

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information only and does not constitute an invitation or offer to accept, purchase or subscribe for any securities of the Company.



Z-Obee Holdings Limited

融達控股有限公司*

(Provisional Liquidators Appointed)

(incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 948)

(Singapore Stock Code: D5N)

- (1) FRAMEWORK AGREEMENT IN RELATION TO
THE PROPOSED RESTRUCTURING OF THE COMPANY**
(2) APPLICATION FOR WHITEWASH WAIVER
(3) THIRD DELISTING STAGE
AND
(4) CONTINUED SUSPENSION OF TRADING

Financial Adviser to the Company



ASIAN CAPITAL
(CORPORATE FINANCE) LIMITED
卓亞 (企業融資) 有限公司

FRAMEWORK AGREEMENT

As part of the Proposed Restructuring of the Company, on 5 June 2015, the Company, the Provisional Liquidators and the Investor entered into the Framework Agreement, pursuant to which, among others, the parties agreed on the principal terms of the Proposed Restructuring and the Investor has been granted the Exclusivity Period for the Proposed Restructuring of the Company. In order to improve the viability of the Resumption Proposal, the parties entered into the Amendment and Restatement Agreement dated 5 October 2015 and the Side Letter dated 3 March 2016 to revise and restate the principal terms of the Proposed Restructuring. Pursuant to the Framework Agreement, the Proposed Restructuring will comprise, among others, (i) the Schemes; (ii) the Capital Reorganisation; (iii) the Share Subscription; (iv) the Open Offer; (v) the Working Capital Loan and the Loan Facility and (vi) the engagement of the New Management Team.

The Schemes

Pursuant to the Framework Agreement, it is proposed that the Schemes will be implemented. Under the Schemes, HK\$147.0 million will be made available for the purposes of applying such funds against the petitioner's costs, the Provisional Liquidators' costs and the Schemes costs; the claims of preferential creditors and secured creditors (if any) of the Company; and thereafter discharging the claims of the Scheme Creditors.

As part of the Schemes, the Group will undergo the Group Reorganisation, pursuant to which, the Company will transfer the entire interests of the Excluded Companies to a nominee of the Scheme Administrators at a nominal value. After such transfer, proceeds from realisation of any existing assets of the Excluded Companies will be distributed for the benefit of the Scheme Creditors.

The Scheme Creditors shall discharge their claims in full against the Company in return for a pari passu distribution of the Scheme Cash Consideration and any further distribution of proceeds from realisation of any existing assets of the Excluded Companies under the Schemes.

Upon completion of the Schemes, all the unsecured claims against, and unsecured liabilities of, the Company (excluding the normal operating liabilities incurred during the ordinary course of business operations of the Group) will be discharged and compromised in full.

The Capital Reorganisation

As at the date of this announcement, the existing authorised share capital of the Company is US\$10.0 million, divided into 1,250,000,000 Shares of US\$0.008 each, of which 762,687,662 Shares were issued and credited as fully paid up in the amount of approximately US\$6,101,501.

The Capital Reorganisation will entail the Capital Reduction, the Share Consolidation and the Increase in Authorised Share Capital. It is proposed that the Capital Reorganisation will be put forward to the Shareholders for their approval at the SGM.

The Share Subscription

Subject to the completion of the Capital Reorganisation, the Investor agreed to subscribe for and the Company agreed to issue and allot 4,040,000,000 Subscription Shares at the Subscription Price of HK\$0.05 per Subscription Share for the Share Subscription Consideration, being not more than HK\$202.0 million.

The Open Offer

The Company shall conduct the Open Offer to raise approximately HK\$19,067,192 in cash, representing approximately 7.94% of the enlarged issued share capital of the Company upon completion of the Capital Reorganisation, the Open Offer and the Share Subscription. The Open Offer will be fully underwritten by the Investor.

The Working Capital Loan and the Loan Facility

Pursuant to the Framework Agreement, on 5 June 2015, the Investor and HK Rich (a wholly owned subsidiary of the Company) entered into the Working Capital Loan Agreement (as amended and novated by the Novation Deed on 5 October 2015) to, among others, support the continuation of the business activities of the Group.

In addition, on 5 June 2015, the Company and the Investor entered into the Loan Facility Agreement to, among others, enable the Provisional Liquidators to place certain subsidiaries of the Company into liquidation and/or for the preservation or taking control of any assets of the Group.

Engagement of the New Management Team

As part of the Proposed Restructuring, the SPV Group shall, and the Company and the Provisional Liquidators shall procure the SPV Group to, enter into consultancy or employment agreements with each member of the New Management Team, pursuant to which each member of the New Management Team shall be engaged by the SPV Group as senior management to establish and/or operate the new business to be established by the SPV Group and/or such other wholly-owned subsidiaries of the Company relating to the distribution of and provision of solution for mobile handsets and its components. As at the date of this announcement, none of the members of the New Management Team is a Shareholder.

IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR THE WHITEWASH WAIVER

As at the date of the Framework Agreement and this announcement, the Investor and parties acting in concert with it do not hold any Shares. Immediately upon completion of the Share Subscription and the Open Offer, the Investor and its concert parties will be interested in 4,040,000,000 New Shares (assuming all the Shareholders are Qualifying Shareholders and have taken up his/her entitlement under the Open Offer), representing:

- (a) approximately 1,059.40% of the issued share capital of the Company upon completion of the Capital Reorganisation; and
- (b) approximately 84.12% of the issued share capital of the Company upon completion of the Capital Reorganisation as enlarged by the issue of the Offer Shares and the Subscription Shares (assuming all the Shareholders are the Qualifying Shareholders and have taken up his/her entitlement under the Open Offer).

Pursuant to Rule 26 of the Takeovers Code and in the absence of the Whitewash Waiver, as a result of the completion of the Share Subscription, an obligation to make a mandatory general offer would be triggered on the part of the Investor and its concert parties for all the shares of the Company other than those already owned or agreed to be acquired by the Investor and its concert parties. In this respect, the Investor will make an application to the Executive under the Takeovers Code for the Whitewash Waiver to relieve them from their obligation to make a mandatory general offer as a result of the completion of the Share Subscription, and such grant will be subject to, among others, approval of the Independent Shareholders in respect of

the Framework Agreement, the Share Subscription and the Whitewash Waiver at the SGM by way of poll.

GENERAL

Under Rule 8.2 of the Takeovers Code, the Company is required to despatch to Shareholders a circular containing, among others, details of (a) the Framework Agreement, which includes, among others, (i) the Schemes; (ii) the Capital Reorganisation; (iii) the Share Subscription; and (iv) the Open Offer; (b) the Whitewash Waiver; (c) the letter from the Independent Board Committee; (d) the letter from the independent financial adviser to the Independent Shareholders and the Independent Board Committee; and (e) a notice of the SGM within 21 days from the date of publication of this announcement, that is, on or before 13 May 2016.

As the subscription agreement in relation to the Share Subscription has not been entered into, which is subject to, among others, the in-principal approval of the Stock Exchange for the Resumption, the date on which the subscription agreement in relation to the Share Subscription is entered into and the date of despatch of the Circular are uncertain as at the date of this announcement. As such, an application will be made to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code and to grant consent for an extension of time for the despatch of the Circular to a date falling within 21 days after the subscription agreement in relation to the Share Subscription is entered into. Further announcement(s) will be made by the Company in this regard as and when appropriate.

