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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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CONNECTED AND DISCLOSEABLE TRANSACTION ACQUISITION OF SHARES OF YOHO KING AND NOTICE OF THE SPECIAL GENERAL MEETING

*Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders*



A letter from the Board is set out on pages 5 to 17 of this circular and a letter from the Independent Board Committee is set out on pages 18 to 19 of this circular. A letter from VC Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the Proposed Acquisition is set out on pages 20 to 31 of this circular.

A notice convening the Special General Meeting (“SGM”) of Z-Obee Holdings Limited (the “Company”) to be held at 33/F., 9 Queen’s Road Central, Central, Hong Kong, on Tuesday, 18 May 2010 at 10:00 a.m. is set out on pages 37 to 38 of this circular. Any Shareholder or Depositor or Proxy who wishes to take part in the SGM from Singapore, may attend via video conference which shall be held at 7 Temasek Boulevard, #15-03 Suntec Tower one, Singapore. The persons attending the said video conference will be able to pose questions to the Company management and to comment on the issue on the SGM’s agenda. Please be on time to avoid disrupting the SGM which will commence sharply on Tuesday, 18 May 2010 at 10:00 a.m.. Whether or not you propose to attend and vote at the SGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with, the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong (for Hong Kong Shareholders), or the Company’s share transfer agent in Singapore, Tricor Barbinder Share Registration Services, at 8 Cross Street #11-00, PWC Building, Singapore 048424 (for Singapore Shareholders or Depositor), as soon as possible and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case maybe). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the SGM or any adjournment (as the case may be) thereof should you so desire.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Approved Exchange”	any stock exchange approved by the Purchaser
“associate”	has the meaning ascribed thereto under the HKSE Listing Rules
“Bermuda Companies Act”	The Companies Act 1981 of Bermuda, as amended or modified from time to time
“Board”	the board of Directors
“Business Day(s)”	any day other than a Saturday, a Sunday or a day on which commercial banks in Hong Kong and Singapore are required or authorized by law or executive order to be closed
“Bursa Malaysia”	Bursa Malaysia Securities Berhad
“BVI”	British Virgin Islands
“Bye-Laws”	the bye-laws of the Company adopted on 11 February 2010
“CCDH Technology”	CCDH Technology Limited, a company incorporated in BVI with limited liability, an indirect wholly-owned subsidiary of the Company
“CDP”	the Central Depository (Pte) Limited or its nominee(s), as the case may be
“Charged Shares”	the 12,500 issued shares in Yoho King and on Completion, 7,500 of the Charged Shares are to be released, then the Charged Shares shall thereafter refer to the remaining 5,000 Charged Shares
“Chief executive”	shall have the meaning ascribed to it in the HKSE Listing Rules
“Circular”	this circular to Shareholders dated 30 April 2010
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”	Z-Obee Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of HKSE and Mainboard of SGX-ST
“Completion”	completion of the Proposed Acquisition
“Completion Date”	the date and time at which Completion takes place
“connected person(s)”	shall have the meanings ascribed in the HKSE Listing Rules
“Consideration”	the aggregate consideration of US\$10,830,975 for the Proposed Acquisition

DEFINITIONS

“Depositor”, “Depository Agent” and “Depository Register”	shall have the respective meanings ascribed to then in section 130A of the Singapore companies Act
“Directors”	the directors of the Company
“Expected IPO Date”	the expected date of the Malaysia IPO, which shall be the earlier of 12 months from the Completion Date or 31 March 2011
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSE”	The Stock Exchange of Hong Kong Limited
“HKSE Listing Rules”	the Rules Governing the Listing of Securities on the HKSE
“IC”	integrated circuit
“IFRS”	International Financial Reporting Standards
“Independent Board Committee”	the committee of the independent non-executive Directors comprising Mr. Chan Kam Loon and Mr. Guo Yanjun (but not including Mr. Lo Hang Fong, since Mr. Lo is one of the partners of the law firm acting for Yoho King in the Proposed Acquisition) which shall be formed to advise the Independent Shareholders in respect of the Proposed Acquisition
“Independent Shareholders”	Shareholders who are independent of Wise Premium, Mr. Wang, Mr. Ong, Ms. Wang Tao, the Vendor, Yoho King and their respective associates
“IPO Price”	the offer price per share in the Listing Vehicle or Yoho King (as the case may be) offered pursuant to the Malaysia IPO
“IPO Market Value”	the derivative of the IPO Price multiplied by the number of the Purchaser’s Swapped Shares
“IT”	information technology
“Latest Practicable Date”	the latest practicable date prior to the printing of this Circular, being 27 April 2010
“LCD”	liquid crystal display
“Listing Vehicle”	the company (if required) to be incorporated under the laws of the Cayman Islands or Bermuda for the purpose of the Malaysia IPO pursuant to the Restructuring

DEFINITIONS

“Listing Vehicle Group”	Listing Vehicle and its subsidiaries
“Malaysia IPO”	the proposed initial public offering and listing of shares of the Listing Vehicle or Yoho King on the Main Board of Bursa Malaysia or any Approved Exchange
“Mr. Ong”	Mr. Ong Se Mon, a substantial shareholder of Yoho King and a brother of Mr. Wang
“Mr. Wang”	Mr. Wang Shih Zen, the chairman and chief executive officer of the Company
“PCB”	printed circuit board
“PRC”	The People’s Republic of China
“Proposed Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor
“Purchaser”	CCDH Technology, an indirect wholly-owned subsidiary of the Company
“Purchaser’s Swapped Shares”	the number of shares in the Listing Vehicle which the Purchaser will receive in exchange for the Sale Shares pursuant to the Restructuring
“Restructuring”	the proposed restructuring of Yoho King Group for the purpose of the Malaysia IPO in such a way as may be agreed by the Purchaser
“S\$”	Singapore dollars, the lawful currency of the Republic of Singapore
“Sale Shares”	7,500 shares of Yoho King to be acquired by the Purchaser from the Vendor pursuant to the Share Purchase Deed
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGM”	the special general meeting of the Company to be convened by the Company to approve the Proposed Acquisition
“SGX-ST”	The Singapore Exchange Securities Trading Limited
“SGX-ST Listing Manual”	the Listing Manual of the SGX-ST
“Share Purchase Deed”	the conditional share purchase deed entered between the Purchaser, the Vendor and Yoho King dated 23 March 2010 in relation to the Proposed Acquisition

DEFINITIONS

“Shareholder(s)”	shareholders of the Company
“Shareholders Deed”	the shareholders deed entered into between the Vendor, the Purchaser, the existing shareholders of Yoho King and Yoho King on 12 April 2010
“Share Charge”	the deed of share charge dated 23 March 2010 entered into between the Vendor and the Purchaser whereby the Vendor charged the Charged Shares in favour of the Purchaser
“Singapore Companies Act”	Companies Act (Chapter 50 of Singapore)
“SMT”	surface mounting technology
“US\$”	US dollars, the lawful currency of the United States of America
“VC Capital”	VC Capital Limited, a corporation licensed to carry on type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Proposed Acquisition
“Vendor”	Ms. Cheung Yiu Shan, being an independent third party and not a connected person of the Company
“Wise Premium”	Wise Premium Limited, a company incorporated in the BVI with limited liability and wholly and beneficially owned by Mr. Wang, being one of the controlling shareholders of the Company
“Yoho King”	Yoho King Limited, a company incorporated in BVI on 10 April 2008 with limited liability
“Yoho King Group”	Yoho King and its subsidiaries
“%”	percent

This Circular contains conversion of S\$ and HK\$ into US\$ (or vice versa) at specified rates solely for the convenience of the reader. Unless otherwise indicated, the financial figures in this Circular are calculated on the basis of approximately US\$1 = HK\$7.78, approximately S\$1 = HK\$5.50 and approximately US\$1 = S\$1.41.

However, such conversion should not be construed as representing that the S\$ have been, would have been or could be converted into HK\$, or US\$, or vice versa, at those or any other rates.

Some of the financial information in this Circular has been rounded for convenience and as a result, the totals of the data presented in this document may vary slightly from the actual arithmetic totals of such information.

LETTER FROM THE BOARD

Z-Obee Holdings Limited

(incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 948)

(Singapore Stock Code: D5N)

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

Executive Directors

Mr. Wang Shih Zen

Ms. Wang Tao

Mr. Lu Shangmin

Non-executive Director

Mr. David Lim Teck Leong

Independent non-executive Directors

Mr. Chan Kam Loon

Mr. Guo Yanjun

Mr. Lo Hang Fong

Registered Office

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

*Headquarters and principal place
of business in the PRC*

Room 401, Building 14
West Park of Software Park
Hi-Tech Park
Second Road Nanshan
Shenzhen
PRC

*Place of business in Hong Kong
under Part XI of
the Companies Ordinance*

Unit 605, 6/F, Yen Sheng Centre
64 Hoi Yuen Road
Kwun Tong
Kowloon
Hong Kong

30 April 2010

To the Shareholders

Dear Sir/Madam,

**CONNECTED AND DISCLOSEABLE TRANSACTION
ACQUISITION OF SHARES OF YOHO KING
AND
NOTICE OF THE SGM**

1. INTRODUCTION

On 24 March 2010, the Board has announced that on 23 March 2010 (after trading hours), CCDH Technology, has entered into the following:

- (a) the Share Purchase Deed with the Vendor and Yoho King whereby the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares; and
- (b) the Share Charge with the Vendor.

LETTER FROM THE BOARD

The Sale Shares represent 15% of the total issued shares of Yoho King as at the date of the Share Purchase Deed. The total consideration payable by the Purchaser for the Sale Shares is US\$10,830,975 (equivalent to approximately HK\$84,264,986 or approximately S\$15,271,675).

