

*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.*



## **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)**

### **BUSINESS UPDATE**

#### **FORMATION OF JOINT VENTURE**

This announcement is made by Z-Obee Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

Reference is made to the announcement of the Company dated 31 August 2016 (the “**Announcement**”) in respect of the letter of intent in relation to the establishment of the Joint Venture with Tongfang. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company is pleased to announce that on 6 January 2017, the Company has entered into a joint venture agreement (the “**Joint Venture Agreement**”) with Perfect Major, a wholly-owned subsidiary of the Company and Resuccess Investments Ltd. (“**Resuccess Investments**”), a wholly-owned subsidiary of Tongfang, in relation to the establishment of the Joint Venture. Pursuant to the Joint Venture Agreement, Resuccess Investments has conditionally agreed to, among other things, (i) subscribe for 25 shares of Perfect Major, representing 20% of the entire issued share capital of Perfect Major on a fully-diluted basis; and (ii) after the resumption of trading of the shares of the Company on the Stock Exchange and in accordance with the relevant laws, rules and regulations, enter into a definitive agreement with the Company, pursuant to which Resuccess Investments shall subscribe for not less than 5% of the issued shares of the Company.

#### **THE JOINT VENTURE AGREEMENT**

The principal terms of the Joint Venture Agreement are set out below:

##### **Date**

6 January 2017

## **Parties**

1. Resuccess Investments;
2. the Company; and
3. Perfect Major.

To the best knowledge, information and belief of the provisional liquidators of the Company (the “**Provisional Liquidators**”), having made all reasonable enquiries, Resuccess Investments and its ultimate beneficial owners are third parties independent of the Company and its connected person (as defined under the Listing Rules).

## **THE JOINT VENTURE SUBSCRIPTION**

Subject to the terms and conditions of the Joint Venture Agreement, Resuccess Investments has conditionally agreed to subscribe for, and Perfect Major has agreed to allot and issue 25 shares of Perfect Major (the “**Subscription Shares**”), representing 20% of the entire issued share capital of Perfect Major on a fully-diluted basis (the “**Joint Venture Subscription**”).

The Subscription Shares shall rank pari passu in all respects with the existing shares of Perfect Major in issue, and shall be issued free of all encumbrances.

Upon completion of the Joint Venture Subscription, Perfect Major will be held as to 80% and 20% by the Company and Resuccess Investments, respectively.

## **Consideration**

The consideration for the Subscription Shares shall be HK\$3,000,000, which was determined on arm’s length basis between the Company and Resuccess Investments and shall be payable by Resuccess Investments upon completion of the Joint Venture Subscription.

## **Conditions Precedent**

The obligation of Resuccess Investments to proceed to the completion of the Joint Venture Subscription shall be conditional upon the satisfaction of the following conditions precedent (the “**Conditions Precedent**”) (or waiver by Resuccess Investments in accordance with the terms of the Joint Venture Agreement):

- (a) Perfect Major having received the approval of the Company, its sole shareholder, to proceed with the Joint Venture Subscription;
- (b) all necessary approvals (including the approval from the Stock Exchange in relation to the proposed resumption of the Company) from the relevant governmental or regulatory authorities (including the Hong Kong court, the Stock Exchange, Singapore Exchange and the Securities and Futures Commission of Hong Kong), banks, financial institutions and other third parties in connection with the transactions contemplated thereby and all necessary notifications having been obtained by Perfect Major and the

Group and such evidence having been provided to Resuccess Investments;

- (c) all warranties of the Company and Perfect Major under the Joint Venture Agreement throughout the period commencing from the date of the Joint Venture Agreement to the date of completion shall remain true, accurate, complete and not misleading;
- (d) no material breaches of each of the obligations of the Company under the Joint Venture Agreement which will cause the completion of the Joint Venture Subscription pursuant to the terms of the Joint Venture Agreement impossible or impracticable in the absolute discretion of Resuccess Investments;
- (e) no events having occurred which caused or will cause a (i) material adverse effect on the financial position, business, asset or operation of the Group as a whole or (ii) material adverse effect on the ability of the Company and Perfect Major to perform or comply with their respective obligations, undertakings or covenants under the Joint Venture Agreement; and
- (f) there being no applicable laws which shall, or which shall reasonably be expected to, forbid, restrict or impose conditions or restrictions on or in any way challenge any of the transactions contemplated under the Joint Venture Agreement.

