

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



Z-Obee Holdings Limited

融達控股有限公司*

(Provisional Liquidators Appointed)

(incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 948)

(Singapore Stock Code: D5N)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

The board (the “Board”) of directors (the “Directors”) of Z-Obee Holdings Limited (Provisional Liquidators Appointed) (the “Company”) announce the results (the “Results Announcement”) of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2016 (the “Reporting Period”) with comparative figures for the year ended 31 March 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2016

	<i>Note</i>	2016 US\$ (Audited)	2015 US\$ (Audited)
REVENUE	5,6	12,715,204	–
Cost of goods sold		<u>(10,655,810)</u>	<u>–</u>
Gross profit		2,059,394	–
Other income and gains	6	3,585	–
Selling and distribution expenses		(16,985)	–
Administrative expenses		(908,649)	(996,072)
Finance costs	8	–	–
Other suspense account		–	(771,435)
Loss on deconsolidation		–	(22,019,728)
Impairment loss of prepayments, deposits and other receivables		–	(13,959,650)
Write off of inventories		<u>–</u>	<u>(12,593,616)</u>
PROFIT/(LOSS) BEFORE RESTRUCTURING COSTS AND TAX		1,137,345	(50,340,501)
RESTRUCTURING COSTS		<u>(507,694)</u>	<u>(134,961)</u>
PROFIT/(LOSS) BEFORE TAX	7	629,651	(50,475,462)
Income tax expense	9	<u>(255,184)</u>	<u>–</u>
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>374,467</u>	<u>(50,475,462)</u>
EARNINGS/(LOSS) PER SHARE	11		
Basic		<u>0.05 cents</u>	<u>(6.62 cents)</u>
Diluted		<u>0.05 cents</u>	<u>(6.62 cents)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2016

	2016 <i>US\$</i> (Audited)	2015 <i>US\$</i> (Audited)
Profit/(Loss) for the year	<u>374,467</u>	<u>(50,475,462)</u>
Other comprehensive income for the year, net of tax	<u>–</u>	<u>–</u>
Total comprehensive income/(loss) for the year attributable to owners of the Company	<u><u>374,467</u></u>	<u><u>(50,475,462)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	<i>Note</i>	2016 US\$ (Audited)	2015 US\$ (Audited)
Non-current assets			
Interest in an associate		10,554,016	10,554,016
Financial assets at fair value through profit or loss		2,310,941	2,310,941
Total non-current assets		12,864,957	12,864,957
Current assets			
Inventories		127,500	–
Trade and factoring receivables	12	73,382,020	67,561,829
Prepayments, deposits and other receivables		701,157	–
Tax recoverable		128,843	128,843
Restricted bank balances		2,132,107	2,132,107
Cash and bank balances		1,380,909	778,732
Total current assets		77,852,536	70,601,511
Current liabilities			
Trade and bills payables	13	4,285,527	1,251,045
Accruals and other payables		3,147,298	2,841,224
Interest-bearing bank borrowings		39,310,190	39,310,190
Trust receipt loan		39,877,541	39,877,541
Receipts in advance		67,450	–
Other borrowings		2,570,694	–
Amount due to investors – Escrow account		642,674	–
Tax payables		256,731	1,547
Total current liabilities		90,158,105	83,281,547
NET CURRENT LIABILITIES		(12,305,569)	(12,680,036)
NET ASSETS		559,388	184,921
EQUITY			
Equity attributable to owners of the company			
Share capital		6,101,500	6,101,500
Reserves		(5,542,112)	(5,916,579)
TOTAL EQUITY		559,388	184,921

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	Attributable to owners of the company						
	Share capital	Share premium	Share-based payments reserve	Foreign currency translation reserve	Reserve funds	Accumulated loss	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
As at 1 April 2014	6,101,500	70,605,619	52,241	6,223,798	1,933,855	(34,256,630)	50,660,383
Change in equity for 2015							
Total comprehensive loss	—	—	—	—	—	(50,475,462)	(50,475,462)
At 31 March 2015 and 1 April 2015	6,101,500	70,605,619	52,241	6,223,798	1,933,855	(84,732,092)	184,921
Change in equity for 2016							
Total comprehensive income	—	—	—	—	—	374,467	374,467
At 31 March 2016	6,101,500	70,605,619	52,241	6,223,798	1,933,855	(84,357,625)	559,388

NOTES

1. CORPORATE INFORMATION

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

The Company is an investment holding company. The principal activities of its subsidiaries is sales and distribution of mobile handset.

