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## **Z-Obee Holdings Limited**

**融達控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Hong Kong Stock Code: 948)**

**(Singapore Stock Code: D5N)**

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

### **ANNOUNCEMENT**

Annual reviews of professional fee paid to DLP for each of the two financial years ended 31 March 2011 and 2012.

Further to the announcement of Z-Obee Holdings Limited (the “Company”) dated on 21 October 2010 (the “Announcement”) in relation to the advisory services agreement (the “Agreement”) entered between the Company and David Lim & Partners (the “DLP”) in relation to the appointment of DLP as the legal adviser to the Company for the provision of legal advisory services under Singapore law.

Pursuant to the Announcement, the professional fees payable to DLP for the legal advisory services to be rendered by DLP will be agreed between the parties to the Agreement on project basis under a separate engagement. The aggregate annual professional fees payable to DLP will be capped at S\$200,000 for each of the three financial years ending 31 March 2013. Such annual caps under the Agreement for each of the three financial years ending 31 March 2013 will be less than 5% which are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”), the annual review requirements set out in Rules 14A.37 to 14A.40 of the Listing Rules and the requirements set out in Rules 14A.35(1) and 14A.35(2) of the Listing Rules.

*\* For identification purpose only*

The actual professional fees paid to DLP for each of the two financial years ended 31 March 2011 and 2012 were US\$119,049 (equivalent to approximately HK\$926,201) and US\$12,535 (equivalent to approximately HK\$97,522) respectively which were disclosed in the annual reports of the Company and its subsidiaries (the “Group”) for the two financial years ended 31 March 2011 and 2012. Both amounts of the professional fees paid to DLP were below HK\$1 million, which constitute continuing connected transactions and are exempt from the reporting, annual review, announcement and independent shareholders’ approval requirements under Rule 14A.33(3) of Chapter 14A of the Listing Rules. Therefore, the annual review requirements as set out in Rules 14A.37 to 14A.40 of the Listing Rules and the requirements set out in Rules 14A.35(1) and 14A.35(2) of the Listing Rules have not been prepared for the relevant period for the financial years ended 31 March 2011 and 2012. The Directors aware that the reporting and annual review requirements under Chapter 14A had been triggered when the advisory services agreement with DLP was entered.

RSM Nelson Wheeler was engaged to report on the professional fee paid by the Group to DLP for the two financial years ended 31 March 2011 and 2012 and they have issued their letter containing their findings and conclusions in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the Hong Kong Institute of Certified Public Accountants. Such review did not comply with Rule 14A.38 of the Listing Rules as such review does not constitute an annual review of the continuing connected transaction as set out in Rule 14A.38 of the Listing Rules.

According to the letter of RSM Nelson Wheeler which they rely on the information provided by the Company, they confirmed that nothing has come to their attention and caused them to believe that:

- (a) the transactions have not been approved by the Company’s board of directors;
- (b) the transactions were not entered into, in all material respects, in accordance with the relevant agreement governing such transactions; and
- (c) the transactions for each of the two years ended 31 March 2012 have exceeded the maximum aggregate annual value of SGD 200,000 as disclosed in the Announcement.

Pursuant to Rule 14A.37 of the Listing Rules, the independent non-executive directors of the Company have reviewed the professional fee paid by the Group to DLP during two financial years ended 31 March 2011 and 2012 and letter of RSM Nelson Wheeler and have confirmed that these transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

In the current practice of the Company, all connected transactions of the Group during the financial year will be reported to the audit committee of the board of the directors of the Company. In addition to the regular reporting, the professional fees paid by the Group to DLP and any other continuing connected transactions incur for the financial year ending 31 March 2013 and in the future, the independent non-executive directors and the auditors of the Company will perform review on these transactions in order to comply with the requirements under Chapter 14A of the Listing Rules.

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

Hong Kong, 11 October 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.*

*For the purpose of this announcement, unless otherwise indicated, conversion of US\$ to HK\$ is calculated at the approximate exchange rate of US\$1.00 to HK\$7.78. This exchange rate is adopted for the purpose of illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.*