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PROFIT WARNING

This announcement is made by Digital China Holdings Limited (神州數碼控股有限公司*) (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the Group's unaudited consolidated management accounts for the six months ended 30 June 2024 (the “**Reporting Period**”) and the information currently available to the Board, the Group is expected to record a profit attributable to shareholders of approximately RMB 9 million to RMB 12 million for the Reporting Period (Six months ended 30 June 2023: approximately RMB 40 million). The decrease in profit was mainly due to the heightened competition experienced by the Company's 39.92% non-wholly owned subsidiary 神州數碼信息服務集團股份有限公司 (Digital China Information Service Group Company Ltd.*) (the “**DCITS**”) (listed on the Shenzhen Stock Exchange; Stock code: 000555) which resulted in a decrease in its gross profit margin; and the increase in the expenses of DCITS due to its investments in new product lines; thus resulted in the net loss attributable to shareholders recorded by DCITS for the Reporting Period.

As at the date of this announcement, the Company is still in the course of preparing and finalizing the interim results of the Group for the Reporting Period. The information contained in this announcement is only based on the information currently available to the Group and a preliminary review by the Board of the Group's unaudited consolidated management accounts for the Reporting Period, which have not been audited or reviewed by the Company's independent auditors or reviewed by the Company's audit committee and the relevant content is subject to further adjustments and finalization. Shareholders of the Company and potential investors are advised to refer to the detailed information in the interim results announcement

of the Company for the Reporting Period, which is expected to be published before the end of August 2024.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Digital China Holdings Limited
(神州數碼控股有限公司*)
GUO Wei
Chairman and Chief Executive Officer

Hong Kong, 26 August 2024

At the publication 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: Ms. CONG Shan and Mr. LIU Jun Qiang

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

Website: www.dcholdings.com

**For identification purpose only*