Z-Obee Holdings Limited

(incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 948)

(Singapore Stock Code: D5N)

website: http://www.z-obee.com

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. Original of this announcement is written in English. In the event of any inconsistency, the English version shall prevail over the Chinese version.

Please refer to the attached announcement of Z-Obee Holdings Limited on the next page issued on the Singapore Securities Trading Limited on 10 August 2012.

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

Hong Kong, 10 August 2012

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

Z-OBEE HOLDINGS LIMITED

(Incorporated in Bermuda)
(Company Registration Number: 39519)

ACQUISITION OF 40% SHAREHOLDING IN NOOSA INTERNATIONAL LIMITED

THE ACQUISITION AGREEMENT

Date

10 August 2012

Parties

1. The Purchaser:	Elastic Glory Investment Limited, a direct wholly-owned subsidiary of the Company;
2. The Vendor:	Mr. Lai, an Independent Third Party; and
3. The Target Company:	Noosa International Limited

The Target Company is an investment holding company incorporated in the British Virgin Islands on 16 March 2012 and is wholly owned by the Vendor. Forever Full is an investment holding company incorporated in Hong Kong on 8 February 2011 and is wholly-owned by the Target Company and its principal investment is Pei Heng, which is a wholly foreign owned enterprise incorporated in the PRC on 24 February 2012, being wholly owned by the Target Company. Pei Heng will enter into the Structural Agreements with Mr. Meng and Mr. Gu, being the two shareholders of Shenzhen Jingying, which is a company incorporated in the PRC with limited liability on 19 July 2001. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the date of this announcement, the Vendor, Mr. Meng and Mr. Gu are Independent Third Parties.

Subject

Pursuant to the Acquisition Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell, the Sale Shares.

The Sale Shares shall represent 40% of the total issued share capital of the Target Company as at the date of Completion. As at the date of this announcement, the Vendor is the legal and beneficial owner of the entire issued share capital of the Target Company.

Upon Completion, the Target Company will be beneficially owned as to 40% by the Purchaser and 60% by the Vendor.

In the event that all the conditions precedent have been satisfied or waived by the Purchaser but the parties to the Acquisition Agreement agree not to proceed with the Completion, the Vendor shall forthwith refund the Deposit (without interest) in full to the Purchaser as final settlement of any liabilities of the Vendor towards the Purchaser or vice versa save for any antecedent breaches of the terms hereof.

Consideration

Pursuant to the terms of the Acquisition Agreement, the Consideration of RMB70,360,000 (equivalent to approximately HK$85,135,600) for the sale and purchase of the Sale Shares shall be settled by cash, which will be funded by the internal resources of the Group, in the manner as follows:

(i) a refundable deposit of HK$20,000,000 (the "**Deposit**") in cash within 7 days after the signing of the Acquisition Agreement; and

(ii) the remaining balance of HK$65,135,600 (the "**Balance**") (subject to adjustment as described below) in cash upon the Completion.

In the event that the fair market value of the Target Company Group as indicated in the Finalised Valuation Report is less than RMB175,900,000 (equivalent to approximately HK$212,839,000) but more than or equals to RMB41,322,000 (equivalent to approximately HK$50,000,000), the Consideration shall be adjusted downwards by reducing the amount of the Balance payable by the Purchaser to the Vendor on Completion on a dollar-for-dollar basis. If the fair market value of the Target Company Group as indicated in the Finalised Valuation Report is less than RMB41,322,000 (equivalent to approximately HK$50,000,000), the Acquisition will be terminated and the Vendor will refund the entire amount of Deposit to the Purchaser without interest. For the avoidance of doubt, no upward adjustment shall be made to the Consideration if the fair market value of Target Company Group as indicated in the Finalised Valuation Report is more than RMB175,900,000 (equivalent to approximately HK$212,839,000).

If the Acquisition cannot be completed under the terms and conditions of the Acquisition Agreement or the Purchaser terminates the Acquisition and the Acquisition Agreement under the terms and conditions therein, the Vendor will refund the Deposit without interest to the Purchaser within seven Business Days upon the request of the Purchaser.

The Consideration has been arrived at after arm's length negotiations between the Company, the Purchaser and the Vendor. The Directors took into account, inter alia, the following matters in agreeing to the Consideration: i) the future prospects of the handheld personal media player industry, aviation media industry and the business prospects of the Target Company Group; ii) the two cooperation agreements entered between the Target Company Group and Tianjin Airlines and HNA Yisheng Holdings Limited (as described below); iii) the preliminary valuation on the Target Company Group prepared by Avista Valuation Advisory Limited, an independent professional valuer appointed by the Company ("**Interim Valuation Report**"), of approximately RMB175,900,000 (equivalent to approximately HK$212,839,000) as at 30 June 2012, where the discounted cash flow method was applied for the purpose of valuation.

Prior to the entering into the Acquisition Agreement, the Company has conducted business due diligence and has engaged legal advisers to conduct legal due diligence on the Target Company Group and the Structural Agreements arrangement. The Company has reviewed the business plan, market research, the management accounts and the material contracts entered into by the Target Company Group. The Company has also discussed with the Vendor and the management of the Target Company Group on the future prospects of the Target Company Group.

