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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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014**

The board (the “Board”) of directors (the “Directors”) of Z-Obee Holdings Limited (Provisional Liquidators Appointed) (the “Company”) herein presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2014 (the “Reporting Period”) with comparative figures of the corresponding period of last year as follows.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period ended 30 September 2014

		Six months ended	
		30 September	
	<i>Note</i>	2014	2013
		US\$	US\$
		(Unaudited)	(Unaudited)
Revenue	5	–	132,172,092
Cost of goods sold		–	(126,715,277)
Gross profit		–	5,456,815
Other income and gains		–	759,644
Selling and distribution expenses		–	–
Administrative expenses		(816,212)	(1,869,442)
Finance costs	7	–	(1,707,678)
Share of loss of associates		–	(981,366)
Fair value gain on financial assets at fair value through profit or loss		–	353,059
Other suspense account		(771,435)	–
Loss on deconsolidation		(22,019,728)	–
Impairment loss of prepayment, deposits and other receivables		(13,959,650)	–
Write off of inventories		(12,593,616)	–
(Loss)/profit before tax	6	(50,160,641)	2,011,032
Income tax expense	8	–	(732,648)
(Loss)/profit for the period attributable to owners of the Company		(50,160,641)	1,278,384
(Loss)/earnings per share attributable to owners of the Company			
Basic	10	(6.58 cents)	0.2 cents
Diluted	10	(6.58 cents)	0.2 cents

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the period ended 30 September 2014

	2014	2013
	<i>US\$</i>	<i>US\$</i>
	(Unaudited)	(Unaudited)
(Loss)/profit for the period	(50,160,641)	1,278,384
Other comprehensive income for the period		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	—	—
Other comprehensive income for the period, net of tax	—	—
Total comprehensive (loss)/income for the period attributable to owners of the Company	(50,160,641)	1,278,384

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2014

	<i>Note</i>	As at 30 September 2014 US\$ (Unaudited)	As at 31 March 2014 US\$ (Audited)
Non-current assets			
Property, plant and equipment	11	–	1,649,162
Goodwill		–	–
Intangible assets		–	–
Interest in an associate		10,554,016	10,554,016
Financial assets at fair value through profit or loss		2,310,941	2,310,941
		<hr/>	<hr/>
Total non-current assets		12,864,957	14,514,119
Current assets			
Inventories		–	13,229,293
Trade and factoring receivables	12	67,561,829	68,015,552
Prepayments, deposits and other receivables		529	41,262,046
Time deposits with original maturity over 3 months		–	771,435
Tax recoverable		128,843	128,843
Restricted bank balances		2,132,107	7,696,066
Cash and bank balances		778,545	1,103,699
		<hr/>	<hr/>
Total current assets		70,601,853	132,206,934
Current liabilities			
Trade and bills payables	13	1,251,045	3,634,749
Accruals and other payables		2,526,745	2,461,396
Interest-bearing bank borrowings		39,310,190	49,047,604
Trust receipt loan		39,877,541	39,877,541
Finance lease payables		–	1,037,833
Tax payables		1,547	1,547
		<hr/>	<hr/>
Total current liabilities		82,967,068	96,060,670
Net current (liabilities)/assets		<hr/> (12,365,215) <hr/>	<hr/> 36,146,264 <hr/>
NET ASSETS		<hr/> 499,742 <hr/>	<hr/> 50,660,383 <hr/>
EQUITY			
Equity attributable to owners of the company			
Share capital		6,101,500	6,101,500
Reserves		(5,601,758)	44,558,883
		<hr/>	<hr/>
TOTAL EQUITY		<hr/> 499,742 <hr/>	<hr/> 50,660,383 <hr/>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2014

