhou Container Terminal Co., Ltd. from 2001 to 2003. He was the Manager of Investment Management Department, Plan Purchasing and Contract Management Department and Business Management Department at Guangzhou University City Investment & Management Co., Ltd. from 2003 to 2010.

Save as disclosed above, Mr. YU has not held any directorships in any other publicly listed companies, whether in Hong Kong or overseas, during the last three years. Apart from the relationship arising from his appointment of Non-executive Director of the Company and his serving as director and senior manager at GZ Investment Group, Mr. YU does not have any relationship with any other directors, senior management or substantial or controlling shareholders (as respectively defined in the Listing Rules) of the Company or have no other major appointments and professional qualifications.

The Company has not entered into any service agreement with Mr. YU. The appointment of Mr. YU is not subject to a fixed term of service. Nevertheless, he 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. Mr. YU will not receive any director’s emoluments during his term of office.

As at the Latest Practicable Date, Mr. YU (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 SFO; and (ii) does not hold any other positions in the Company or any of its subsidiaries.

Save as disclosed above, there are no other matters concerning the appointment of Mr. YU as an Non-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.

## **2. Mr. PENG Jing (“Mr. PENG”)**

Mr. PENG, aged 31, serves as the general manager assistant of Guangzhou City Investment Co., Ltd., the chairman and general manager of Guangzhou City Investment Micro Loan Co., Ltd., and the supervisor of Guangzhou City Jiapeng Investment Fund Management Co., Ltd.. Mr. PENG received a Bachelor’s Degree in literature from Guangzhou University in 2008 and received a Master’s Degree in business administration from Guangdong University of Finance and Economics in 2017.

Mr. PENG has served several large listed financial institutions and state-owned conglomerates, and has had nearly 10 years’ experience on financial investment and financing experience since 2008. During the period, he was responsible for bank credit, trade finance, international business and corporate financial investment. He has established several companies to invest in funds, finance lease, small loans, urban infrastructure construction and investment operation management, as well as the development of emerging industries. In recent years, he has focused on financial investment and financing, participated in the establishment of big data funds and construction funds, and participated in the relevant investment projects of the group’s smart cities.

Save as disclosed above, Mr. PENG has not held any directorships in any other publicly listed companies, whether in Hong Kong or overseas, during the last three years. Apart from the relationship arising from his appointment of Non-executive Director of the Company and his serving as senior manager at GZ Investment Group. Mr. PENG does not have any relationship with any other directors, senior management or substantial or controlling shareholders (as respectively defined in the Listing Rules) of the Company or have no other major appointments and professional qualifications.

The Company has not entered into any service agreement with Mr. PENG. The appointment of Mr. PENG is not subject to a fixed term of service. Nevertheless, he 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. Mr. PENG will not receive any director’s emoluments during his term of office.

As at the Latest Practicable Date, Mr. PENG (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 SFO; and (ii) does not hold any other positions in the Company or any of its subsidiaries.

Save as disclosed above, there are no other matters concerning the appointment of Mr. PENG as an Non-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.



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)

**NOTICE OF SPECIAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “SGM”) of Digital China Holdings Limited (the “Company”) will be held at Taishan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 27 December 2017 at 10:30 a.m. or any adjournment thereof (as the case may be) to consider and, if thought fit, with or without modifications, pass the following resolutions as ordinary resolutions of the Company:

**ORDINARY RESOLUTIONS**

1. **“THAT:**

- (a) the authorised share capital of the Company be increased from HK\$200,000,000 divided into 2,000,000,000 shares of HK\$0.10 each to HK\$250,000,000 divided into 2,500,000,000 shares of HK\$0.10 each (“**Increase in Authorised Share Capital**”) by the creation of an additional 500,000,000 new shares of HK\$0.10 each and such shares shall rank pari passu with all existing shares of the Company; and
- (b) any one Director be and is hereby authorised for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in and to give effect to the Increase in Authorised Share Capital.”