The Directors note that the Target Company Group has a short operating history and the projections in future cash flows may not materialize. However after having considered, i) the rapid growth in the aviation sector in China with increasing number of passengers and traveling routes; ii) the increasing expenditure in advertising business in the PRC; iii) the Structural Agreements entered by the Target Company Group and iv) the business projection of Shenzhen Jingying based on the Tianjin Airlines Cooperation Agreement and Hainan Airlines Cooperation Agreement. The Directors consider that the terms and conditions of the Acquisition Agreement are fair and reasonable and they are on normal commercial basis and are in the interests of the Shareholders as a whole.

The Consideration shall be paid by the Purchaser utilising the internal financial resources of the Group.

Conditions precedent

Completion shall be conditional upon satisfaction or waiver as applicable of each of the following conditions precedent:

1) the entering into of the Structural Agreements and the obtaining of a PRC legal opinion (in form and substance reasonably satisfactory to the Purchaser) from a PRC legal advisor confirming, among other matters, that the Structural Agreements are legal, effective, binding and enforceable arrangements and are in compliance with the prevailing and applicable laws or regulations in the PRC;

2) the obtaining of the Finalised Valuation Report in the form and substance reasonably satisfactory to the Purchaser issued by an independent professional valuer appointed by the Company showing the fair market value of the Target Company Group to be not less than RMB41,322,000 (equivalent to approximately HK$50,000,000);

3) the Purchaser being reasonably satisfied with the results of the due diligence review of the Target Company Group to be conducted by the Purchaser;

4) the approval of the Acquisition and other arrangements contemplated under the Acquisition Agreement by the Shareholders at a shareholders' general meeting to be convened as required under the Listing Manual;

5) all necessary consents and approvals required to be obtained on the part of the Vendor, the Purchaser and the Company in respect of the Acquisition Agreement and the transactions contemplated thereby having been obtained;

6) all necessary waiver, consent, approval, licence, authorisation, permission, order and exemption (if required) from the relevant governmental or regulatory authorities or other third parties which are necessary in connection with the Acquisition Agreement and the transactions contemplated thereby having been obtained; and

7) the warranties by the Vendor contained in the Acquisition Agreement remaining true and accurate in all respects.

The Purchaser may at its absolute discretion at any time waive in writing any of the conditions (3) and (7) (to the extent it is capable of being waived) and such waiver may be made subject to such terms and conditions as determined by the Purchaser. If any of the conditions precedent has not been satisfied or waived by the Purchaser at or before12:00 noon on 31 October 2012 or such later date as the Vendor and the Purchaser may agree, the Acquisition Agreement shall cease and terminate and the Vendor shall forthwith refund the Purchaser the Deposit in full paid under the Acquisition Agreement (without interest or compensation) (if any) and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof. Although the Purchaser is entitled to waive the conditions, the Purchaser has no intention of waiving the same and will not do so which would adversely affect the interest of the Company.

Completion

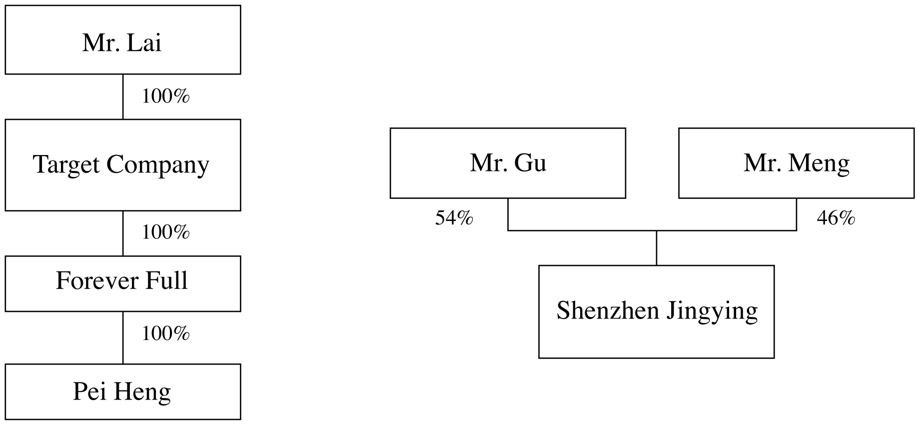
Completion shall take place within the date falling on the seventh Business Day following the day on which all the conditions precedent of the Acquisition Agreement are satisfied in full (or the case may be, waived by the Purchaser), or such other date as the Vendor and the Purchaser may agree in writing.

Upon Completion, the Target Company Group, being the Target Company, Forever Full, Pei Heng and Shenzhen Jingying, will become an associate of the Company.