THIRD DELISTING STAGE

Trading in the Shares on the Stock Exchange has been suspended since 27 June 2014. On 19 July 2015, the Company duly submitted the Resumption Proposal outlining the recent achievements and future plans of the Company to the Stock Exchange to seek the in principle approval of the Stock Exchange for the Resumption. On 14 August 2015, the Company received the decision letter from the Listing Committee that it considered the Resumption Proposal not viable and decided to place the Company in the third delisting stage under Practice Note 17 to the Listing Rules. On 24 August 2015, the Company requested for a review hearing of the Listing (Review) Committee for a ruling of the Listing Committee's decision.

The review hearing was held on 17 December 2015. On 29 December 2015, the Company received the decision letter of the Listing (Review) Committee that the Listing (Review) Committee decided to uphold the Listing Committee's decision. An announcement was made by the Stock Exchange on 6 January 2016 to place the Company into the third delisting stage with effect on the same day for a period of nine months. The Stock Exchange intends to cancel the listing of the Company after the nine-month period (i.e. 5 October 2016) if the Company does not provide a viable resumption proposal.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 2:37 p.m. on 27 June 2014 and will remain suspended until further notice. The release of this announcement does not necessarily indicate the Shares will be resumed for

trading.

The transactions contemplated under the Framework Agreement are subject to the fulfillment of a number of conditions precedent, and therefore may or may not materialise. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

The Company is preparing a viable resumption proposal and will keep the Shareholders and investors informed of the latest development by making further announcements as and when appropriate.

Reference is made to the announcement by the Stock Exchange on 6 January 2016 in relation to the commencement of the third stage of the delisting procedures in respect of the Company. Among other things, the Listing (Review) Committee has allowed a period of 9 months from 6 January 2016 for the Company to submit a viable resumption proposal.

INTRODUCTION

Trading in the Shares on the Stock Exchange has been suspended since 27 June 2014. Pursuant to the court orders dated 27 June 2014 and 2 June 2015 made by the Hong Kong Court, the Provisional Liquidators were appointed to, among others, formulate and carry out a restructuring of the Company. Subsequently, the Provisional Liquidators engaged advisers to identify suitable investor who would be able to assist the Company and the Directors to continue the business operations of the Group. On 28 April 2015, the Investor formally submitted an indicative restructuring proposal to the Provisional Liquidators.

On 5 June 2015, the Company, the Provisional Liquidators and the Investor entered into the Framework Agreement. Pursuant to the Framework Agreement, among others, the parties agreed on the principal terms of the Proposed Restructuring and the Investor has been granted the Exclusivity Period for the Proposed Restructuring of the Company. In order to improve the viability of the Resumption Proposal, the parties entered into the Amendment and Restatement Agreement dated 5 October 2015 and the Side Letter dated 3 March 2016 to revise and restate the principal terms of the Proposed Restructuring.

FRAMEWORK AGREEMENT

Date

5 June 2015 (as amended and restated by the Amendment and Restatement Agreement dated 5 October 2015 and amended and supplemented by the Side Letter dated 3 March 2016)

Parties

- (1) the Company;
- (2) the Provisional Liquidators; and
- (3) the Investor

Proposed Restructuring

The Proposed Restructuring will comprise, among others, (i) the Schemes; (ii) the Capital Reorganisation; (iii) the Share Subscription; (iv) the Open Offer; (v) the Loan Facility and the Working Capital Loan and (vi) the engagement of the New Management Team.

1. The Schemes

As at the date of this announcement, to the best knowledge of the Provisional Liquidators and based on the available books and records of the Company, the estimated total amount of claims against, and the liabilities of, the Company is over HK\$677.0 million.

Pursuant to the Framework Agreement, the Company will implement the Schemes. Under the Schemes, it is proposed that HK\$147.0 million shall be made available for the purposes of applying such funds against (i) the petitioner's costs, the Provisional Liquidators' costs and the Schemes costs; (ii) the claims of preferential creditors and secured creditors (if any) of the Company; and thereafter (iii) discharging the claims of the Scheme Creditors.

As part of the Schemes, the Group will undergo the Group Reorganisation, pursuant to which, the Company will transfer the entire interests of the Excluded Companies to a nominee of the Scheme Administrators at a nominal value. After such transfer, proceeds from realisation of any existing assets of the Excluded Companies will be distributed for the benefit of the Scheme Creditors.

The Scheme Creditors shall discharge their claims in full against the Company in return for a *pari passu* distribution of the Scheme Cash Consideration and any further distribution of proceeds from realisation of any existing assets of the Excluded Companies under the Schemes.

The Schemes which are subject to sanction of the Hong Kong Court and the Bermuda Court respectively shall become effective and legally binding on the Company and all the Scheme Creditors, including those voting against the Schemes and those not voting, if the requisite majority (representing more than 50% in number and not less than 75% in value of the claims of the Scheme Creditors who, either in person or by proxy, attend the Scheme Meetings convened with the leave of the relevant courts) votes in favour of the Schemes which the relevant courts thereafter sanction and a copy of each of the relevant court orders sanctioning the Schemes are filed with the relevant Registrars of Companies in Hong Kong and Bermuda respectively.

Upon completion of the Schemes, all the claims against, and liabilities of, the Company (excluding the normal operating liabilities incurred during the ordinary course of business operations of the Group) will be discharged and compromised in full.

As at the date of this announcement, none of the petitioner, the preferential creditors and the secured creditors of the Company, the Scheme Creditors and the Provisional Liquidators, is a Shareholder.

2. The Capital Reorganisation

As at the date of this announcement, the existing authorised share capital of the Company is US\$10.0 million, divided into 1,250,000,000 Shares of US\$0.008 each, of which 762,687,662 Shares were issued and credited as fully paid up in the amount of approximately US\$6,101,501.

The Capital Reorganisation will entail the Capital Reduction, the Share Consolidation and the Increase in Authorised Share Capital. The Capital Reorganisation will be put forward to the Shareholders for their approval at the SGM.

- (i) *Capital Reduction* – the par value of the Share will be reduced from US\$0.008 to US\$0.001 by the reduction of US\$0.007 for each Share and all unissued Shares will be cancelled.
- (ii) *Share Consolidation* – Upon the Capital reduction becoming effective, every two (2) Shares of US\$0.001 each will be consolidated and exchanged into one (1) New Share of US\$0.002 each.
- (iii) *Increase in Authorized Share Capital* – Upon the Capital Reduction and the Share Consolidation becoming effective, the Company's authorized share capital will be increased to US\$120.0 million, dividing into 60,000,000,000 New Shares of US\$0.002 each by the creation of 59,618,656,169 New Shares.

3. The Share Subscription

Subject to the completion of the Capital Reorganisation, the Investor agreed to subscribe for and the Company agreed to issue and allot 4,040,000,000 Subscription Shares at the Subscription Price of HK\$0.05 per Subscription Share for the Share Subscription Consideration, being not more than HK\$202.0 million.

At the completion of the Share Subscription, (i) the Earnest Money; (ii) the outstanding amount of the Loan Facility; (iii) subject to the terms of the Framework Agreement, the outstanding amount of any other loan facilities made available by the Investor to the SPV Group as the Company, the Provisional Liquidators and the Investor agree in writing may be set-off from the Share Subscription Consideration; and (iv) the sum paid by the Investor as Professional Fees and Expenses, shall be used to partially set-off the Investor's obligations to pay the Share Subscription Consideration under the Share Subscription. Notwithstanding the foregoing, the balance of the Share Subscription Consideration payable by the Investor after any set-off shall not be less than HK\$147.0 million under any circumstances.