	Attributable to the owners of the Company						
	Share capital	Share premium	Share-based payments reserve	Foreign currency translation reserve	Reserve funds	Retained profit/ (Accumulated loss)	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
As at 1 April 2013	5,084,590	58,564,536	464,581	5,171,421	1,933,855	44,007,404	115,226,387
Change in equity for 2013							
Loss for the period	—	—	—	—	—	1,278,384	1,278,384
Total comprehensive income	—	—	—	—	—	1,278,384	1,278,384
Transactions with owners							
Issue of shares	1,016,910	11,937,787	—	—	—	—	12,954,697
Share options lapsed during the period	—	—	(26,121)	—	—	26,121	—
Total transactions with owners	1,016,910	11,937,787	(26,121)	—	—	26,121	12,954,697
At 30 September 2013 (Unaudited)	<u>6,101,500</u>	<u>70,502,323</u>	<u>438,460</u>	<u>5,171,421</u>	<u>1,933,855</u>	<u>45,311,909</u>	<u>129,459,468</u>
As at 1 April 2014	6,101,500	70,605,619	52,241	6,223,798	1,933,855	(34,256,630)	50,660,383
Change in equity for 2014							
Loss for the period	—	—	—	—	—	(50,160,641)	(50,160,641)
Total comprehensive loss	—	—	—	—	—	(50,160,641)	(50,160,641)
At 30 September 2014 (Unaudited)	<u>6,101,500</u>	<u>70,605,619</u>	<u>52,241</u>	<u>6,223,798</u>	<u>1,933,855</u>	<u>(84,417,271)</u>	<u>499,742</u>

NOTES

1. CORPORATE INFORMATION AND STATEMENT OF COMPLIANCE

The Company (Registration No. 39519) was incorporated in Bermuda on 30 January 2007 under the Companies Act 1981 of Bermuda as an exempted company with limited liability. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. Its principal place of business is located at Unit E, 26/F., Legend Tower, 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are a) provision of design and production solution services for mobile handset and computer tablets, b) assembly of mobile handset and computer tablets and surface mounting technology of printed circuit board, and c) distribution and marketing of mobile handset and its components and electronic components.

The Company's shares have been listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 21 November 2007 and 1 March 2010, respectively. Since 3 December 2010, 80,000,000 units of Taiwan Depositary Receipts, comprising 40,000,000 new shares of the Company and 40,000,000 existing shares held by certain owners of the Company, have been listed on the Taiwan Stock Exchange Corporation (the "TWSE").

The Company converted its listing status on the SGX-ST with effect from 14 June 2013 to secondary listing whilst the primary listing status on the Main Board of the Stock Exchange remains unchanged.

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

These condensed consolidated financial statements should be read in conjunction with the financial statements for the year ended 31 March 2014. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the consolidated financial statements for the year ended 31 March 2014.

2. BASIS OF PREPARATION

Going concern

The Group incurred a loss attributable to the owners of the Company of US\$50,160,641 for the period ended 30 September 2014 and net current liabilities of US\$12,365,215 as at 30 September 2014. In preparing these consolidated financial statements, the Directors of the Company have given careful consideration to the impact of the current and anticipated future liquidity of the Group and the Company and the ability of the Group and the Company to attain profit and positive cash flows from operations in the immediate and longer term.

Based on the cash flow projections of the Group and having taken into account the assumption that the proposed restructuring of the Company will be successfully completed, the Directors have concluded that the Group and the Company is able to continue as a going concern and to meet their financial liabilities as and when they fall due in the foreseeable future.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to classify non-current assets and liabilities as current assets and liabilities respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

Winding-up petition and suspension of trading of the shares of the Company

On 4 April 2014, Australia and New Zealand Banking Group Limited ("ANZ") presented winding-up petitions to the High Court of the Hong Kong Special Administrative Region (the "High Court") for the winding-up of the Company and Max Sunny Limited ("Max Sunny"), a wholly-owned subsidiary of the Company.

On the same day, summonses were filed with the High Court seeking the appointment of provisional liquidators to the Company and Max Sunny. The petitions and summonses were also supported by The Hongkong and Shanghai Banking Corporation Limited (“HSBC”). Following the presentation of the petitions, the Company and Max Sunny engaged in negotiations with ANZ, with the view to reaching a settlement in respect of the petitions and summonses.

On 2 May 2014, the Company and Max Sunny agreed on principle terms of settlement. On 7 May 2014, a Deed of Settlement (the “Deed”) was entered into between ANZ, HSBC, The Company and Max Sunny in full and final settlement of the loans due to ANZ and HSBC. The Deed provided for an agreed amount to be paid to each of ANZ and HSBC in five instalments. Upon full compliance of the Deed by the Company and Max Sunny, ANZ would apply to the High Court for the withdrawal or dismissal of the winding-up petitions.

