
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**GENERAL MANDATES TO ISSUE SHARES
AND TO BUY BACK SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
DISTRIBUTION OF FINAL DIVIDEND
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM is set out on pages 15 to 20 of this circular. If you are not able to attend the AGM 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 54, 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 AGM 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 AGM or any adjourned meeting thereof (as the case may be) should you so wish.

PRECAUTIONARY MEASURES FOR THE AGM

Please see page 1 of this circular for measures being taken to try to safeguard the health and safety of the attendees and to prevent and control the spread of the Coronavirus at the AGM, including:

- **compulsory temperature checks and health declarations**
- **compulsory wearing of surgical face masks**
- **not serving any refreshments**

Any person who does not comply with the precautionary measures may be denied entry into the AGM venue or be required to leave the AGM venue. The Company reminds all Shareholders that physical attendance in person at the AGM is NOT necessary for the purpose of exercising voting rights and would like to encourage Shareholders to appoint the Chairman of the meeting as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person.

18 May 2021

* For identification purpose only

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PRECAUTIONARY MEASURES FOR THE AGM

In view of the ongoing novel coronavirus (COVID-19) pandemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the AGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendees at the entrance of the AGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the AGM venue or be required to leave the AGM venue.
- (ii) All Shareholders, proxies and other attendees are required to complete and submit at the entrance of the AGM venue a declaration form confirming their names, contact details and body condition, and state that whether in the preceding 21 days to their best knowledge they (1) have travelled outside of Hong Kong; (2) are subject to any HKSAR Government prescribed quarantine requirement; (3) had close contact with any confirmed cases or close contact with any person under quarantine or with recent travel history; or (4) have flu-like symptoms, fever or pneumonia etc.. Any person who responds positively to any of these questions may be denied entry into the AGM venue or be required to leave the AGM venue.
- (iii) Attendee must wear a surgical face mask inside the AGM venue at all times, and to maintain a safe distance between seats.
- (iv) No refreshments will be served.
- (v) No eating in the AGM venue.
- (vi) Please leave the AGM venue as soon as possible after the AGM.

To the extent permitted under law, the Company reserves the right to deny entry into the AGM venue or require any person to leave the AGM venue in order to ensure the safety of the attendees at the AGM.

In the interest of all stakeholders' health and safety, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. As an alternative, strongly recommended by using a form of proxy with voting instructions inserted, Shareholders, particularly those who are subjected to quarantine, may appoint the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person.

The form of proxy is attached to this circular for Shareholders who opt to receive physical circulars. Alternatively, the form of proxy can be downloaded from the website of the Stock Exchange (www.hkexnews.hk) and the "Investor Relations - Announcements" section of the website of the Company (www.dcholdings.com). If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

Shareholders are strongly recommended not to attend the AGM in person. If Shareholders have any questions about the relevant resolutions, or about the Company or any matters for communication with the Board, they are welcome to contact the Company via Investor Relations Department as follows:

Investor Relations Department
Email: ir@dcholdings.com
Tel: +852 3416-8085

If Shareholders have any questions relating to the AGM, please contact the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited as follows:

Tricor Abacus Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong
E-mail: is-enquiries@hk.tricorglobal.com
Tel: +852 2980-1333
Fax: +852 2890-9350

DEFINITIONS

In this circular, except where the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at 31st Floor, Fortis Tower, 77-79 Gloucester Road, Wanchai, Hong Kong on Wednesday, 30 June 2021 at 10:30 a.m. or any adjournment thereof, notice of which is set out on pages 15 to 20 of this circular
“Board”	the board of Directors
“Buy-back Mandate”	a general and unconditional mandate to the Directors 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 the date of passing of the ordinary resolution in relation thereof
“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
“Director(s)”	the director(s) of the Company
“Extension Mandate”	an authorisation to extend the Issue Mandate by an amount representing the aggregate nominal amount of the Shares bought back under the Buy-back Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKEx”	Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

* For identification purpose only

DEFINITIONS

“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”	14 May 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“New Bye-Laws”	the new bye-laws of the Company, as amended, modified or otherwise supplemented from time to time
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs, as amended from time to time
“%”	per cent

LETTER FROM THE BOARD



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 and Chief Executive Officer)
Mr. LIN Yang *(Vice Chairman)*

Non-executive Directors:

Mr. PENG Jing
Mr. ZENG Shuigen

Independent Non-executive Directors:

Mr. WONG Man Chung, Francis
Ms. NI Hong (Hope)
Dr. LIU Yun, John
Ms. YAN Xiaoyan
Mr. KING William

Registered Office:

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

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

31st Floor
Fortis Tower
77-79 Gloucester Road
Wanchai
Hong Kong

18 May 2021

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE SHARES
AND TO BUY BACK SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
DISTRIBUTION OF FINAL DIVIDEND
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

At the AGM, ordinary resolutions will be proposed to approve, among others, (1) the granting of the Issue Mandate, (2) the granting of the Buy-back Mandate, (3) the granting of the Extension Mandate, (4) the re-election of the retiring Directors and (5) the distribution of final dividend for the year ended 31 December 2020.

* For identification purpose only

LETTER FROM THE BOARD

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

2. ISSUE MANDATE AND BUY-BACK MANDATE

At the AGM, an ordinary resolution, full text of which is set out as resolution no. 5(1) in the notice of AGM, 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 1,672,768,386 Shares and on the basis that no further Shares are issued or bought back by the Company prior to the date of the AGM, the Company will be allowed to issue up to a maximum of 334,553,677 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 “benchmarked price” (as described in Rule 13.36(5) of the Listing Rules).

At the AGM, an ordinary resolution, full text of which is set out as resolution no. 5(2) in the notice of AGM, will be proposed to the Shareholders to grant to the Directors the Buy-back Mandate. An explanatory statement in compliance with Rule 10.06(1)(b) of the Listing Rules relating to the Buy-back Mandate is set out in Appendix I to this circular.

In addition, an ordinary resolution, full text of which is set out as resolution no. 5(3) in the notice of AGM, will be proposed at the AGM to grant to the Directors the Extension Mandate.

3. RE-ELECTION OF THE RETIRING DIRECTORS

Resolution no. 3 as set out in the notice of AGM relates to re-election of the retiring Directors.

In accordance with Bye-Law 99 of the New Bye-Laws, Dr. LIU Yun, John, Ms. YAN Xiaoyan and Mr. KING William will retire from office by rotation. Ms. YAN Xiaoyan has informed the Company that she will not offer herself for re-election and accordingly will retire as independent non-executive Director after the conclusion of the forthcoming AGM. Save for Ms. YAN Xiaoyan, the other retiring directors, being eligible, will offer themselves for re-election at the AGM.

Ms. YAN Xiaoyan has confirmed that she has no disagreement with the Board and there is no matter relating to her retirement that needs to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its gratitude to Ms. YAN Xiaoyan for her contribution during her term of service with the Company.

LETTER FROM THE BOARD

In accordance with Bye-Law 102(A) of the New Bye-Laws, Mr. ZENG Shuigen who was appointed as a director of the Company in the annual general meeting of the Company held on 30 June 2020 is subject to retirement and re-election at the AGM in accordance with the New Bye-Laws, Mr. ZENG Shuigen will offer himself for re-election at the AGM.

Particulars of the retiring Directors subject to re-election are set out in Appendix II to this circular.

4. DISTRIBUTION OF FINAL DIVIDEND

As disclosed in the announcement of the Company dated 30 March 2021, the Board recommended the payment of a final dividend of HK10 cents per Share for the year ended 31 December 2020. Subject to approval of the Shareholders at the AGM, the final dividend is expected to be paid on Wednesday, 21 July 2021 to the Shareholders whose names appear on the register of members of the Company at 4:30 p.m. on Thursday, 8 July 2021.

In order to qualify for the final dividend, all transfer documents, accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Thursday, 8 July 2021.

5. AGM

The notice convening the AGM is set out on pages 15 to 20 of this circular.

A form of proxy for use at the AGM is enclosed with this circular and such form is also available at the websites of the Company at www.dcholdings.com and the Stock Exchange at www.hkexnews.hk. If you are not able to attend the AGM 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 54, 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 AGM 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 AGM or any adjourned meeting thereof (as the case may be) should you so wish.

6. VOTING AT THE AGM

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at a general meeting must be taken by poll. As such, all resolutions to be proposed at the AGM will be put to vote by way of poll.

LETTER FROM THE BOARD

After the closure of the AGM, an announcement on the poll results will be published on the Company's website at www.dcholdings.com and the Stock Exchange's website at www.hkexnews.hk.