In accordance with the HKSE Listing Rules, except for Mr. Lo Hang Fong (one of the independent non-executive Directors), since Mr. Lo is one of the partners of the law firm acting for Yoho King in the Proposed Acquisition, Mr. Chan Kam Loon and Mr. Guo Yanjun, being all the independent non-executive Directors who did not have any material interest in the Proposed Acquisition, have been appointed to form the Independent Board Committee to advise the Independent Shareholders in relation to the Proposed Acquisition. VC Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Proposed Acquisition.

The purpose of this Circular is to provide you with more information relating to, among other things, (i) further information on the Proposed Acquisition; (ii) the recommendation from the Independent Board Committee in respect of the Proposed Acquisition; (iii) a letter from VC Capital containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Acquisition; and (iv) a notice of the SGM, to consider and, if thought fit, to approve, ratify and confirm the Share Purchase Deed and the transactions contemplated thereunder (including the execution of the Share Charge and the Shareholders Deed, and the acquisition of the Sale Shares).

SHARE PURCHASE DEED

Date : 23 March 2010

Parties : The Purchaser — CCDH Technology

The Vendor — Ms. Cheung Yiu Shan

Warrantor — Yoho King

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, save for Mr. Ong being a brother of Mr. Wang, the Vendor, the controlling shareholder of Yoho King, Yoho King Group and their ultimate beneficial owners and respective associates are independent third parties of the Company and its connected persons (as defined in the HKSE Listing Rules) as at the Latest Practicable Date. As Mr. Ong is an associate of Mr. Wang and Mr. Ong is a substantial shareholder of Yoho King, the Proposed Acquisition constitutes a connected transaction for the Company under the HKSE Listing Rules.

Assets acquired

Pursuant to the Share Purchase Deed, the Purchaser is to acquire from the Vendor 7,500 shares in Yoho King representing 15% of the equity interests in Yoho King as at the date of the Share Purchase Deed. Yoho King intends to allot and issue new shares of not more than 5% of its existing issued share capital as at the date of the Share Purchase Deed to new investors as and when appropriate. As such, the Purchaser's shareholding in Yoho King may be diluted in future.

LETTER FROM THE BOARD

Consideration

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor on a willing-buyer and willing-seller basis with reference to the future prospects of Yoho King Group and the performance of Yoho King Group in the past few years.

The Consideration is payable in the form of cash in the following manner:

- (a) subject to compliance by the Vendor and Yoho King of their obligations under the Share Purchase Deed, 40% of the Consideration amounting to US\$4,332,390 will be paid on execution of the Share Purchase Deed ("**Refundable Deposit**"); and
- (b) the remaining balance of 60% of the Consideration amounting to US\$6,498,585 will be paid in cash to the Vendor upon Completion.

The Purchaser has duly paid the Refundable Deposit to the Vendor following the execution of the Share Purchase Deed. The Refundable Deposit shall be repaid to the Purchaser in full without interest if the Completion does not take place. Repayment of the Refundable Deposit is secured by the Share Charge.

The Group has used its internal sources of funds to finance the Refundable Deposit and will be using internal sources of funds to finance the remaining balance of 60% of the Consideration. The Group will not utilise the proceeds raised from the offer of the new shares pursuant to the dual listing of the Company's shares on the HKSE to finance the Consideration.

CONDITIONS PRECEDENT

Pursuant to the Share Purchase Deed, the obligation of the Purchaser to acquire the Sale Shares and pay the remaining balance of 60% of the Consideration is subject to the fulfillment, on or prior to 31 May 2010 of the following conditions, any of which may be waived by the Purchaser in its sole discretion:

- a) the representations and warranties of Yoho King (as contained in the Share Purchase Deed) and representations and warranties of the Vendor (as contained in the Share Purchase Deed) shall be true and correct on the Completion Date as if made and as of the Completion Date;
- b) the Vendor and Yoho King shall have performed and complied with all of the agreements, obligations and conditions contained in the Share Purchase Deed that are required to be performed or complied with by it on or before the Completion Date;

LETTER FROM THE BOARD

- c) the Vendor shall have procured Yoho King to and Yoho King shall duly attend to and carry out all corporate procedures that are required under the laws of the BVI in connection with the Share Purchase Deed and its memorandum and articles of association and the transactions contemplated thereby, including:—
 - i.) approval by the board of Yoho King and, to the extent required by the memorandum and articles of association of Yoho King or applicable law, the Yoho King's shareholders for the execution, delivery and performance by Yoho King of the Share Purchase Deed and other transactions contemplated by the Share Purchase Deed to which Yoho King is a party or which require approval by the board of Yoho King or the Yoho King's shareholders;
 - ii.) approval by the board of Yoho King of the transfer of the Sale Shares and the registration and the entry of the Purchaser (or its nominee(s)) in the register of members of Yoho King as the holder of the Sale Shares;
- d) the Vendor shall have obtained all consents and/or waiver from any person, including any other existing shareholders of Yoho King, with respect to any right such person may have over the Sale Shares, including right of first offer or right of first refusal, such consent and/or waiver in such form and substance reasonably satisfactory to the Purchaser;
- e) all consents and approvals of, notices to and filings or registrations with any governmental authority or any other person required pursuant to any applicable law or regulation of any governmental authority, or pursuant to any contract binding on the Vendor or to which its assets are subject or bound, to permit or effect the execution, delivery or performance by the Vendor of the Share Purchase Deed or the consummation of the Proposed Acquisition, shall have been obtained or made;
- f) there shall have been since the date of the Share Purchase Deed (i) no material adverse change in the business, operations, properties, financial position (including any material increase in provisions), prospects or condition of Yoho King Group, (ii) no material change in the ownership of Yoho King or any member of Yoho King Group, save for the issuance of new shares not exceeding 5% of Yoho King's issued share capital as at the date of the Share Purchase Deed; and (iii) no material change in any relevant laws, regulations or policies in any of the jurisdictions in which members of the Yoho King Group carry on business (whether coming into effect prior to, on or after the Completion Date) that, in the opinion of the Purchaser, materially and adversely affects or may materially and adversely affect the Yoho King Group;
- g) all corporate and other proceedings in connection with the transactions contemplated at or prior to Completion pursuant to the Share Purchase Deed and all documents incident thereto shall be in form and substance reasonably satisfactory to the Purchaser, and the Purchaser shall have received a copy of the resolutions (and all attachments thereto) described in (c) above;
- h) the Purchaser shall have obtained a copy of the register of members of Yoho King as at the Completion Date, certified by the registered agent of the Yoho King as true, complete and correct copies as of the Completion Date;

LETTER FROM THE BOARD

- i) the results of the legal, financial and operation due diligence conducted by the Purchaser in respect of the accounts, assets, personnel and business of the respective Yoho King Group being satisfactory to the Purchaser at its sole and absolute discretion;
- j) the passing of the necessary resolutions by the Independent Shareholders at a special general meeting to be held and convened to approve among other things, the Share Purchase Deed and the transactions contemplated thereunder (including the acquisition of the Sale Shares on the terms and subject to the conditions of the Share Purchase Deed and the execution of the Share Charge and the Shareholders Deed);
- k) all necessary approvals, consents and waivers (if any) as required by the HKSE and the SGX-ST in respect of the Circular to be circulated to the Shareholders; and
- l) execution of the Shareholders Deed amongst the shareholders of Yoho King, Yoho King and the Purchaser on terms reasonably acceptable to the Purchaser, such Shareholders Deed shall terminate upon the occurrence of the Malaysia IPO.

Although the Share Purchase Deed stipulates that certain conditions above could be waived, there is no intention for the Board to waive any conditions, especially those matters relating to the approval from the Independent Shareholders, HKSE and SGX-ST as the Proposed Acquisition needs to be properly approved by the Independent Shareholders in accordance with HKSE Listing Rules.

The obligation of the Vendor to sell the Sale Shares is subject to the warranties given by the Purchaser in the Share Purchase Deed being true and correct on the Completion Date as if made on and as of the Completion Date.

COMPLETION

The Vendor and Yoho King have warranted that from the date of execution of the Share Purchase Deed to Completion, the management and affairs of Yoho King will be maintained at status quo. The Completion will take place on any date within five Business Days after the conditions precedent of the Share Purchase Deed have been fulfilled or waived or such later date as may be agreed between Purchaser, the Vendor and Yoho King.

MALAYSIA IPO

It is the intention of Yoho King to seek for Malaysia IPO on the Expected IPO Date. Yoho King will be expected to undergo and complete the Restructuring (a new holding company of Yoho King may or may not arise) for the purpose of the Malaysia IPO.

At any time before the Malaysia IPO, Yoho King undertakes not to issue any equity securities and ensure that no shareholders of Yoho King or the Listing Vehicle shall dispose of any interest in any equity securities, at a price per share which is less than the price per share paid by the Purchaser to the Vendor. Yoho King will compensate any difference in the price per share in cash to the Purchaser. The Purchaser has a right of first refusal to subscribe for any or all new equity securities to be issued by Yoho King except for the proposed issue of not more than 5% issued share capital as at the date of the Share Purchase Deed.

LETTER FROM THE BOARD

The Vendor warrants and undertakes that upon occurrence of the Malaysia IPO, the aggregate IPO Price for the Purchaser's Swapped Shares shall be equal to or more than the Consideration. The Vendor shall compensate the Purchaser in cash the shortfall amount between the Consideration and the actual aggregate IPO Price of the Purchaser's Swapped Shares.