The Company's shares have been listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the Main Board of The Stock Exchange of Hong Kong Limited (the "HKSE" or the "Stock Exchange") since 21 November 2007 and 1 March 2010, respectively. With effect from 14 June 2014, the Company converted its listing status on the SGX-ST to secondary listing whilst the primary listing status on the Main Board of the HKSE remains unchanged.

2. STATEMENT OF COMPLIANCE

Except for the matters referred below, including the omission of a consolidated statement of cash flows and disclosures as required under International Financial Reporting Standards (the "IFRSs"), Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), these financial statements have been prepared in accordance with IFRS, which collective term includes all applicable individual IFRSs, International Accounting Standards (the "IASs") and Interpretations issued by the International Accounting Standards Board ("IASB"), and the disclosure requirements of the Hong Kong Companies Ordinance, and the applicable disclosure provisions of the Listing Rules.

The IASB has issued certain new and revised IFRSs which are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 4 provides information on any changes in accounting policies resulting from the initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3. BASIS OF PREPARATION

Going concern

As at 31 March 2016, the Group had net current liabilities of US\$12,305,569. In preparing these consolidated financial statements, the Directors of the Company have given careful consideration to the impact of the current and anticipated future liquidity of the Group and the Company, as well as the ability of the Group and the Company to attain profit and positive cash flows from operations in the immediate and longer term.

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

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

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

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

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

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

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

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

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

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

Proposed restructuring of the Group

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

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

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

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

On 5 June 2015, the Company, the Provisional Liquidators and an investor entered into a framework agreement, which was subsequently amended and restated by an amendment and restatement framework agreement dated 5 October 2015, pursuant to which the parties agreed on the principal terms of a proposed restructuring of the Group with a view to resume trading in the Shares on the Stock Exchange. The framework agreement was approved by the Honorable Mr. Justice Harris of the High Court on 26 June 2015 and the amended and restated framework agreement was approved by the Honorable Mr. Justice Harris of the Hong Kong High Court on 6 November 2015.

With the sanction from the High Court, Perfect Major Investment Limited and H K Rich Technology International Company Limited (collectively the "SPVs"), both of which are wholly owned subsidiaries of the Company, were set up after the appointment of the Provisional Liquidators for the purpose of restructuring and continuation of the business of the Group. It is anticipated that the management team of the SPVs will run the business of the Group so as to fulfil the resumption requirements of the Stock Exchange.

A proposal setting out details of the proposed restructuring together with the basis for the resumption of trading in the Shares (the "Resumption Proposal") was prepared and submitted to the Stock Exchange on 19 July 2015. However, without raising any question or query on the Resumption Proposal, the Listing Division of the Stock Exchange notified the Company on 31 July 2015 that it considered that the Resumption Proposal had not satisfactorily demonstrated sufficiency of operations or assets as required under Rule 13.24 of the Listing Rules and it would recommend the Listing Committee of the Stock Exchange (the "Listing Committee") to place the Company in the third delisting stage.

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

The Company disagrees with the Ruling and on 18 August 2015 formally requested the Listing Committee to provide detailed written reasons for the Ruling. On 24 August 2015, the Company also submitted a formal request to the Stock Exchange for a review of the Ruling by the Listing (Review) Committee of the Stock Exchange. The review hearing was held on 17 December 2015. On 29 December 2015, the Company received the decision letter from the Listing (Review) Committee, and they decided to uphold the Listing Committee's decision. An announcement was made by the Stock Exchange on 6 January 2016 to place the Company into the third delisting stage with effect on the same day for a period of nine months. The Stock Exchange intends to cancel the listing of the Company after the nine-month period (i.e. 5 October 2016) if the Company does not provide a viable resumption proposal. Further announcement(s) will be made by the Company when there are material developments as appropriate.

