

(For immediate release)

Shareholding change to enhance strategic capabilities

(19 May 2010, Hong Kong) Digital China Holdings Limited (“Digital China” or the “Group” ; Stock Code: 00861.HK), a leading integrated IT services provider in China, today announced a significant shareholding change in the Group. Kosalaki Investments Limited, whose major shareholder is Mr. Guo Wei, Chairman and CEO of Digital China, will purchase 9.80% of Digital China from Right Lane Limited (wholly-owned by Legend Holdings). The transaction has been approved by authorities.

Mr. Liu Chuanzhi, Chairman and President of Legend Holdings Ltd., commented, “Since Digital China’s management and investors have a global background and experience with a restructuring in 2007, the Group’s corporate governance has improved significantly. It has maintained a high growth rate and paid a good return to shareholders. Digital China remains a leading IT products distributor and the largest integrated IT services provider in China. As a shareholder, Legend Holdings is very satisfied with their growth. The shareholding change was jointly arranged by the board of directors and the managements of Digital China and Legend Holdings.”

Legend Holdings will transfer part of its Digital China shares to the management of the Group for two reasons. First, as an investment holding company, Legend Holdings continuously adjusts and optimizes its portfolio of assets to maximize long-term returns for shareholders; second, it enhances the shareholding structure of Digital China to adhere to the direction of its strategic development, which further improves the growth potential and value of Digital China. After the transaction, Legend Holdings will hold 5.52% of Digital China.

Mr. Guo Wei commented, “Since the shareholding restructuring in 2007, our corporate governance has reached a higher level with advanced international business management. As a result, the average annual growth rates of our assets and revenue are both over 25%. CAGR from 2006 to 2008 exceeded 70%, with the development of a satisfactory IT service brand in China. This shareholding restructuring plan is another important strategic opportunity in our development. From now on, our management team will be more confident and capable of speeding up the transition to IT service businesses. Meanwhile, we will strive to reach middle and long-term targets of value creation for our clients and shareholders. Eventually, we are aiming to promote the process of informatization

in China to fulfill the idea of a ‘Digitized China’.”

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About Digital China

Digital China Holdings Limited (“Digital China” or the “Group”; Stock Code: 00861.HK) is the largest integrated IT services provider in China. Digital China has regional centres in 19 major cities nationwide with 9,400 employees. The Group provides customers with comprehensive IT products and services, driving technological innovations for work and life and enhancing the digitalization process in China. The Group has maintained its No. 1 position in IT product distribution while it has increasingly focused on expanding into IT services. Digital China remained as one of the top 5 IT services providers across various sectors in China including telecommunication, finance and government by providing self-developed and proprietary products that are customised for specific industry needs.

For additional information about Digital China, please visit the Group’s website at www.digitalchina.com.hk.

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