In the event that the Malaysia IPO does not occur by the Expected IPO Date, an independent valuer will be appointed to value the Listing Vehicle Group or the Yoho King Group, as applicable. If the value of the Purchaser's shareholding interest in the Listing Vehicle Group or Yoho King Group (as the case may be) as determined by the independent valuer is less than the Consideration, the Vendor shall compensate the Purchaser for the shortfall.

SHARE CHARGE

The Share Charge is used to (i) secure the repayment of Refundable Deposit; and (ii) secure the compensation obligation of the Vendor either (a) there is a shortfall between the value of the Purchaser's Swapped Shares at the time of Malaysia IPO and the Consideration; or (b) there is a shortfall between the value of the Sale Shares to be performed by an independent valuer appointed by the Purchaser and the Consideration when the Malaysia IPO does not take place on the Expected IPO Date. The compensation will be settled by cash by the Vendor. The Share Charge will be released only when the compensation is made by cash.

The Share Charge will be released on the earlier of (i) if there is a Malaysia IPO, the aggregate IPO Price of the Purchaser's Swapped Shares is equal to or more than the Consideration; or (ii) if there is a Malaysia IPO, twelve months after Completion in the event the aggregate IPO Price of the Purchaser's Swapped Shares is less than the Consideration; or (iii) in the event Malaysia IPO does not occur by the Expected IPO Date, the Purchaser's shareholding interest in the Listing Vehicle Group or Yoho King Group (as the case may be) as determined by the independent valuer is equal to or more than the Consideration; or (iv) in the event Malaysia IPO does not occur by the Expected IPO Date, on the expiry of two months after the determination of the valuation by the independent valuer in the event the value of the Purchaser's shareholding interest in the Listing Vehicle Group or Yoho King Group (as the case may be) as determined by the independent valuer is less than the Consideration.

SHAREHOLDERS DEED

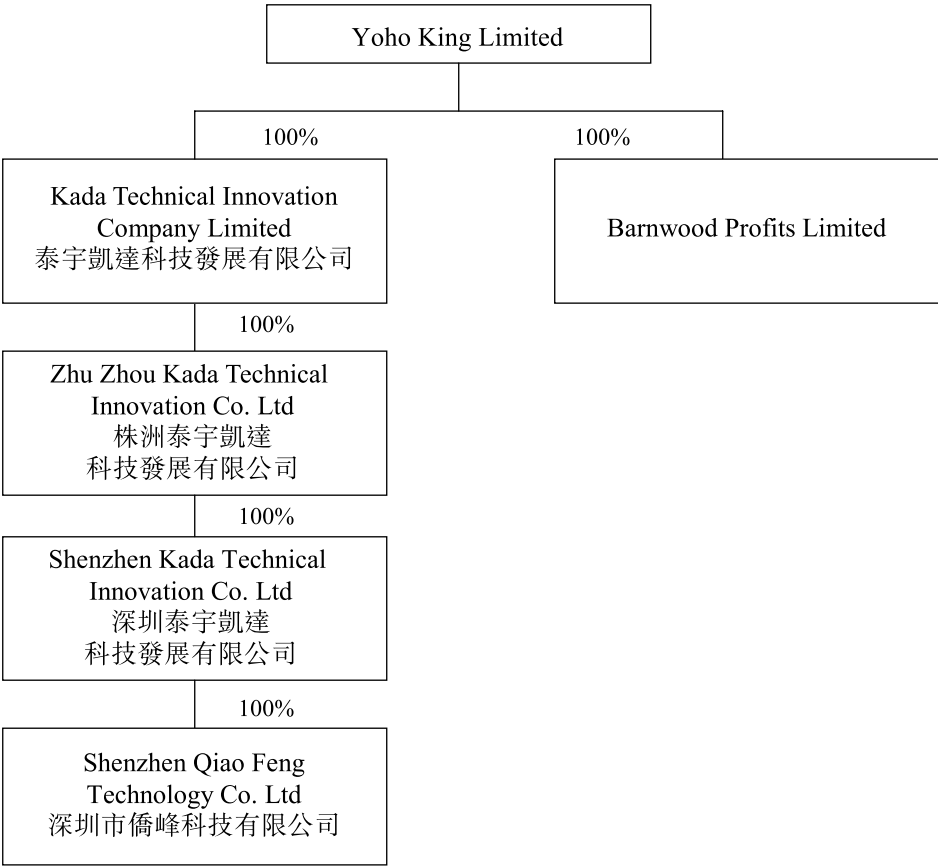
The Shareholders Deed regulates the relationship amongst the shareholders of Yoho King. The Shareholders Deed provides certain minority protection rights to the Purchaser. The shareholders of Yoho King and Yoho King also undertake that there shall not be any issuance of equity securities by Yoho King or the Listing Vehicle and shareholders of Yoho King shall not transfer any or all equity security in Yoho King or the Listing Vehicle at a price per share which is less than the price per share paid by the Purchaser to the Vendor pursuant to the Proposed Acquisition.

LETTER FROM THE BOARD

INFORMATION OF YOHO KING GROUP

Yoho King is a company incorporated in the BVI and it owns 100% of the issued share capital of (i) Barnwood Profits Limited, a limited company incorporated in BVI and (ii) Kada Technical Innovation Company Limited, a company incorporated in Hong Kong with limited liability, which holds 100% of the registered capital and equity interest in Zhu Zhou Kada Technical Innovation Co. Ltd (“株洲泰宇凱達科技發展有限公司”), Shenzhen Kada Technical Innovation Co. Ltd (“深圳泰宇凱達科技發展有限公司”) and Shenzhen Qiao Feng Technology Co. Ltd (“深圳市僑峰科技有限公司”) in the PRC.

The following is the existing organisational structure of Yoho King as at the Latest Practicable Date:



Yoho King Group is principally engaged in research and development, distribution and sales channel in a various range of high-tech products, such as netbooks, computer chips and other IT communication devices and terminals. According to the unaudited consolidated management accounts of Yoho King Group prepared in accordance with the IFRS, the latest unaudited consolidated net profit (before tax and other extraordinary items) of Yoho King Group for the two years ended 31 December 2008 and 31 December 2009 were approximately US\$1.55 million and US\$7.35 million, respectively, the latest unaudited consolidated net profit (after tax and other extraordinary items) of Yoho King Group for the two years ended 31 December 2008 and 31 December 2009 were approximately US\$1.33 million and US\$6.92 million, respectively, and the latest unaudited consolidated net assets of Yoho King Group as at 31 December 2009 was approximately US\$7.86 million.

LETTER FROM THE BOARD

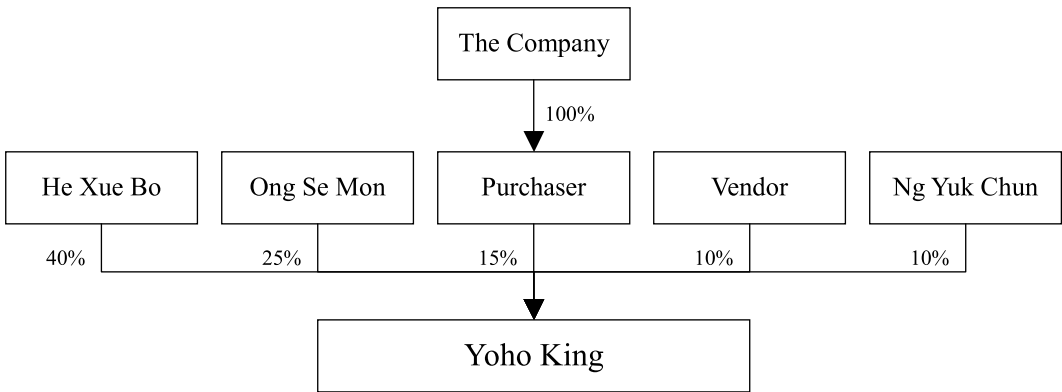
Save for Mr. Ong, the directors and the controlling shareholder of Yoho King Group and their ultimate beneficially owners and respective associates are not connected persons of the Company (as defined in the HKSE Listing Rules).

Yoho King is currently in negotiation with several potential subscribers to subscribe for new shares to be issued by Yoho King. Yoho King proposes to enter into subscription agreements with the potential subscribers in relation to the subscription of such number of shares not exceeding 5% of the issued shares of Yoho King as at the date of the Share Purchase Deed.

Ms. Ng Yuk Chun, a substantial shareholder of Yoho King, has also indicated her intention to dispose of some of her shares in Yoho King so as to bring in some business partners to Yoho King. Ms. Ng Yuk Chun proposes to enter into sale and purchase agreements with potential purchasers in relation to the sale of shares representing in aggregate not more than 49% of Ms. Ng Yuk Chun’s current shareholding in Yoho King as at the date of the Share Purchase Deed.

Yoho King or Ms. Ng Yuk Chun (as the case may be) will not issue/dispose any share in Yoho King at a price per share which is lower than the price per share paid by the Purchaser to the Vendor pursuant to the Share Purchase Deed. In the event Yoho King or Ms. Ng Yuk Chun (as the case may be) issue or dispose shares in Yoho King at a price per share which is lower than the price per share paid by the Purchaser to the Vendor under the Share Purchase Deed, Yoho King shall compensate the shortfall to the Purchaser.