7. CLOSURE OF REGISTER OF MEMBERS

The transfer books and register of members will be closed from Friday, 25 June 2021 to Wednesday, 30 June 2021, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for attending the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Thursday, 24 June 2021.

8. RECOMMENDATION

The Directors believe that (1) the grant of the Issue Mandate, (2) the grant of the Buy-back Mandate, (3) the grant of the Extension Mandate, (4) the re-election of the retiring Directors and (5) the distribution of final dividend are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of the relevant resolutions to be proposed at the AGM.

9. GENERAL INFORMATION

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

10. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, 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 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 herein or this circular misleading.

Yours faithfully,

By Order of the Board

GUO Wei

Chairman and Chief Executive Officer

The following explanatory statement contains all the information required by the Listing Rules in connection with the Buy-back Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$250,000,000 divided into 2,500,000,000 Shares of HK\$0.10 each and the number of Shares in issue was 1,672,768,386.

Subject to the passing of the ordinary resolution for approving the Buy-back Mandate at the AGM and on the basis that no further Shares will be issued or bought back between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Buy-back Mandate to buy back up to a maximum of 167,276,838 Shares during the period in which the Buy-back Mandate remains in force. Any Shares bought back pursuant to the Buy-back Mandate must be fully paid-up.

REASONS FOR BUY-BACKS

The Directors believe that the Buy-back Mandate is in the interests of the Company and the Shareholders as a whole. Such buy-backs may, depending on the market conditions and funding arrangements, result in an increase in net assets and/or earnings per Share. The Directors are seeking the Buy-back Mandate to give the Company the flexibility to buy back Shares if and when appropriate. The Directors will decide the number of Shares to be bought back on each occasion and the price and other terms upon which the same are bought back at the relevant time having regard to the circumstances then pertaining.

FUNDING OF BUY-BACKS

It is envisaged that any buy-back would be funded out of funds legally available for such purpose under the Companies Act 1981 of Bermuda (as amended) and the memorandum of association and the New Bye-Laws, i.e. either from the capital paid up thereon or out of the funds of the Company which would otherwise be available for dividend or distribution or from proceeds of a new issue of Shares made for such purpose. The premium payable on buy-backs (if any) shall be provided for out of the funds of the Company which would otherwise be available for dividend or distribution or out of the Company's share premium account before the Shares are bought back. The working capital or gearing position of the Company could be adversely affected (as compared with the position disclosed in the audited consolidated financial statements of the Company for the year ended 31 December 2020) in the event that the proposed Buy-back Mandate were to be carried out in full at any time during the period which the Buy-back Mandate remains in force. However, the Directors do not propose to exercise the Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company as is from time to time appropriate.

DIRECTORS AND CORE CONNECTED PERSONS

None of the Directors nor, to their best knowledge and having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) presently intend to sell Shares to the Company in the event that the Buy-back Mandate is granted by the Shareholders.

No core connected persons (as defined in the Listing Rules) of the Company have notified the Company of a present intention to sell Shares to the Company and no such persons have undertaken not to sell any such Shares to the Company in the event that the Buy-back Mandate is granted by the Shareholders.

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make buy-backs pursuant to the Buy-back Mandate in accordance with the Listing Rules, the New Bye-Laws and the applicable laws of Bermuda.

TAKEOVERS CODE

If, as a result of a share buy-back, a Shareholder's proportionate interest in the voting rights of the Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, according to the register kept by the Company under Section 336 of Part XV of the SFO and to the best knowledge of the Directors, Guangzhou City Infrastructure Investment Group Limited* (廣州市城市建設投資集團有限公司) (“**GZ Infrastructure**”) was deemed as the single largest shareholder of the Company which was deemed to be interested in 331,201,928 Shares (representing approximately 19.8% of the issued share capital of the Company). Out of these 331,201,928 Shares of the Company in aggregate, 299,760,000 Shares were held by Guangzhou City Investment Jiazi Investment Partnership (Limited Partnership)* (廣州城投甲子投資合夥企業(有限合夥)) (“**GZ Jiazi**”) and 31,441,928 Shares were held by Suitong Hong Kong Company Limited* (穗通(香港)有限公司) (“**Suitong HK**”). GZ Jiazi is owned as to 99.96% by Guangzhou City Investment Co., Ltd.* (廣州市城投投資有限公司) (“**GZ Investment**”) and 0.04% by Guangzhou City Investment Jiapeng Industry Investment Fund Management Co., Ltd.* (廣州城投佳朋產業投資基金管理有限公司) (“**GZ Jiapeng**”), which is in turn wholly-owned by GZ Investment. Suitong HK is wholly-owned by GZ Investment. GZ Investment is owned as to 80% by GZ Infrastructure and 20% by Guangzhou Industry Investment Fund Management Co. Ltd.* (廣州產業投資基金管理有限公司) (“**GZ Industry Fund**”) which is wholly owned by GZ Infrastructure. In the event that the Buy-back Mandate is to be exercised in full and assuming that there is no alteration to the existing shareholdings of the Company, the shareholding of GZ Infrastructure would increase to approximately 22% of the issued share capital of the Company. Unless its shareholdings is aggregated with other parties which are deemed by the Securities and Futures Commission to be its concert parties, such increase in its shareholdings as a result of the exercise in full of the Buy-back Mandate will not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