The Share Subscription is subject to the fulfilment of the following conditions precedent:

- (i) the requisite majority of the Independent Shareholders approving the Open Offer, the Share Subscription, the Whitewash Waiver and the Capital Reorganisation at the SGM;

- (ii) the requisite majority of the Scheme Creditors in Hong Kong and Bermuda approving the Schemes, each of the Hong Kong Court and the Bermuda Court sanctioning the Schemes and the orders of the Hong Kong Court and the Bermuda Court having been duly registered and the Schemes take effect;
- (iii) the Stock Exchange having granted in-principle approval to the Company on the Resumption Proposal;
- (iv) the completion of the Capital Reorganisation; and
- (v) the grant of the Whitewash Waiver by the Executive.

There is no provision in the Framework Agreement to waive any of the conditions precedent above.

4. The Open Offer

The Company shall conduct the Open Offer to raise approximately HK\$19,067,192 in cash, involving the issue of 381,343,831 New Shares, representing approximately 7.94% of the enlarged issued share capital of the Company upon completion of the Capital Reorganisation, the Open Offer and the Share Subscription. The Company and the Investor will enter into the Underwriting Agreement, pursuant to which the Investor will underwrite the entire Offer Shares.

The proposed terms of the Open Offer are summarized as follows:

Basis of the Open Offer:	One (1) Offer Share for every one (1) New Shares
Number of Shares in issue as at the date of this announcement:	762,687,662 Shares
Number of New Shares upon completion of the Capital Reorganisation:	381,343,831 New Shares
Subscription Price:	HK\$0.05 per Offer Share
Number of Offer Shares:	381,343,831 Offer Shares
Funds to be raised before expenses	HK\$19,067,192

As at the date of this announcement, the Company had no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

Taking into account the estimated expenses in connection with the Open Offer of approximately HK\$600,000, the net price per Offer Share is expected to be approximately HK\$0.048.

5. The Working Capital Loan and the Loan Facility

a. Working Capital Loan Agreement

Date

5 June 2015 (as amended and novated by the Novation Deed dated 5 October 2015)

Parties

- (1) HK Rich as the borrower; and
- (2) the Investor as the lender

The Investor and HK Rich (a wholly-owned subsidiary of the Company) entered into the Working Capital Loan Agreement (as amended and novated by the Novation Deed on 5 October 2015) to, among others, support the continuation of the business activities of the Group. The Investor has agreed to make available to HK Rich a loan facility in an aggregate amount equal to HK\$20.0 million, which will be used to satisfy the specific business needs of HK Rich as approved by the Investor and/or pay any fees, remuneration and/or expenses to Mr. Long, Ms. Wu and such other employees or consultants as may be engaged by HK Rich.

As at the date of this announcement, none of Mr. Long, Ms. Wu and any employees or consultants of HK Rich is a Shareholder.

Interest and repayment

It was also agreed, among others, that:

- (a) the Working Capital Loan will accrue interest at 2% per annum, calculated based on 365-days per annum; and
- (b) the Working Capital Loan will be repaid together with all accrued interest on the earlier of (i) the Termination Date (but not if the Termination Date occurred due to Completion occurring) and (ii) the date falling two (2) years from the date of the Working Capital Loan Agreement.

As at the date of this announcement, HK Rich has drawn down the full aggregate amount of HK\$20.0 million under the Working Capital Loan Agreement.

Effectiveness

The Working Capital Loan Agreement has taken effect and been legally binding and enforceable against the parties to the Working Capital Loan Agreement since 27 November 2015 on which a sealed copy of the court order granted by the Hong Kong Court approving, among others, the Provisional Liquidators' procurement of HK Rich's entering into of the Working Capital Loan Agreement was provided to the Investor's solicitors in accordance with the terms of the Working Capital Loan Agreement.

b. The Loan Facility Agreement

Date

5 June 2015

Parties

- (1) the Company as the borrower; and
- (2) the Investor as the lender

The Company and the Investor entered into the Loan Facility Agreement to, among others, enable the Provisional Liquidators to place certain subsidiaries of the Company into liquidation and/or for the preservation or taking control of any assets of the Group. The Investor has agreed to make available to the Company an interest-free loan facility in an aggregate amount equal to HK\$3.0 million, which will be used solely for the purposes of discharging, in whole or in part, any costs, fees, remuneration and expenses incurred by the Provisional Liquidators and/or the Company in connection with (i) the provisional liquidation of the Company; (ii) the preservation or taking control of any assets of the Group; and/or (iii) the liquidation (whether by compulsory or voluntary liquidation) of any of the subsidiaries of the Company.

The Investor has agreed to make available the first half of the Loan Facility (being HK\$1.5 million) to the Company upon the obtaining of the in-principle approval of the Resumption Proposal from the Stock Exchange with the balance (being HK\$1.5 million) to be made available on the day of the Company's filing of the application to the Hong Kong Court for directions to convene the Scheme Creditors' meeting for the purposes of considering and if thought fit, approving the Schemes.

Interest and repayment

In addition, it was agreed, among others, that:

- (a) The Loan Facility is interest free. However if the Company fails to pay any amount payable by it under the Loan Facility Agreement on its due date (being the earlier of (i) the Termination Date (but not if the Termination Date occurred due to Completion occurring); and (ii) the completion date of the Share Subscription), interest shall accrue on the unpaid sum from the due date to the date of actual payment (both before and after judgement for unpaid debt under the Loan Facility Agreement) at a rate which is 5% per annum higher than the prevailing prime lending rate published by The Hongkong and Shanghai Banking Corporation Limited. Any interest accruing under this clause shall be immediately payable by the Company on demand by the Investor. Default interest (if unpaid) arising on an unpaid sum will be compounded with the unpaid sum at the end of any period which the Investor may at its sole discretion elects;
- (b) the Company shall repay the Loan Facility to the Investor together with any accrued interest and other amounts owing by the Company to the Investor on the

- earlier of (i) the Termination Date (but not if the Termination Date occurred due to Completion occurring); and (ii) the completion date of the Share Subscription;
- (c) the Loan Facility will not be a claim to be submitted, compromised or otherwise participate in the Schemes;
 - (d) the Loan Facility shall rank *pari passu* with all unsecured, direct and indirect, current and future claims against the Company; and
 - (e) at completion of the Share Subscription, the Loan Facility will form part of the Scheme Cash Consideration and be fully repaid by partially setting-off against the subscription money payable by the Investor.

Effectiveness

The Loan Facility Agreement has taken effect and been legally binding and enforceable against the parties to the Loan Facility Agreement since 2 July 2015 on which a sealed copy of the court order was granted by the Hong Kong Court approving, among others, the Company's entering into of the Loan Facility Agreement.

6. Engagement of the New Management Team

As part of the Proposed Restructuring, the SPV Group shall, and the Company and the Provisional Liquidators shall procure the SPV Group to, enter into a consultancy or employment agreement with each member of the New Management Team, pursuant to which each member of the New Management Team shall be engaged by the SPV Group as senior management to establish and/or operate the new business to be established by the SPV Group and/or such other wholly-owned subsidiaries of the Company relating to the distribution of and provision of solution for mobile handsets and its components. As at the date of this announcement, none of the members of the New Management Team is a Shareholder.