The following is the shareholding structure of Yoho King upon the Completion (assuming that the issue and allotment of new shares by Yoho King and disposal of existing shares by Ms. Ng Yuk Chun have both not yet been completed):



LETTER FROM THE BOARD

LOCK-UP PERIOD

It is the intention of Yoho King to seek for Malaysia IPO to take place on the Expected IPO Date. Yoho King will be expected to undergo and complete the Restructuring (a new holding company of Yoho King, i.e. the Listing Vehicle may or may not arise) for the purpose of the Malaysia IPO. The shares of Yoho King or the Listing Vehicle, including the 15% shares proposed to be acquired by the Purchaser as at the date of the Share Purchase Deed, may be subject to lock-up period as specified in the Main Board Listing Requirements of the Bursa Malaysia or any relevant listing rules of the Approved Exchange. Yoho King shall ensure that all shareholders and investors of Yoho King or the Listing Vehicle prior to the Malaysia IPO will be subject to such lock-up as required by the Main Board Listing Requirements of the Bursa Malaysia or any relevant listing rules of the Approved Exchange.

REASONS FOR THE PROPOSED ACQUISITION

The Group is principally engaged in provision of mobile handset application design and design and production of solution services for mobile handset, assembly of mobile handset and SMT of PCB and distribution and marketing of mobile handset and mobile handset components. It is the Group's intention to strengthen and focus its core business. However, in view of the intense competition of the mobile handset industry, the Group is now actively seeking other opportunities to broaden the revenue base of the Group.

The Directors (including the independent non-executive Directors but excluding those Directors who have a material interest in the Proposed Acquisition) consider that the Proposed Acquisition represents a good opportunity for the Group to expand into the high-tech products, such as netbooks, computer chips and other IT communication devices and terminals through a formation of strategic alliance with Yoho King Group. Apart from the opportunity for possible expansion to another new business segment, the Directors also considered that there may be synergy effect in the future as the Group and Yoho King Group are both principally engaged in the electronics products business. Yoho King Group is one of the suppliers and customers of the Group starting from the financial year ended 31 March 2010. Transactions with Yoho King Group are classified as related party transactions under the IFRS and the details of which will be disclosed in the Company's annual report every year. As a result, both the Group and Yoho King Group could have mutual benefits arising from the formation of the strategic alliance.

The Directors (including the independent non-executive Directors but excluding those Directors who have a material interest in the Proposed Acquisition) consider that the terms and conditions of the Share Purchase Deed and the transactions contemplated thereunder (including the execution of the Share Charge and the Shareholders Deed, and the acquisition of the Sale Shares) are entered into on normal commercial terms and after arm's length negotiations among the parties and are fair and reasonable so far as the Independent Shareholders are concerned and the Proposed Acquisition is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors but excluding those Directors who have a material interest in the Proposed Acquisition) consider that the disadvantages of the Proposed Acquisition for the Group are (i) to have an immediate cash outflow for the Proposed Acquisition; and (ii) to have to provide additional resources to explore the potential new business segment in the future. However, provision of such resources to the potential new business segment will not have any material adverse impact on the core business of the Group.

HKSE LISTING RULES AND SGX-ST LISTING MANUAL IMPLICATIONS

As the applicable percentage ratios (as defined in the HKSE Listing Rules) in respect of the Proposed Acquisition are more than 5% but less than 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company under the HKSE Listing Rules.

Mr. Ong, a brother of Mr. Wang who is one of the joint controllers of the Company, owns 25% of the total issued shares of Yoho King. Under the HKSE Listing Rules, Mr. Ong is considered to be an associate of Mr. Wang. As such, the Proposed Acquisition constitutes a connected transaction for the Company under Rule 14A.13(1)(b)(i) of the HKSE Listing Rules. As the applicable percentage ratios (as defined in the HKSE Listing Rules) in respect of the Proposed Acquisition exceed 2.5% and the Consideration exceeds HK\$10 million, the Proposed Acquisition is therefore subject to the requirement of reporting, announcement and Independent Shareholders' approval under Chapter 14A of the HKSE Listing Rules.

As the relative figures calculated under Rule 1006 of the SGX-ST Listing Manual exceed 5% but are less than 20%, the Proposed Acquisition constitutes a discloseable transaction under the SGX-ST Listing Manual. The Company has made an announcement on 24 March 2010 concerning the Proposed Acquisition.

The Proposed Acquisition is not regarded as an interested person transaction under Chapter 9 of the SGX-ST Listing Manual.

The Independent Board Committee has been formed to advise the Independent Shareholders in relation to the Proposed Acquisition. Your attention is drawn to the letter from the Independent Board Committee set out on pages 18 to 19 of this Circular.

The Company has appointed VC Capital as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Proposed Acquisition. Your attention is drawn to the letter from VC Capital set out on pages 20 to 31 of this Circular.

LETTER FROM THE BOARD

SPECIAL GENERAL MEETING

A notice convening the SGM to be held at 33/F., 9 Queen's Road Central, Central, Hong Kong, on Tuesday, 18 May 2010 at 10:00 a.m. is set out on pages 37 to 38 of this Circular. Any Shareholder or Depositor or Proxy who wishes to take part in the SGM from Singapore, may attend via video conference which shall be held at 7 Temasek Boulevard, #15-03 Suntec Tower one, Singapore. The persons attending the said video conference will be able to pose questions to the Company management and to comment on the issue on the SGM's agenda. Please be on time to avoid disrupting the SGM which will commence sharply on Tuesday, 18 May 2010 at 10:00 a.m..

The SGM is convened for the purpose of considering and, if thought fit, passing the ordinary resolution as set out therein. Since (i) Ms. Wang Tao is considered as a joint controller with Mr. Wang and (ii) Mr. Wang is considered to have material interest in the Proposed Acquisition by virtue of his brother, Mr. Ong's shareholding interest of 25% in Yoho King, both Mr. Wang and Ms. Wang Tao and their respective associates (including Wise Premium) will abstain from voting for the resolution to approve the Proposed Acquisition at the SGM. As at the Latest Practicable Date, Mr. Wang (through Wise Premium) and Ms. Wang Tao hold 168,110,250 shares and 91,206,500 shares of the Company respectively, representing approximately 28.23% and 15.31% respectively of the issued share capital of the Company. Save for Mr. Wang, Wise Premium, Ms. Wang Tao, Mr. Ong, Yoho King, the Vendor and their respective associates (if applicable) and as far as the Directors are aware, no Shareholder is interested in the Proposed Acquisition and none of the Shareholders is required to abstain from voting for the resolution to approve the Proposed Acquisition at the SGM. There is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon Mr. Wang, Ms. Wang Tao, Mr. Ong, Yoho King, the Vendor and their respective associates; and (ii) no obligation or entitlement of each of Mr. Wang, Ms. Wang Tao, Mr. Ong, Yoho King, the Vendor and their respective associates as at the Latest Practicable Date, whereby he/she has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his/her shares to a third party, either generally or on a case-by-case basis.

A form of proxy for use by the Shareholders at the SGM is enclosed herewith. Whether or not you are able to attend the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong (for Hong Kong Shareholders), or the Company's share transfer agent in Singapore, Tricor Barbinder Share Registration Services, at 8 Cross Street #11-00, PWC Building, Singapore 048424 (for Singapore Shareholders or Depositor), as soon as possible but in any event not less than forty-eight 48 hours before the time appointed for the holding of the SGM or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting thereof (as the case may be) should you so desire.

LETTER FROM THE BOARD

Under the Bermuda Companies Act, only a person who agrees to become a shareholder of a Bermuda Company and whose name is entered in the register of members of such a Bermuda company is considered a member with rights to attend and vote at general meetings of such company. Accordingly, under Bermuda laws, a Depositor holding Shares through the CDP would not be recognised as a shareholder of the Company, and would not have the right to attend and vote at general meetings convened by the Company. In the event that a Depositor wishes to attend and vote at the SGM, the Depositor would have to do so through CDP appointing him as a proxy, pursuant to the Bye-Laws and the Bermuda Companies Act.

Pursuant to Bye-Law 77(1)(b), unless the CDP specifies otherwise in a written notice to the Company, the CDP shall be deemed to have appointed the Depositors who are individuals and whose names are shown in the records of the CDP as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the CDP to the Company as the CDP's proxies to vote on behalf of the CDP at a general meeting of the Company. Notwithstanding any other provisions in the Bye-laws, the appointment of proxies by virtue of Bye-Law 77(1)(b) shall not require an instrument of proxy or the lodgment of any instrument of proxy.

Accordingly, Depositors (other than Depositors which are corporations) whose names are listed in the Depository Register as at 48 hours before the time of the SGM may attend and vote as CDP's proxies at the SGM without having to complete or return any form of proxy. A Depositor which is a corporation and which wishes to attend and vote at the SGM must complete and return the attached Depositor Proxy Form, for the nomination of person(s) to attend and vote at the SGM on its behalf as CDP's proxy, in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Share Transfer Agent in Singapore, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 8 Cross Street, #11-00, PWC Building, Singapore 048424, not later than 10:00 a.m. on 16 May 2010, not less than 48 hours before the time fixed for the SGM.

If an individual Depositor is unable to attend the SGM personally and wish to appoint nominee(s) to attend the meeting and vote on his behalf, he must complete, sign and return the attached Depositor Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Share Transfer Agent in Singapore, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 8 Cross Street, #11-00, PWC Building, Singapore 048424, not later than 10:00 a.m. on 16 May 2010, not less than 48 hours before the time fixed for the SGM. The completion and return of the Depositor Proxy Form by a Depositor (who is an individual) will not prevent him from attending and voting in person at the SGM as a proxy of CDP if he subsequently wishes to do so, and in which event the Depositor Proxy Form submitted bearing his name shall be deemed to be revoked.

Pursuant to the amended Rule 13.39(4) of the HKSE Listing Rules which took effect on 1 January 2009, any vote of Shareholders at the SGM must be taken by poll. Accordingly, the Company will procure that the chairman of the SGM shall demand voting on the resolution set out in the notice of the SGM be taken by way of poll.