As of the date of this announcement, the management has used its best effort, to the extent commercially practicable, to reconstruct the accounting records of the Group for the year ended 31 March 2016, applying their best estimates and judgement based on the information of the Group that are available to the management. However, given the loss of some books and records and serious doubts over the reliability of the Group's accounting and other records (except the accounting and other records in relation to the business of SPVs, which were incorporated after the appointment of the Provisional Liquidators), the Board believes that, as at the date of the report, it is almost impossible, and not practical, to ascertain the correct revenue and profit or loss (and the resultant assets and liabilities) for the current year for inclusion in the consolidated financial statements of the Group other than the revenue and profit of loss (and the resultant assets and liabilities) in relation to the business of the SPVs. Also, due to loss of some books and records, the Board believes that it is almost impossible, and not practical, to verify the financial information as reported in the consolidated financial statements of the Group for past years.

Any adjustments arising from the matters described above would have a consequential significant effect on the net profit of the Group for the year ended 31 March 2016 and the net assets of the Group as at 31 March 2016.

Due to the limited information available and most of the former key accounting personnel of the Group have left without notice, the Directors were unable to obtain sufficient documentary information to satisfy themselves regarding the completeness of books and records and the treatment of various balances as included in the consolidated financial statements for the year ended 31 March 2016 and have formed the opinion as follows:

As the consolidated financial statements have been prepared based on the incomplete books and records available to the Company, the Directors of the Company are unable to represent that all transactions entered into by the Group for the year ended 31 March 2016 have been properly reflected in the consolidated financial statements. In this connection, the Directors of the Company are also unable to represent as to the completeness, existence and accuracy of identification of the financial statements and the disclosures of the financial statements in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules.

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

The Group has adopted the following new and revised Standards, Amendments and Interpretations ("new and revised IFRSs") that are first effective for the current accounting period.

Amendments to IAS 19	Defined Benefit Plans: Employee Contribution
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle

The application of the new and revised IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosure set out in these consolidated financial statements.

5. SEGMENT REPORTING

The Group manages its business by division, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's executive directors, the chief operating decision maker, for the purposes of resources allocation and performance assessment, the Group has presented the following one reportable segment. No operating segments have been aggregated to form the following reportable segment.

Trading of mobile handsets

The trading of mobile handsets segment derived its revenue primarily from the sale and distribution of mobile handsets.

a) *Segment results, assets and liabilities*

For the purposes of assessing segment performance and allocating resources between segments, the Group's executive directors monitor the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment assets include all tangible, intangible assets and current assets with the exception of interests in associates, financial assets at fair value through profit or loss and other corporate assets. Segment liabilities include provisions and trade and other payables attributable to the activities of the individual segment and borrowings managed directly by the segment.

Revenue and expenses are allocated to the reportable segment with reference to sales generated by the segment and the expenses incurred by the segment or which otherwise arise from the depreciation or amortisation of assets attributable to the segment.

The measure used for reporting segment profit is “adjusted EBITDA”, that is, “adjusted earnings before interest, taxes, depreciation and amortization”, where “interest” is regarded as including investment income and “depreciation and amortisation” is regarded as including impairment losses on non-current assets. To arrive at adjusted EBITDA the Group’s earnings are further adjusted for items not specifically attributed to individual segments, such as share of profits less losses of associates, directors’ remuneration and other head office or corporate administrative costs.

In addition to receiving segment information concerning adjusted EBITDA, the executive directors are provided with segment information concerning revenue (including inter-segment sales), interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group’s reportable segment as provided to the Group’s executive directors for the purpose of resources allocation and assessment of segment performance for the year ended 31 March 2016 and 2015 is set out below.