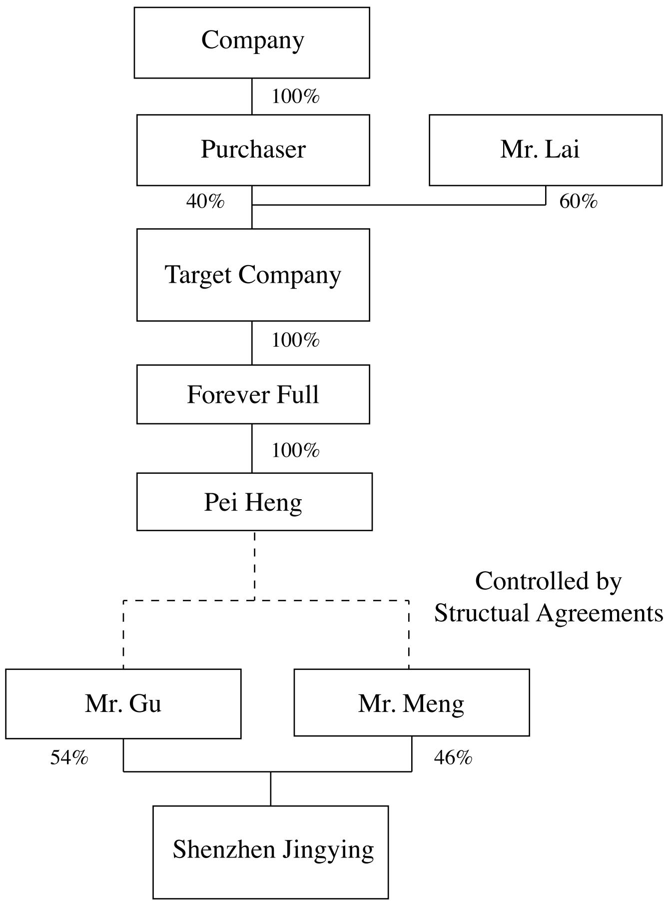
INFORMATION ON THE TARGET COMPANY GROUP

The Target Company is an investment holding company incorporated in the British Virgin Islands with limited liability. The Target Company is the sole shareholder of Forever Full and the primary asset of Forever Full is the investment in Pei Heng which is a wholly foreign owned enterprise in the PRC, carrying business scope of investment holding and consultancy business in the PRC. As at the date of this announcement, the Target Company, Forever Full and Pei Heng have not yet commenced any business and have not generated any income since incorporation. Pei Heng will enter into the Structural Agreements among the relevant parties on or before the date of the Completion.

The group structure of the Target Company Group as at the date of this announcement is as follows:



Upon Completion, the Target Company will become an associate of the Company and the Group. The group structure of the Target Company Group after Completion is shown as follows:



Principal business activities and business plan

Shenzhen Jingying is a company incorporated in the PRC which is principally engaged in the advertising business, development of the technologies in relation to electronic products, computer software and computer network, operation of materials supply in the PRC, import and export business. Shenzhen Jingying has focused on the provision of aviation media services in the PRC through the application of the handheld personal media players to the passengers on the flights of Tianjin Airlines and Hainan Airlines. By using the handheld personal media players, the flight passengers can access to electronic information such as movies, music, television programs, e-magazines, in-flight shopping and advertising contents. Through this in-flight aviation media platform, Shenzhen Jingying aims to develop a new channel for the advertising business segment and in-flight spending.

On 29 December 2009, Shenzhen Jingying entered into the Tianjin Airlines Cooperation Agreement with Tianjin Airlines. On 15 March 2010, Shenzhen Jingying entered into Hainan Airlines Cooperation Agreement with HNA Yisheng Holdings Limited. On 15 September 2011, Shenzhen Jingying and HNA Yisheng Holdings Limited entered into a supplemental agreement to extend the duration of the Hainan Airlines Cooperation Agreement, for a period up to 15 March 2018. Both of Tianjin Airlines and the Hainan Airlines are currently managed by HNA Group. Pursuant to Tianjin Airlines Cooperation Agreement and Hainan Airlines Cooperation Agreement, Shenzhen Jingying will provide the handheld personal media players in the designated aircrafts of HNA Group, including but not limited to the flights of Tianjin Airlines and Hainan Airlines. Shenzhen Jingying will be responsible for the provision and maintenance of the media players and the provision of electronic information.

At present, Shenzhen Jingying has installed approximately 3,000 units of handheld personal media players on the flights of Tianjin Airlines for the designated routes between Hangzhou Province and Tianjin Province. The installation and application plan of the media players will start with the designated flights on the Tianjin Airlines and Hainan Airlines, which has been divided into two phases:

1) not less than 15,000 units of media players to be provided in 105 aircrafts of Tianjin Airlines by December 2012; and

2) not less than 21,000 units of media players to be provided in 120 aircrafts of Hainan Airlines by December 2012.

Additional units of handheld personal media players will be placed on the flights of the airlines according to the increase of both airlines during the duration of the Tianjin Airlines Corporation agreement and the Hainan Airlines Cooperation Agreement.

On 4 November 2009, the shareholders of Shenzhen Jingying entered into a sale and purchase agreement with an intention to dispose the entire equity interest in Shenzhen Jingying (the "**Previous Transaction**") to an independent third party (the "**Previous Purchaser**"). However, on 25 November 2010, the Previous Transaction was terminated due to the conditions under the sale and purchase agreement had not been fulfilled. The Directors have discussed with the Vendor in this regard and have been advised by the Vendor that the main reasons for the termination and the condition of the sale and purchase agreement had not been fulfilled were mainly due to the change of principal business of the Previous Purchaser. Therefore, the Previous Purchaser did not intend to further proceed with the Previous Transaction.

The Vendor has confirmed to the Company that there are no any penalties, liabilities, infringement and/or breaches incurred in relation to the Previous Transaction or carried by the Vendor and Shenzhen Jingying as at the date of the Acquisition Agreement.