LETTER FROM THE BOARD

RECOMMENDATIONS

Your attention is drawn to the letter from the Independent Board Committee set out on pages 18 to 19 of this Circular which contains its recommendation to the Independent Shareholders in relation to the Proposed Acquisition. Your attention is also drawn to the letter from VC Capital set out on pages 20 to 31 of this Circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Proposed Acquisition and the principal factors and reasons considered by it in concluding its advice.

The Independent Board Committee, having taken into account the advice of the VC Capital, considers that the terms of the Share Purchase Deed have been negotiated on an arm's length basis and are made on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the entering into of the Share Purchase Deed is in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Share Purchase Deed and the transactions contemplated thereunder (including the execution of the Share Charge and the Shareholders Deed and the acquisition of the Sale Shares).

Your attention is also drawn to the additional information set out in the appendix of this Circular.

By order of the Board
Z-Obee Holdings Limited
Wang Shih Zen
Chairman and chief executive officer

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



30 April 2010

To the Independent Shareholders

Dear Sir/Madam,

**CONNECTED AND DISCLOSEABLE TRANSACTION
ACQUISITION OF SHARES OF YOHO KING
AND
NOTICE OF THE SGM**

We refer to the circular of the Company to the Shareholders dated 30 April 2010 (the “Circular”), in which this letter forms a part. Unless the context requires otherwise, capitalized terms used in this letter will have the same meanings given to them in the section headed “Definitions” of the Circular.

We have been authorised by the Board to form the Independent Board Committee to advise on whether the terms of the Proposed Acquisition are fair and reasonable so far as the Independent Shareholders are concerned, and whether the entering into of the Share Purchase Deed is in the interests of the Company and the Shareholders as a whole.

We wish to draw your attention to the letter from VC Capital, the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Proposed Acquisition as set out on pages 20 to 31 of the Circular and the letter from the Board set out on pages 5 to 17 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account of the advice of VC Capital, we consider that the Share Purchase Deed is entered into on normal commercial terms following arm's length negotiations between the parties thereto, and that the terms of the Share Purchase Deed are fair and reasonable so far as the Independent Shareholders are concerned, and the Proposed Acquisition is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Share Purchase Deed and the transactions contemplated thereunder (including the execution of the Share Charge and the Shareholders Deed, and the acquisition of the Sale Shares).

Yours faithfully,
The Independent Board Committee of
Z-Obee Holdings Limited
Mr. Chan Kam Loon
Mr. Guo Yanjun
Independent non-executive Directors

LETTER FROM VC CAPITAL

The following is the text of a letter of advice from VC Capital, which has been prepared for the purpose of incorporation into this circular, setting out its opinion to the Independent Board Committee and the Independent Shareholders in connection with the Proposed Acquisition.



VC CAPITAL LIMITED
滙盈融資有限公司

30 April 2010

To *the Independent Board Committee and
the Independent Shareholders of Z-Obee Holdings Limited*

Dear Sir or Madam,

CONNECTED AND DISCLOSEABLE TRANSACTION ACQUISITION OF SHARES OF YOHOKING

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Acquisition, details of which are set out in the letter from the Board as contained in the circular of the Company dated 30 April 2010 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

As Mr. Ong, a brother of Mr. Wang who is one of the joint controllers of the Company, owns 25% of the total issued shares of Yohoking, and Mr. Ong is considered to be an associate of Mr. Wang under Rule 14A.11(4)(b) of the HKSE Listing Rules, the Proposed Acquisition constitutes a connected transaction of the Company under Chapter 14A of the HKSE Listing Rules. Accordingly, the Completion is subject to, among other things, the approval by the Independent Shareholders at the SGM. Wise Premium, Mr. Wang, Mr. Ong, Ms. Wang Tao, the Vendor, Yohoking and their respective associates will abstain from voting on the relevant resolution to approve the Proposed Acquisition at the SGM. The voting will be taken by way of poll in accordance with the requirements of the HKSE Listing Rules.

Mr. Lo Hang Fong, an independent non-executive Director, is one of the partners of the law firm acting for Yohoking in the Proposed Acquisition and thus is considered inappropriate to be a member of the Independent Board Committee under Rule 13.39(6)(c) of the HKSE Listing Rules. Accordingly, the Independent Board Committee, comprising Mr. Chan Kam Loon and Mr. Guo Yanjun, all being the independent non-executive Directors who have no interest in the Proposed Acquisition, has been established to advise on the fairness and reasonableness of the terms of the Share Purchase Deed so far as the Independent Shareholders are concerned and as to whether the entering into of the Share Purchase Deed is in the interests of the Company and the Shareholders as a whole.

LETTER FROM VC CAPITAL

In our capacity as the independent financial adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion as to (i) whether the Proposed Acquisition is on normal commercial terms; (ii) whether the Proposed Acquisition is conducted in the usual and ordinary course of business of the Group; (iii) whether the terms of the Share Purchase Deed and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned; and (iv) whether the Proposed Acquisition is in the interests of the Company and the Shareholders as a whole.

VC Capital Limited (“**VC Capital**”) is not associated with the Company and its substantial Shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly, is considered eligible to give independent advice on the Proposed Acquisition. Apart from normal professional fees payable to us in connection with this engagement, no arrangement exists whereby VC Capital will receive any fees or benefits from the Company or its substantial Shareholders or any party acting, or presumed to be acting, in concert with any of them.

In formulating our opinion, we have relied on the information and facts supplied and the opinions expressed by the executive Directors and senior management of the Group. We have also assumed that the information and representations contained or referred to in the Circular were true and accurate at the time they were prepared or made and will continue to be so up to the date of the SGM. We have no reason to doubt the truth, accuracy and completeness of the information and representations made to us by the executive Directors and senior management of the Group. We have also been advised by the executive Directors that no material facts have been omitted from the Circular and the information provided to us.

We consider we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business and affairs or the future prospects of the Group, nor have we carried out any independent verification of the information supplied.

All the executive Directors have confirmed, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and that there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

LETTER FROM VC CAPITAL

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether the Proposed Acquisition is on normal commercial terms and conducted in the usual and ordinary course of business of the Group, whether the terms of the Share Purchase Deed and the transactions contemplated thereunder (including the Share Charge and the Shareholders Deed) are fair and reasonable so far as the Independent Shareholders are concerned and whether the Proposed Acquisition is in the interests of the Company and the Shareholders as a whole, we have taken into account the following principal factors and reasons:

1. Background information and reasons for and benefits of the Proposed Acquisition

The Share Purchase Deed was entered into between the Purchaser, the Vendor and Yoho King on 23 March 2010 in relation to the Proposed Acquisition for the Consideration, which will be settled in cash by the Group's internal resources other than the proceeds raised from the offer of the new shares pursuant to the dual listing of the Company's shares on the HKSE.

The Group is principally engaged in the provision of mobile handset application design and design and production of solution services for mobile handset, assembly of mobile handset and SMT of PCB and distribution and marketing of mobile handset, mobile handset components and certain common IT parts and components including, but not limited to, LCD and IC for netbooks.

Yoho King Group is principally engaged in research and development and distribution in, and acting as sales channel for a variety of high-tech products, such as netbooks, computer chips and other IT communication devices and terminals. The Yoho King Group has been operating profitably for the two financial years ended 31 December 2008 and 2009. The following table summarises the unaudited financial information of the Yoho King Group for the two financial years ended 31 December 2008 and 2009, according to the unaudited consolidated management accounts of the Yoho King Group prepared in accordance with the IFRS:

	Year ended 31 December		Growth
	2008	2009	
	(Unaudited)	(Unaudited)	
	(US\$ million)	(US\$ million)	Approx. %
Net profit before tax and other extraordinary items	1.55	7.35	374.2
Net profit after tax and other extraordinary items	1.33	6.92	420.3
Net assets	2.25	7.86	249.3

As informed by the Directors, the Yoho King Group has become one of the suppliers and customers of the Group starting from the financial year ended 31 March 2010. The Yoho King Group supplied electronic components relating to the Group's business segment, such as IC for products including, but not limited to, mobile handsets to the Group before, while the Group sold electronic components relating to Yoho King Group's business segment such as LCD and IC for products including, but not limited to, netbooks to the Yoho King Group. According to the Directors, based on the existing information available, it is expected that transactions with the Yoho King Group will continue after the Completion, given a closer strategic relationship between the two thereafter.

LETTER FROM VC CAPITAL

With technological enhancement, computers and mobile handsets are highly correlated and complementary to each other nowadays. Certain renowned IT companies which traditionally manufacture computers and laptops are now producing not only computers but also mobile handsets and other peripheral products, while some other renowned mobile handset companies are now extending its businesses to include the manufacture of netbooks. Certain handset companies also develop the smartbook, which is a mobile device combining features of a mobile handset and a netbook. As such, the Directors are of the view that, via the Proposed Acquisition, the Group would be able to exchange certain market intelligence and technological information with the Yoho King Group and develop more competitive mobile handsets or may even explore any new business for the Group's future development and investment.

Having considered that (i) the Yoho King Group has been operating profitably for the two financial years ended 31 December 2008 and 2009; and (ii) the Yoho King Group has been one of the suppliers and customers of the Group and the Proposed Acquisition may bring along a strategic relationship between the Yoho King Group and the Group as their businesses are complementary to each other, we consider that the Proposed Acquisition is in the usual and ordinary course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Share Purchase Deed

The principal terms of the Share Purchase Deed are set out below:

Consideration

As disclosed in the letter from the Board, the Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor on a willing-buyer and willing-seller basis with reference to the future prospects of Yoho King Group and the performance of Yoho King Group in the past few years. The Consideration will be settled in cash by the Group's internal resources other than the proceeds raised from the offer of the new shares pursuant to the dual listing of the Company's shares on the HKSE.