Exclusivity

The Investor has been granted the Exclusivity Period for the Proposed Restructuring. During the Exclusivity Period, each of the Company and the Provisional Liquidators shall not, and shall ensure that its respective partners, directors, officers, employees, advisers or agents shall not, directly or indirectly:

- (a) enter into or be involved in any discussion or negotiation with any person except the Investor and its officers, directors, employees, advisers or agents relating to the restructuring of the Company;
- (b) enter into any verbal or written commitment or agreement (whether or not legally binding on the parties) with any person except with the Investor relating to the restructuring of the Company; or
- (c) enter into or be involved in any transaction which has the impact of frustrating or impeding the transactions as contemplated in the Framework Agreement.

Earnest Money

In consideration of the Company and the Provisional Liquidators granting the Exclusivity Period to the Investor, pursuant to the Framework Agreement, the Investor has paid the Earnest Money in the total amount of HK\$33.0 million to the Escrow Account, solely for the purpose of settling all fees, remuneration, costs and expenses incurred by the Provisional Liquidators, its advisers and agents for work done in connection with the Proposed Restructuring in accordance with the milestones set out in the Framework Agreement. The First Earnest Money Installment in the amount of HK\$5.0 million has been released to the Provisional Liquidators after a sealed order of the Hong Kong Court was provided to the Investor by the Provisional Liquidators.

The Provisional Liquidators and the Investor shall provide joint instructions to the Escrow Agent to release the Earnest Money together with all interest accrued on it (if any) to the Provisional Liquidators if the Framework Agreement is terminated by the Provisional Liquidators pursuant to paragraph (c) in the section headed “Framework Agreement – Termination” below and the Provisional Liquidators shall be entitled to forfeit any remaining balance of the Earnest Money held in the Escrow Account (together with all interest accrued on it (if any)) after deduction of all fees, remuneration, costs and expenses payable under the terms of the Framework Agreement and treat it as funds forming part of the assets of the Company.

The Provisional Liquidators and the Investor shall provide joint instructions to the Escrow Agent to release the Earnest Money together with all interest accrued on it (if any) to the Investor if the Framework Agreement is terminated for any other reasons (other than pursuant to paragraph (c) in the section headed “Framework Agreement – Termination” below or other than due to Completion occurring in accordance with the terms of the Framework Agreement), the Escrow Agent shall release any remaining balance of the Earnest Money in the Escrow Account (together with all interest accrued on it (if any)) to the Investor within three business days of the termination.

Call Option

Pursuant to the Framework Agreement, in consideration of the Investor (i) agreeing to enter into the Framework Agreement, (ii) making available the Loan Facility and (iii) paying the Earnest Money, the Company granted to the Investor the Call Option pursuant to which the Investor may, at its sole and absolute discretion, at any time after the Termination Date, require the Company to sell the entire issued shares held in each member of the SPV Group, free and clear of all encumbrances and at an exercise price equivalent to the First Earnest Money Instalment.

In the event that the Investor exercises the Call Option, pursuant to the terms of the Framework Agreement, the exercise price of the Call Option payable by the Investor to purchase the entire issued shares held in each member of the SPV Group from the Company is deemed to have been settled in full by the Investor by the payment of the First Earnest Money Instalment (as part of the Earnest Money), which has already been released to the Provisional Liquidators. The Call Option shall lapse at Completion. In order to exercise the Call Option, the Investor shall deliver a written notice to the Company specifying the date on

which the transfer of the shares in each member of the SPV Group shall be completed.

Effectiveness

The Framework Agreement has taken effect and been legally binding and enforceable against the parties thereto since 27 November 2015 on which a sealed copy of the court order granted by the Hong Kong Court approving, among others, the Company and/or the Provisional Liquidators' entering into of the Framework Agreement was provided to the Investor's solicitor by the Provisional Liquidators in accordance with the terms of the Framework Agreement.

Professional Fees and Expenses

Pursuant to the Framework Agreement, the Investor agreed to promptly make payment to the Company or the Provisional Liquidators on demand, the Professional Fees and Expenses in the amount of HK\$2.0 million which will be used as fees, remuneration and expenses solely in connection with the costs incurred or to be incurred by the Company, the SPV Group, or the Provisional Liquidators on behalf of the Company and the SPV Group in connection with the engagement of auditors, reporting accountants and internal control consultants of the Company and will be paid directly to such advisers for the purposes of issuing outstanding audited financial results or reports of the Company and accountants' reports relating to the SPV Business to satisfy the requirements under the Listing Rules, issuing the internal control review report of the Group and the SPV Group, issuing comfort letters, indebtedness statements, working capital sufficiency statements and profit forecasts where necessary and any other documents as requested by the Stock Exchange and in accordance with the requirements of the Listing Rules and as requested by the Executive and in accordance with the requirements of the Takeovers Code, and preparing the documents required for the Open Offer in accordance with the requirements of the Listing Rules.

Termination

Unless the Company, the Provisional Liquidators and the Investor otherwise agree in writing, the provisions of the Framework Agreement shall terminate:

- (a) automatically on the date of Completion;
- (b) automatically on the date when the Exclusivity Period ends;
- (c) in the event the Investor has breached any of its obligations under the Framework Agreement, the Loan Facility Agreement, the Working Capital Loan Agreement, the Novation Deed, the Amendment and Restatement Agreement and/or any other agreements contemplated thereunder in any material respect which has the effect of frustrating the transactions contemplated thereunder and the Provisional Liquidators having notified the Investor in writing of the said breach and the Investor has not remedied the breach within 30 days of the written notice, the date on which the Provisional Liquidators notifies the Investor to terminate the Framework Agreement after the expiry of the afore-mentioned 30-day period;
- (d) in the event the Provisional Liquidators, the Company or any of their respective

partners, directors, officers, employees, advisers or agents has breached the terms of the exclusivity, the date on which the Investor notifies the Provisional Liquidators to terminate the Framework Agreement based on such breach;

- (e) the date on which the Investor notifies the Provisional Liquidators in writing to terminate the Framework Agreement if (i) a general meeting of the Company has been convened for the Independent Shareholders to consider and approve the Open Offer, the Share Subscription, the Whitewash Waiver and/or the Capital Reorganisation and any one or more of the resolutions to approve the Open Offer, the Share Subscription, the Whitewash Waiver and/or the Capital Reorganisation have not been passed by the requisite majority of the Independent Shareholders at the said meeting; (ii) the sanction of the Hong Kong Court and/or Bermuda Court has not been obtained at a court meeting of the Hong Kong Court and/or Bermuda Court; (iii) the Schemes are not approved by the requisite majority of the Scheme Creditors at a meeting of Scheme Creditors; and/or (iv) the Schemes not being registered and/or not taking effect for any reason; and
- (f) the date on which the Investor notifies the Provisional Liquidators in writing to terminate the Framework Agreement if the in-principle approval by the Hong Kong Stock Exchange of the Resumption Proposal is not obtained on or before 31 December 2016.

SUBSCRIPTION SHARES AND OFFER SHARES

Number of Subscription Shares and Offer Shares

The Company will allot and issue 4,040,000,000 Subscription Shares upon completion of the Share Subscription and 381,343,831 Offer Shares upon completion of the Open Offer respectively.