The salient financial information of the Target Company Group

For the years ended 31 December 2009, 2010 and 2011, Shenzhen Jingying recorded an unaudited net loss (both before and after taxation and extraordinary items) of approximately RMB76,032, RMB498,417 and RMB6,671,414 respectively (equivalent to approximately HK$91,999, HK$603,085 and HK$8,072,411 respectively). The unaudited net asset value of Shenzhen Jingying as at 31 December 2011 was approximately RMB16,488,979 (equivalent to approximately HK$19,951,665).

As at the date of this announcement, the Target Company, Forever Full and Pei Heng have not commenced any business and none of the companies have generated any income since the date of incorporation.

STRUCTURAL AGREEMENTS

The reasons for the Structural Agreements arrangement is that under the current PRC regulations, the Group is not allowed to directly hold the equity interests in an advertising and media company such as Shenzhen Jingying. The Company is advised by the PRC legal advisor that foreign companies are allowed to acquire 100% equity interests in the advertising enterprise in the PRC in accordance with the provisions of 關於外國投資者併購境內企業的規定 (Regulations for Merger with and Acquisition of Domestic Enterprises by Foreign Investors*) and 外商投資廣告企業管理規定 (Regulations on the Administration of Foreign-funded Advertising Enterprises*), only if it is a qualified foreign-funded advertising enterprise. However, for the establishment of a foreign-funded advertising enterprise, the following conditions have to be met:

(i) the investor should be an enterprise principally engaged in advertising; and

(ii) the investor should have been established and operated for more than three years.

As such, the Structural Agreements are designed to provide the Target Company Group with effective control over and the right to enjoy the economic benefits in and/or assets of Shenzhen Jingying. Through the Structural Agreements, the control and economic benefits from the business of Shenzhen Jingying will flow to Pei Heng upon Completion. Following the Completion, the Group will account for 40% of the profits or losses of the Target Company Group under the equity method of accounting by way of treating the Target Company Group as an associate in accordance with International Accounting Standard 28 “Investments in Associates”.

Set out below are the major terms of the Structural Agreements:

Loan Agreement

Pei Heng will grant an interest-free loan with the principal amount of RMB16,000,000 to Mr. Meng and Mr. Gu. The amount of the Loan shall be used to set off against the entire or part of the consideration payable by Pei Heng (or its assignees or nominees) to Mr. Meng and Mr. Gu under the Equity Transfer Agreement in the event Pei Heng invokes the transfer rights under the Equity Transfer Agreement. At the discretion of Pei Heng, Pei Heng can assign rights and novate the obligations under the Loan Agreement to any company nominated by Pei Heng without the consent of Mr. Meng and Mr. Gu.

Business Cooperation Agreement

Pei Heng will enter into the Business Cooperation Agreement with Shenzhen Jingying, Mr. Meng and Mr. Gu, pursuant to which Pei Heng will be the sole and exclusive service provider to Shenzhen Jingying for the provision of consultancy and technical services, including (i) management consultancy and marketing research services; (ii) use by Shenzhen Jingying of the intellectual property rights owned by Pei Heng; (iii) providing strategic advice on the agreements that are reasonably required or in the ordinary course of business of Shenzhen Jingying; (iv) formulating and assisting in the implementation of rules and internal control policy, standard administrative, accounting, planning, marketing, human resources and operation strategies; (v) assisting Shenzhen Jingying to plan and organize public relations and marketing activities; (vi) assisting Shenzhen Jingying to review its operations; (vii) assisting Shenzhen Jingying in business operations; (viii) providing market information on advertising media, market research information and analysis; and (ix) providing business advices on the operation and investment project, and assisting and participating in management operations.

Shenzhen Jingying shall not enter into any cooperation agreement of similar nature with the Business Cooperation Agreement without the written consent of Pei Heng. At the discretion of Pei Heng, Pei Heng can assign the rights and novate the obligations under the Business Cooperation Agreement to any company nominated by Pei Heng without the consent of Shenzhen Jingying, Mr. Meng and Mr. Gu. The initial term of the Business Cooperation Agreement is a fixed term of three years from the date of the execution of the Business Cooperation Agreement. Upon expiry of its term, if the entire equity interests in Shenzhen Jingying were not transferred to Pei Heng or its nominees, the Business Cooperation Agreement will be renewed for further terms of three years automatically until the entire interests in Shenzhen Jingying are transferred to Pei Heng or its nominees. Pei Heng shall charge Shenzhen Jingying a service fee of 100% of the total net income of Shenzhen Jingying.

Equity Charge

Mr. Meng and Mr. Gu will create the Equity Charge over their respective equity interests in Shenzhen Jingying to secure and guarantee the performance of all obligations of Shenzhen Jingying under the Structural Agreements including the obligations of Shenzhen Jingying under the Business Cooperation Agreement and the payment obligations under the Loan Agreement. At the discretion of Pei Heng, Pei Heng can assign the rights and novate the obligations under the Equity Charge to any company nominated by Pei Heng without the consent of Mr. Meng and Mr. Gu.

Equity Transfer Agreement

Pei Heng, Mr. Meng, Mr. Gu and Shenzhen Jingying shall enter into the Equity Transfer Agreement pursuant to which Mr. Meng and Mr. Gu shall grant an irrevocable and exclusive right of priority to Pei Heng to acquire the entire equity interests in Shenzhen Jingying at a consideration to be assessed by reference to the net assets value of Shenzhen Jingying at the time of the transfer.