	Trading of mobile handsets	
	Year ended 31 March	
	2016	2015
	<i>US\$</i>	<i>US\$</i>
Revenue from external customers	12,715,204	–
Reportable segment revenue	12,715,204	–
Reportable segment profit (adjusted EBITDA)	1,515,408	–
	At 31 March	At 31 March
	2016	2015
	<i>US\$</i>	<i>US\$</i>
Reportable segment assets	7,249,093	–
Reportable segment liabilities	5,920,260	–

b) *Reconciliations of reportable segment revenues, profit or loss, assets and liabilities*

	Year ended 31 March	
	2016 US\$	2015 US\$
Revenue		
Reportable segment revenue	12,715,204	–
Elimination of inter-segment revenue	–	–
Consolidated revenue	<u>12,715,204</u>	<u>–</u>
Profit		
Reportable segment profit	1,515,408	–
Elimination of inter-segment profits	–	–
Reportable segment profit derived from the Group's external customers	1,515,408	–
Write off of inventories	–	(12,593,616)
Loss on deconsolidation	–	(22,019,728)
Impairment loss of prepayment, deposits and other receivables	–	(13,959,650)
Unallocated head office and corporate expenses	(885,757)	(1,902,468)
Consolidated profit/(loss) before tax	<u>629,651</u>	<u>(50,475,462)</u>
	At 31 March 2016 US\$	At 31 March 2015 US\$
Assets		
Reportable segment assets	7,249,093	–
Elimination of inter-segment receivables	–	–
Interests in an associate	10,554,016	10,554,016
Financial assets at fair value through profit or loss	2,310,941	2,310,941
Unallocated head office and corporate assets	70,603,443	70,601,511
Consolidated total assets	<u>90,717,493</u>	<u>83,466,468</u>
Liabilities		
Reportable segment liabilities	5,920,260	–
Elimination of inter-segment payables	–	–
Interest-bearing bank borrowings	39,310,190	39,310,190
Trust receipt loan	39,877,541	39,877,541
Amount due to investors-Escrow account	642,674	–
Unallocated head office and corporate liabilities	4,407,440	4,093,816
Consolidated total liabilities	<u>90,158,105</u>	<u>83,281,547</u>

c) *Revenue from major products and services*

	Year ended 31 March	
	2016	2015
	US\$	US\$
Trading of mobile handsets	12,715,204	–

d) *Geographic Information*

The following is an analysis of geographical location of (i) the Group's revenue from external customers and (ii) the Group's interest in an associate. The geographical location of customers is based on to the location at which the services were provided or the goods delivered. In the case of interest in an associate, it is the location of operations of such associate.

	Revenue from external customers		Non-current assets	
	Year ended 31 March		At 31 March	At 31 March
	2016	2015	2016	2015
	US\$	US\$	US\$	US\$
Hong Kong (place of domicile)	4,890,500	–	–	–
PRC	–	–	10,554,016	10,554,016
Bangladesh	101,500	–	–	–
Dubai	3,734,500	–	–	–
India	3,078,000	–	–	–
Morocco	128,750	–	–	–
Pakistan	421,800	–	–	–
USA	360,154	–	–	–
	12,715,204	–	10,554,016	10,554,016

Non-current assets exclude financial assets at fair value through profit or loss.

e) *Information about major customers*

Revenue from customers contributing 10% or more of the total revenue of the Group is as follows:

	2016	2015
	US\$	US\$
Revenue from trading of mobile handsets		
– Customer A	4,786,500	–
– Customer B	3,734,500	–
– Customer C	1,701,000	–

As disclosed in note 3, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness and accuracy of the disclosure of segment reporting as of the date of approval of these consolidated financial statements.

6. REVENUE AND OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts; and the values of services rendered during the year.