The winding-up petitions were further adjourned to 2 July 2014 and the applications for the appointment of provisional liquidators were adjourned on terms that allowed ANZ to restore the applications on an urgent basis and without objection from the Company and Max Sunny in the event that the Company and Max Sunny failed to meet their obligations under the Deed.

On 6 June 2014, the Company and Max Sunny failed to pay the third instalment due in accordance with the Deed. On 16 June 2014, the applications for appointment of provisional liquidators were restored on an urgent basis and the High Court provided notices to the Company and Max Sunny that the applications would be heard on 27 June 2014.

At the hearing of 27 June 2014 the High Court handed down orders appointing Yat Kit Jong and Donald Edward Osborn as the Joint and Several Provisional Liquidators of the Company and Max Sunny (the “Provisional Liquidators”). Accordingly, trading in the shares of the Company (the “Shares”) on the Stock Exchange was suspended at 2:37 p.m. on 27 June 2014 at the request of the Company.

As mentioned above, trading in the Company’s shares on the Main Board of the Stock Exchange has been suspended since 27 June 2014.

Since their appointment, the Provisional Liquidators have been investigating into the affairs of the Group and have taken all necessary actions to preserve the assets. The Provisional Liquidators have also gathered information relating to the status of the Group through meetings with various parties, including but not limited to Ms. Yang Jian Hui (the executive director and the Chief Financial Officer of the Group) and various former employees.

Proposed restructuring of the Group

Given the situation of the Group, the Provisional Liquidators with the assistance of Asian Capital (Corporate Finance) Limited which acted as the financial adviser to the Company, sought to identify potential investors with a view to restructuring the Company and submitting a viable resumption proposal to the Stock Exchange.

As announced by the Company on 24 July 2014, the Company received a letter from the Stock Exchange, which stated that in view of the Court Order and the appointment of the Provisional Liquidators, the Stock Exchange considered that the Company might have serious financial difficulties. As the Company had not published the annual results for the year ended 31 March 2014, the Stock Exchange was unable to assess the performance and financial position of the Company. Further it was unclear as to the operating status of the Company and whether the Company still had sufficient level of assets and operations to fulfil the requirement under Rule 13.24 of the Listing Rules. The Stock Exchange therefore decided to place the Company in the first delisting stage under Practice Note 17 of the Listing Rules due to the Company’s failure to comply with Rule 13.24 of the Listing Rules. The Company was required to submit a viable resumption proposal, which could, among others, demonstrate its compliance with Rule 13.24 of the Listing Rules, at least 10 business days before the expiry of the first delisting stage, i.e. 15 January 2015.

As no resumption proposal was submitted before the expiry date of the first delisting stage, the Company received a letter from the Stock Exchange dated 20 January 2015. In the letter, the Stock Exchange informed the Company that it had been placed in the second stage of delisting procedures commencing on 20 January 2015 pursuant to Practice Note 17 to the Listing Rules. The Company was required to submit a viable resumption proposal 10 business days before the second delisting stage expires i.e. on or before 3 July 2015, which should meet the following conditions:

1. demonstrate sufficient operations or assets to comply with Rule 13.24;
2. address auditors' qualifications and demonstrate adequate internal control system; and
3. withdraw and/or dismiss the winding-up petition against the Company and discharge the Provisional Liquidators.

On 5 June 2015, the Company, the Provisional Liquidators and an investor entered into a framework agreement, which was subsequently amended and restated by an amendment and restatement framework agreement dated 5 October 2015, pursuant to which the parties agreed on the principal terms of a proposed restructuring of the Group with a view to resume trading in the Shares on the Stock Exchange. A proposal setting out details of the proposed restructuring together with the basis for the resumption of trading in the Shares (the "Resumption Proposal") was prepared and submitted to the Stock Exchange on 19 July 2015. However, without raising any question or query on the Resumption Proposal, the Listing Division of the Stock Exchange notified the Company on 31 July 2015 that it considered that the Resumption Proposal had not satisfactorily demonstrated sufficiency of operations or assets as required under Rule 13.24 of the Listing Rules and it would recommend the Listing Committee of the Stock Exchange (the "Listing Committee") to place the Company in the third delisting stage.

Pursuant to a letter dated 14 August 2015 from the Stock Exchange, the Listing Committee considered that the Resumption Proposal was not viable and decided to place the Company in the third delisting stage under Practice Note 17 to the Listing Rules (the "Ruling"). In arriving at the above decision, the Listing Committee had considered that, among others, the business of the Company in the Resumption Proposal was insufficient to justify the Company's continued listing.

