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Z-Obee Holdings Limited

(incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 948)

(Singapore Stock Code: D5N)

website: <http://www.z-obeecom>

**PROFIT FORECAST IN RELATION TO THE
DISCLOSEABLE TRANSACTION
REGARDING THE
ACQUISITION OF 40% SHAREHOLDING IN
NOOSA INTERNATIONAL LIMITED**

Reference is made to the announcement dated 10 August 2012 and 17 August 2012 (the “Announcements”) of Z-Obee Holdings Limited (the “Company”). Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

COMPLIANCE WITH RULE 14.61 OF THE LISTING RULES

As disclosed in the Announcements, it is a condition precedent to the Completion that the Purchaser shall obtain a valuation report issued by an independent professional valuer appointed by the Purchaser on 100% equity interest of the Target Company Group showing that the fair market value of the Target Company Group being no less than RMB175,900,000. In the event that the fair value of the Target Company Group as indicated in the Finalised Valuation Report is less than RMB175,900,000, the Consideration shall be adjusted by reducing the amount of the Consideration payable by the Purchaser to the Vendor on the Completion on a dollar-for-dollar basis. For the avoidance of doubt, no adjustment shall be made to the Consideration if the fair market value of Target Company Group as indicated in the Finalised Valuation Report is more than RMB175,900,000. As such, no adjustment shall be required to be made to the Consideration.

The valuation on the Target Company Group prepared by Avista Valuation Advisory Limited, an independent professional valuer appointed by the Company and the Finalised Valuation Report has adopted an income approach in valuing the Target Company Group. As such, the valuation constitutes a “profit forecast” under Rule 14.61 of the Listing Rules; and Rules 14.61 and 14.62 of the Listing Rules are applicable.

Pursuant to Rule 14.61 of the Listing Rules, the following are the details of the principal assumptions, including commercial assumptions, upon which the valuation on the Target Company Group is based on.

Valuation Basis

The valuation was based on income approach and discounted cash flow method was adopted for valuation. The valuation has considered the following principal factors:

- Shenzhen Jingying and the Target Company Group will be operated with the corporate structure and operation model as projected by the management of the Company, the Target Company Group and Shenzhen Jingying;
- The financial and operating results of Shenzhen Jingying and the Target Company Group;
- The economic outlook in general and the specific economic and competitive elements affecting Shenzhen Jingying and the Target Company Group's businesses, their industry and their market;
- The nature and prospects of the industry of Shenzhen Jingying and the Target Company Group are operating;
- The market-derived investment returns of entities engaged in a similar line of business and returns from other similar types of business;
- The stage of development of Shenzhen Jingying and the Target Company Group's operation; and
- The business risks of Shenzhen Jingying and the Target Company Group (including default risk, legislation risk and economy risk).

The major assumptions used in the valuation of the Target Company Group and Shenzhen Jingying included the following:

- There will be no major changes in the existing political, legal, fiscal and economic conditions in the PRC;
- There will be no major changes in the current taxation law in the PRC, that the rates of tax payable remain unchanged and that all applicable laws and regulations will be complied with;
- Exchange rates and interest rates will not differ materially from those presently prevailing;

- The projection has been prepared on a reasonable basis, reflecting estimates (i.e. assumptions and parameters adopted in the financial projection) which have been arrived at after due and careful consideration by the management of the Company, the Target Company Group and Shenzhen Jingying;
- The availability of finance will not be a constraint on the forecast growth of Shenzhen Jingying and the Target Company Group's operation in accordance with the projection;
- Shenzhen Jingying and the Target Company Group will retain and have competent management, key personnel, and technical staff to support their ongoing operation; and
- Industry trends and market conditions for related industries will not deviate significantly from economic forecasts including but not limit to market relative factors adopted in the discount rate.

The life of the valuation model is perpetual with detail cash flows projection for the initial 6 years up to 2018. The discount rate adopted for the valuation is determined by first obtaining the cost of equity finance according to the capital asset pricing model with reference to the average equity beta of the comparable companies. A risk premium is then added to the cost of equity finance as the Target Company Group and Shenzhen Jingying are at initial stage of business development, which is determined by reference to the average failure rate of similar new start-up private companies. The value of the Target Company Group is further adjusted by a discount for lack of marketability (as a private company) which is determined with reference to the average annualised volatility of the comparable companies. The revenue estimation is determined based on two streams of business, (i) advertising revenue; and (ii) channel revenue. Advertising revenue is charged and based on the estimated number of passengers of aircrafts, advertisements will be assessed by each passenger. Channel fee from advertisers is more passengers oriented and is based on advertisers' preference and channel fee will be received from the advertisers on the number and duration of each program installed.

In particular, the cash flows projection in the valuation of the Target Company Group is based on (i) the business agreements entered into by the Target Company Group and Shenzhen Jingying; (ii) projected expansion and growth; (iii) the revenue estimation model abovementioned and (iv) operating expenses projected.

RSM Nelson Wheeler, the reporting accountant of the Company, has examined the arithmetical accuracy of the calculations of the discounted future estimated cash flows, which do not involve the adoption of accounting policies, for the valuation on the Target Company Group and the Finalised Valuation Report are based on. The Directors have reviewed the principal assumptions upon which the discounted future estimated cash flows is based and are of the view that the forecast has been made after due and careful enquiry.