An analysis of revenue and other income and gains is as follows:

	2016 US\$	2015 US\$
Revenue		
Distribution and marketing of mobile handset and its components and electronic components	12,715,204	–
	<u>12,715,204</u>	<u>–</u>
Other income and gains		
Interest income	41	–
Foreign exchange gain, net	3,544	–
	<u>3,585</u>	<u>–</u>
	<u><u>12,718,789</u></u>	<u><u>–</u></u>

As disclosed in note 3, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, occurrence and accuracy of the revenue as of the date of approval of these consolidated financial statements.

7. PROFIT/(LOSS) BEFORE TAX

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

	2016 US\$	2015 US\$
a) Staff cost		
Employee benefit expenses		
(including directors' and chief executive's emoluments)		
Wages, salaries, bonus and allowances	588,301	265,972
Pension scheme contributions	–	–
	588,301	265,972
b) Other items		
Cost of goods sold	10,655,810	–
Auditor's remuneration	100,257	64,267
Restructuring costs	507,694	134,961
c) Other operating expenses		
Loss of deconsolidation	–	22,019,728
Impairment loss on prepayments, deposits and other receivables	–	13,959,650
Written off of inventories	–	12,593,616
	<u><u>–</u></u>	<u><u>22,573,004</u></u>

As disclosed in note 3, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, occurrence and accuracy of the disclosure of profit/(loss) before tax as of the date of approval of these consolidated financial statements.

8. FINANCE COSTS

	2016 US\$	2015 US\$
Interest on bank borrowings	–	–
Interest on finance lease	–	–
Interest on factoring	–	–
	<hr/>	<hr/>
	–	–
	<hr/> <hr/>	<hr/> <hr/>

As disclosed in note 3, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, occurrence and accuracy of the finance costs as of the date of approval of these financial statements.

9. INCOME TAX EXPENSE

	2016 US\$	2015 US\$
Current tax – Hong Kong Profits Tax		
Charge for the year	255,184	–
Over provision in prior years	–	–
	<hr/>	<hr/>
	255,184	–
	<hr/>	<hr/>
Current tax – PRC		
Charge for the year	–	–
Over provision in prior years	–	–
	<hr/>	<hr/>
	–	–
Total tax charge for the year	255,184	–
	<hr/> <hr/>	<hr/> <hr/>

As disclosed note 3, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the accuracy and completeness of the income tax as of the date of approval of these consolidated financial statements.

10. DIVIDEND

The board of Directors do not recommend the payment of a final dividend for the year ended 31 March 2016 (2015: Nil).

11. EARNINGS/(LOSS) PER SHARE

Basic

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of US\$374,467 (loss of 2015: US\$50,475,462) and the weighted average number of 762,687,662 (2015: 762,687,662) ordinary shares in issue during the year.

Diluted

On the basis that the relevant books and records are either lost or are incomplete, there is no accurate information to calculate the diluted earnings/loss per share. Therefore, diluted earnings/loss per share equals to the basic earnings/loss per share for the year ended 31 March 2016 and 31 March 2015.

As disclosed in note 3, as the earnings/loss attributable to owners of the Company may not be accurate, no representation is made by the Board as to the accuracy of the earnings/loss per share of the Company as of the date of approval of these consolidated financial statements.

12. TRADE AND FACTORING RECEIVABLES

	2016 <i>US\$</i>	2015 <i>US\$</i>
Trade and factoring receivables	105,496,801	99,676,610
Less: Impairment loss recognised	(32,114,781)	(32,114,781)
Net carrying amount	<u>73,382,020</u>	<u>67,561,829</u>

Ageing analysis

The following is an analysis of trade and factoring receivables, presented based on the invoice dates:

	2016 <i>US\$</i>	2015 <i>US\$</i>
0-60 days	5,820,191	–
61-90 days	–	–
Over 90 days	<u>67,561,829</u>	<u>67,561,829</u>
	<u>73,382,020</u>	<u>67,561,829</u>

Trade receivables are due within 60 days from the date of billing.

