

---

**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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

---



**神州数码**  
**Digital China**

**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 REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

---

A notice convening the AGM is set out on pages 12 to 15 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 Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, 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.

\* *For identification purpose only*

---

# CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
1. Introduction .....	3
2. Issue Mandate and Repurchase Mandate .....	4
3. Re-election of Directors .....	4
4. AGM .....	5
5. Voting at the AGM .....	5
6. Recommendation .....	5
7. General .....	5
<b>Appendix I – Explanatory Statement for the Repurchase Mandate</b> .....	6
<b>Appendix II – Particulars of Directors subject to Re-election</b> .....	9
<b>Notice of AGM</b> .....	12

---

## 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 Salon 1-3, JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 25 August 2009 at 9:30 a.m. or any adjournment thereof
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Bye-Laws”	the bye-laws of the Company
“CTL”	Charmway Trading Limited, a company incorporated in the BVI with limited liability
“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
“Concert Group”	SIBL, CTL, FEML, KIL and Mr. GUO
“Concert Group Agreement”	a concert group agreement dated 1 August 2007 entered into between the members of the Concert Group, details of which were set out in the circular of the Company dated 30 October 2007
“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 Share repurchased under the Repurchase Mandate
“FEML”	Fine Elite Management Limited, a company incorporated in the BVI with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKEx”	Hong Kong Exchanges and Clearing Limited

\* For identification purpose only

---

## DEFINITIONS

---

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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 issued share capital of the Company as at the date of passing of the ordinary resolution in relation thereof
“KIL”	Kosalaki Investments Limited, a company incorporated in the BVI with limited liability, which is wholly-owned by Mr. GUO
“Latest Practicable Date”	22 July 2009, 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
“Mr. GUO”	Mr. GUO Wei, an executive Director
“Repurchase Mandate”	a general and unconditional mandate to the Directors to exercise all the powers of the Company to repurchase Shares up to 10% of the issued share capital of the Company as at the date of passing of the ordinary resolution in relation thereof
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SIBL”	Sparkling Investment (BVI) Limited, a company incorporated in the BVI with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchases, as amended from time to time



神州数码  
Digital China

**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 (President)

**Non-executive Directors:**

Mr. Andrew Y. YAN

Mr. TANG Xudong

Mr. CHEN Derek

Mr. QIU Zhongwei

**Independent Non-executive Directors:**

Mr. HU Zhaoguang

Professor WU Jinglian

Mr. WONG Man Chung, Francis

Mr. KWAN Ming Heung, Peter

**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

27 July 2009

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES  
TO ISSUE SHARES AND TO REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

At the AGM, ordinary resolutions will be proposed to approve the granting of the Issue Mandate, the granting of the Repurchase Mandate, the granting of Extension Mandate and the re-election of the retiring Directors.

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.

\* For identification purpose only

---

## LETTER FROM THE BOARD

---

### 2. ISSUE MANDATE AND REPURCHASE MANDATE

At the annual general meeting of the Company held on 19 August 2008, general mandates were granted to the Directors to issue, allot and deal with additional Shares and to exercise all the powers of the Company to repurchase its own Shares. These general mandates will lapse at the conclusion of the forthcoming AGM. The Directors believe that renewal of these general mandates will be in the interests of the Company and the Shareholders as a whole.

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. Subject to no Shares are issued or repurchased by the Company during the period between the Latest Practicable Date and the date of the AGM, the Company will be allowed to issue up to a maximum of 192,478,116 Shares, being 20% of the issued share capital of the Company as at the Latest Practicable Date.

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 Repurchase Mandate. An explanatory statement in compliance with Rule 10.06(1)(b) of the Listing Rules relating to the Repurchase 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 DIRECTORS

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

Pursuant to Bye-Law 99 of the Bye-Laws, Mr. HU Zhaoguang, Mr. WONG Man Chung, Francis and Mr. KWAN Ming Heung, Peter will retire from office by rotation at the AGM and, being eligible, will offer themselves for re-election.

Pursuant to Bye-Law 102(B) of the Bye-Laws, Mr. QIU Zhongwei, who was appointed after the Company's last annual general meeting, will hold office only until the AGM and, being eligible, will offer himself for re-election.

Particulars of the retiring Directors are set out in Appendix II to this circular.

---

## LETTER FROM THE BOARD

---

### 4. AGM

The notice convening the AGM is set out on pages 12 to 15 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.digitalchina.com.hk](http://www.digitalchina.com.hk) and the HKEx at [www.hkexnews.hk](http://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 Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, 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.

### 5. VOTING AT THE AGM

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

After the closure of the AGM, the poll results will be published on the Company's website at [www.digitalchina.com.hk](http://www.digitalchina.com.hk) and the HKEx's website at [www.hkexnews.hk](http://www.hkexnews.hk).

### 6. RECOMMENDATION

The Directors believe that the grant of the Issue Mandate, the grant of Repurchase Mandate, the grant of Extension Mandate and the re-election of Directors 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.

### 7. GENERAL

Your attention is drawn to additional information as set out in the Appendices.

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 Repurchase Mandate.