Letters from RSM Nelson Wheeler and the board of the Directors relating to the valuation are set out as Appendix I and Appendix II to this announcement respectively. The following are the qualifications of the experts who have given their opinion and advice included in this announcement:

Name	Qualification
Avista Valuation Advisory Limited	Professional valuer
RSM Nelson Wheeler	Certified public accountants

As at the date of this announcement, each of Avista Valuation Advisory Limited and RSM Nelson Wheeler does not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person to subscribe for securities in any member of the Group.

Each of Avista Valuation Advisory Limited and RSM Nelson Wheeler has given and has not withdrawn its consent to the publication of this announcement with inclusion of its report and all reference to its name in the form and context in which it appears.

By order of the Board
Z-Obee Holdings Limited
Wang Shih Zen
Chairman and Chief Executive Officer

Hong Kong, 31 August 2012

As at the date of this announcement, the executive Directors are Mr. Wang Shih Zen, Ms. Wang Tao and Mr. Lu Shangmin, the non-executive Director is Mr. David Lim Teck Leong and the independent non-executive Directors are Mr. Chan Kam Loon, Mr. Guo Yanjun, Mr. Lo Hang Fong and Mr. Tham Wan Loong Jerome.

APPENDIX I – LETTER FROM RSM NELSON WHEELER



RSM Nelson Wheeler
中瑞岳華(香港)會計師事務所
Certified Public Accountants

29th Floor
Caroline Centre
Lee Gardens Two
28 Yun Ping Road
Hong Kong

31 August 2012

The Board of Directors
Z-Obee Holdings Limited
Unit E, 26/F., Legend Tower
7 Shing Yip Street, Kwun Tong
Kowloon, Hong Kong

Dear Sirs,

**Z-OBEE HOLDINGS LIMITED (THE “COMPANY”)
DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION
WITH THE BUSINESS VALUATION ON NOOSA INTERNATIONAL
LIMITED (THE “TARGET COMPANY”) AND ITS SUBSIDIARIES
(COLLECTIVELY KNOWN AS THE “TARGET COMPANY GROUP”)**

Independent assurance report

In accordance with our agreed terms of engagement, we have examined the arithmetical accuracy of the calculations of the discounted future estimated cash flows (the “Forecast”) on which the business valuation (the “Valuation”) dated 10 August 2012 prepared by Avista Valuation Advisory Limited in respect of the appraisal of the fair value of the 100% equity interest in the Target Company Group as at 30 June 2012 is based. The Valuation based on the Forecast is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Respective responsibilities of directors and RSM Nelson Wheeler

The directors of the Company (the “Directors”) are responsible for the preparation of the Forecast in accordance with the bases and assumptions approved by the Directors. This responsibility include carrying out appropriate procedures relevant to the preparation of the Forecast for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

It is our responsibility to form a conclusion, based on our work on the arithmetical accuracy of the calculations of the Forecast on which the Valuation is based, and to report our conclusion to you solely for the purpose of reporting under Rule 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of, arising out of, or in connection with our work. Because the Forecast relates to cash flows, no accounting policies of the Company have been adopted in its preparation.

The bases and assumptions adopted by the Directors include hypothetical assumptions about future events and management actions that cannot be confirmed or verified in the same way as past results, and these bases and assumptions may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Accordingly we have not reviewed, considered or conducted any work on the reasonableness and the validity of the bases and assumptions and do not express opinion whatsoever thereon; and our work does not constitute any valuation on the Target Company Group.

Basis of Conclusion

We conducted our work in accordance with International Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information”. We have examined the arithmetical accuracy of the calculations of the Forecast. Our work has been undertaken solely to assist the Directors in evaluating whether the Forecast, so far as the arithmetical accuracy of the calculations is concerned, has been properly compiled in accordance with the bases and assumptions approved by the Directors.

Conclusion

In our opinion, the Forecast, so far as the arithmetical accuracy of the calculations is concerned, has been properly compiled in all material respects in accordance with the bases and assumptions approved by the Directors.

Yours faithfully,
RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

APPENDIX II - LETTER FROM THE BOARD OF DIRECTORS



Z-Obee Holdings Limited

(incorporated in Bermuda with limited liability)

Address: Unit E, 26/F., Legend Tower, 7 Shing Yip Street, Kwun Tong,
Kowloon, Hong Kong

Tel: (852) 3583 6888 Fax: (852) 2234 6459

Date: 31 August 2012

Listing Division
The Stock Exchange of Hong Kong Limited
11/F., One International Finance Centre,
1 Harbour View Street,
Central,
Hong Kong

Dear Sirs,

Re: Discloseable Transaction – Acquisition of 40% shareholding in Noosa International Limited

We refer to the valuation report dated 10 August, 2012 prepared by Avista Valuation Advisory Limited (the “**Valuer**”) in relation the valuation of Noosa International Limited and its Subsidiaries (the “**Target Company Group**”), the valuation of which constitutes a profit forecast under Rule 14.62 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

We have reviewed the bases and assumption based upon which the valuation of the Target Company Group has been prepared and reviewed the valuation by the Valuer for which the Valuer is responsible. We have also considered the report from the reporting accountant of the Company, RSM Nelson Wheeler, regarding whether the discounted future estimated cash flows of the Target Company Group and the calculations thereof has been properly complied in accordance with the bases and assumptions made by our directors.

On the basis of the foregoing, we are of the opinion that the valuation prepared by the Valuer has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of the board of directors of
Z-Obee Holdings Limited
Wang Shih Zen
Chairman and Chief Executive Officer