In order to further assess whether the Consideration is fair and reasonable, we have performed a comparable analysis on the price to earnings ratio ("P/E") of companies engaged in a similar line of business as that of the Yoho King Group listed on HKSE and Bursa Malaysia.

(i) HKSE

Since we could not find any companies listed on the HKSE engaged in a business identical to that of the Yoho King Group, we have identified listed companies which are involved in a similar industry with that of the Yoho King Group. We have selected companies under the industry "IT - IT hardware" as displayed on the "Company/Securities Profile" page of the HKSE website where their major business segment accounted for more than 70% of the total segment revenue as disclosed in the latest published audited results announcements or annual reports of such companies prior to the date of the Share Purchase Deed.

LETTER FROM VC CAPITAL

The Share Purchase Deed were entered into between the parties on 23 March 2010, as such, we consider that it is appropriate for us to conduct the analysis based on public information available as at the date of the Share Purchase Deed as the Company would have used such information (instead of information as at the Latest Practicable Date, which is after the time when the Share Purchase Deed was entered into) as reference when considering the Consideration.

To the best of our knowledge and endeavor, we have found 44 companies which met the said criteria. Out of these 44 companies, we have further streamlined our list of comparables to include only those 5 companies (the “**HK Comparables**”) (i) with positive earnings per share as disclosed in their latest published audited results announcements or annual reports prior to the date of the Share Purchase Deed; (ii) whose trading on the HKSE has not been suspended for more than three months; (iii) the market capitalization of which range from approximately HK\$100 million to approximately HK\$900 million as at the Latest Practicable Date (which is similar to the estimated market value of Yoho King of US\$72,206,500 (approximately HK\$561.8 million) calculated on the basis of the Consideration for its 15% interest); and (iv) with more than 70% of its revenue generated from the PRC (including Hong Kong), which is similar to that of the Yoho King Group, as set out below:

Company (Stock code)	Business(es)	Market capitalization (as at the Latest Practicable Date) (Approx. HK\$ million)	Geographical segment by revenue (Approx. %)	Financial year ended	P/E (times) (Note 1)
Chengdu PUTIAN Telecommunications Cable Company Limited - H shares (1202)	Manufacture and sale of various types of telecommunications cables, optical fibres and cable joining sleeves	272	100% from the PRC	31-Dec-08	5.20
EC-Founder (Holdings) Company Limited (618)	Distribution of information products	542	87.1% from the PRC; 12.9% from Hong Kong	31-Dec-08	30.72
EVOC Intelligent Technology Company Limited — H shares (8285)	Research, development, manufacture and distribution of APA (advanced process automation) products	632	100% from the PRC	31-Dec-08	21.93
EYANG Holdings (Group) Co., Limited (117)	Manufacture and sale of multi-layer ceramic capacitor, mobile phones and mobile phone components	361	66.5% from the PRC; 30.3% from Hong Kong and Macau; 3.2% from other countries	31-Dec-08	25.38
Futong Technology Development Holdings Limited (465)	Provision of IT solutions, distribution of enterprise IT products and provision of IT technical support services in the PRC	551	100% from the PRC	31-Dec-08	7.77
Average					18.20
Median					21.93
Maximum					30.72
Minimum					5.20
The Proposed Acquisition		561.8 (Note 2)			10.43

Source: The website of Hong Kong Exchanges and Clearing Limited and Bloomberg

LETTER FROM VC CAPITAL

Notes:

1. The P/Es above are calculated as the closing prices of the shares of the HK Comparables as quoted on the Main Board or the Growth Enterprise Market of the HKSE as at the date of the Share Purchase Deed divided by their respective basic earnings per share as disclosed in the latest published audited results announcements or annual reports of the HK Comparables prior to the date of the Share Purchase Deed.
2. The estimated market value of Yoho King is calculated as the Consideration divided by 15% of the equity interest in Yoho King.

From the above table for the HK Comparables, we note that the average P/E is approximately 18.20 times and the median P/E is approximately 21.93 times, with a range of approximately 5.20 times to 30.72 times.

Based on the unaudited net profit after tax and other extraordinary items of the Yoho King Group for the financial year ended 31 December 2009 of approximately US\$6.92 million, the P/E of the Proposed Acquisition is approximately 10.43 times (being the Consideration divided by 15% of the unaudited net profit after tax and other extraordinary items of the Yoho King Group for the financial year ended 31 December 2009), which falls within the P/E range of the HK Comparables and is lower than both the average P/E and the median P/E of the HK Comparables. The P/E of the Proposed Acquisition represents discounts of approximately 42.69% and approximately 52.44% to the average P/E and median P/E of the HK Comparables respectively. We consider that the relative illiquidity of the shareholding interest in Yoho King, which is a private company, as compared with the listed HK Comparables is already reflected in the lower P/E of the Proposed Acquisition as compared with the average P/E and median P/E of the HK Comparables.

Since (i) we are unable to identify any private companies operating in similar business(es) with the Yoho King Group in Hong Kong; (ii) we cannot obtain access to information on any similar transactions conducted by those private companies; and (iii) the P/E of a listed company represents the price in an open market at which willing buyers and willing sellers transact in the shares of such listed company, we believe the HK Comparables are the most appropriate information publicly available for us to assess whether the Consideration is fair and reasonable, albeit Yoho King is not a listed company in Hong Kong.

(ii) Bursa Malaysia

As disclosed in the letter from the Board, Yoho King intends to seek for Malaysia IPO on the Expected IPO Date. In order to further analyse the fairness and reasonableness of the Proposed Acquisition, we have performed a comparable analysis on the P/E of companies engaged in a similar line of business as that of the Yoko King Group listed on Bursa Malaysia.

LETTER FROM VC CAPITAL

We have reviewed the companies which are listed on Bursa Malaysia under the “Technology” sector and selected companies whose major business segment is mainly derived from the IT-related product/services (excluding software) which accounted for more than 70% of the total segment revenue of those listed companies as disclosed in their latest published annual reports and/or results announcements, as our comparables.

To the best of our knowledge and endeavor, we have found 23 companies which met the said criteria. Out of these 23 companies, we have further streamlined our list of comparables to include only those 5 companies (the “**Bursa Comparables**”) (i) with positive earnings per share as disclosed in their latest published annual reports and/or results announcements prior to the date of the Share Purchase Deed; and (ii) the market capitalization of which range from approximately HK\$100 million to approximately HK\$900 million as at the Latest Practicable Date (which is similar to the value of Yoho King of US\$72,206,500 (approximately HK\$561.8 million) calculated on the basis of the Consideration for its 15% interest), as set out below:

Company (Stock code)	Business(es)	Market capitalization (as at the Latest Practicable Date) (Approx. Malaysian Ringgit) (Note 1)	Geographical segment by revenue (Approx. %)	Financial year ended	P/E (times) (Note 2)
Formis Resources Berhad (9008)	Distribution and maintenance of computer equipment and software, development of application software and system integration, and provision of hardware and software maintenance, network, information, and system integration services and provision of computer consultant and contractor services	191 million (approx. HK\$466 million)	100% from Malaysia	31-Mar-09	21.40
HeiTech Padu Berhad (5028)	Provision of total business solutions in IT which include system integration, data center management, network related services and disaster recovery services, development of software, management and maintenance of property, and development of centralised parts price database for the Malaysian insurance industry	113 million (approx. HK\$276 million)	100% from Malaysia	31-Dec-09	10.46
Lityan Holdings Berhad (9075)	Sale and provision of maintenance services, lease of computer equipments, peripherals, telecommunication equipments and other office equipments, development of systems, provision of consultation in computers and investment in properties	111 million (approx. HK\$271 million)	100% from Malaysia	31-Dec-09	0.54

LETTER FROM VC CAPITAL

Company (Stock code)	Business(es)	Market capitalization (as at the Latest Practicable Date) (Approx. Malaysian Ringgit (Note 1)	Geographical segment by revenue (Approx. %)	Financial year ended	P/E (times) (Note 2)
Mesiniaga Berhad (5011)	Sale of networking cables and related products, provision of management training and consulting services, provision of services in research and prototyping of application software	128 million (approx. HK\$312 million)	100% from Malaysia	31-Dec-09	16.49
CBS Technology Berhad (0041)	Provision of specialized system integration solutions as well as sales, distribution and development of software solutions	88 million (approx. HK\$215 million)	100% from Malaysia	31-Dec-09	5.03
Average					10.79
Median					10.46
Maximum					21.40
Minimum					0.54
The Proposed Acquisition		Approx. HK\$561.8 million (Note 3)			10.43

Source: *Bloomberg*

Notes:

- For illustrative purposes only, conversions of Malaysian Ringgit (MYR) into HK\$ are based on the approximate exchange rate of MYR1.00 to HK\$2.44.
- The P/Es above are calculated as the closing prices of the shares of the Bursa Comparables as quoted on the Main Market or the ACE Market of Bursa Malaysia as at the date of the Share Purchase Deed divided by their respective basic earnings per share as disclosed in the latest published annual reports and/or results announcements of the Bursa Comparables prior to the date of the Share Purchase Deed.
- The estimated market value of Yoho King is calculated as the Consideration divided by 15% of the equity interest in Yoho King.