The Company disagrees with the Ruling and on 18 August 2015 formally requested the Listing Committee to provide detailed written reasons for the Ruling. On 24 August 2015, the Company also submitted a formal request to the Stock Exchange for a review of the Ruling by the Listing (Review) Committee of the Stock Exchange. A review hearing of the Ruling is scheduled to be held on 17 December 2015. Further announcement(s) will be made by the Company when there are material developments as appropriate.

As of the date of this report, the management has used its best effort, to the extent commercially practicable, to reconstruct the accounting records of the Group for the year ended 31 March 2014 and period ended 30 September 2014, applying their best estimates and judgement based on the information of the Group that are available to the management. However, given the loss of some books and records and serious doubts over the reliability of the Group's accounting and other records, the Board believes that, as at the date of the report, it is almost impossible, and not practical, to ascertain the correct revenue and profit or loss (and the resultant assets and liabilities) for the year ended 31 March 2014 and period ended 30 September 2014 for inclusion in the consolidated financial statements of the Group. Also, due to loss of some books and records, the Board believes that it is almost impossible, and not practical, to verify the financial information as reported in the consolidated financial statements of the Group for past years. Due to insufficient information available to the Directors of the Company, the consolidated financial statements do not contain a consolidated statement of cash flow as required by IAS 7, *Statement of Cash Flows*.

Any adjustments arising from the matters described above would have a consequential significant effect on the net loss of the Group for the period ended 30 September 2014 and net assets of the Group as at 30 September 2014.

Due to the limited information available and most of the former key accounting personnel of the Group have left without notice, the Directors were unable to obtain sufficient documentary information to satisfy themselves regarding the completeness of books and records and the treatment of various balances as included in the consolidated financial statements for the year ended 31 March 2014 and period ended 30 September 2014 and have formed the opinion as follows:

As the interim financial report have been prepared based on the incomplete books and records available to the Company, the Directors of the Company are unable to represent that all transactions entered into by the Group for the period ended 30 September 2014 have been properly reflected in the interim financial report. In this connection, the Directors of the Company are also unable to represent as to the completeness, existence and accuracy of identification and the disclosures of the financial statements in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (“new and revised IFRSs”) issued by the International Accounting Standard Board (“IASB”).

Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-financial Assets
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	Levies

The Group has not applied any new standard or interpretations that is not yet effective for the current accounting period.

4. COMPARATIVE FINANCIAL INFORMATION

The Company’s auditor issued a disclaimer of opinion on the consolidated financial statements of the Group for the year ended 31 March 2014. The details of the disclaimer of opinion are set out in the Company’s annual report 2013/14.

5. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts; and the values of services rendered during the period.

An analysis of revenue is as follows:

	Six months ended	
	30 September	
	2014	2013
	<i>US\$</i>	<i>US\$</i>
	(Unaudited)	(Unaudited)
<u>Revenue</u>		
Distribution and marketing of mobile handset and its components and electronic components	–	130,842,092
Provision of design and production solution services for mobile handset and computer tablets	–	1,330,000
Assembly of mobile handset and computer tablets and surface mounting technology of printed circuit board	–	–
	<u>–</u>	<u>–</u>
	<u>–</u>	<u>132,172,092</u>

As disclosed in note 2 to the consolidated financial statements, the Board of Directors is unable to locate all of the relevant sales records for the current and prior periods.

Given the loss of some books and records, reliability of records found and the absence of key personnel, the Board believes that it may be almost impossible, and not practical, to ascertain the completeness, existence and accuracy of the revenue of the Group.

6. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

	Six months ended	
	30 September	
	2014	2013
	<i>US\$</i>	<i>US\$</i>
	(Unaudited)	(Unaudited)
(a) Other items		
Depreciation of property, plant and equipment	–	170,090
Amortisation of intangible assets	–	1,274,615
	<u>–</u>	<u>1,274,615</u>
(b) Other operating expenses		
Impairment loss on prepayments, deposits and other receivables	13,959,650	–
Loss on deconsolidation	22,019,728	–
Write off of inventories	12,593,616	–
Loss on disposals of property, plant and equipment	–	158,033
Fair value gains on derivative financial instruments	–	(9,013)
Fair value gains on financial assets at fair value through profit or loss	–	(353,059)
	<u>–</u>	<u>(353,059)</u>

* As disclosed in note 2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, occurrence and accuracy of the disclosure of (loss)/profit before tax as of the date of approval of these consolidated financial statements.

