

**Z-OBEE HOLDINGS LTD:  
GOBBLEDEGOOK IS THE NAME OF THIS COMPANY**

One cannot help but ponder the true reason behind the decision of Ms Wang Tao (), the second-largest shareholder of Z-Obee Holdings Ltd (Code: 948, Main Board, The Stock Exchange of Hongkong Ltd) to offload 36 million of her shares in this Company at the time of the **Initial Public Offering (IPO)** in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

The maximum amount of money that this lady could hope to gross from the sales of her shares is \$HK82.44 million (\$HK2.29 per share) with the minimum amount of money, being \$HK61.20 million (\$HK1.70 per share).

Ms Wang Tao is an Executive Director of Z-Obee Holdings Ltd and is said to be in charge of sales and marketing.

She is said to own, beneficially, 15.31 percent of the Issued and Fully Paid-Up Share Capital of the Company, today.

No mention is made in the Placing and Public Offer Prospectus of Z-Obee Holdings Ltd, dated February 12, 2010, as to the rationale behind the offloading of the Sale Shares other than the statement that the Company is Offering 66.60 million, par value \$US0.008 New Shares at the Offer Price, ranging between \$HK1.70 per Share and \$HK2.29 per Share, with Ms Wang Tao, being the lone, Selling Shareholder of 36 million of her personal shares.

Ms Wang Tao's 36 million shares, therefore, represents about 31.58 percent of the total number of shares with regard to this IPO.

Is this lady a little short of money so that she is taking this opportunity to offload some of her shareholdings in Z-Obee Holdings Ltd?

This Company is, already, listed on The Singapore Exchange Securities Trading Ltd (SGX-ST) and, if all goes according to Management's plans, laid out in the Placing and Public Offer Prospectus, the investing public will hold about 55.57 percent of the Issued and Fully Paid-Up Share Capital, with the Chairman, Mr Wang Shih Zen (), beneficially owning 28.23 percent of the Issued and Fully Paid-Up Share Capital.

**The Flotation**

According to Page 172 of the Placing and Public Offer Prospectus of Z-Obee Holdings Ltd, the Company is hoping to bag about \$HK147 million, net of expenses, that amount of money to be utilised as follows:

1. About \$HK13 million to beef up the current Establishment Level;
2. About \$HK60 million to invest in research;
3. About \$HK60 million to invest in promotion of the Company's products; and,
4. About \$HK14 million to be used as additional working capital.

Comparing the above wish-list with the Consolidated Statements of Financial Position, located at Appendix I-6 of the Placing and Public Offer Prospectus, one notes that, as at September 30, 2009, Z-Obee Holdings Ltd had bank and bank balances of nearly \$US26 million (about \$HK202.80 million).

That amount of money is a little more than \$HK147 million.

So, it would appear that there is no immediate and/or urgent need for the money, raised in the HKSAR via this IPO.

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