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GRANT OF SHARE OPTIONS TO INDEPENDENT NON-EXECUTIVE DIRECTOR

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of Digital China Holdings Limited(神州數碼控股有限公司*) (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that 1,000,000 share options were granted to Mr. Timothy Yung-cheng CHEN (“**Mr. CHEN**” or “**Grantee**”), being the Independent Non-executive Director of the Company on 16 July 2021 (the “**Grant**”) under the share option scheme adopted by the Company on 15 August 2011 (the “**Scheme**”), subject to the acceptance of the Grantees:

The followings are the details of the Share Options granted:

Date of grant	:	16 July 2021
Total number of Share Options granted	:	1,000,000 Share Options representing the rights to subscribe for up to a total of 1,000,000 new ordinary shares of HK\$0.10 each in the Company (the “ Shares ”)
Exercise price of Share Options granted	:	HK\$4.82 per Share, representing the highest of: <ul style="list-style-type: none">(i) the closing price of HK\$4.82 per Share as stated in the daily quotation sheets of the Stock Exchange on the date of grant;(ii) the average closing price of HK\$4.796 per Share as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the date of grant; and

(iii) the nominal value of HK\$0.10 per Share

Closing price of the Shares on the date of grant : HK\$4.82 per Share

Conditions for the vesting and exercising Share Options : The vesting and exercise of the Share Options shall be conditional upon satisfaction of, among others, certain performance conditions (including, among others, key performance indicators, profit performance target(s) and/or individual results performance target etc.) for the year ending 31 December 2021 and 2022 as set out in the respective granting document (if any) and the following conditions:

(a) the Group's audited net profit after tax (before share-based payment expenses) and deduction of net profit after tax attributable to non-controlling interests for the financial year ending 31 December 2021 based on the audited consolidated financial statements of the Company amounts to HK\$800 million or above (the "**Condition (a)**"), in which case half of the Share Options shall vest and become exercisable on the relevant vesting date as mentioned below; or

(b) the Group's audited net profit after tax (before share-based payment expenses) and deduction of net profit after tax attributable to non-controlling interests for the financial year ending 31 December 2022 based on the audited consolidated financial statements of the Company amounts to HK\$1.2 billion or above (the "**Condition (b)**"), in which case half of the Share Options shall vest and become exercisable on the relevant vesting date as mentioned below.

Vesting date of Share Options granted : The vesting of the relevant portion of the Share Option upon satisfaction of Condition (a) and Condition (b) shall take place on the date on which the relevant date of issue of the audited consolidated financial statements of the Company for the financial year ending 31 December 2021 and 2022, respectively.

Validity period of the Share Options : Eight (8) years, from 16 July 2021 to 15 July 2029 (both days inclusive)

Pursuant to Rule 17.04(1) of the Listing Rules and the Scheme, each grant of options to a director, chief executive or substantial shareholder of the Company or any of their respective associates, must be approved by the independent non-executive directors of the Company (excluding independent non-executive director who is the grantee of the Share Options). Also, any grant of Share Options to a substantial shareholder or an independent non-executive director, or any of their respective associates, which would result in the Shares issued and to be issued upon exercise of all Share Options already granted and to be granted (including Share Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the Shares in issue; and (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, such further grant of Share Options must be approved by the Shareholders in general meeting.

The Grant has been reviewed and approved by the Board (including all independent non-executive Directors other than Mr. Chen in accordance with Rule 17.04(1) of the Listing Rules).

As Mr. Chen will not, as a result of the Grant, be entitled to be issued with such number of Shares as represents over 0.1% of the Shares in issue upon exercise of all Share Options granted to him in the 12-month period up to and including the date of grant, the Grant to Mr. Chen is not subject to approval of the Shareholders in general meeting.

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, 16 July 2021

As at the date of this announcement, the Board comprises nine directors, namely:-

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

Non-executive Directors: Mr. PENG Jing and Mr. ZENG Shuigen

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

Website: www.dcholdings.com

**For identification purpose only*