7. FINANCE COSTS

	Six months ended 30 September	
	2014	2013
	US\$	US\$
	(Unaudited)	(Unaudited)
Interest on bank borrowings	–	1,264,568
Interest on finance lease	–	4,958
Others	–	438,152
	<hr/>	<hr/>
	–	1,707,678
	<hr/> <hr/>	<hr/> <hr/>

As disclosed in note 2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, occurrence and accuracy of the financial costs as of the date of approval of these consolidated financial statements.

8. INCOME TAX

	Six months ended 30 September	
	2014	2013
	US\$	US\$
	(Unaudited)	(Unaudited)
Current tax – Hong Kong Profits Tax		
Charge for the period	–	154,242
Current tax – PRC		
Charge for the period	–	578,406
	<hr/>	<hr/>
Total tax charge for the period	–	732,648
	<hr/> <hr/>	<hr/> <hr/>

As disclosed in note 2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the accuracy of the income tax as of the date of approval of these consolidated financial statements.

9. DIVIDEND

The board of Directors do not recommend the payment of an interim dividend for six months ended 30 September 2014 (six months ended 30 September 2013: Nil).

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic

The calculation of basic (loss)/earnings per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of US\$50,160,641 (six months ended 30 September 2013: profit of US\$1,278,384) and the weighted average number of ordinary shares of 762,687,662 (six months ended 30 September 2013: 639,046,722) shares in issue during the period.

Diluted loss per share equals to the basic loss per share for the period ended 30 September 2014 because the outstanding share options had on anti-dilutive effect on the basic loss per share.

As disclosed in note 2, the (loss)/profit attributable to owners of the Company may not be accurate, no representation is made by the Board as to the accuracy of the loss per share of the Company as of the date of approval of these financial statements.

11. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment of US\$Nil (six months ended 30 September 2013: US\$1,504).

As disclosed in note 2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, existence and accuracy of the property, plant and equipment of the Group as of the date of approval of these consolidated financial statements.

12. TRADE AND FACTORING RECEIVABLES

	Group	
	At	At
	30 September	31 March
	2014	2014
	US\$	US\$
	(Unaudited)	(Audited)
Trade and factoring receivables	99,676,610	100,130,333
Less: Impairment loss recognised	(32,114,781)	(32,114,781)
Net carrying amount	67,561,829	68,015,552

The movements in the provision for impairment of trade and factoring receivables are as follows:

	Group	
	At	At
	30 September	31 March
	2014	2014
	US\$	US\$
	(Unaudited)	(Audited)
At 1 April	32,114,781	274,271
Impairment losses recognised	–	31,840,510
At 30 September/31 March	32,114,781	32,114,781

Given the loss of some books and records, unreliability of records found and the absence of key personnel, the Board believes that it may be almost impossible, and not practical, to ascertain the completeness, existence and accuracy of the trade and factoring receivables of the Group, or to perform a detailed analysis of the Group's trade and factoring receivable aging, credit policy and impairment assessment.

13. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	Group	
	At	At
	30 September	31 March
	2014	2014
	US\$	US\$
	(Unaudited)	(Audited)
Trade payables	1,251,045	1,317,244
Bills payables	–	2,317,505
	1,251,045	3,634,749

	Group	
	At	At
	30 September	31 March
	2014	2014
	US\$	US\$
	(Unaudited)	(Audited)
0 – 30 days	–	–
31 – 60 days	–	–
61 – 90 days	–	–
Over 90 days	1,251,045	3,634,749
	1,251,045	3,634,749

Trade payables generally have credit terms ranging from 30 to 90 days. (2014: 30 to 90 days).

As disclosed in note 2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, existence and accuracy of the trade and bills payables of the Group as of the date of approval of these consolidated financial statements.

14. SEASONALITY OF OPERATIONS

The Group's business had no specific seasonality factor.

15. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 13 November 2015.