The number of 4,040,000,000 Subscription Shares represents:

- (a) approximately 529.70% of the existing issued share capital of the Company;
- (b) approximately 1,059.40% of the issued share capital of the Company upon completion of the Capital Reorganisation;
- (c) approximately 91.37% of the issued share capital of the Company upon completion of the Capital Reorganisation as enlarged by the issue of the Subscription Shares; and
- (d) approximately 84.12% of the issued share capital of the Company upon completion of the Capital Reorganisation as enlarged by the issue of the Subscription Shares and the Offer Shares (assuming all the Shareholders are the Qualifying Shareholders and have taken up his/her entitlement under the Open Offer).

The number of 381,343,831 Offer Shares represents:

- (a) approximately 50.00% of the existing issued share capital of the Company;

- (b) approximately 100.00% of the issued share capital of the Company upon completion of the Capital Reorganisation;
- (c) approximately 8.63% of the issued share capital of the Company upon completion of the Capital Reorganisation as enlarged by the issue of the Subscription Shares; and
- (d) approximately 7.94% of the issued share capital of the Company upon completion of the Capital Reorganisation as enlarged by the issue of the Subscription Shares and the Offer Shares.

Price of the Subscription Shares and the Offer Shares

Pursuant to the Framework Agreement, the Subscription Price for the Subscription Shares is HK\$0.05 per Subscription Share.

As at the date of this announcement, it is expected that the Offer Price for the Offer Shares will be the same as the Subscription Price of HK\$0.05 per Offer Share.

The Subscription Price and the Offer Price of HK\$0.05 represent:

- (a) a discount of approximately 88.10% to the theoretical closing price of HK\$0.42 per share as adjusted for the effect of the Capital Reorganisation based on the closing price of HK\$0.210 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 89.90% to the average theoretical closing price of HK\$0.496 per share as adjusted for the effect of the Capital Reorganisation based on the average closing price of HK\$0.248 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and
- (c) a discount of approximately 90.70% to the average theoretical closing price of HK\$0.540 per share as adjusted for the effect of the Capital Reorganisation based on the average closing price of HK\$0.270 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day.

The Subscription Price and the Offer Price were determined after arm's length negotiations between the Company and the Investor having regard to the fact that the Provisional Liquidators have been appointed and the prolonged suspension of trading in the Shares on the Stock Exchange, the prevailing stock market conditions and the prospects of the business operations of the Group.

ILLUSTRATIVE CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purpose only, the tables below set out the changes in the Company's shareholding structure, assuming the Capital Reorganisation, the Share Subscription and the Open Offer will take place as set out above:

	As at the date of this announcement		Upon the completion of the Capital Reorganisation		Upon the completion of the Capital Reorganisation and the Share Subscription		Upon the completion of the Capital Reorganisation, the Share Subscription and the Open Offer (Note)			
							Assuming all of the qualifying Shareholders take up their entitlements under the Open Offer		Assuming none of the qualifying Shareholders take up their entitlements under the Open Offer	
	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%
Mr. Wang Shih Zen	184,716,750	24.22	92,358,375	24.22	92,358,375	2.09	184,716,750	3.85	92,358,375	1.92
The Investor and parties acting in concert with it	-	-	-	-	4,040,000,000	91.37	4,040,000,000	84.12	4,421,343,831	92.06
Public Shareholders	577,970,912	75.78	288,985,456	75.78	288,985,456	6.54	577,970,912	12.03	288,985,456	6.02
Total	762,687,662	100.00	381,343,831	100.00	4,421,343,831	100.00	4,802,687,662	100.00	4,802,687,662	100.00

Note: The Directors and the Investor undertake to take appropriate steps to satisfy the public float requirement under Rule 8.08(1)(a) of the Listing Rules immediately after completion of the Capital Reorganization, the Share Subscription and the Open Offer.

REASONS FOR THE ENTERING INTO OF THE FRAMEWORK AGREEMENT

The Group is principally engaged in provision of mobile handset design and production solution services and marketing and distribution of mobile handset and its components. As set out in paragraphs headed “Schemes” above, the Company is heavily indebted. The Directors and the Provisional Liquidators were keen to recommence business operations of the Group, however, as there were no working capital, it was impossible for the Directors and the Provisional Liquidators to recommence business operations.

On 28 April 2015, the Investor formally submitted an indicative restructuring proposal to the Provisional Liquidators, which involves continuation of the existing business operations, and after arm’s length negotiations among the parties, on 5 June 2015, the Company, the Provisional Liquidators and the Investor entered into the Framework Agreement.

Given the financial situation of the Group and the willingness of the Investor to finance the Group to continue the existing business operations, the Provisional Liquidators and the Directors consider that the entering into the Framework Agreement will facilitate with the Company to satisfy the conditions for Resumption set out by the Stock Exchange. The Working Capital Loan will enable the Group to continue its existing business operations through the SPV Group.

The Share Subscription will introduce the Investor to the Company, strengthen the financial position of the Group and relieve the indebtedness of the Company. The Open Offer will provide an opportunity to the Shareholders to participate in the Proposed Restructuring and business development of the Group to reduce the dilution effect on the shareholding of the Shareholders and raise funds for working capital. In addition, the Provisional Liquidators and the Directors believe that it is in the interests of the Company and the Shareholders as a

whole to implement the Schemes and thereby distribute the Scheme Cash Consideration and any further distribution of proceeds from realisation of any assets of the Excluded Companies to the Scheme Creditors under the Schemes in order to discharge all liabilities of and claims against the Company.

Having considered the factors above, the Provisional Liquidators and the Directors consider that the terms of the Framework Agreement are on normal commercial terms that are fair and reasonable and the entering into of the Framework Agreement is in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS FROM THE OPEN OFFER AND THE SHARE SUBSCRIPTION

The total gross proceeds of approximately HK\$221.0 million (including HK\$202.0 million and approximately HK\$19.0 million to be raised from the Share Subscription and the Open Offer respectively) will be applied as follows:

- (a) HK\$147.0 million for the Scheme Cash Consideration to settle (i) the petitioner's cost, the Provisional Liquidators' costs and the Scheme costs; (ii) the claims of preferential creditors and secured creditors (if any) of the Company; and thereafter (iii) discharging the claims of the Scheme Creditors; and
- (b) the remaining balance of HK\$74.0 million to be retained as general working capital of the Group (including, among others, the payment for costs associated with the Proposed Restructuring).

BACKGROUND AND FUTURE INTENTION OF INVESTOR

Background of the Investor

The Investor is a company incorporated in the BVI with limited liability and is wholly and beneficially owned by Mr. Xiong and Mr. Yi.

Mr. Xiong is a venture partner of Infinity Group. He has many years of experience in technology, entrepreneurial and senior management. Prior to joining the Infinity Group, Mr. Xiong worked in several Hong Kong listed companies for more than 10 years as president, chairman, executive director, non-executive director and chief executive officer. Previously, Mr. Xiong had founded Zhuhai Xiuhe Co Ltd, which invested in and operated Hunan Yangtze Wireless Paging Station. In his early career, he worked as a manager/engineer in the Ministry of Electronics & Industry, Hunan Hengyang Television and Zhuhai Western District Radio & Television. Mr. Xiong earned his Bachelor's degree in Communication Engineering from Xidian University.

