

(For immediate release)

Digital China Wins Bid for Local Taxation System Project in Hainan Province

(11 July 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 that the Group won the bid for “local taxation collection and administration core system” project in Hainan Province on the merit of its competitive advantages, which include extensive industry experience, outstanding solutions and excellent system service.

The “local taxation collection and administration core system” is a comprehensive system covering shroff counter service, tax collection, administration, audit and tax payment services. “Informatization” development will play an important role in the strategy to develop Hainan Province as an international tourist destination announced by the central government. As a result, the Hainan government has stepped up its intelligent information system development on the island. Digital China astutely identifies and attaches great importance to high potential opportunities arising from the development of the Hainan tourist island, Yangpu Bonded Port, Hainan Ecological Software Park and the Sanya Creative Industrial Park. Management visited Hainan in April 2010 and agreed with the provincial government to cooperate strategically. In addition, it maintained regular contact with local authorities responsible for information technology and put forth detailed proposals for cooperation. The Hainan government highly appreciated the Group’s efforts and proposals. In the end, Digital China won the local taxation system project bid.

Through the implementation of Hainan project, the Group will further consolidate various taxation authorities’ systems in order to reduce systems costs. The move will also provide the Group with a solid platform to promote its services in other cities. The development of Hainan Province’s “local taxation collection and administration core system” enables the Group to expand its associated businesses in the taxation sector, ensuring its sustainable growth in this field in the following years. Digital China has been a long-term partner with the State Administration of Taxation. The Group developed the China Taxation Administration Information System (“CTAIS”) that has been used in the national taxation system for years. Digital China won bids for demand management as well as master planning, design and project management consulting under Phase III of the “Golden Tax Project”.

Mr. Guo Wei, Chairman and CEO of Digital China, commented, “The Hainan project is our another achievements subsequent to our success in procuring local taxation collection and administration core systems bids in Liaoning and Shandong Provinces. We are making great strides as we expand in the taxation sector. Moreover, this project paves a solid foundation for smart city development in Hainan Province. The Hainan project augers well for our development in financial year of 2010/11 and demonstrates that our efforts in promoting informatization development in urban areas pay off. China is actively promoting smart city development in domestic cities. As a pioneer and market leader in promoting ‘Digitized China’, the management believes that leveraging on its proven solutions and extensive market experience, Digital China is set to further expand its business coverage in 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 with four core businesses: IT Services, Enterprise Systems, IT Products Distribution and Supply Chain Services. 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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