RESULTS FOR THE SIX MONTH ENDED 30 SEPTEMBER 2014

Business and Financial review:

Winding up petition, appointment of Provisional Liquidators and restructuring of the Group

On 4 April 2014, ANZ presented winding-up petitions to the High Court for the winding-up of the Company and Max Sunny. On the same day, summonses were filed with the High Court seeking the appointment of provisional liquidators to the Company and Max Sunny. The petitions and summonses were also supported by the HSBC. Following the presentation of the petitions, the Company and Max Sunny engaged in negotiations with ANZ, with the view to reaching a settlement in respect of the petitions and summonses.

On 2 May 2014, the Company, Max Sunny and ANZ agreed on principle terms of settlement. On 7 May 2014, the Deed was entered into among ANZ, HSBC, the Company and Max Sunny in full and final settlement of the loans due to ANZ and HSBC. The Deed provided for an agreed amount to be paid to each of ANZ and HSBC in five instalments. Upon full compliance of the Deed by the Company and Max Sunny, ANZ would apply to the High Court for the withdrawal or dismissal of the winding-up petitions.

Accordingly, the winding-up petitions were further adjourned to 2 July 2014 and the applications for the appointment of provisional liquidators were adjourned on terms that allowed ANZ to restore the applications on an urgent basis and without objection from the Company and Max Sunny in the event that the Company and Max Sunny failed to meet their obligations under the Deed.

On 6 June 2014, the Company and Max Sunny failed to pay the third instalment due in accordance with the Deed. On 16 June 2014, the applications for appointment of provisional liquidators were restored on an urgent basis and the High Court provided notices to the Company and Max Sunny that the applications would be heard on 27 June 2014. At the hearing of 27 June 2014, the Court handed down orders appointing Yat Kit Jong and Donald Edward Osborn as the Joint and Several Provisional Liquidators. Accordingly, trading in the Shares on the Stock Exchange was suspended at 2:37 p.m. on 27 June 2014 at the request of the Company.

Since their appointment, the Provisional Liquidators have been investigating into the affairs of the Group and have taken all necessary actions to preserve the assets. The Provisional Liquidators have also gathered information relating to the status of the Group through meetings with various parties, including but not limited to Ms. Yang Jian Hui (the executive director and the Chief Financial Officer of the Group) and various former employees.

Furthermore, the Company and the Provisional Liquidators have entered into agreement with a view to restructuring of continuing the business of the Group, details of which are set out below.

Revenue and gross profit

For the Reporting Period, the Group recorded turnover and gross profit of US\$Nil (2013: US\$132,172,092) and US\$Nil (2013: US\$5,456,815) respectively. Loss for the Reporting Period attributable to owners of the Company was US\$50,160,641 (2013: profit attributable to owners of the Company was US\$1,278,384). The Group's total turnover represented a decrease of 100% as compared to the period ended 30 September 2013, while gross profit dropped 100%.

Despite there was no turnover for the Reporting Period, the Provisional Liquidators have subsequently secured working capital under a proposed restructuring of the Group (details of which are set out below) to continue with the business of the Group.

Total assets and liabilities

As of 30 September 2014, the total assets and total liabilities of the Group was US\$83,466,810 (31 March 2014: US\$146,721,053) and US\$82,967,068 (31 March 2014: US\$96,060,670) respectively.

Delisting of Taiwan Depositary Receipts

The Company's Taiwan Depositary Receipts (the "TDRs") were listed on the Taiwan Stock Exchange Corporation (the "TWSE") on 3 December 2010. The TDRs were sold and traded on the Taiwan stock market in the same way as other stocks listed on the Taiwan stock market. The TDRs provide holders to an entitlement to 80,000,000 underlying Shares that are held in custody by a custodian bank. The 80,000,000 underlying Shares comprise 40,000,000 new shares of the Company and 40,000,000 existing shares held by certain owners of the Company.

On 2 July 2014, the TWSE issued a letter to the Company stating that the TDRs of the Company would be delisted if the shares of the Company could not resume trading on the Stock Exchange after 6 months of the suspension of trading in Taiwan (i.e. 4 July 2014). Eventually, the Company was advised by the TWSE that the TDRs of the Company would be delisted on 1 March 2015 in accordance with the Operating Rules of the TWSE. Following the delisting of the TDRs in TWSE, it was recognised that the total issued TDRs in Taiwan as at 1 March 2015 amounted to 61,529,000.