As we have compared the P/E of the Proposed Acquisition with the P/Es of the Bursa Comparables in view of the intention of Yoko King to seek the Malaysia IPO, and that the revenue of all the Bursa Comparables was generated from Malaysia, we are of the view that it is inappropriate to further streamline the Bursa Comparables by imposing the same criterion in terms of the percentage of revenue generated from the PRC (including Hong Kong) as we have done on the HK Comparables.

From the above table for the Bursa Comparables, we note that the average P/E and the median P/E is approximately 10.79 times and approximately 10.46 times respectively, with a range of approximately 0.54 times to 21.40 times.

LETTER FROM VC CAPITAL

Based on the unaudited net profit after tax and other extraordinary items of the Yoho King Group for the financial year ended 31 December 2009 of approximately US\$6.92 million, the P/E of the Proposed Acquisition is approximately 10.43 times (being the Consideration divided by 15% of the unaudited net profit after tax and other extraordinary items of the Yoho King Group for the financial year ended 31 December 2009), which falls within the P/E range of the Bursa Comparables and is lower than both the average P/E and the median P/E of the Bursa Comparables. The P/E of the Proposed Acquisition represents discounts of approximately 3.34% and approximately 0.29% to the average P/E and median P/E of the Bursa Comparables respectively. We consider that the relative illiquidity of the shareholding interest in Yoho King, which is a private company, as compared with the listed Bursa Comparables is already reflected in the lower P/E of the Proposed Acquisition as compared with the average P/E and median P/E of the Bursa Comparables.

Since (i) we are unable to identify any private companies operating in similar business(es) with the Yoho King Group in Malaysia; (ii) we cannot obtain access to information on any similar transactions conducted by those private companies; and (iii) the P/E of a listed company represents the price in an open market at which willing buyers and willing sellers transact in the shares of such listed company, we believe the Bursa Comparables are the most appropriate information publicly available for us to assess whether the Consideration is fair and reasonable, albeit Yoho King is not a listed company in Malaysia.

After taking into account that (i) the P/E of the Proposed Acquisition of approximately 10.43 times falls within the P/E range of both the HK Comparables and the Bursa Comparables; and (ii) the P/E of the Proposed Acquisition is lower than the average P/E and median P/E of both the HK Comparables and the Bursa Comparables, we are of the view that the Consideration is fair and reasonable so far as the Independent Shareholders are concerned and that it is in the interests of the Company and the Shareholders as a whole.

Share Charge

Pursuant to the Share Purchase Deed, the Refundable Deposit shall be repaid to the Group in full without interest if the Completion does not take place without any faults on the part of the Purchaser. Repayment of the Refundable Deposit is secured by a Share Charge given by the Vendor which is used to (i) secure the repayment of Refundable Deposit; and (ii) secure the compensation obligation of the Vendor either (a) if there is a shortfall between the value of the Purchaser's Swapped Shares at the time of Malaysia IPO and the Consideration; or (b) if there is a shortfall between the value of the Sale Shares to be performed by an independent valuer appointed by the Purchaser and the Consideration when the Malaysia IPO does not take place on the Expected IPO Date. The compensation will be settled in cash by the Vendor.

LETTER FROM VC CAPITAL

We are of the opinion that such warranties from the Vendor in the event of (i) incompleteness of the Proposed Acquisition; or (ii) the undervaluation of the Company's interest in the Yoho King Group for the purpose of either the completion of the Malaysia IPO or the incompleteness of the Malaysia IPO on the Expected IPO Date, could help secure the favorable terms of investment of the Company in respect of the Proposed Acquisition. Accordingly, we are of the view that the Share Charge is fair and reasonable so far as the Independent Shareholders are concerned and that the Share Charge is in the interests of the Company and the Shareholders as a whole.

In addition, given that the businesses of the Yoho King Group and the Group are complementary to each other, and that the Proposed Acquisition will bring about a strategic alliance between the Yoho King Group and the Group and will create synergistic effects for both businesses, we are of the view that whether or not the completion of the Malaysia IPO takes place, the Proposed Acquisition is still in the interests of the Company and the Shareholders as a whole, and the Share Charge serves as an additional security to the Company's investment in Yoho King in the event of incompleteness of the Malaysia IPO on the Expected IPO Date or in the event of shortfall between the value of the Purchaser's Swapped Shares or the Sale Shares (as the case may be) and the Consideration.

We have reviewed the Share Charge and are not aware of any terms and conditions that are unusual from what is commonly seen in similar transactions.

Shareholders Deed

Pursuant to the Shareholders Deed entered into amongst the Vendor, the Purchaser, the existing shareholders of Yoho King, at any time before the Malaysia IPO, (i) Yoho King or the Listing Vehicle will not issue any equity securities; and (ii) no shareholders of Yoho King or the Listing Vehicle shall sell, transfer or dispose of any interest in any equity securities in Yoho King or the Listing Vehicle, at a price per share which is less than the one paid by the Purchaser to the Vendor for the Proposed Acquisition, i.e. US\$1,444.13 (calculated based on the Consideration divided by 7,500 shares of Yoho King pursuant to the Proposed Acquisition) (collectively the "**Undertaking**"). In case of non-compliance of the Undertaking, Yoho King will compensate the difference in the price per share in cash to the Purchaser.

In addition, in case of any default by shareholders of Yoho King and failure to remedy such default, the defaulting shareholder (the "**Defaulting Shareholder**") shall compensate the non-defaulting shareholders by selling all (and not part only) of the shares of Yoho King legally and beneficially owned by the Defaulting Shareholder at a price as determined in accordance with the provisions of the Shareholders Deed. The Shareholders Deed will be discharged upon conclusion of the Malaysia IPO. We have reviewed the terms of the Shareholders Deed and consider that the terms are fair and reasonable for the Purchaser as the Shareholders Deed can help protect the interests of the Purchaser and the Company prior to the Malaysia IPO and ensure that the investment made by the Purchaser will not be materially and adversely affected. As such, we are of the view that the Shareholders Deed is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

LETTER FROM VC CAPITAL

We have reviewed the Shareholders Deed and are not aware of any terms and conditions that are unusual from what is commonly seen in similar transactions.

3. Possible dilution of the Company's interest in the Yoho King

As disclosed in the letter from the Board, Yoho King is currently in negotiation with several potential subscribers to subscribe for new shares to be issued by Yoho King, and potential dilution of the Company's interest in Yoho King may be resulted if new business partners are introduced prior to the Malaysia IPO. Nevertheless, given that (i) only few pre-Malaysia IPO investors will be brought in; (ii) potential allotment and issue of new shares of Yoho King would only be less than 5% of the existing issued capital of Yoho King as at the date of the Share Purchase Deed; (iii) the price per share of new shares or existing shares of Yoho King to be offered to the pre-Malaysia IPO investors will not be less than the one that the Group has paid for or Yoho King will compensate the difference in the price per share of Yoho King in cash to the Purchaser; and (iv) the Purchaser has a right of first refusal in subscribing for any or all new equity securities of Yoho King, except for the aforesaid proposed issue of not more than 5% of the issued share capital of Yoho King as at the date of the Share Purchase Deed, before the occurrence of Malaysia IPO, we are of the view that the dilution effect, if any, would be acceptable and that the terms of the Share Purchase Deed is favourable to the Company and the Shareholders as a whole. Accordingly, we consider the Proposed Acquisition is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

4. Financial effects of the Proposed Acquisition on the Group

Earnings

Following the Completion, the Company will be interested in 15% of the existing equity interests of Yoho King. Given the earning capabilities of the Yoho King Group for the past two years, the Company may receive dividend income from its investment in Yoho King, subject to the actual performance of Yoho King in the future. Any changes in the open market fair value of the investment made by the Group will also be dealt with in the income statement directly in the future.

Cash flow

As disclosed in the letter from the Board, the Consideration will be financed by the internal sources of funds of the Group other than the proceeds raised from the offer of the new shares pursuant to the dual listing of the Company's shares on the HKSE.

With reference to the latest financial information of the Company provided by the Directors, the Group had, excluding the net proceeds raised from the offer of the new shares pursuant to the dual listing of the Company's shares on the HKSE, cash and bank balances of approximately US\$22.72 million (equivalent to approximately HK\$176.76 million). As such, the Directors consider that the Proposed Acquisition would not tighten the cash flow of the Group.

LETTER FROM VC CAPITAL

RECOMMENDATION

Having considered the above-mentioned principal factors and reasons, we consider that the Proposed Acquisition is conducted in the usual and ordinary course of business of the Group; the terms of the Share Purchase Deed, the Share Charge and the Shareholders Deed are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and that the Proposed Acquisition is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the SGM to approve the Share Purchase Deed and the transactions contemplated thereunder.

Yours faithfully
For and on behalf of
VC Capital Limited

Keith Lou
Executive Director

Felicia Hui
Director

1. RESPONSIBILITY STATEMENT

This Circular includes particulars given in compliance with the HKSE Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement contained herein misleading.

2. DISCLOSURE OF INTERESTS

(a) *Interests of Directors and chief executive in the share capital of the Company*

As at the Latest Practicable Date, save as disclosed herein, none of the Directors and chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the HKSE pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have taken under such provisions), or which will be required, pursuant to Section 352 of the SFO, to be entered in the register required to be kept therein, or will be required pursuant to the Model Code for Securities Transactions by Directors of Listing Companies contained in the HKSE Listing Rules to be notified to the Company and the HKSE, will be as follows:

Name of Directors	Capacity/nature of interests	Number of shares directly or indirectly held	Approximate percentage of issued share capital
Mr. Wang (Note)	Interests in controlled corporation	168,110,250 (L)	28.23%
Ms. Wang Tao	Beneficial owner	91,206,500 (L)	15.31%
Mr. Lu Shangmin	Beneficial owner	5,300,000 (L)	0.89%

(L) *denotes long position*

Note: The entire issued share capital of Wise Premium is legally and beneficially owned by Mr. Wang. As such, Mr. Wang is deemed to be interested in the shares owned by Wise Premium pursuant to the SFO. Mr. Wang is also the director of Wise Premium.