At the discretion of Pei Heng, Pei Heng can assign the rights and novate the obligations under the Equity Transfer Agreement to any company nominated by Pei Heng without the consent of Mr. Meng and Mr. Gu and Shenzhen Jingying. Pei Heng, Mr. Meng, Mr. Gu and Shenzhen Jingying agree that the amount of the Loan shall be used to set off against the consideration under the Equity Transfer Agreement.

There is no fixed term to the exercise of rights by Pei Heng to acquire entire equity interests in Shenzhen Jingying. Such rights shall remain valid until i) it is not permitted under the law; or ii) Pei Heng exercises the right to acquire the entire equity interests in Shenzhen Jingying.

Further announcements will be made as and when appropriate in relation to the exercise of the rights granted to Pei Heng under the Equity Transfer Agreement in compliance with the Listing Rules and Listing Manual.

Distribution Undertaking

Mr. Meng and Mr. Gu has given an irrevocable undertaking to Pei Heng to surrender all the distribution of profits, dividends, bonus shares or scrip shares of Shenzhen Jingying to Pei Heng.

Directors Undertaking

As the directors of Shenzhen Jingying (being nominated by the shareholders of Shenzhen Jingying) may change, Mr. Meng and Mr. Gu undertake that they will enter into undertakings with all existing and future directors of Shenzhen Jingying (if any), for each such director to undertake that he or she will act according to the instructions of the Pei Heng for the exercise of the powers of the director(s) of Shenzhen Jingying, including but not limited to, the convening of shareholders' meeting, performance of shareholders' resolutions, approving of business plans and investment plans, formulating of annual budget, distribution of profits and making up of losses. Mr Meng and Mr Gu will inform the Purchaser upon execution of such undertakings by the directors of Shenzhen Jingying.

Shareholders Undertaking

Mr. Meng and Mr. Gu will undertake that they will vote on any resolutions proposed at the shareholders' meetings of Shenzhen Jingying in accordance with the instructions of Pei Heng until the transfer of the entire equity interests in Shenzhen Jingying to Pei Heng and the fulfilment of all obligations under the Loan Agreement, Business Cooperation Agreement, Equity Charge, Equity Transfer Agreement and Distribution Undertaking.

Upon the assignment of the rights and novation of obligations under the Loan Agreement, Business Cooperation Agreement, Equity Charge, Equity Transfer Agreement and Distribution Undertaking, Pei Heng can also assign the rights under the Shareholders Undertaking to the transferee.

Power of Attorney

Mr. Meng and Mr. Gu will enter into a power of attorney, pursuant to which Pei Heng is authorised to exercise the shareholders' right in Shenzhen Jingying including exercise of voting rights, rights to nominate directors of Shenzhen Jingying, participation in the liquidation process and the right to receive the residual assets upon dissolution of Shenzhen Jingying and all other rights as a shareholder.

As advised by the PRC legal adviser, the Structural Agreements entered into among Mr. Meng, Mr. Gu and Shenzhen Jingying are legal, effective, binding and enforceable and in compliance with all the relevant rules and regulations of the PRC.

Upon Completion, Pei Heng will be able to have control over the financial and operating policies of Shenzhen Jingying. Accordingly, the Target Company Group will enjoy all of the economic benefits in and/or assets of Shenzhen Jingying because (i) the shareholders' general meetings of Shenzhen Jingying will be controlled by Pei Heng pursuant to the Shareholders Undertaking and the Directors Undertaking; and (ii) all the benefits arising from the entire equity interests in Shenzhen Jingying will be entirely conveyed to Pei Heng pursuant to the Business Cooperation Agreement, Equity Charge, Equity Transfer Agreement, Distribution Undertaking and Loan Agreement.

Considering that (i) the execution of the respective Structural Agreements will ensure the consolidation of the financial results of Shenzhen Jingying to the Target Company Group; (ii) the Structural Agreements are legal, effective, binding and enforceable and in compliance with all the relevant rules and regulations of the PRC as advised by the PRC legal adviser; (iii) the Structural Agreements are entered amongst the parties thereto on normal commercial terms; and (iv) the potential benefits from the Acquisition, details of which are set out in the section headed "Reasons for and benefit of the Acquisition" below, the Directors considered that the entering into of the respective Structural Agreements are in the interest of the Group and the Shareholders as a whole.

REASONS FOR AND BENEFIT OF THE ACQUISITION

The Group is principally engaged in provision of mobile handset application design, design and production solution services for mobile handset, assembly of mobile handset and surface-mount technology of printed circuit boards and distribution and marketing of mobile handset and mobile handset components. It is the Group's intention to strengthen and focus on its core business. In view of the intense competition of the mobile handset industry, the Group has been actively seeking other opportunities to broaden the revenue base of the Group. The Directors (including the independent non-executive Directors) also consider that the Acquisition represents a good opportunity for the Group to expand into the advertising business in the PRC, while the new business also requires knowhow of production and design for handheld media players. The Directors consider that the aircraft passengers in the PRC and their corresponding expenses have increased substantially in the past decade and the aviation media has become one of the important advertising channels to capture such huge consumption power in the PRC and to effectively promote products and services without boundaries. The Directors also note that personal handheld media player has become a new trend in aviation media, especially when the personal touch panels are widely used in daily lives and the fixed entertainment systems are commonly installed at the back of the aircraft seats of flights in the PRC. The Directors consider that the Acquisition provides synergy to the Group as the Group is able to provide the knowledge of electronic products business thereby assisting the Target Company Group to develop its electronic advertising media and in-flight electronic shopping through personal handheld media player, to the designated airlines in the PRC.

RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

For the purposes of Chapter 10 of the Listing Manual, the relative figures for the Acquisition using the applicable bases of comparison set out in Rule 1006 of the Listing Manual are set out below:

1006(a)	Net asset value of the assets to be disposed of, compared with the net asset value of the Group	Not applicable as this transaction is an acquisition and not a disposal of assets
1006(b)	Net profits attributable to the assets acquired, compared with the Group's net profits	Not applicable[(1)]
1006(c)	Aggregate value of the consideration[(2)] given or received, compared with the issuer's market capitalisation[(3)] based on the total number of issued shares excluding treasury shares	19.37%
1006(d)	Number of equity securities issued by the Company as consideration for acquisition, compared with the number of equity securities previously in issue	Not applicable[(4)]

Notes:—

(1) The net loss attributable to the Target Company Group for the financial year ended 31 December 2011 was approximately RMB6,671,414. The Group's net profit for the financial year ended 31 March 2012 was US$5,136,738.

(2) The Consideration of RMB70,360,000 is equivalent to S$13,790,560 based on the foreign exchange rate of Bloomberg of RMB1 equivalent to S$0.196 as at 8 August, 2012.

(3) Based on the Consideration of approximately S$13,790,560 and the market capitalisation of the Company being S$71,184,250 (determined by multiplying the number of shares in the capital of the Company in issue by the weighted average price of shares of the Company transacted on 8 August 2012, being the market day of the SGX-ST preceding the date of the Acquisition Agreement.

(4) The Company will not issue new equity securities as consideration for the Acquisition.

Pursuant to Rule 1007 of the Listing Manual, since one of the relative figures computed pursuant to Rule 1006 is a negative figure, the Company has consulted the SGX-ST and the SGX-ST has confirmed to the Company that Rule 1014(2) of the Listing Manual is applicable to the Acquisition. Accordingly, the Company will convene a special general meeting to obtain Shareholders' approval for the Acquisition. A circular to Shareholders containing information of the Acquisition will be despatched to Shareholders in due course.

APPLICATION FOR WAIVER TO THE SGX-ST AND RECEIPT OF WAIVER FROM THE SGX-ST

The Company applied to the SGX-ST seeking, inter alia, a waiver from Rule 1011 of the Listing Manual requiring the full Interim Valuation Report to be included in the circular to Shareholders and for inspection by Shareholders ("**Waiver**"). The Company has sought permission of the SGX-ST to permit a summarised Interim Valuation Report to be included in the circular to Shareholders and for inspection by Shareholders.

The reasons for seeking the Waiver are as follows:—

(1) The Interim Valuation Report adopts the discounted cash flow method for the purpose of the valuation. Accordingly, the Interim Valuation Report contains information that will be considered profit forecasts under Rule 1012 of the Listing Manual.

(2) The Company takes the view that some of the profit forecast information in the Interim Valuation Report are commercial secrets which the Company does not want to be made public.

(3) Further, even if the Target Company Group becomes part of the Group and has to adhere to the financial reporting requirements, the reporting of financial statements under the International Financial Reporting Standards and in accordance with the rules of the SGX-ST would also not cause the disclosure of the information contained in the Interim Valuation Report.

(4) The Company is of the view that to the disclosure of such commercially sensitive information to the public could potentially prejudice the negotiating power of the Target Company Group vis-a-vis its customers and suppliers and would also affect its competitiveness. Accordingly, such disclosure is not in the interest of the Company and its Shareholders.

The Company has on 9 July 2012 received the Waiver from the SGX-ST subject to the Company announcing the Waiver granted, the reasons for seeking the Waiver and the conditions under Rule 107 of the Listing Manual. Under Rule 107 of the Listing Manual, it is provided that where a waiver is granted, the Company must announce the Waiver, the reasons for seeking the Waiver and the conditions, if any upon which the Waiver is granted as soon as possible.

Accordingly, the Company in compliance with the Rule 107 is announcing the grant of the Waiver and the reasons for seeking the Waiver as set out in this announcement.

PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITION

The financial effects of the Acquisition on the net tangible assets per share and earnings per share of the Group have been prepared based on the following assumptions:—

(a) the financial effects of the Acquisition are based on the terms of the Acquisition as at the date of this announcement;

(b) the financial effects of the Acquisition are purely for illustrative purposes and should not be taken as an indication of the actual financial performance or position of the Group following the Acquisition nor a projection of the future financial performance or position of the Group after the completion of the Acquisition;

(c) the financial effects of the Acquisition are based on the Group's audited financial statements for the financial year ended 31 March 2012 and on Target Company Group's unaudited management accounts as at 31 March 2012;

(d) for the purpose of computing the net tangible assets of the Group after the Acquisition, it is assumed that the Acquisition was completed on 31 March 2012; and

(e) for the purpose of computing the net profit attributable to Shareholders and earnings per share of the Group after the Acquisition, it is assumed that the Acquisition was completed on 1 April 2011.