Restructuring of the Group

Given the situation of the Group, the Provisional Liquidators, with the assistance of Asian Capital (Corporate Finance) Limited which acted as the financial adviser to the Company, sought to identify potential investors with a view to restructuring the Company and submitting a viable resumption proposal to the Stock Exchange. As announced by the Company on 24 July 2014, the Company received a letter from the Stock Exchange, which stated that in view of the Court Order and the appointment of the Provisional Liquidators, the Stock Exchange considered that the Company might have serious financial difficulties. As the Company had not published the annual results for the year ended 31 March 2014, the Stock Exchange was unable to assess the performance and financial position of the Company. Further, it was unclear as to the operating status of the Company and whether the Company still had sufficient level of assets and operations to fulfil the requirement under Rule 13.24 of the Listing Rules. The Stock Exchange therefore decided to place the Company in the first delisting stage under Practice Note 17 of the Listing Rules due to the Company's failure to comply with Rule 13.24 of the Listing Rules. The Company was required to submit a viable resumption proposal, which could, among others, demonstrate its compliance with Rule 13.24 of the Listing Rules, at least 10 business days before the expiry of the first delisting stage, i.e. 15 January 2015.

As no resumption proposal was submitted before the expiry date of the first delisting stage, the Company received a letter dated 20 January 2015 from the Stock Exchange and was informed that the Company had been placed in the second stage of delisting procedures commencing on 20 January 2015 pursuant to Practice Note 17 to the Listing Rules. The Company was required to submit a viable resumption proposal 10 business days before the second delisting stage expires, i.e. on or before 3 July 2015, which should meet the following conditions:

1. demonstrate sufficient operations or assets to comply with Rule 13.24;
2. address auditors' qualifications and demonstrate adequate internal control system; and
3. withdraw and/or dismiss the winding-up petition against the Company and discharge the Provisional Liquidators.

On 5 June 2015, the Company, the Provisional Liquidators and an investor entered into a framework agreement, which was subsequently amended and restated by an amendment and restatement framework agreement dated 5 October 2015, pursuant to which the parties agreed on the principal terms of a proposed restructuring of the Group with a view to resume trading in the Shares on the Stock Exchange. The Resumption Proposal was prepared and submitted to the Stock Exchange on 19 July 2015. However, without raising any question or query on the Resumption Proposal, the Listing Division of the Stock Exchange notified the Company on 31 July 2015 that it considered that the Resumption Proposal had not satisfactorily demonstrated sufficiency of operations or assets as required under Rule 13.24 of the Listing Rules and it would recommend the Listing Committee to place the Company in the third delisting stage.

Pursuant to a letter dated 14 August 2015 from the Stock Exchange, the Listing Committee considered that the Resumption Proposal was not viable and decided to place the Company in the third delisting stage under Practice Note 17 to the Listing Rules (the "Ruling"). In arriving at the above decision, the Listing Committee had considered that, among others, the business of the Company in the Resumption Proposal was insufficient to justify the Company's continued listing.

The Company disagrees with the Ruling and on 18 August 2015 formally requested the Listing Committee to provide detailed written reasons for the Ruling. On 24 August 2015, the Company also submitted a formal request to the Stock Exchange for a review of the Ruling by the Listing (Review) Committee of the Stock Exchange. A review hearing of the Ruling is scheduled to be held on 17 December 2015. Further announcement(s) will be made by the Company when there are material developments as appropriate.

DIVIDENDS

The Directors did not recommend any dividend for the Reporting Period.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2014, the Group had current assets of US\$70,601,853 (31 March 2014: US\$132,206,934) and current liabilities of US\$82,967,068 (31 March 2014: US\$96,060,670) and total bank and cash balances other than restricted bank balances of US\$778,545 (30 March 2014: US\$1,875,134).

Liabilities and payables presented in the Results Announcement are prepared according to the books and records and available information to the Provisional Liquidators and the Directors.

CAPITAL COMMITMENTS

Based on books and records of the Group available to the Provisional Liquidators and the Directors, no information of the capital commitments of the Group is made available.

CHARGE ON ASSETS

Given the loss of some books and records and serious doubts over the reliability of the Group's accounting and other records, the Provisional Liquidators and the Board believes that as at the date of this report, it is almost impossible, and not practical, to ascertain the details of any charge of the Group's assets.