(b) Interests of substantial Shareholders in the share capital of the Company

As at the Latest Practicable Date, save as disclosed below, so far as known to the Director and chief executive of the Company, no person (other than a Director or chief executive of the Company) had any interest or short position in the shares and/or the underlying shares which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying right to vote in all circumstances at general meetings of any other members of the Group.

Name of substantial Shareholders	Capacity/nature of interests	Number of shares directly or indirectly held	Approximate percentage of issued share capital
Wise Premium (Note)	Beneficial owner	168,110,250	28.23%
Kang Ling Hoi	Deemed interests	168,110,250	28.23%

(L) *denotes long position*

Note: The entire issued share capital of Wise Premium is legally and beneficially owned by Mr. Wang. As such, Mr. Wang is deemed to be interested in the shares owned by Wise Premium pursuant to the SFO. In addition, as spouse, Ms. Kang Ling Hoi is also deemed to be interested in the shares held by Mr. Wang.

3. PARTICULARS OF DIRECTORS' SERVICE AGREEMENTS

(a) Executive Directors

Mr. Wang entered into a service agreement with the Company on 24 September 2007, pursuant to which he has been appointed as the chairman and chief executive officer of the Company commencing from 21 November 2007 for a period of 3 years. Under such service agreement, Mr. Wang is entitled to an annual remuneration of US\$1,000 payable yearly in arrears, and is entitled to a discretionary annual bonus of such amount as the Board may in its absolute discretion determine. All traveling and travel-related expenses, entertainment expenses and out-of-pocket expenses reasonably and properly incurred by Mr. Wang in the reasonable and proper performance of his duties during such appointment shall be borne by the Company. The Company shall also maintain medical insurance for Mr. Wang according to the statutory requirements in Hong Kong.

Ms. Wang Tao (“Ms. Wang”) entered into a service agreement with the Company on 24 September 2007, pursuant to which she has been appointed as the executive Director of the Company commencing from 21 November 2007 for a period of 3 years. Under such service agreement, Ms. Wang is entitled to a yearly salary of US\$1,000 payable yearly in arrears, and is entitled to a discretionary annual bonus of such amount as the Board may in its absolute discretion determine. All traveling and travel-related expenses, entertainment expenses and out-of-pocket expenses reasonably and properly incurred by Ms. Wang in the reasonable and proper performance of her duties during such appointment shall be borne by the Company. The Company shall also maintain medical insurance for Ms. Wang according to the statutory requirements in Hong Kong.

Mr. Lu Shangmin (“Mr. Lu”) entered into a service agreement with the Company on 3 February 2010, pursuant to which he has been appointed as the executive Director of the Company commencing from 3 March 2009 for a period of 3 years. Under such service agreement, Mr. Lu is entitled to an annual remuneration of US\$1,000 payable yearly in arrears, and is entitled to a discretionary annual bonus of such amount as the Board may in its absolute discretion determine. All traveling and travel-related expenses, entertainment expenses and out-of-pocket expenses reasonably and properly incurred by Mr. Lu in the reasonable and proper performance of his duties during such appointment shall be borne by the Company. The Company shall also maintain medical insurance for Mr. Lu according to the statutory requirements in Hong Kong.

(b) *Non-executive director*

Mr. David Lim Teck Leong (“Mr. Lim”) had not entered into a service agreement with the Company as at the Latest Practicable Date. Mr. Lim is entitled to an annual salary of S\$40,000 and his appointment is subject to the normal retirement provisions under the Bye-laws.

(c) *Independent non-executive Directors*

Mr. Chan Kam Loon (“Mr. Chan”) had not entered into a service agreement with the Company as at the Latest Practicable Date. Mr. Chan is entitled to an annual salary of S\$48,000 and his appointment is subject to the normal retirement provisions under the Bye-laws.

Mr. Guo Yanjun (“Mr. Guo”) had not entered into a service agreement with the Company as at the Latest Practicable Date. Mr. Guo is entitled to an annual salary of S\$40,000 and his appointment is subject to the normal retirement provisions under the Bye-laws.

Mr. Lo Hang Fong (“Mr. Lo”) had not entered into a service agreement with the Company as at the Latest Practicable Date. Mr. Lo is entitled to an annual salary of S\$40,000 and his appointment is subject to the normal retirement provisions under the Bye-laws.

As at the Latest Practicable Date, none of the Directors had entered into any service contracts (other than those contracts expiring or determinable within one year without payment of compensation (other than statutory compensation)) with any member of the Group.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 30 September 2009, being the date to which the latest published audited financial statements of the Group were made up.

5. COMPETING INTERESTS

As at the Latest Practicable Date, save as disclosed herein, none of the Directors or their respective associates was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

6. INTEREST IN DEED AND ASSETS

Save as disclosed herein, in particular the Share Purchase Deed, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date, and which was significant in relation to the business of the Group.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have been since 30 September 2009, the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

7. QUALIFICATION AND CONSENT OF EXPERT

VC Capital is a corporation licensed under the SFO to carry on type 6 (advising on corporate finance) regulated activity.

VC Capital has given and has not withdrawn its written consent to the issue of this Circular with the reference to its name and its letter in the form and context in which it appears.

As at the Latest Practicable Date, VC Capital did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

VC Capital did not have any interest, direct or indirect, in any assets which since 30 September 2009, the date to which the latest published audited financial statements of the Group were made up, have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the head office and principal place of business of the Company in Hong Kong at Unit 605, 6/F, Yen Sheng Centre, 64 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong, during normal business hours from the date of this Circular up to and including 18 May 2010.

- (a) Share Purchase Deed;
- (b) Share Charge; and
- (c) Shareholders Deed.

9. MISCELLANEOUS

The English text of this Circular shall prevail over its Chinese text.

NOTICE OF THE SPECIAL GENERAL MEETING



(incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 948)

(Singapore Stock Code: D5N)

website: <http://www.z-obeelimited.com>

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of Z-Obee Holdings Limited (the “**Company**”) will be held at 33/F., 9 Queen’s Road Central, Central, Hong Kong, on Tuesday, 18 May 2010 at 10:00 a.m.. Any Shareholder or Depositor or Proxy who wishes to take part in the SGM from Singapore, may attend via video conference which shall be held at 7 Temasek Boulevard, #15-03 Suntec Tower one, Singapore. The persons attending the said video conference will be able to pose questions to the Company management and to comment on the issue on the SGM’s agenda. Please be on time to avoid disrupting the SGM which will commence sharply on Tuesday, 18 May 2010 at 10:00 a.m..

The SGM is convened for the purposes of considering and if thought fit, passing with or without modifications, the following resolution (unless otherwise indicated, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 30 April 2010 relating to the Proposed Acquisition):

AS ORDINARY RESOLUTION

“THAT

the terms and conditions and the execution of the Share Purchase Deed, (a copy of which is produced to this meeting marked “A” and signed by the Chairman for identification purpose), and the implementation of the transactions contemplated therein (including the execution of the Share Charge and the Shareholders Deed, and the acquisition of the Sale Shares) be and are hereby approved, ratified and confirmed and the Directors be and are hereby authorized to sign all such documents and/or do all such things and acts as the Directors may consider necessary or expedient and in the interest of the Company for the purpose of effecting or otherwise in connection with any transaction contemplated under the Share Purchase Deed, (including the execution of the Share Charge and the Shareholders Deed and the acquisition of the Sale Shares) or any matter incidental thereto.”

By order of the Board
Z-Obee Holdings Limited
Wang Shih Zen

Chairman and chief executive officer

Hong Kong, 30 April 2010

NOTICE OF THE SPECIAL GENERAL MEETING

Registered Office:

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

Place of business in Hong Kong

under Part XI of

the Companies Ordinance:

Unit 605, 6/F, Yen Sheng Centre
64 Hoi Yuen Road
Kwun Tong
Kowloon
Hong Kong

*Headquarters and principal place
of business in the PRC:*

Room 401, Building 14
West Park of Software Park Hi-Tech Park
Second Road Nanshan
Shenzhen
PRC

Notes:

1. A form of proxy for use at the meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
3. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be lodged at the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong (for Hong Kong Shareholders), or the Company's share transfer agent in Singapore, Tricor Barbinder Share Registration Services, at 8 Cross Street #11-00, PWC Building, Singapore 048424 (for Singapore Shareholders or Depositor), not less than forty-eight 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof (as the case may be).
5. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
6. Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.
7. As at the Latest Practicable Date, the Board comprises three executive Directors, namely Mr. Wang Shih Zen, Ms. Wang Tao and Mr. Lu Shangmin, one non-executive Director, namely Mr. Lim Teck Leong David and three independent non-executive Directors, namely Mr. Chan Kam Loon, Mr. Guo Yanjun and Mr. Lo Hang Fong.
8. A Depositor (as defined in the Companies Act (Chapter 50 of Singapore) (the "Singapore Companies Act")) whose name appears in the Depository Register (as defined in Section 130A of the Singapore Companies Act) and who is unable to attend personally but wishes to appoint a nominee to attend and vote on his behalf, or if such Depositor is a corporation, should complete the attached Depository proxy form and lodge the same at the office of the Company's share transfer agent in Singapore, Tricor barbinder Share Registration Services, at 8 Cross Street #11-00, PWC Building, Singapore 048424 not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjourned meeting thereof (as the case may be).