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SinoCom

SINOCOM SOFTWARE GROUP LIMITED

中訊軟件集團股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 299)

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS CHANGES OF MEMBERS OF THE COMMITTEES OF THE BOARD RESIGNATION OF COMPANY SECRETARY

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board is pleased to announce that each of Mr. Chui Man Lung Everett and Mr. Wu Hong has been appointed as independent non-executive Directors with effect from 10 September 2013.

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of Mr. Lee Kit Wah and Professor Liang Neng has resigned as independent non-executive Directors with effect from 10 September 2013.

CHANGES OF MEMBERS OF THE COMMITTEES OF THE BOARD

The Board further announces that, with effect from 10 September 2013:

- (i) Mr. Chui has been appointed as the Chairman of the Audit Committee, and a member of the Nomination Committee and Salary Review Committee of the Company in place of Mr. Lee Kit Wah; and
- (ii) Mr. Wu has been appointed as a member of the Salary Review Committee, Audit Committee and Nomination Committee of the Company in place of Professor Liang Neng.

RESIGNATION OF COMPANY SECRETARY

Mr. Siu Kwok Leung has resigned as company secretary of the Company with effect from 10 October 2013.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The board (the “**Board**”) of directors (the “**Directors**”) of SinoCom Software Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that each of Mr. Chui Man Lung Everett and Mr. Wu Hong has been appointed as independent non-executive Directors with effect from 10 September 2013.

The biographies of the newly appointed directors are as follows:

Mr. Chui Man Lung Everett (aged 49)

Mr. Chui is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants and member of the Institute of Chartered Accountants in England and Wales. Mr. Chui qualified as a Professional Accountant with KPMG, Hong Kong in 1990 and left KPMG in 1993. Before his departure, he was in charge of audits of banks, fashion retailers and manufacturers listed on the Main Board of the Stock Exchange and initial public offering (“**IPO**”) audit for a major national corporation, and also participated in the restructuring of two banking groups. Since then Mr. Chui has been working on various IPOs and pre-IPO projects for various industries in China and Hong Kong before joining as the Chief Financial Officer and Company Secretary of Yau Lee Holdings Limited (a company listed on the Main Board of the Stock Exchange). Mr. Chui has, since 2008, been a founding partner of Cen-1 Partners Limited, a firm which provides professional advisory services on company restructuring, merger & acquisition, pre-IPO and fund raising exercises to its clients. Its portfolio of clients includes listed companies and private companies operating in China, Hong Kong, South East Asia and Europe. Mr. Chui was an independent non-executive director of Cosmopolitan International Holdings Limited (a company listed on the Main Board of the Stock Exchange) from 2002 to 2003, an independent non-executive director and chairman of the audit committee of Duoyuan Printing, Inc. (a company listed on the New York Stock Exchange) from October 2010 to March 2013, and is currently an independent non-executive director and chairman of the audit committee of Taung Gold International Limited (a company listed on the Main Board of the Stock Exchange).

Mr. Chui holds a Bachelor of Social Sciences (Hons) Degree in Business Economics & Accounting awarded by the University of Southampton in the United Kingdom.

Mr. Chui has no relationship with any other directors, senior management or substantial or controlling shareholders of the Company. Save as disclosed herein, Mr. Chui did not hold any directorship in any other public companies the securities of which are listed on any securities market in the last three years preceding the date of this announcement.

As at the date of this announcement, Mr. Chui does not have any interest in the shares ("**Shares**") of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**"). Mr. Chui will enter into an appointment letter for a term of 12 months with the Company under which Mr. Chui shall be entitled to a remuneration comprising an annual salary of HK\$210,000, and a discretionary bonus to be determined by the Company having regard to the operating results of the Group and other retirement benefit scheme contributions, the amounts of which are yet to be determined by the Company and Mr. Chui. The emoluments of the Directors are determined with reference to that director's responsibilities, abilities and performance, the Company's operations, as well as remuneration benchmark in the industry and prevailing market conditions.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"). There are no other matters that need to be brought to the attention of the shareholders of the Company ("**Shareholders**") in relation to the appointment of Mr. Chui.

Mr. Wu Hong (aged 54)

Mr. Wu currently serves as vice president of Dagang Holdings Group Limited (大港控股集團有限公司). Mr. Wu served as a technological advisor of Peking University Resources Group (北京大學資源集團) from 2004 to 2008. During the same period, he was also the general manager of Xinjiang Peking University Science Park Company Limited (新疆北大科技园有限公司). Prior to this, Mr. Wu served as the general manager of the Japanese branch of U.S. based Netpilot LLC during 2002 to 2004. From 1994 to 2002, Mr. Wu was the division chief assistant, division chief, and department head assistant at Toyota Caelum Inc., a subsidiary of Toyota Motor Corporation. From 1988 to 1991, he served as an investment financial consultant of the Import Department of China Machinery Engineering Import and Export Corporation. Prior to this, Mr. Wu was an assistant researcher at the Research Institute of Automation Technology at the Chinese Academy of Sciences (中國科學院自動化技術研究所) from 1986 to 1988.

Mr. Wu graduated from Peking University with a Bachelor Degree in 1983 and a Master's Degree in 1986, both in computer software engineering.

Mr. Wu has no relationship with any other directors, senior management or substantial or controlling shareholders of the Company. Save as disclosed herein, Mr. Wu did not hold any directorship in any other public companies the securities of which are listed on any securities market in the last three years preceding the date of this announcement.