* For identification purpose only

Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of exercising the Buy-back Mandate in full. The Directors do not currently intend to exercise the Buy-back Mandate to an extent which would trigger a mandatory offer under Rules 26 and 32 of the Takeovers Code. In addition, the Directors do not intend to exercise the Buy-back Mandate to an extent which would result in the number of Shares in the hands of the public falling below 25% of the issued share capital of the Company.

SHARE BUY-BACKS MADE BY THE COMPANY

No buy-back of Shares (whether on the Stock Exchange or otherwise) has been made by the Company during the six months preceding the Latest Practicable Date.

MARKET PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve calendar months preceding the Latest Practicable Date and up to that date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2020		
May	4.53	4.14
June	5.19	4.17
July	6.88	5.04
August	6.67	6.05
September	6.73	5.52
October	6.66	5.7
November	6.22	5.73
December	6.97	6.15
2021		
January	6.41	5.72
February	6.32	5.71
March	5.8	5.24
April	6.03	5.58
May (up to the Latest Practicable Date)	5.78	5.19

Information as required to be disclosed under the Listing Rules on the retiring Directors for re-election at the AGM are set out as follows:

Dr. LIU Yun, John, aged 57, has been an Independent Non-executive Director of the Company since 25 March 2014. Dr. Liu is the board member of the Board of Directors of dormakaba Holdings AG (whose shares are listed in the SIX Swiss Exchange) since October 2020 and appointed as the CEO of Shenzhen Afiniti Technology Co. Ltd. since 1 October 2020. He was the board member of the Board of Directors and the Chief Executive Officer of VOSS (an international bottled water brand) and the Chief Advisor of Reignwood Holdings Pte Ltd. (Singapore). He was also the Vice President and Chief Operating Officer of Wanda Internet Technology Group from March 2017 to May 2018, an Independent Non-Executive Director of ARM Holdings Plc. (listed on the London Stock Exchange) from December 2014 to September 2016 and a Senior Vice President of Greater China Field Division of Conservation International from June 2016 to September 2016. He was also the Chief Business Officer of Qihoo 360 Technology Co. Ltd. from January 2014 to August 2015. Prior to that, he held senior positions in various renowned companies in the communication or networking or software arena as follows: Corporate Vice President and Head of Greater China of Google Inc. from 2008 to 2013; Chief Executive Officer, China Operations of SK Telecom Co., Ltd. from 2002 to 2007; General Manager, Greater China of FreeMarkets Inc. from 2000 to 2002; Chief Executive Officer, China Operations of SITA Communication from 1999 to 2000; General Manager, Telecommunication Group of The Lion Group from 1997 to 1999 and Country Director, Greater China of Singapore Telecommunications Limited from 1994 to 1997.

Dr. Liu graduated from Beijing Normal University with a Bachelor's Degree in Mathematics in 1983 and obtained his Ph.D in Telecommunications Network Management from Technical University of Denmark in 1997. In 2011, Dr. Liu undertook a Senior Executive Program of Harvard Business School.

Save as disclosed above, Dr. Liu has not held any directorship in any other public listed companies, whether in Hong Kong or overseas, in the last three years and has no other major appointments and professional qualifications. He does not hold any other position with the Company and other members of the Company's group.

Other than the relationship arising from his directorship in the Company, Dr. Liu does not have any relationship with any 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.