CONTINGENT LIABILITIES

Based on books and records of the Group available to the Provisional Liquidators and the Board, as at 30 September 2014, the Group did not have any material contingent liabilities. However, any contingent liabilities/claims against the Company will be subject to the High Court's approval and the relevant claims will be subject to a formal adjudication process.

EMPLOYEE INFORMATION

Based on the available books and records, the Group employed no employees in Hong Kong as at 30 September 2014.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

To the best knowledge of the Provisional Liquidators and the Board, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

OUTLOOK/PROSPECT

The Provisional Liquidators have been working closely with an investor since entering into the framework agreement. With the support of and the working capital facility provided by an investor, the Group is steadily reviving its business operations. The proposed restructuring contained in the Resumption Proposal, if successfully implemented, will result in, among others:

- (i) business operations of the Group resumed and continued that would satisfy the requirements under Rule 13.24 of the Listing Rules;
- (ii) a restructuring of the share capital of the Company through a capital reduction, a capital cancellation, a share consolidation;
- (iii) an issue of new shares of the Company by way of an open offer and a share subscription by an investor;
- (iv) all claims against, and liabilities of, the Company will be discharged and compromised in full by way of schemes of arrangement in Hong Kong and Bermuda; and
- (v) the resumption of trading in the shares of the Company.

Further announcement(s) will be made by the Company regarding the progress of restructuring leading to the resumption of trading in the shares of the Company as and when appropriate.

CODE ON CORPORATE GOVERNANCE PRACTICES

Compliance with the Corporate Governance Code

The Company has complied with the principles (the “Principles”) and code provisions (the “Code Provisions”) as set out in the Corporate Governance Code and Corporate Governance Report (the “CG Code”) in Appendix 14 of the Listing Rules, except for the following:

- Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Wang Shih Zen was the chairman of the Board (“Chairman”) and the Chief Executive Officer (“CEO”) and he has ceased to be the CEO on 4 April 2014. The details are explained under the heading “Chairman and CEO”.
- Pursuant to code provision A.2.7 of the CG Code, the chairman of the Board should at least annually hold meetings with the non-executive Directors (including independent non-executive Directors) without the presence of the executive Directors. Based on the information made available, the Provisional Liquidators and the Directors are unable to ascertain whether the meeting has been held for the Reporting Period.

On 27 June 2014, the Provisional Liquidators were appointed by the High Court to, among others, take control and possession of the assets of the Group. Certain Company’s books and records have not been located by the Provisional Liquidators. The Provisional Liquidators have engaged an independent accounting firm to review the internal control system of the Group with a view to fulfilling the requirements of the Listing Rules. Further announcement(s) will be made by the Company as and when appropriate.

Board meeting and Directors’ Attendance

The Board is not able to locate the full set of attendance record of each of Directors at the Board meetings during the Reporting Period. Based on the information made available to the Provisional Liquidators and the Board, there were at least 5 Board meetings held for the Reporting Period.

According to the Board meeting minutes located from the Company’s record, the Company has conducted meetings for the discussion of the loan agreements, nomination of the Directors and appointment of key management personnel.

Chairman and CEO

During the Reporting Period, Mr. Wang Shih Zen (“Mr. Wang”), was the Chairman and Chief Executive Officer of the Company and he has ceased to be the CEO on 4 April 2014. Based on the information made available to the Provisional Liquidators and the Board, Mr. Wang was responsible for managing the Board, business strategy and direction, formulation of the Group’s corporate plans and policies including executive decision-making and the day-to-day business operations of the Group.

Audit Committee

The Audit Committee has reviewed the Results Announcement of the Group for the six month ended 30 September 2014, in conjunction with the external auditors.

Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules for securities transactions in the past years.

Having made specific enquiry from the Directors, all the Directors (except for Mr. Wang Shih Zen who has not been contactable as at the date of this report) confirmed that they had complied with the required standards as set out in the Model Code for the Reporting Period.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This Results Announcement is available for viewing on the websites of HKSE, SGX-ST. The 2014 Interim Report will be available on the website of the Stock Exchange and SGX-ST at the earliest practicable opportunity.

On behalf of the Board
Z-Obee Holdings Limited
(Provisional Liquidators Appointed)
Yang Jian Hui
Director

Hong Kong, 16 November 2015

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

* *For identification purpose only*