If the Conditions Precedent fails to be satisfied on or before 31 December 2018 (or such later date as Resuccess Investment and Perfect Major may agree in writing), the Joint Venture Agreement will be void and invalid. The parties shall be discharged from all the obligations under the Joint Venture Agreement and no parties shall have any claim against each other. Unless otherwise agreed, the right of any party to lodge claims in relation to breaches before termination of the Joint Venture Agreement will not be affected.

### **Business objective of the Joint Venture**

The Joint Venture will be principally engaged in the distribution and sales of mobile handsets and components and will leverage on the technical expertise of Tsinghua University in information technology, computer science, new materials and advanced devices.

Upon completion of the Joint Venture Subscription, Perfect Major shall appoint Resuccess Investments, Tongfang and/or its subsidiaries (the “**Tongfang Group**”) for the research and development of mobile communication devices which are suitable for the Indian market.

In addition, given that the Company possesses an extensive sales network in South East Asia with a substantive list of customers, upon completion of the Joint Venture Subscription, Resuccess Investments shall, or Resuccess Investments shall procure Tongfang Group to appoint Perfect Major to sell certain mobile devices developed by Tongfang in India and South East Asia regions. The initial procurement amount of such sale shall be HK\$500,000 and the sales target for the subsequent financial year upon the completion of the Joint Venture Subscription will be HK\$30,000,000.

Furthermore, based on the current model of the Company’s products, the Company will procure part of its mobile phones accessories from Resuccess Investments. The initial product

procurement amount shall be HK\$300,000, subject to the terms in the purchase order appended to the procurement catalog to be entered into between the Company and Resuccess Investments.

### **THE Z-OBEE SUBSCRIPTION**

Resuccess Investments further agreed to, after the resumption of trading of the shares of the Company on the Stock Exchange and in accordance with the relevant laws, rules and regulations, enter into a definitive agreement with the Company, pursuant to which Resuccess Investments shall subscribe for not less than 5% of the issued shares of the Company (the “**Z-Obee Subscription**”).

Upon becoming a strategic investor and an important shareholder of the Company, Resuccess Investments will support the future long-term development of the Company.

### **INFORMATION ON THE GROUP**

The Company is established under the laws of the Bermuda with limited liability and is an investment holding company. The principal activities of the Group are sales and distribution of mobile handsets and their components.

The Company’s shares have been listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the Main Board of the Stock Exchange since 21 November 2007 and 1 March 2010, respectively. With effect from 14 June 2013, the Company converted its listing status on the SGX-ST to secondary listing whilst the primary listing status on the Main Board of the Stock Exchange remains unchanged.

Perfect Major is a company established under the laws of the British Virgin Islands with limited liability and is a wholly-owned subsidiary of Company.

### **INFORMATION ON THE TONGFANG GROUP**

Resuccess Investments is a company established under the laws of the British Virgin Islands with limited liability and is a wholly-owned subsidiary of Tongfang.

Tongfang is a company established under the laws of the People’s Republic of China with limited liability, whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600100). The Tongfang Group is primarily engaged in the business of consumer electronics, information technology, energy and environmental industries, etc. Tsinghua Holdings is the controlling shareholder of Tongfang.

### **REASONS FOR AND BENEFITS OF THE ESTABLISHMENT OF THE JOINT VENTURE**

The Company is of the view that establishment of the Joint Venture will enable the Group to leverage on the extensive market coverage of Tongfang and the strengths of Tsinghua University in research and development of mobile products. In addition, it will drive business cooperation between the Group and Tongfang for the establishment of a sound and stable long-term partnership where both parties will benefit from resource-sharing and complementing each

other's strengths. Hence, the Company is of the view that establishment of the Joint Venture is in the interests of the Company and its shareholders as a whole.

#### **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company 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 Company wishes to emphasize that the transactions contemplated under the Joint Venture Agreement are subject to the fulfillment of a number of conditions precedent and further definitive agreements, and therefore may or may not materialise. The Company will comply with the relevant disclosure and/or shareholders' approval requirements in respect of the Joint Venture Subscription and Z-Obee Subscription in accordance with the Listing Rules as and when appropriate. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

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, 10 February 2017

*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.*

\* *For identification purposes only*