2. **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company)

\* For identification purposes only

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which would or might require the exercise of such powers during or after the end of the Relevant Period be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of share capital allotted, issued or otherwise dealt with, or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with, (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company, or (iii) the exercise of options granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to eligible participants of the Company and/or any of its subsidiaries of rights to acquire shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-Laws of the Company, or (v) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed twenty per cent. (20%) of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution, and the said approval shall be limited accordingly;
- (c) unless The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) agrees otherwise, any shares of the Company to be allotted and issued for cash pursuant to the approval in paragraph (a) of this Resolution shall not be at a discount of twenty per cent. (20%) or more of the Benchmarked Price (as defined below) of such shares of the Company;
- (d) for the purposes of this Resolution:
  - “Benchmarked Price” means the higher of:
    - (i) the closing price of the shares of the Company as quoted on the Stock Exchange on the date of the agreement involving the relevant proposed issue of shares of the Company; and
    - (ii) the average closing price as quoted on the Stock Exchange of the shares of the Company for the 5 trading days immediately preceding the earlier of the date: (A) of announcement of the transaction or arrangement involving the relevant proposed issue of shares of the Company, (B) of the agreement involving the relevant proposed issue of shares of the Company and (C) on which the price of shares of the Company that are proposed to be issued is fixed.

and

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“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or any applicable laws of Bermuda to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given under this Resolution.

“Rights Issue” means an offer of shares or issue of options, warrants or other securities which carry a right to subscribe for or purchase shares of the Company open for a period fixed by the directors of the Company to holders of shares of the Company on the register of shareholders of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of the shares of the Company (or, where appropriate, such other securities) (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

3. “**THAT** conditional upon the passing of Resolutions numbered 2 set out in the notice convening this meeting, the general mandate granted to the directors of the Company pursuant to Resolution numbered 2 set out in the notice convening this meeting and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the shares of the Company bought back by the Company under the authority granted pursuant to a buy-back mandate granted to the board of directors at the annual general meeting of the Company held on 31 May 2017, provided that such extended amount shall not exceed ten per cent. (10%) of the aggregate nominal amount of the share capital of the Company in issue as at 31 May 2017.”

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4. “**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the shares in the share capital of the Company (the “**Shares**”) to be issued pursuant to the exercise of options which may be granted under the refreshed scheme mandate limit (the “**Scheme Mandate Limit**”) under the share option scheme adopted by the Company on 15 August 2011 (the “**Scheme**”) in the manner as set out in paragraph (a) of this resolution below:
- (a) the refreshment of the Scheme Mandate Limit be and is hereby approved provided that the total number of Shares which may be allotted and issued upon exercise of any options to be granted under the Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised in accordance with the Scheme) shall not exceed 10% of the Shares in issue as at the date of the passing of this resolution; and
- (b) the directors of the Company be and are hereby authorised to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”
5. “**THAT** Mr. YU Ziping be appointed as non-executive director of the Company.”
6. “**THAT** Mr. PENG Jing be appointed as non-executive director of the Company.”

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

Hong Kong, 4 December 2017

**Notes:**

- (i) For the purposes of determining shareholders’ eligibility to attend and vote at the forthcoming special general meeting to be held on Wednesday, 27 December 2017, the register of members of the Company will be closed. Details of such closure are set out below:

*For determining eligibility to attend and vote at the forthcoming special general meeting:*

Latest time to lodge transfer documents for registration	4:30 p.m. on Tuesday, 19 December 2017
Closure of register of members	Wednesday, 20 December 2017 to Wednesday, 27 December 2017 (both dates inclusive)
Record date	Tuesday, 19 December 2017

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During the above closure period, no transfer of shares will be registered. To be eligible to attend and vote at the forthcoming special general meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration at the public office of Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than the aforementioned latest time.

- (ii) Any shareholder of the Company entitled to attend and vote at the special general meeting or any adjournment thereof (as the case may be) shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
- (iii) Where there are joint holders of any share of the Company, any one of such joint holders may vote at the special general meeting or any adjournment thereof (as the case may be), either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the general meeting or any adjournment thereof (as the case may be), then one of the said persons so present whose name stands first on the register of shareholders of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (iv) To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be deposited at the public office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the special general meeting or any adjourned meeting thereof (as the case may be). Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the special general meeting or at any adjourned meeting thereof (as the case may be).