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SOUTH CHINA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 265)

VOLUNTARY ANNOUNCEMENT LITIGATION IN RESPECT OF SOFTWARE JOINT VENTURE

The Intermediate People's Court of Jiangsu Province of China sanctioned the commencement of litigation initiated by Nan Hua against Nanjing Skytech.

The board of directors (the "Board") of South China Holdings Limited (the "Company") announces that on 3 June 2013, the Intermediate People's Court of Jiangsu Province of China sanctioned the commencement of an action initiated by Nanjing South China Skytech Co. Ltd. 南京南華擎天資訊科技有限公司 ("Nan Hua") against Nanjing Skytech Co., Limited 南京擎天科技有限公司 ("Nanjing Skytech") and others in respect of, amongst other matters, Nan Hua's request to confirm its ownership in certain intellectual property rights in the software products of Nanjing Skytech and its related companies.

Nan Hua is a joint venture company set up in March 2000 between Janful Limited ("Janful"), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company, and Nanjing Skytech for information technology related business pursuant to a co-operative agreement dated 31 January 2000 entered into between Janful and Nanjing Skytech.

The registered capital of Nan Hua is owned as to 66.7% by Janful and 33.3% by Nanjing Skytech, and was contributed by Janful in cash and Nanjing Skytech in the form of the requisite personnel, intellectual property rights and customer base respectively.

While taking legal advice in respect of the above litigation, the Company will continue to protect its interests in Nan Hua.

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

Hong Kong, 20 June 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.