

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



APPOINTMENT OF EXECUTIVE DIRECTOR

The board of directors (the “**Board**”) of Digital China Holdings Limited (the “**Company**”, together with the subsidiaries the “**Group**”) is pleased to announce that Mr. YAN Guorong (“**Mr. YAN**”) has been appointed as an executive director of the Company with effect from 1 April 2013.

Mr. YAN Guorong, aged 39, has served as the President of the Company since April 2011. Mr. YAN is responsible for the overall operation and management of the Group and he is also a director of certain subsidiaries of the Company. Mr. YAN graduated from Renmin University of China with a Bachelor’s Degree in Economics and obtained an EMBA Degree from Cheung Kong Graduate School of Business. He joined the Legend group in 1996 and has been responsible for the day-to-day operation and management of the company’s network and value-added business. From 2005 onwards, Mr. YAN has assumed duties of strategic planning, operational management and regional management of the Systems Technology Services Strategic Business Unit of 神州數碼(中國)有限公司 (Digital China (China) Limited). Mr. YAN has nearly 16 years of experience in distribution, customers services business and sales management of IT value-added products.

Save as disclosed above, Mr. YAN did not hold any directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and has no other major appointments or professional qualifications. Apart from the relationship arising from his directorship in the Company, Mr. YAN does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Rules Governing the Listing of Securities (the “**Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)) of the Company.

Mr. YAN has entered into a service agreement with the Company which shall continue in force until terminated by (i) either the Company or Mr. YAN serving on each other of not less than 3 months' notice, or (ii) his retirement as a director without being re-elected as a director by the shareholders of the Company in an annual general meeting in accordance with the Bye-Laws of the Company, or (iii) in the event of Mr. YAN's default under the terms of the said service agreement. Mr. YAN 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. YAN is entitled to a fixed emolument of RMB2 million per annum, which was determined by the Board with reference to the opinion from the Remuneration Committee of the Company based on his responsibilities as well as the remuneration benchmark in the industry and the prevailing market conditions. Pursuant to the service agreement, a discretionary bonus may be payable to Mr. YAN for each completed year of service in recognition of his contribution to the Company which is determined at the Company's sole discretion with reference to the accomplishment of important tasks and the Company's business performance, as well as remuneration benchmark in the industry and the prevailing market condition.

As at the date of this announcement, Mr. YAN is personally interested in 50,000 shares of the Company, representing approximately 0.0046% of the issued share capital of the Company. Mr. YAN has also been granted options to (i) subscribe for 125,000 shares during the exercisable period from 21 May 2009 to 20 May 2016 at an exercise price of HK\$5.89 per share, and (ii) subscribe for 668,000 shares during the exercisable period from 11 January 2012 to 10 January 2019 at an exercise price of HK\$15.04 per share. Mr. YAN has been granted 1,000,000 restricted share units ("RSUs") which will be vested on 1 August 2014 subject to fulfilment of certain performance targets of the Company. Each RSU granted under the restricted share award scheme ("**RSA Scheme**") of the Company (adopted on 28 March 2011) represents one ordinary share of the Company and will be held by the trustee until vesting in accordance with the provisions of the RSA Scheme. Save as disclosed above, Mr. YAN 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 Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed herein, there are no other matters or information relating to the appointment of Mr. YAN as an executive director of the Company that need to be brought to the attention of the shareholders of the Company or to be disclosed pursuant to the requirements under rule 13.51(2) of the Listing Rules.

The Board would like to express its warmest welcome to Mr. YAN for joining the Board.

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

Hong Kong, 19 March 2013

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

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

Non-executive Director: Mr. Andrew Y. YAN

Independent Non-executive Directors: Mr. HU Zhaoguang, Mr. WONG Man Chung, Francis, Ms. NI Hong (Hope) and Mr. ONG Ka Lueng, Peter

Website: www.digitalchina.com.hk

**For identification purpose only*