Given the loss of some books and records, and unreliability of records found, the Board believes that it may be almost impossible, and not practical, to ascertain the completeness, existence and accuracy of the trade and factoring receivables of the Group.

13. TRADE AND BILLS PAYABLE

	2016 <i>US\$</i>	2015 <i>US\$</i>
Trade payables	<u>4,285,527</u>	<u>1,251,045</u>

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

	2016 <i>US\$</i>	2015 <i>US\$</i>
0 – 30 days	3,034,482	–
31 to 60 days	–	–
61 to 90 days	–	–
Over 90 days	<u>1,251,045</u>	<u>1,251,045</u>
	<u>4,285,527</u>	<u>1,251,045</u>

Trade payables generally have credit terms ranging from 30 to 90 days. (2015: 30 to 90 days).

As disclosed in note 3, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, existence and accuracy of the trade and bills payables of the Group as of the date of approval of these consolidated financial statements.

EXTRACT FROM INDEPENDENT AUDITOR'S REPORT

The Company's auditor has issued the disclaimer of opinion on the Group's consolidated financial statements for the year ended 31 March 2016, an extract of which is as follows:

BASIS FOR DISCLAIMER OF OPINION

Scope limitation due to incomplete books and record

Up to the date of this report, given the loss of some books and records and serious doubts over the reliability of the Group's accounting and other records, the directors of the Company believes that, it is almost impossible, and not practicable, to ascertain the correct revenue and profit or loss and the resultant assets and liabilities for the current year as included in the consolidated financial statements of the Group. Also, due to loss of some books and records, the directors of the Company believes that it is almost impossible, and not practicable, to verify the financial information as reported in the consolidated financial statements of the Group for past years. In addition, during the course of our audit, we were unable to satisfy ourselves that the internal control and documentation provided by the management for the purpose of our audit was accurate in all material respects. We have therefore unable to carry out satisfactory audit procedures to obtain reasonable assurance regarding the completeness, accuracy, existence, valuation, classification and disclosure of the transactions of the Group.

Given these circumstances, there were no practicable audit procedures that we could perform to satisfy ourselves that the information and explanations and documents presented to us for the purpose of our audit are complete and accurate in all material respects, nor to quantify the extent of any adjustments that might be necessary in respect of the Group's financial information.

As a result, in performing our audit on the consolidated financial statements of the Group for the year ended 31 March 2016, there were no practicable audit procedures that we could perform to satisfy ourselves that whether the balances of assets, liabilities and reserves as at 1 April 2015 and 31 March 2016 were fairly stated.

Any adjustments found to be necessary in respect thereof had we been able to obtain sufficient appropriate audit evidence would have had a consequential effect on the net assets of the Group as at 1 April 2015 and 31 March 2016 and of its profit for the current year and loss for the prior years, and the related disclosures thereof in the consolidated financial statements.

Included in the Company's statement of financial position is an investment in a subsidiary of US\$2,622,935 and US\$2,622,935 and due from subsidiaries of US\$69,471,270 and US\$69,471,270 as at 31 March 2016 and 31 March 2015 respectively. Due to the scope limitations as mentioned above, we are unable to satisfy ourselves as to the fairness of the amounts carried as investment in a subsidiary and the amount due from subsidiaries in the Company's statements of financial position as at 31 March 2016 or to determine whether any provision for impairment loss is necessary in respect of the above. Any adjustments would have a consequential effect on the net assets of the Company as at 31 March 2016 and 31 March 2015 and of its net loss for the years then ended and the related disclosures in the consolidated financial statements.

Our audit opinion on the Group's financial statements for the year ended 31 March 2015 was also disclaimed accordingly.

Non-compliance with International Financial Reporting Standards and omission of disclosures

As explained in note 2.2 to the financial statements, as the consolidated financial statements of the Group have been prepared by the directors based on incomplete books and records and the directors believe they are almost impossible and not practical to ascertain the correct amounts. Consequently, the directors of the Company were unable to represent that the financial statements comply with International Financial Reporting Standards (“IFRSs”), or that the disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules have been complied with. Given these circumstances, there were no practicable audit procedures that we could perform to quantify the extent of adjustments that might be necessary in respect of the Group’s financial statements.