Mr. Yi is currently the president and director of Shenzhen Waranty Assets Management Co., Ltd*. (深圳市華融泰資產管理有限公司), a director of Chengdu Zhifutong New Information Technology Services Company Limited* (成都支付通新資訊技術服務有限公司) and a director of Sanjohn Investment Management (Cayman) Co., Ltd.. Mr. Yi holds a PhD in statistics from Xiamen University.

Future intention of the Investor

The Investor will provide business, management and financial support to the Group through their resources to enable the Group to continue and develop its existing business operations. As at the date of this announcement, the Investor has entered into the Loan Facility Agreement and the Working Capital Loan Agreement with the Company and HK Rich, respectively. Pursuant to the Framework Agreement, the Investor will inject further capital to the Group through the Share Subscription and acting as the underwriter for the Open Offer.

As at the date of this announcement, the Investor confirms that it has no intention to change the existing principal business of the Group nor inject any assets or business into the Group. In addition, the Investor intends to continue the employment of the existing employees and the new management of the Group.

As at the date of this announcement, the Board comprises three executive Directors and two independent non-executive Directors. Upon Completion, the Investor proposes to nominate new Directors to strengthen the management of the Group. Further details regarding the proposed Directors will be disclosed as and when appropriate in accordance with the requirements under the Listing Rules and the Takeovers Code.

IMPLICATIONS UNDER THE TAKEOVERS CODE AND THE APPLICATION FOR THE WHITEWASH WAIVER

As at the date of the Framework Agreement and this announcement, the Investor and parties acting in concert with it do not hold any Shares. Assuming all Shareholders are Qualifying Shareholders and have taken up his/her entitlement under the Open Offer, immediately upon completion of the Share Subscription and the Open Offer, the Investor and its concert parties will be interested in 4,040,000,000 New Shares, representing:

- (a) approximately 1,059.40% of the issued share capital of the Company upon completion of the Capital Reorganisation;
- (b) approximately 84.12% of the issued share capital of the Company upon completion of the Capital Reorganisation as enlarged by the issue of the Offer Shares and the Subscription Shares.

Assuming no Shareholders have taken up his/her entitlement under the Open Offer, immediately upon completion of the Share Subscription and the Open Offer, the Investor and its concert parties will be interested in 4,421,343,831 New Shares, representing:

- (a) approximately 1,159.41% of the issued share capital of the Company upon completion of the Capital Reorganisation;
- (b) approximately 92.06% of the issued share capital of the Company upon completion of the Capital Reorganisation as enlarged by the issue of the Offer Shares and the Subscription Shares.

Pursuant to Rule 26 of the Takeovers Code and in the absence of the Whitewash Waiver, as a result of the completion of the Share Subscription, an obligation to make a mandatory general

offer would be triggered on the part of the Investor and its concert parties for all the shares of the Company other than those already owned or agreed to be acquired by the Investor and its concert parties. In this respect, the Investor will make an application to the Executive under the Takeovers Code for the Whitewash Waiver to relieve them from their obligation to make a mandatory general offer as a result of the completion of the Share Subscription, and such grant will be subject to, among others, approval of the Independent Shareholders in respect of the Framework Agreement, the Share Subscription and the Whitewash Waiver at the SGM by way of poll.

As the shareholding of the Investor will exceed 50% of the issued share capital of the Company following the completion of the Share Subscription, the Investor may increase its shareholding in the Company without incurring any further obligation to make a general offer under the Takeovers Code.

As at the date of this announcement, save for the entering into of the Framework Agreement, none of the Investor or the parties acting in concert with it:

- (a) holds, controls or has direction over any outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of securities in the Company, or hold any securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (b) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (c) has any arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Investor, which might be material to the Framework Agreement, the Open Offer, the Share Subscription and the Whitewash Waiver, with any other persons;
- (d) has any agreements or arrangements to which the Investor or any party acting in concert with it is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Framework Agreement, the Open Offer, the Share Subscription or Whitewash Waiver; and
- (e) has received any irrevocable commitment to vote for or against the Framework Agreement, the Open Offer, the Share Subscription or the Whitewash Waiver.

Save for entering into the Framework Agreement, none of the Investor or parties acting in concert with it has dealt in the shares, outstanding options, derivatives, warrants or other securities convertible into any shares of the Company during the six-month period prior to 5 June 2015, being the date when the Framework Agreement was entered into.

GENERAL

Under Rule 8.2 of the Takeovers Code, the Company is required to despatch to Shareholders a circular containing, among others, details of (a) the Framework Agreement, which includes,

among others, (i) the Schemes; (ii) the Capital Reorganisation; (iii) the Share Subscription; and (iv) the Open Offer; (b) the Whitewash Waiver; (c) the letter from the Independent Board Committee; (d) the letter from the independent financial adviser to the Independent Shareholders and the Independent Board Committee; and (e) a notice of the SGM within 21 days from the date of publication of this announcement, that is, on or before 13 May 2016.

As the subscription agreement in relation to the Share Subscription has not been entered into, which is subject to, among others, the in-principal approval of the Stock Exchange for the Resumption, the date on which the subscription agreement in relation to the Share Subscription is entered into and the date of despatch of the Circular are uncertain as at the date of this announcement. As such, an application will be made to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code and to grant consent for an extension of time for the despatch of the Circular to a date falling within 21 days after the subscription agreement in relation to the Share Subscription is entered into. Further announcement(s) will be made by the Company in this regard as and when appropriate.

THIRD DELISTING STAGE

Trading in the Shares on the Stock Exchange has been suspended since 27 June 2014. On 19 July 2015, the Company duly submitted the Resumption Proposal outlining the recent achievements and future plans of the Company to the Stock Exchange to seek the in principle approval of the Stock Exchange for the resumption of trading of the Shares on the Stock Exchange. However, on 14 August 2015, the Company received the decision letter from the Listing Committee that it considered the Resumption Proposal not viable and decided to place the Company in the third delisting stage under Practice Note 17 to the Listing Rules. On 24 August 2015, the Company requested for a review hearing of the Listing (Review) Committee for a ruling of the Listing Committee's decision.

The review hearing was held on 17 December 2015. On 29 December 2015, the Company received the decision letter of the Listing (Review) Committee that the Listing (Review) Committee decided to uphold the Listing Committee's decision. An announcement was made by the Stock Exchange on 6 January 2016 to place the Company into the third delisting stage with effect on the same day for a period of nine months. The Stock Exchange intends to cancel the listing of the Company after the nine-month period (i.e. 5 October 2016) if the Company does not provide a viable resumption proposal.

A viable resumption proposal should:

- (a) demonstrate sufficient operations or assets as required under Rule 13.24 of the Listing Rules;
- (b) publish all outstanding financial results and address any audit qualifications (if any); and
- (c) withdraw or dismiss of the winding up petition against the Company (and its subsidiaries) and discharge of the Provisional Liquidators.

A viable resumption proposal must be clear, plausible and coherent, and contain sufficient details (including forecasts and clear plan for future business development) for the Stock

Exchange's assessment. The resumption proposal should also comply with the Listing Rules and all applicable laws and regulations.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 2:37 p.m. on 27 June 2014 and will remain suspended until further notice. The release of this announcement does not necessarily indicate the Shares will be resumed for trading.