As at the Latest Practicable Date, Dr Liu is personally interested in 100,000 shares of the Company, representing approximately 0.006% of the issued share capital of the Company. Dr. Liu has also been granted options to subscribe for 2,000,000 Shares at an exercise price of HK\$6.60 per Share, details of the conditions for vesting and exercising share options were stated in the circular to shareholders of the Company dated 25 August 2020. Save as disclosed above, Dr. Liu does not have, and is not deemed to have, any interest in any Shares or underlying Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

There is no service agreement between the Company and Dr. Liu. The appointment of Dr. Liu is not subject to fixed term of service, but is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with Bye-Law 99 of the New Bye-Laws of the Company. The annual director's fee of Dr. Liu is HK\$300,000 which was determined by reference to the remuneration benchmark in the market. Dr. Liu has no other emoluments including bonus and other allowance.

Save as disclosed above, Dr. Liu has confirmed that there are no other matters or information relating to his re-election that need to be brought to the attention of the Shareholders or to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules.

Mr. KING William, aged 54, was appointed as an Independent Non-executive Director of the Company with effect from 29 June 2018. Mr. King was the Managing Director of Russell Reynolds Associates, Hong Kong from October 2018 to December 2019 and a partner at Egon Zehnder International (Shanghai) Company Limited, a leading executive search firm, from January 2007 to May 2016. Prior to that, Mr. King held several leadership roles with some of the global technology companies as follows: Chief Operating Officer at eBay China from April 2005 to November 2006, General Manager of AT&T Greater China from August 2002 to April 2005, Director of Telecommunications and Media at Credit Suisse First Boston (CSFB), Hong Kong from September 2001 to April 2002, Head of Corporate Planning and Development at Hong Kong Telecom and PCCW from September 1999 to September 2001; Senior Associate at Booz Allen & Hamilton from 1995 to September 1999 and Senior Systems Consultant with IBM Corporation in the US from February 1988 to July 1993.

Mr. King received a Bachelor of Science Degree in Electrical Engineering from University of Michigan and MBA with Finance major from the Wharton School of Business at the University of Pennsylvania.

Save as disclosed above, Mr. King has not held any directorship in any other public listed companies, whether in Hong Kong or overseas, in the last three years and has no other major appointments and professional qualifications. He does not hold any other position with the Company and other members of the Company's group.

Other than the relationship arising from his directorship in the Company, Mr. King does not have any relationship with any 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.

As at the Latest Practicable Date, Mr. King is personally interested in 100,000 shares of the Company, representing approximately 0.006% of the issued share capital of the Company. Mr. King has also been granted options to subscribe for 2,000,000 Shares at an exercise price of HK\$6.60 per Share, details of the conditions for vesting and exercising share options were stated in the circular to shareholders of the Company dated 25 August 2020. Save as disclosed above, Mr. King does not have, and is not deemed to have, any interest in any Shares or underlying Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

There is no service agreement between the Company and Mr. King. The appointment of Mr. King is not subject to fixed term of service, but is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with Bye-Law 99 of the New Bye-Laws 99 of the Company. The annual director's fee of Mr. King is HK\$300,000 which was determined by reference to the remuneration benchmark in the market. Mr. King has no other emoluments including bonus and other allowance.

Save as disclosed above, Mr. King has confirmed that there are no other matters or information relating to his re-election that need to be brought to the attention of the Shareholders or to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules.

Mr. ZENG Shuigen, aged 43, has been a Non-executive Director of the Company since 30 June 2020. Mr. Zeng serves as the Secretary and director of party branch of Guangzhou Urban Planning Technology Development Services Department Co., Ltd. and the legal representative and chairman of Guangzhou City Investment Ziguang Cloud Co., Ltd. and has been appointed as the Director of Guangzhou Broadband Backbone Network Co. Ltd. since December 2020. He is also a director of several group companies of Guangzhou City Infrastructure Investment Group Limited (“**GZ Infrastructure**”). Mr. Zeng graduated from Northeast Electric Power University in 2006 with a Master’s degree in computer application technology. He obtained senior engineer qualification in November 2014, and information system project manager qualification in May 2015.

Mr. Zeng has rich experience in smart city and big data planning and implementation, and participated in the establishment of several big data joint ventures in recent years. He joined GZ Infrastructure group in August 2017 and was the technical director of Guangzhou City Intelligence Technology Investment Co. Ltd. (formerly known as Guangzhou Environment Energy CCI Capital Ltd.), serving the construction of Guangzhou smart city. He was the research and development director of Nanjing big data information group of the Jusfoun Big Data Information Group Co., Ltd. and vice general manager of Anhui Zhongkang big data Co., Ltd. from April 2016 to August 2017, and responsible for the planning, R&D and implementation of multiple big data platforms.