Our audit opinion on the Group’s financial statements for the year ended 31 March 2015 was also disclaimed accordingly.

Material uncertainty related to going concern basis

In forming our opinion, we have considered the adequacy of the disclosures made in note 2.2 to the financial statements which explains that the Resumption Proposal was submitted to the Stock Exchange on 19 July 2015. On 14 August 2015, the Company received a decision letter from the Listing Committee that the Resumption Proposal was considered not viable and the Company was placed in the third delisting stage under Practice Note 17 to the Listing Rules. On 24 August 2015, the Company requested for a review hearing of the Listing (Review) Committee for a ruling of the Listing Committee’s decision.

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

The consolidated financial statements have been prepared on a going concern basis on the assumption that the proposed restructuring of the Company will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from a failure to complete the restructuring. We consider that the disclosures are adequate. However, in view of the extent of the uncertainties relating to the completion of the restructuring, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

DISCLAIMER OF OPINION

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements as to whether the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 March 2016 and of their financial performance and cash flows for the year then ended in accordance with IFRSs and as to whether the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BUSINESS AND FINANCIAL REVIEW

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

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

On 2 May 2014, the Company, Max Sunny and ANZ agreed on principle terms of settlement. On 7 May 2014, the Deed was entered into among ANZ, HSBC, the Company and Max Sunny in full and final settlement of the loans due to ANZ and HSBC. The Deed provided for an agreed amount to be paid to each of ANZ and HSBC in five instalments. Upon full compliance of the Deed by the Company and Max Sunny, ANZ would apply to the High Court for the withdrawal or dismissal of the winding-up petitions. Accordingly, the winding-up petitions were further adjourned to 2 July 2014 and the applications for the appointment of provisional liquidators were adjourned on terms that allowed ANZ to restore the applications on an urgent basis and without objection from the Company and Max Sunny in the event that the Company and Max Sunny failed to meet their obligations under the Deed.

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

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

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

Revenue and gross profit

During the Reporting Period, the Group recorded turnover of US\$12,715,204 (2015: nil) and gross profit of US\$2,059,394 (2015: nil) respectively for the Reporting Period. Profit for the year attributable to owners of the Company was US\$374,467 (2015: Loss of US\$50,475,462).

Total assets and liabilities

As of 31 March 2016, the total assets and total liabilities of the Group was US\$90,717,493 (2015: US\$83,466,468) and US\$90,158,105 (2015: US\$83,281,547) respectively.

Restructuring of the Group

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

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

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

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

On 5 June 2015, the Company, the Provisional Liquidators and an investor entered into a framework agreement, which was subsequently amended and restated by an amendment and restatement framework agreement dated 5 October 2015, pursuant to which the parties agreed on the principal terms of a proposed restructuring of the Group with a view to resume trading in the Shares on the Stock Exchange. The framework agreement was approved by the Honorable Mr. Justice Harris of the High Court on 26 June 2015 and the amended and restated framework agreement was approved by the Honorable Mr. Justice Harris of the Hong Kong High Court on 6 November 2015.

With the sanction from the High Court, the SPVs are wholly owned subsidiaries of the Company, were set up after the appointment of the Provisional Liquidators for the purpose of restructuring and continuation of the business of the Group. It is anticipated that the management team of the SPVs will run the business of the Group so as to fulfil the resumption requirements of the Stock Exchange.

The Resumption Proposal was prepared and submitted to the Stock Exchange on 19 July 2015. However, without raising any question or query on the Resumption Proposal, the Listing Division of the Stock Exchange notified the Company on 31 July 2015 that it considered that the Resumption Proposal had not satisfactorily demonstrated sufficiency of operations or assets as required under Rule 13.24 of the Listing Rules and it would recommend the Listing Committee to place the Company in the third delisting stage.