Pro forma Net Tangible Assets ("NTA")

	As at 31 March 2012	
	Before the Acquisition	**After the Acquisition**
NTA (US$'000)	109,037	109,037
No. of shares ('000)	635,574	635,574
NTA per share (US cents)	17.16	17.16

Pro forma Earnings Per Share ("EPS")

	For the year ended 31 March 2012	
	Before the Acquisition	**After the Acquisition**
Net profit attributable to Shareholders (US$'000)	5,137	4,767
Weighted average number of shares used ('000)	635,574	635,574
EPS (US cents)	0.81	0.75

LISTING RULES

Under the Listing Rules of Hong Kong, the Acquisition is a discloseable transaction and does not require Shareholder's approval.

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS OF THE COMPANY

	Number of shares held, capacity and nature of interest			
Name of Director/ Controlling Shareholder	**Direct Interest**	**Deemed Interest**	**Total**	**Percentage of the Company's issued share capital**
Mr. Wang Shih Zen[(1)]	31,406,500	153,310,250	184,716,750	29.06%
Wise Premium Limited[(1)]	153,310,250	—	153,310,250	24.12%

Note:

(1) Mr. Wang Shih Zen held 200,000 shares through HKSCC Nominees Ltd. Together with his direct holdings of 31,206,500 shares, Mr. Wang held 31,406,500 shares, representing 4.94% of the issued share capital of the Company. The 153,310,250 shares of the Company are held by Wise Premium Limited, a company beneficially owned by Mr. Wang Shih Zen.

Further, pursuant to the 2010 Employee Share Options Scheme ("**2010 Scheme**"), certain Directors have been granted share options, the details of which are set out below:—

Name of Director	**No of share options granted**[(1)]
Mr. Liu Shangmin	600,000
Mr. David Lim Teck Leong	600,000
Mr. Chan Kam Loon	600,000
Mr. Guo Yanjun	600,000
Mr. Lo Hang Fong	600,000
Mr. Tham Wan Loong, Jerome	600,000

Note:

(1) Pursuant to the 2010 Scheme, there were 2,400,000 share options granted to four of the above Directors on 6 January 2012 at the exercise price of HK$0.72 and 1,200,000 share options granted to another two Directors of the Company on 19 March 2012 at the exercise price of HK$1.11. These options expire on 10 February 2020 and the vesting period of an option shall be exercisable in whole or part (provided that an option may be exercised in part only in respect of 1,000 shares or any multiple thereof), at any time, after the first anniversary from the date of grant

None Directors and controlling shareholders (as defined in the Listing Manual) have any interest in the Acquisition.No new director will be appointed to the Company in connection with the Acquisition.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available source or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

DOCUMENTS FOR INSPECTION

A copy of the Acquisition Agreement and a copy of the summarised Interim Valuation Report will be available for inspection during normal business hours at the Company's office at Unit E, 26/F., Legend Tower, 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong for a period of three months from the date of this announcement.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

"Acquisition"	the acquisition of the Sale Shares by the Purchaser pursuant to the terms and conditions of the Acquisition Agreement
"Acquisition Agreement"	the sale and purchase agreement dated 10 August 2012 entered into among the Purchaser and the Vendor in relation to the Acquisition
"associate"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Business Cooperation Agreement"	the business cooperation agreement to be entered among Pei Heng, Shenzhen Jingying, Mr. Meng and Mr. Gu in relation to the provision of consultancy and technical services by Pei Heng to Shenzhen Jingying for an initial term of three years
"Business Day(s)"	any day other than a Saturday, a Sunday or a day on which commercial banks in Hong Kong are required or authorized by law or executive order to be closed
"Company"	Z-Obee Holdings Limited, a company incorporated in Bermuda with limited liability and issued Shares of which are listed on the main board of the Stock Exchange and mainboard of the SGX-ST
"Completion"	completion of the Acquisition in accordance with the terms and conditions of the Acquisition Agreement
"Consideration"	the consideration of RMB70,360,000 (equivalent to approximately HK$85,135,600) payable by the Purchaser to the Vendor for the Sale Shares pursuant to the Acquisition Agreement
"Directors"	directors of the Company
"Directors Undertaking"	an undertaking to be executed by all existing and future directors of Shenzhen Jingying (if any), for such directors to undertake that they will act according to the instructions of Pei Heng for the exercise of the powers of the director(s) of Shenzhen Jingying
"Distribution Undertaking"	an undertaking to be executed by all existing shareholders of Shenzhen Jingying in favour of Pei Heng that they will transfer any distribution of Shenzhen Jingying to Pei Heng

