

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.



SOUTH CHINA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 265)

VOLUNTARY ANNOUNCEMENT UPDATE ON LITIGATIONS IN RESPECT OF SOFTWARE JOINT VENTURE

Reference is made to the announcements of South China Holdings Limited (the “Company”) dated 20 June 2013, 26 June 2013, 24 July 2013, 30 July 2013, 20 August 2013 and 2 September 2013 regarding litigation in respect of a software joint venture. Unless otherwise defined, capitalized terms used herein shall have the respective meanings ascribed to them in the abovementioned announcements.

On 26 June 2013, Janful filed a writ of summons against Sinosoft, Nanjing Skytech, Ms. Xin Ying Mei and Nanjing South China Skytech under High Court Action No: HC1142/2013 (“Case HC1142/2013”).

Upon further consultation and taking further legal advice from senior counsels, the Company and Janful had restructured its legal proceedings by commencing and filing a new action under High Court Action No: 2345/2013 on 2 December 2013 (“Case HC 2345/2013”) and applied to discontinue Case HC 1142/2013. Under Case HC 2345/2013, the plaintiffs are the Company and Janful and the defendants are Sinosoft, Nanjing Skytech, Ms. Xin Ying Mei, Mr. Wang Xiaogang, Mr. Zhang Hong, Mr. Liu Biao, Mr. Ma Ming and Mr. Ding Su Lin (collectively the “Defendants”).

As part of the writ of summons including a full statement of claim dated 2 December 2013 (the “Writ”) that has been filed with the High Court of Hong Kong (Court of First Instance), the Company and Janful seek reliefs which includes the following:

1. an order that each of the Defendants to provide: (i) an account of the Software Products (as defined in the Writ) and the intellectual property rights in relation to the Software Products (“IPRs”) and their status and whereabouts; (ii) an account of their dealings with the Software Products and the IPRs since January 2000 to date; and (iii) an account of all profits and benefits obtained by each of them (whether directly or indirectly through their nominees, associates, agents and/or other companies in which they have an interest) from the Software Products and the IPRs since January 2000;

2. an order that Nanjing Skytech, Ms. Xin Ying Mei, Mr. Wang Xiaogang, Mr. Zhang Hong, Mr. Liu Biao, Mr. Ma Ming and Mr. Ding Su Lin to provide an account of all benefits, profits and business opportunities arising from the business of Nanjing South China Skytech, which they have diverted/misappropriated for their own benefit or for the benefit of any other third party;
3. damages and/or equitable compensation against the Nanjing Skytech, Ms. Xin Ying Mei, Mr. Wang Xiaogang, Mr. Zhang Hong, Mr. Liu Biao, Mr. Ma Ming and Mr. Ding Su Lin for breaches of Fiduciary Duties (as defined in the Writ);
4. damages and/or equitable compensation against the Sinosoft for knowingly/dishonestly assisting the Nanjing Skytech, Ms. Xin Ying Mei, Mr. Wang Xiaogang, Mr. Zhang Hong, Mr. Liu Biao and Mr. Ma Ming in their breaches of Fiduciary Duties; and
5. damages against each of the Defendants for conspiracy to injure the Company and/or Janful by unlawful means.

The Company will issue further announcement(s) to update its shareholders as and when appropriate should there be any major development in respect of the above action.

By Order of the Board
South China Holdings Limited
Cheung Choi Ngor
Executive Director

Hong Kong, 3 December 2013

As at the date of this announcement, the directors of the Company are (1) Mr. Ng Hung Sang, Mr. Richard Howard Gorges, Ms. Cheung Choi Ngor and Mr. Ng Yuk Fung Peter as executive directors; (2) Ms. Ng Yuk Mui Jessica and Mr. David Michael Norman as non-executive directors; and (3) Mr. David John Blackett, Mrs. Tse Wong Siu Yin Elizabeth and Mr. Cheng Hong Kei as independent non-executive directors.