The transactions contemplated under the Framework Agreement are subject to the fulfillment of a number of conditions precedent, and therefore may or may not materialise. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

The Company is preparing a viable resumption proposal and will keep the Shareholders and investors informed of the latest development by making further announcements as and when appropriate.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“acting in concert”	having the meaning ascribed thereto under the Takeovers Code
“Amendment and Restatement Agreement”	the amendment and restatement agreement in relation to the Original Framework Agreement entered into among the Company, the Provisional Liquidators and the Investor on 5 October 2015
“Asian Capital”	Asian Capital (Corporate Finance) Limited, a corporation licensed under the SFO to conduct types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities as defined under the SFO, the financial adviser to the Company
“associate(s)”	having the meaning ascribed thereto under the Listing Rules
“Bermuda Court”	The Supreme Court of Bermuda
“Board”	the board of Directors
“business day(s)”	a day (other than a Saturday, Sunday or day on which a typhoon signal No. 8 or above or black rainstorm signal is hoisted in Hong Kong at 10:00 a.m.) on which banks in Hong Kong are generally open for business
“BVI”	the British Virgin Islands

“Call Option”	the option granted by the Company to the Investor in accordance with the terms of the Framework Agreement
“Capital Reduction”	the proposed reduction of par value of the Share from US\$0.008 to US\$0.001 by the reduction of US\$0.007 for each Share and all unissued Shares will be cancelled
“Capital Reorganisation”	the proposed capital reorganization of the Company which involves the Capital Reduction, Share Consolidation and the Increase in Authorised Share Capital
“China” or “PRC”	the People’s Republic of China, but for the purposes of this announcement and for geographical reference only (unless otherwise indicated), excludes the Macao Special Administrative Region of the PRC, Hong Kong and Taiwan
“Circular”	the relevant circular containing, among others, details of (a) the Framework Agreement, which includes, among others, (i) the Schemes; (ii) the Capital Reorganisation; (iii) the Share Subscription; and (iv) the Open Offer; (b) the Whitewash Waiver; (c) the letter from the Independent Board Committee; (d) the letter from the independent financial adviser to the Independent Shareholders and the Independent Board Committee; and (e) a notice of the SGM to be despatched by the Company
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“Company”	Z-Obee Holdings Limited (Provisional Liquidators Appointed), a company incorporated in Bermuda with limited liability, shares of which are listed on the Stock Exchange and Singapore Exchange Limited
“Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“Completion”	the completion of the Capital Reorganisation, the Open Offer, the Share Subscription and occurrence of the Resumption
“concert parties”	the parties acting in concert within the meaning of the Takeovers Code
“connected person(s)”	has the same meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Earnest Money”	HK\$33.0 million paid by the Investor into the Escrow Account pursuant to the terms of the Framework Agreement for the purpose of discharging fees, remuneration, costs and expenses incurred or to be

	incurred in connection with the Proposed Restructuring
“Escrow Account”	the escrow account opened in the name of the Escrow Agent for the purpose of the Framework Agreement
“Escrow Agent”	the escrow agent jointly appointed by the Company and the Investor for the purpose of the Framework Agreement
“Excluded Companies”	certain subsidiaries or associate companies of the Company, namely: (1) CCDH Technology Limited (BVI); (2) VIM Technology Macao Commercial Offshore Limited (Macau); (3) Finet Enterprises Limited (BVI); (4) Elastic Glory Investment Limited (BVI); (5) Elite Link Technology Limited (HK); (6) Max Sunny Limited (HK); (7) Excel Ascent Limited (HK); (8) Tongqing Communication Equipment (Shenzhen) Co., Ltd (PRC); (9) Zeus Telecommunication Technology Holdings Limited (PRC); (10) Loyal Power International Investment Limited (HK); (11) Able Success International Group Limited (BVI); (12) Eternal Rise Corporation Limited (HK); (13) Noosa International Limited (BVI); (14) Forever Full Investment Limited (HK); and (15) Pei Heng Information Consultancy Limited (PRC)
“Exclusivity Period”	the period of 24-month from and inclusive of 3 July 2015 or, if earlier, until the Termination Date (or such other date as the parties may otherwise agree in writing)
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or his delegate
“First Earnest Money Instalment”	the first instalment of the Earnest Money in the amount of HK\$5.0 million under the Framework Agreement
“Framework Agreement”	the Original Framework Agreement as amended and restated by the Amendment and Restatement Agreement and amended and supplemented by the Side Letter
“Group”	the Company and its subsidiaries
“Group Reorganisation”	the transferring of the entire interests of the Excluded Companies which were directly or indirectly held by the Company, to a nominee of the Scheme Administrators at a nominal value, and proceeds from realisation of any assets of the Excluded Companies will be distributed for the benefit of the Scheme Creditors under the Schemes
“HK Rich”	H K Rich Technology International Company Limited, a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Court”	the High Court of Hong Kong
“Increase in Authorized Share Capital”	the proposed increase of the authorized share capital of the Company from approximately US\$762,688 to US\$120.0 million, dividing into 60,000,000,000 New Shares of US\$0.002 each, by the creation of 59,618,656,169 New Shares
“Independent Board Committee”	a committee of the Board comprising Mr. Liu Jintao and Mr. Tsang Hin Fun Anthony, being the independent non-executive Directors, to be formed to advise the Independent Shareholders on, among others, the Framework Agreement, the Open Offer, the Share Subscription and the Whitewash Waiver
“Independent Shareholders”	Shareholders other than: (i) the Investor, Mr. Xiong and Mr. Yi and their respective concert parties; and (ii) those Shareholders who are interested or involved in, the Framework Agreement, the Open Offer, the Share Subscription and the Whitewash Waiver
“Investor”	Alpha Professional Development Limited, a company incorporated in the BVI and is wholly and beneficially owned by Mr. Xiong and Mr. Yi as to 50% and 50%, respectively
“Last Trading Day”	26 June 2014, being the last full trading day immediately before the suspension of trading in the Shares
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing (Review) Committee”	the Listing (Review) Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Facility”	an interest-free unsecured loan of not more than HK\$3.0 million to be made available by the Investor to the Company pursuant to the terms of the Loan Facility Agreement
“Loan Facility Agreement”	the loan facility agreement dated 5 June 2015 entered into between the Company and the Investor in relation to the Loan Facility
“Mr. Long”	Mr. Long Hong, the general manager of HK Rich
“Mr. Xiong”	Mr. Xiong Jianrui
“Mr. Yi”	Mr. Yi Pei Jian

