

BEIJING, Oct. 29, 2013 /PRNewswire/ -- On October 19, 2013, Mr. Xuanfu Liu, a shareholder of Business Opportunity Online (Beijing) Network Technology Co., Ltd., a PRC company (known as "Shangji" in Chinese), filed a lawsuit with a Chinese court in Xiaonan District, Xiaogan City, Hubei Province, against Mr. Handong Cheng (Legal Representative of Shangji), Shangji and Mr. Jinbo Yao (Chairman and Chief Executive Officer of 58.com Inc.), with Beijing 58 Information Technology Co., Ltd. ("Beijing 58") as a third party, which is a consolidated affiliate of 58.com Inc. that operates its business in

China

. The lawsuit alleges an infringement of Mr. Liu's equity ownership and asked the court to: (1) confirm that Mr. Handong Cheng improperly used his operating authority in Shangji to dispose of Shangji's equity ownership in Beijing 58 without the consent of Mr. Xuanfu Liu; (2) invalidate the agreement improperly signed by Mr. Handong Cheng on behalf of Shangji, which gave up the equity ownership of Beijing 58 held by Shangji; and (3) confirm Mr. Xuanfu Liu's 6.3% equity ownership of Beijing 58 (equivalent to what Mr. Liu believes is his indirect pro rata share of Beijing 58). The filing of the above case has been accepted by the court of Xiaonan District, Xiaogan City, Hubei Province. Court hearings are scheduled to begin on November 28, 2013.

The background of the case is as follows. In December 2004, Mr. Xuanfu Liu, Mr. Handong Cheng and others founded Shangji. Mr. Handong Cheng was appointed Chairman and Legal Representative of the company and was directly responsible for the operations of the company.

In December 2005, upon approval of its shareholders, Shangji founded Beijing 58 together with Mr. Jinbo Yao and others. The main business of Beijing 58 is to operate www.58.com (aka "58 Tong Cheng"). Shangji held 25% equity ownership of Beijing 58, and Mr. Jinbo Yao was Beijing 58's Legal Representative. Mr. Xuanfu Liu has always viewed Beijing 58 as Shangji's principal investment, and he continues to believe in the development of Beijing 58's main business, www.58.com (aka "58 Tong Cheng").

In June 2006, upon approvals by its shareholders, Shangji signed a Nominal Shareholding Agreement with Mr. Jinbo Yao, which granted Mr. Jinbo Yao the right to hold on behalf of Shangji, as a nominal shareholder, the 17.5% equity ownership of Beijing 58 owned by Shangji. In April 2007, Shangji and Mr. Jinbo Yao renewed the agreement to continue the arrangement that had Mr. Jinbo Yao holding on behalf of Shangji, as a nominal shareholder, the above equity ownership of Beijing 58.

In December 2009, without its shareholders' consent and without any notice to Mr. Xuanfu Liu, Mr. Handong Cheng took advantage of his control of the company and its corporate seal to sign an agreement with Mr. Jinbo Yao on behalf of Shangji, under which Shangji purportely gave up its 17.5% equity ownership of Beijing

58. The above conduct was severely detrimental to Mr. Xuanfu Liu's ownership rights.

The complaint, respondent notices, summons and other litigation documents relating to the above lawsuit were served on defendants Mr. Handong Cheng, Shangji and Mr. Jinbo Yao and on the third party, Beijing

58, on

October 23, 2013

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SOURCE Mr. Xuanfu Liu