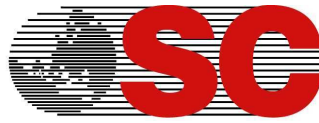


*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance 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 LITIGATION AGAINST THE JOINT VENTURE PARTNER AND OTHERS IN RESPECT OF THE BREACH OF NON-COMPETITION OBLIGATIONS**

South China Holdings Limited (the “Company”) wishes to update its shareholders on the latest development of the litigation initiated by Nanjing South China Skytech Co., Limited 南京南華擎天資訊科技有限公司 (“Nanjing South China Skytech”) against Nanjing Skytech Co., Limited 南京擎天科技有限公司 (“Nanjing Skytech”) and certain members of the former management team of Nanjing South China Skytech, namely Ms. Xin Yingmei, Mr. Wang Xiaogang, Mr. Zhang Hong and Mr. Liu Biao in respect of the breach of non-competition obligations under, among others, the joint venture agreement in respect of the establishment of Nanjing South China Skytech dated 31 January 2000 entered into between Janful Limited, an indirect wholly-owned subsidiary of the Company, and Nanjing Skytech to recover from such defendants the income derived from their breach of the non-competition obligations of approximately Reminbi 86 million (the “Non-competition Action”).

Without any prior knowledge, Nanjing South China Skytech has received the verdicts dated 14 August 2013 and 15 August 2013 issued by the Inspectory Court (監事庭) and the original court (原訟庭) of the Intermediate People’s Court of Nanjing City, Jiangsu Province of China 江蘇省南京市中級人民法院 (the “Nanjing Intermediate Court”), respectively, whereby the judgment handed down by the original court in January 2013, which turned down the claim lodged by Nanjing South China Skytech, was suspended pending a re-hearing pursuant to the verdict dated 14 August 2013 and then set aside by the verdict dated 15 August 2013. As stated in the verdicts dated 14 August 2013 and 15 August 2013, the Nanjing Intermediate Court will schedule a re-hearing for the Non-competition Action by a Collegial Court (合議庭) of the Nanjing Intermediate Court.

The Company will issue further announcement(s) to update the shareholders as and when appropriate should there be any major development in the said legal proceedings.

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

Hong Kong, 20 August 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.*