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

The Company disagrees with the Ruling and on 18 August 2015 formally requested the Listing Committee to provide detailed written reasons for the Ruling. On 24 August 2015, the Company also submitted a formal request to the Stock Exchange for a review of the Ruling by the Listing (Review) Committee of the Stock Exchange. A review hearing of the Ruling is scheduled to be held on 17 December 2015.

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

DIVIDENDS

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

LIQUIDITY AND FINANCIAL RESOURCES

Based on books and records of the Group available to the Provisional Liquidators and the Board, as at 31 March 2016, the Group had current assets of US\$77,852,536 (2015: US\$70,601,511) and current liabilities of US\$90,158,105 (2015: US\$83,281,547). The total bank and cash balances other than restricted bank balances amounted to US\$1,380,909 (2015: US\$778,732).

Liabilities and payables presented in the audited financial statements and this announcement are prepared according to the books and records and available information to the Provisional Liquidators and the Board.

CAPITAL COMMITMENT

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

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 March 2016, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

CHARGE ON ASSETS

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

CONTINGENT LIABILITIES

Based on books and records of the Group available to the Provisional Liquidators and the Board, as at 31 March 2016, the Group did not have any material contingent liabilities. However, any contingent liabilities/claims against the Company will be subject to the High Court's approval and the relevant claims will be subject to a formal adjudication process.

EMPLOYEES AND REMUNERATION POLICIES

Based on books and records of the Group available to the Provisional Liquidators and the Board, the Group had 25 employees in Hong Kong and PRC as at 31 March 2016.

OUTLOOK/PROSPECT

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

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

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

CORPORATE GOVERNANCE PRACTICES

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

Pursuant to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive of the Company should be separate and should not be performed by the same individual. During the Reporting Period, the office of the Chairman of the Company was vacant while Mr. Lai Hui was the chief executive officer. The Board will keep reviewing the current structure of the Board from time to time and should candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post as appropriate.

Pursuant to code provision A.2.7 of the CG Code, the chairman of the Board should at least annually hold meetings with the non-executive Directors (including independent non-executive Directors) without the presence of the executive Directors. Based on the information made available, there was no meeting held for the Reporting Period.

For the purpose of the proposed restructuring of the Group, the Provisional Liquidators and the Board have engaged Crowe Howarth (HK) Corporate Consultancy Limited to review the internal control system of the Group with a view to fulfilling the requirements of the Listing Rules.

The Board will continuously review and improve the corporate governance practices and standards of the Group to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

Board meeting and Directors' attendance

Based on the information made available to the Provisional Liquidators and the Board, there was one board meeting held for the Reporting Period. All Directors attended the aforesaid Board meeting.

Chief Executive Officer

During the Reporting Period, Mr. Lai Hui was the Chief Executive Officer of the Company. Based on the information made available to the Provisional Liquidators and the Board, Mr. Lai Hui was responsible for managing the Board, business strategy and direction, formulation of the Group's corporate plans and policies including executive decision making and the day-to-day business operations of the Group.

Audit Committee

The Audit Committee has reviewed the Results Announcement of the Group for the year ended 31 March 2016, in conjunction with the Company's external auditor.

Securities Transactions by Directors

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

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

REVIEW OF THE RESULTS ANNOUNCEMENT BY AUDITOR

The figures in respect of the Results Announcement of the Group for the year ended 31 March 2016 have been agreed by the Group's auditor, Crowe Horwath (HK) CPA Limited. The work performed by Crowe Horwath (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements and consequently no assurance has been expressed by Crowe Horwath (HK) CPA Limited on the Results Announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This Results Announcement is available for viewing on the website of HKSE at <http://www.hkexnews.hk>. The 2016 Annual Report will be available on the website of the Stock Exchange and SGX-ST at the earliest practicable opportunity.

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

Hong Kong, 8 July 2016

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

* *For identification purpose only*