### **SHARE CAPITAL**

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$200,000,000 divided into 2,000,000,000 Shares of HK\$0.10 each and the number of Shares in issue was 962,390,581.

Subject to the passing of the ordinary resolution for approving the Repurchase Mandate at the AGM and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase up to a maximum of 96,239,058 Shares during the period in which the Repurchase Mandate remains in force. Any Shares repurchased pursuant to the Repurchase Mandate must be fully paid-up.

### **REASONS FOR THE REPURCHASE**

The Directors believe that the Repurchase Mandate is in the interests of the Company and the Shareholders as a whole. Such repurchases 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 Repurchase Mandate to give the Company the flexibility to repurchase Shares if and when appropriate. The Directors will decide the number of Shares to be repurchased on each occasion and the price and other terms upon which the same are repurchased at the relevant time having regard to the circumstances then pertaining.

### **FUNDING OF REPURCHASE**

It is envisaged that any repurchase 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 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 repurchase (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 repurchased. 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 March 2009) in the event that the proposed Repurchase Mandate were to be carried out in full at any time during the period which the Repurchase Mandate remains in force. However, the Directors do not propose to exercise the Repurchase 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.

### **CONNECTED PERSONS AND DIRECTORS' UNDERTAKING**

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

No 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 Repurchase Mandate is granted by the Shareholders.

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 repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Bye-Laws and the applicable laws of Bermuda.

#### **TAKEOVERS CODE**

If, as a result of a share repurchase, 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, the Concert Group, by virtue of holding 389,522,997 Shares (representing approximately 40.47% of the issued share capital of the Company), was the controlling Shareholder (as defined in the Listing Rules) of the Company. In the event that the Repurchase Mandate were to be exercised in full, the shareholding of the Concert Group in the issued share capital of the Company would increase to approximately 44.97% and such increase would give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of exercising the Repurchases Mandate in full. The Directors do not intend to exercise the Repurchase 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 Repurchase 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 PURCHASES MADE BY THE COMPANY**

No repurchase 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:

	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2008</b>		
July	5.300	4.660
August	5.250	3.510
September	3.970	2.090
October	2.680	2.000
November	2.450	1.660
December	2.490	1.910
<b>2009</b>		
January	2.550	2.010
February	2.830	2.110
March	3.500	2.730
April	4.330	3.100
May	5.400	4.090
June	6.050	5.010
July (up to the Latest Practicable Date)	5.700	4.650

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

**Mr. HU Zhaoguang**, aged 70, has been an Independent Non-executive Director of the Company since 30 September 2004. Mr. HU is also the Chairman of the Audit Committee of the Company. He graduated from the Tsinghua University in 1964 and also completed a management course in Sweden. Mr. HU has over 37 years of experience in economics, finance and corporate management and was wide recognised for his work in these areas. He was previously the Chairman of Beijing Enterprises Holdings Limited (listed on The Stock Exchange of Hong Kong Limited) and its parent company, Beijing Holdings Limited, and an Independent Non-executive Director of China Overseas Land & Investment Limited (listed on The Stock Exchange of Hong Kong Limited). From February 1993 to January 1998, Mr. HU served as a Vice Mayor of the Beijing Municipal Government. From 1988 to 1993, Mr. HU served as the Director of Beijing New Technology Development Zone and Chief Executive of Beijing Haidian District Government. Save as disclosed above, Mr. HU has not held any directorship in any public listed companies 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.

As at the Latest Practicable Date, Mr. HU does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. HU 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 SFO.

There is no service agreement between the Company and Mr. HU. The appointment of Mr. HU is not subject to fixed term of service, he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. The annual emolument of Mr. HU is HK\$150,000 in the meantime which was agreed upon mutual agreement with reference to the experience and responsibilities of Mr. HU in the Company. No management bonus or any other allowance shall be payable to Mr. HU.

**Mr. QIU Zhongwei**, aged 40, has been a Non-executive Director of the Company since 25 February 2009. Mr. QIU is also a member of the Remuneration Committee of the Company. He holds a degree of Bachelor in Engineering from Xi'an Jiaotong University and a degree of Master of Business Administration jointly from Northwestern University in the United States and The Hong Kong University of Science and Technology. He joined Hony Capital in 2005 and is currently its Managing Director. Prior to joining Hony Capital, Mr. QIU was the Section Chief of China Huaneng Group from 1990 to 2000 and was the Chairman and the President of Silverite Holding Co., Ltd. (listed on the Shanghai Stock Exchange, Stock Code: 600683) from 2000 to 2004. Since 2006, Mr. QIU has been the Non-executive Director of Changsha Zoomlion Heavy Industry Science and Technology Development Co., Ltd (listed on the Shenzhen Stock Exchange, Stock Code: 000157). Mr. QIU has over 18 years of experience in corporate management and operating investment. Save as disclosed above, Mr. QIU has not

held any directorships in any public listed companies 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.

As at the Latest Practicable Date, save as disclosed above, Mr. QIU does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. QIU 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 SFO.