"Equity Charge"	the equity charge to be executed for all the equity interests in Shenzhen Jingying respectively owned by Mr. Meng and Mr. Gu in favour of Pei Heng to secure the obligations of Shenzhen Jingying under the Business Cooperation Agreement and the Loan Agreement
"Equity Transfer Agreement"	the equity transfer agreement to be entered among Pei Heng, Mr. Meng, Mr. Gu and Shenzhen Jingying in relation to the granting of the irrevocable and exclusive right by Mr. Meng and Mr. Gu to Pei Heng to acquire the entire equity interest in Shenzhen Jingying at a consideration to be assessed by reference to the net assets value of Shenzhen Jingying at the time of the transfer
"Finalised Valuation Report"	the finalised valuation report to be issued by an independent professional valuer on the assets and businesses of the Target Company Group
"Forever Full"	Forever Full Investment Limited (沛恒投資有限公司), a company incorporated in Hong Kong with limited liability on 8 February 2011, which is wholly and beneficially owned by the Target Company
"Group"	the Company and its subsidiaries
"Hainan Airlines"	Hainan Airlines Co., Ltd. * (海南航空股份有限公司), a limited liability company incorporated in the PRC
"Hainan Airlines Cooperation Agreement"	the cooperation agreement and supplemental agreement entered between Shenzhen Jingying and HNA Yisheng Holdings Limited* (海航易生控股有限公司) on 15 March 2010 and 15 September 2011 respectively for a total period of eight years respectively in relation to the provision of handheld personal media players on the flights of HNA Group (including but not limited to Hainan Airlines and Tianjin Airlines)
"HNA Group"	a conglomerate established under approval of the State Administration of Industry and Commerce in the PRC, with the air transportation as core business and covering other industries of tourism & service, airport management, logistics, hotel management, retailing, finance and other related businesses
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Independent Third Party(ies)"	an independent third party(ies) who is/are not connected with directors, chief executives and/or substantial shareholders of the Company or their respective associates under the Listing Rules
"Listing Manual"	listing rules of the SGX-ST which set out the requirements applicable to issuers relating to, inter alia: (i) the manner in which securities are to be offered and (ii) the continuing obligations of the issuers
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Loan"	the principal amount of RMB16,000,000 (equivalent to approximately HK$19,360,000) to be advanced by Pei Heng to Mr. Meng and Mr. Gu pursuant to the terms and conditions of the Loan Agreement

"Loan Agreement"	a loan agreement to be entered among Pei Heng, Mr. Meng and Mr. Gu in relation to the grant of Loan
"Mr. Gu"	Mr. Gu Qi, the beneficial owner of the 54% equity interest in Shenzhen Jingying, an Independent Third Party
"Mr. Meng"	Mr. Meng Fei, the beneficial owner of the 46% equity interest in Shenzhen Jingying, an Independent Third Party
"Pei Heng"	Pei Heng Information Consultancy Limited * (沛恒信息咨詢(深圳)有限公司), a wholly foreign owned enterprise incorporated in the PRC on 24 February 2012 and wholly owned by Forever Full
"Power of Attorney"	power of attorney to be entered into between the shareholders of Shenzhen Jingying and a nominee of Pei Heng, pursuant to which the nominee of Pei Heng was authorised by the shareholders of Shenzhen Jingying to exercise the shareholders' right in Shenzhen Jingying
"PRC"	People's Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, The Macau Special Administrative Region of the PRC and Taiwan
"Purchaser"	Elastic Glory Investment Limited, a company incorporated in the British Virgin Islands on 16 September 2002 with limited liability, which is a direct wholly-owned subsidiary of the Company
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Shares"	40% of issued share capital of the Target Company as at the date of Completion legally and beneficially owned by the Vendor, to be disposed to the Purchaser under the Acquisition Agreement
"SGX-ST"	Singapore Exchange Securities Trading Limited
"Shares"	Ordinary Shares with a par value of US$0.008 each in the share capital of the Company
"Shareholder(s)"	Shareholder(s) of the Company
"Shareholders Undertaking"	an undertaking to be executed by Mr. Meng and Mr. Gu in favour of Pei Heng that they will vote on any resolutions proposed at the shareholders' meeting of Shenzhen Jingying in accordance with the instructions of Pei Heng until the fulfilment of all obligations under the Loan Agreement, the Business Cooperation Agreement, the Equity Charge and the Equity Transfer Agreement
"Shenzhen Jingying"	Shenzhen Jingying Electronic Technology Limited* (深圳市菁英電子科技有限公司), a company incorporated in the PRC with limited liability on 19 July 2001

"Structural Agreements"	The agreements entered among Pei Heng, Mr. Meng, Mr. Gu and Shenzhen Jingying which includes of Loan Agreement, Business Cooperation Agreement, Equity Charge, Equity Transfer Agreement, Distribution Undertaking, Directors and Shareholders Undertakings and Power of Attorney
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Noosa International Limited (龍薩國際有限公司), a company incorporated in the British Virgin Islands on 16 March 2012 with limited liability, which is wholly owned by the Vendor
"Target Company Group"	the Target Company, Forever Full, Pei Heng and Shenzhen Jingying
"Tianjin Airlines"	Tianjin Airlines Company Limited * (天津航空有限責任公司), a limited liability company incorporated in the PRC
"Tianjin Airlines Cooperation Agreement"	the cooperation agreement entered between Shenzhen Jingying and Tianjin Airlines on 29 December 2009 in relation to the provision of handheld personal media players on the flights of Tianjin Airlines
"Vendor" or "Mr. Lai"	Mr. Lai Ying Ming, Lewis, an Independent Third Party, the sole beneficial shareholder of the Target Company prior to the Completion and the vendor to the Acquisition Agreement
"%"	percent

** for identification purpose only*

The exchange rate used in this announcement is RMB1 = HK$1.21

By order of the Board
Z-Obee Holdings Limited

Wang Shih Zen
Chairman and Chief Executive Officer

10 August 2012

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