As at the date of this announcement, Mr. Wu does not have any interest in the Shares of the Company within the meaning of Part XV of the SFO. Mr. Wu will enter into an appointment letter for a term of 12 months with the Company under which Mr. Wu shall be entitled to a remuneration comprising an annual salary of HK\$210,000, a discretionary bonus to be determined by the Company having regard to the operating results of the Group and other retirement benefit scheme contributions, the amounts of which are yet to

be determined by the Company and Mr. Wu. The emoluments of the Directors are determined with reference to that director's responsibilities, abilities and performance, the Company's operations, as well as remuneration benchmark in the industry and prevailing market conditions.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules. There are no other matters that need to be brought to the attention of the Shareholders in relation to the appointment of Mr. Wu.

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lee Kit Wah

Mr. Lee Kit Wah resigned as an independent non-executive Director with effect from 10 September 2013. Mr. Lee had found increasing differences with the Board in opinions and decisions since the acquisition of the controlling interest in the Company by SJI, Inc. in July 2012. Mr. Lee believes the change of management and practices within the Group led to these differences. There had also been recent disagreements between Mr. Lee and the majority of the members of the Board, and Mr. Lee believes that his dissenting views regarding certain issues related to certain loans made by SinoCom Japan Corporation and certain loans made to SJI, Inc. (the "**Loans**") had not received the weight and value expected as an independent non-executive Director. In particular, Mr. Lee believes that his dissenting views were not sufficiently taken into consideration in the following matters:

1. The resolution by the Board not to accept the draft audit opinion prepared by Deloitte Touche Tohmatsu (the "**Auditors**"), the auditors of the Company (the "**Draft Auditor's Opinion**"). Details of the resolution were set out in the announcement of the Company dated 18 August 2013. Mr. Lee had voted for the acceptance of the Draft Auditor's Opinion.
2. Mr. Lee disagreed with the proposal by the Board in relation to the removal of the Auditors. Details of the proposal are to be set out in a separate announcement of the Company.
3. The audit committee of the Company, of which Mr. Lee served as chairman, conducted independent investigations into the Loans and made various recommendations to Board as part of the conclusions of such investigations (the "**Recommendations**"). Mr. Lee expected that some of the key Recommendations would not be accepted by the Board.

Save as disclosed above, Mr. Lee confirmed that there are no other matters in relation to his resignation that need to be brought to the attention of the Shareholders.

Professor Liang Neng

Professor Liang Neng also resigned as an independent non-executive Director with effect from 10 September 2013. Professor Liang had found increasing differences with the Board in opinions and decisions since the acquisition of the controlling interest in the Company by SJI, Inc. in July 2012. Professor Liang believes the change of management and practices within the Group led to these differences. There had also been recent disagreements between Professor Liang and the majority of the members of the Board, and Professor Liang believes that his dissenting views regarding certain issues related to the Loans had not received the weight and value expected as an independent non-executive Director. In particular, Professor Liang believes that his dissenting views were not sufficiently taken into consideration in the following matters:

1. The resolution by the Board not to accept the Draft Auditor's Opinion. Professor Liang had voted for the acceptance of the Draft Auditor's Opinion.
2. Professor Liang disagreed with the proposal by the Board in relation to the removal of the Auditors.
3. Professor Liang, a member of the Audit Committee, expected that some of the key Recommendations would not be accepted by the Board.

Save as disclosed above, Professor Liang confirmed that there are no other matters in relation to his resignation that need to be brought to the attention of the Shareholders.

CHANGES OF MEMBERS OF THE COMMITTEES OF THE BOARD

The Board further announces that, with effect from 10 September 2013:

- (i) Mr. Chui has been appointed as the Chairman of the Audit Committee, and a member of the Nomination Committee and Salary Review Committee of the Company in place of Mr. Lee Kit Wah; and
- (ii) Mr. Wu has been appointed as a member of the Salary Review Committee, Audit Committee and Nomination Committee of the Company in place of Professor Liang Neng.

RESIGNATION OF COMPANY SECRETARY

Mr. Siu Kwok Leung ("**Mr. Siu**") has resigned as company secretary of the Company with effect from 10 October 2013. Mr. Siu will cease to act as an authorised representative of the Company for accepting service of process and notices in Hong Kong on behalf of the Company under Rule 19.05(2) of the Listing Rules and Part XI of the Companies Ordinance, Chapter 32 of the Laws of Hong Kong. Mr. Siu has also resigned from all his positions at the subsidiaries of the Company.

Mr. Siu confirmed that he has no disagreement with the Board and that there are no matters in relation to his resignation that need to be brought to the attention of the Shareholders.

The Company is in the process of identifying a replacement of Mr. Siu's role as company secretary and authorised representative of the Company, and will provide Shareholders with details of such appointment when available.

The Board would like to express its gratitude to Mr. Lee, Professor Liang and Mr. Siu for their contributions to the Company during their terms of service, and to express its warm welcome to Mr. Chui and Mr. Wu on their appointment.

By order of the Board
SinoCom Software Group Limited
Wang Zhiqiang Zuo Jian Zhong
Co-Chairman Co-Chairman

Hong Kong, 17 September 2013

As at the date of this announcement, the Company's executive directors are Mr. Wang Zhiqiang, Mr. Li Jian, Mr. Kotoi Hirofumi and Mr. Zuo Jian Zhong, the non-executive directors are Mr. Wang Xubing and Dr. Shi Chongming, and the independent non-executive directors are Mr. Yamamoto Yoshimasa, Mr. Chui Man Lung Everett and Mr. Wu Hong.