There is no service agreement between the Company and Mr. QIU. The appointment of Mr. QIU is not subject to fixed term of service, he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. No emoluments shall be payable to Mr. QIU in the meantime.

**Mr. WONG Man Chung, Francis**, aged 44, has been an Independent Non-executive Director of the Company since 23 August 2006. Mr. WONG is also a member of each of the Audit Committee and Remuneration Committee of the Company. He holds a master degree in management conferred by Guangzhou Jinan University, the People's Republic of China. Mr. WONG is a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Taxation Institute of Hong Kong, an associate member of the Institute of Chartered Accountants in England and Wales and a member of the Society of Chinese Accountants and Auditors. He is a Certified Public Accountant (Practising) and has over 21 years of experience in auditing, taxation, management and financial advisory. Previously, Mr. WONG worked for KPMG, an international accounting firm, for 6 years and the Hong Kong Securities Clearing Company Limited for 2 years. Mr. WONG has the appropriate professional qualifications, accounting and related financial management expertise as required under Rule 3.10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Mr. WONG is currently an Independent Non-executive Director, the Chairman of the Audit Committee and a member of the Remuneration Committee of both China Oriental Group Company Limited and Wai Kee Holdings Limited (both listed on the Main Board of The Stock Exchange of Hong Kong Limited). In May 2009, Mr. WONG resigned as the Independent Non-executive Director of Lightscape Technologies Inc (listed and traded on the OTC Bulletin Board in the United States of America). He was once an Independent Non-executive Director of Enviro Energy International Holdings Limited (formerly known as Sys Solutions Holdings Limited, listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) and an Independent Non-executive Director of Yardway Group Limited (listed on the Main Board of The Stock Exchange of Hong Kong Limited). Mr. WONG is a Director of Union Alpha C.P.A. Limited, a professional accounting firm, and a founding director and member of Francis M C Wong Charitable Foundation Limited, a charitable institution. Save as disclosed above, Mr. WONG has not held any directorship in any public listed companies 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.

As at the Latest Practicable Date, Mr. WONG does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. WONG 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 SFO.

There is no service agreement between the Company and Mr. WONG. The appointment of Mr. WONG is not subject to fixed term of service, he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. The annual emolument of Mr. WONG is HK\$150,000 in the meantime which was agreed upon mutual agreement with reference to the experience and responsibilities of Mr. WONG in the Company. No management bonus or any other allowance shall be payable to Mr. WONG.

**Mr. KWAN Ming Heung, Peter**, aged 52, has been an Independent Non-executive Director of the Company since 23 August 2006. Mr. KWAN is also a member of each of the Audit Committee and Remuneration Committee of the Company. He graduated with a Bachelor of Commerce in Accounting Management Information Systems from the University of British Columbia, Canada, 1980. Mr. KWAN is a Chartered Accountant and is a member of the Canadian Institute of Chartered Accountants. In addition to his public practice with PricewaterhouseCoopers in Vancouver, Canada, he has over 18 years of experience in IT related industries. Mr. KWAN has held senior finance and management positions in Asia Pacific and has worked in Canada, Hong Kong, Australia and Singapore. He is a Director of MM PowerPlus Busway (HK) Limited, an electrical products manufacturing company owned by himself and his partner. Mr. KWAN was previously a Director of Avaya Global Connect Limited (India listed) during the period from January 2004 to April 2005. Save as disclosed above, Mr. KWAN has not held any directorship in any public listed companies 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.

As at the Latest Practicable Date, Mr. KWAN does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. KWAN 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 SFO.

There is no service agreement between the Company and Mr. KWAN. The appointment of Mr. KWAN is not subject to fixed term of service, he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. The annual emolument of Mr. KWAN is HK\$150,000 in the meantime which was agreed upon mutual agreement with reference to the experience and responsibilities of Mr. KWAN in the Company. No management bonus or any other allowance shall be payable to Mr. KWAN.

Save as disclosed above, each of the above Directors confirmed that there are no other matters or information relating to their 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.



神州数码  
Digital China

**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 Salon 1-3, JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 25 August 2009 at 9:30 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 auditors for the year ended 31 March 2009.
2. To declare a final dividend for the year ended 31 March 2009.
3. To re-elect the retiring directors of the Company and authorise the board of directors of the Company to fix the directors’ remuneration.
4. To re-appoint the retiring auditors of the Company and authorise the board of directors of the Company to fix their remuneration.
5. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions with or without modifications:

(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;

\* For identification purpose only

---

## NOTICE OF AGM

---

- (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; 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 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

---

## NOTICE OF AGM

---

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).”

(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 repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (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 repurchased 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 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.”

- (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

---

## NOTICE OF AGM

---

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 purchased 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

**GUO Wei**

*Chairman and Chief Executive Officer*

Hong Kong, 27 July 2009

*Notes:*

- (i) The register of shareholders of the Company will be closed from Friday, 21 August 2009 to Tuesday, 25 August 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed dividends, all transfers, 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 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on Thursday, 20 August 2009.
- (ii) Any shareholder of the Company entitled to attend and vote at the annual general meeting 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 annual general meeting, 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, 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 Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, 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).