“Ms. Wu”	Ms. Wu Donghua, the consultant to Perfect Major
“New Management Team”	Mr. Long, Ms. Wu and such other person(s) as the Company and the Investor may from time to time agree to engage as senior management of the SPV Group
“New Share(s)”	ordinary share(s) of US\$0.002 each in the issued share capital of the Company upon the Capital Reorganisation becoming effective
“Novation Deed”	the supplemental and novation deed entered into between Perfect Major, HK Rich and the Investor on 5 October 2015, pursuant to which HK Rich, in the capacity as borrower, assumes all obligations of Perfect Major under the Original Working Capital Loan Agreement
“Offer Price”	HK\$0.05 for each of the Offer Shares
“Offer Shares”	381,343,840 New Shares to be allotted and issued under the Open Offer
“Open Offer”	proposed open offer of Shares by the Company to the Shareholders to raise approximately HK\$19,067,192 in cash, representing approximately 7.94% of the enlarged issued share capital of the Company upon completion of the Capital Reorganisation, the Share Subscription and the Open Offer
“Open Offer Record Date”	the date by reference to which entitlements under the Open Offer to be determined
“Original Framework Agreement”	the framework agreement dated 5 June 2015 entered into among the Company, the Provisional Liquidators and the Investor in relation to the Proposed Restructuring
“Original Working Capital Loan Agreement”	the agreement dated 5 June 2015 recording the terms of the Working Capital Loan entered into between the Investor and Perfect Major
“Perfect Major”	Perfect Major Investment Limited, a company incorporated in the BVI with limited liability, which is a wholly-owned subsidiary of the Company
“Professional Fees and Expenses”	the professional fees and expenses in the amount of HK\$2.0 million, which the Investor has agreed to provide the Company or the Provisional Liquidators on demand under the Framework Agreement and such fund will be used, among others, as fees, remuneration and expenses solely in connection with the costs incurred or to be incurred by the Company, the SPV Group, or the Provisional Liquidators on behalf of the Company and the SPV Group in connection with the engagement of auditors, reporting accountants and internal control

	consultants of the Company and will be paid directly to such advisers.
“Proposed Restructuring”	the proposed restructuring of the Company, which involves, among others, the Schemes, the Capital Reorganisation, the Share Subscription, the Open Offer, the Working Capital Loan and the Loan Facility
“Provisional Liquidators”	Messrs. Donald Edward Osborn, Yat Kit Jong and So Man Chun, all of PricewaterhouseCoopers have been appointed jointly and severally as provisional liquidators of the Company and Max Sunny Limited, a wholly owned subsidiary of the Company, pursuant to the orders dated 27 June 2014 and 2 June 2015 made by the Hong Kong Court
“Qualifying Shareholders”	the Shareholders, other than the excluded Shareholders (i.e. Shareholders whose address(es) as shown on the register of members is/are in a jurisdiction the laws of which may prohibit the making of the Open Offer to such Shareholders or otherwise require the Company to comply with additional requirements which are (in the opinion of the Directors or the Provisional Liquidators) unduly onerous or burdensome), whose names appear on the register of members of the Company as at the close of business on the Open Offer Record Date
“Resumption”	the resumption of trading in the shares of the Company on the Stock Exchange
“Resumption Proposal”	a proposal dated 19 July 2015 submitted by the Company to the Stock Exchange for the purpose of seeking the Resumption
“RMB”	Renminbi, the lawful currency of the PRC
“Schemes”	the proposed schemes of arrangement for the Company under Part 13 of the Companies Ordinance and section 99 of the Companies Act made between the Company and its Scheme Creditors, in its present form, or with or subject to any modification of it, any addition to it or any condition approved or imposed by the Hong Kong Court and/or the Bermuda Court
“Scheme Administrators”	such persons who are to be appointed as scheme administrators or their successors pursuant to the terms of the Schemes
“Scheme Cash Consideration”	no more than HK\$147.0 million in cash to be paid by the Company to settle all relevant costs and claims against, and liabilities of, the Company with the Scheme Creditors under the Schemes
“Scheme Creditors”	the Company’s unsecured creditors (which will not include any preferential creditors (if any) whose preferential claims will be settled in full outside of the Schemes)

“Scheme Meeting(s)”	the meeting(s) of the Scheme Creditors to be convened at the direction of the Bermuda Court and/or the Hong Kong Court
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“SGM”	the special general meeting of the Company to be held to consider, among others, the resolutions necessary or appropriate in relation to, the Framework Agreement, the Capital Reorganisation, the Open Offer, the Share Subscription, the Whitewash Waiver, and all the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of US\$0.008 each in the issued share capital of the Company before the Capital Reorganisation becoming effective
“Shareholder(s)”	holder(s) of the Share(s)
“Share Consolidation”	the proposed consolidation of every two (2) Shares of US\$0.001 each into one (1) New Share of US\$0.002 each
“Share Subscription”	the proposed subscription by the Investor of the Subscription Shares to be issued by the Company after completion of the Capital Reorganisation at the Subscription Price, which would represent approximately 84.12% of the enlarged issued share capital of the Company upon completion of the Capital Reorganisation, the Open Offer (assuming all existing qualified Shareholders take up their entitlement under the Open Offer) and the Share Subscription
“Share Subscription Consideration”	the aggregate consideration of not more than HK\$202.0 million for the Share Subscription payable under the Framework Agreement
“Side Letter”	the side letter dated 3 March 2016 entered into between the Company, the Provisional Liquidators and the Investor in relation to, among other, the extension of the Termination Date
“SPV Business”	the business established by the SPV Group and/or such other wholly-owned subsidiaries of the Company relating to the distribution of and provision of solution for mobile handsets and its components under the management of the SPV Management Team
“SPV Group”	Perfect Major, HK Rich and any other wholly-owned subsidiaries of the Company incorporated and/or acquired by the Company on or after 26 June 2015 and their respective subsidiaries from time to time
“SPV Management Team”	Mr. Long, Ms. Wu and such other person(s) as the Company and the Investor may from time to time agree to engage as senior management of the SPV Group

“Subscription Price”	HK\$0.05 being the price per Subscription Share at which the Investor agreed to subscribe for and the Company agreed to issue and allot the Subscription Shares
“Subscription Shares”	4,040,000,000 New Shares to be allotted and issued by the Company to the Investor at the Subscription Price
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers
“Termination Date”	the date of termination of the Framework Agreement
“Underwriting Agreement”	the underwriting agreement to be entered into between the Company and the Investor in relation to the underwriting of the Offer Shares by the Investor
“US\$”	United State dollar(s), the lawful currency of the United States of America
“Whitewash Waiver”	a waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code of the obligations on the part of the Investor and its concert parties to make a general offer under Rule 26 of the Takeovers Code for all the securities of the Company not already owned or agreed to be acquired by the Investor and its concert parties as a results of the completion of the Share Subscription
“Working Capital Loan”	the secured loan in the amount of not more than HK\$20.0 million at annual interest rate of 2% made available by the Investor to Perfect Major pursuant to the terms of the Original Working Capital Loan Agreement, which was subsequently novated to and assumed by HK Rich in the capacity as borrower pursuant to the terms of the Novation Deed, and secured by the floating charge over all assets of Perfect Major and HK Rich and the charge over all share of HK Rich pursuant to the terms of the Working Capital Loan Agreement
“Working Capital Loan Agreement”	the Original Working Capital Loan Agreement as amended and novated by the Novation Deed
“%”	per cent

For and on behalf of
Z-Obee Holdings Limited
(Provisional Liquidators Appointed)
Donald Edward Osborn
Yat Kit Jong
and
Man Chun So

*Joint and Several Provisional Liquidators
Acting as agents without personal liability*

Hong Kong, 22 April 2016

As at the date of this announcement, the executive Directors are Mr. Lai Hui, Ms. Yang Jian Hui, Ms. Chen Ling and the independent non-executive Directors are Mr. Liu Jintao and Mr. Tsang Hin Fun Anthony.

This announcement, for which the Directors and the Provisional Liquidators collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors and the Provisional Liquidators having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

The Directors and the Provisional Liquidators jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

**For identification purpose only*