Save as disclosed above, Mr. Zeng has not held any directorship in any other public listed companies, whether in Hong Kong or overseas, in the last three years and has no other major appointments and professional qualifications. He does not hold any other positions with the Company and other members of the Company’s group.

Other than the relationship arising from his directorship in the Company and his serving as director and senior management at GZ Infrastructure Group, Mr. Zeng does not have any relationship with any 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.

As at the Latest Practicable Date, Mr. Zeng does not have, and is not deemed to have, any interest in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

There is no service agreement between the Company and Mr. Zeng. The appointment of Mr. Zeng is not subject to fixed term of service, but is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with Bye-Law 102(A) of the New Bye-Laws of the Company. Mr. Zeng will not receive any director’s emoluments during his term of office.

Save as disclosed above, Mr. Zeng has confirmed that there are no other matters or information relating to his re-election that need to be brought to the attention of the Shareholders or to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

NOTICE OF AGM



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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Digital China Holdings Limited (the “**Company**”) will be held at 31st Floor, Fortis Tower, 77-79 Gloucester Road, Wanchai, Hong Kong on Wednesday, 30 June 2021 at 10:30 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditor for the year ended 31 December 2020.
2. To declare final dividend for the year ended 31 December 2020.
3.
 - (i) To re-elect Dr. LIU Yun, John as an independent non-executive director of the Company.
 - (ii) To re-elect Mr. KING William as an independent non-executive director of the Company.
 - (iii) To re-elect Mr. ZENG Shuigen as a non-executive director of the Company.
 - (iv) To authorise the board of directors of the Company (the “**Board**”) to fix the directors’ remuneration.
4. To re-appoint SHINEWING (HK) CPA Limited as auditor of the Company and to authorise the Board to fix their remuneration.

NOTICE OF AGM

5. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions with or without modifications:

ORDINARY RESOLUTIONS

- (1) **“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) 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 new Bye-Laws of the Company (**“New Bye-Laws”**), 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 20% or more of the Benchmarked Price (as defined below) of such shares of the Company;

NOTICE OF AGM

(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

“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 New Bye-Laws 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).”

NOTICE OF AGM

- (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 buy back issued shares in the capital of the Company on the Stock Exchange or on any other stock exchange on which the shares of the Company may be listed and is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of shares of the Company which may be bought back by the Company pursuant to the approval in paragraph (a) of this Resolution shall not exceed ten per cent. (10%) 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; and
 - (c) for the purposes of this Resolution, “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 New Bye-Laws 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.”

NOTICE OF AGM

- (3) “**THAT** conditional upon the passing of Resolutions numbered 5(1) and 5(2) set out in the notice convening this meeting, the general mandate granted to the directors of the Company pursuant to Resolution numbered 5(1) 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 Resolution numbered 5(2) set out in the notice convening this meeting, 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 at the date of the passing of this Resolution.”

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, 18 May 2021

Notes:

- (i) Any shareholder of the Company entitled to attend and vote at the annual 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.
- (ii) Where there are joint holders of any share of the Company, any one of such joint holders may vote at the annual 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 annual 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.
- (iii) 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the annual 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 annual general meeting or at any adjourned meeting thereof (as the case may be).

NOTICE OF AGM

- (iv) The transfer books and register of members of the Company will be closed from Friday, 25 June 2021 to Wednesday, 30 June 2021 (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to qualify for attending the annual general meeting, all transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 24 June 2021 for registration.
- (v) In relation to the proposed resolution numbered 2 above, the proposed final dividend will be payable to the shareholders whose names appear on the register of members of the Company as at 4:30 p.m. on Thursday, 8 July 2021. In order to qualify for the proposed final dividend, all transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 8 July 2021 for registration.
- (vi) PRECAUTIONARY MEASURES FOR THE AGM

Please see page 1 of the circular dated 18 May 2021 for measures being taken to try to prevent and control the spread of the Coronavirus at the AGM, including:

- compulsory temperature checks and health declarations
- compulsory wearing of surgical face masks
- not serving any refreshments

Any person who does not comply with the precautionary measures may be denied entry into the AGM venue. Attendees must wear a surgical face mask and Shareholders may appoint the Chairman of the meeting as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person.

* *For identification purpose only*