

**ZHIDAO INTERNATIONAL (HOLDINGS) LTD:  
INDEPENDENT OR INTERDEPENDENT EVENTS ?**

The timing of what appears, on the surface, to be three independent events is, most likely, quite coincidental, but questions might still be raised about these events in order to assure those, who might be scanning them in detail, that they were not, in fact, interdependent events.

The three events all centre round, directly and indirectly, publicly listed Zhidao International (Holdings) Ltd ([I]) (Code: 1220, Main Board, The Stock Exchange of Hongkong Ltd).

The First Event was the '**PROFIT WARNING**' announcement by the Chairman of Zhidao International, Mr Tung Yee Shing (), dated April 8, 2014.

The essence of this Profit Warning was:

*'The board of directors of the Company (the "Board") wishes to inform the shareholders of the Company (the "Shareholders") and potential investors of the Company that, based on the financial information currently available, it is anticipated that the Group will record a significant decrease in profit for the year ended 31 March 2014 as compared with that for the year ended 31 March 2013. The expected decrease in profit was mainly attributable to the significant decrease in the turnover and the gross profit margin of the construction projects segment in supplying of aluminium products.'*

*'The information contained in this announcement is only based on the Board's preliminary assessment with reference to financial information currently available, and that the actual results for the Group may be different from what is disclosed in this announcement. Further details of the Group's performance will be disclosed in the annual results announcement of the Company for the year ended 31 March 2014 to be published on or before 30 June 2014.'*

The Second Event occurred just 22 days later, on April 30, 2014, when Chairman Tung Yee Shing announced that there had been a '**CHANGE IN SHAREHOLDING OF THE CONTROLLING SHAREHOLDER**' of Zhidao International.

The gist of that announcement was:

*'As at the date of this announcement, the board of directors of the Company (the "Board") has been notified that Goldstar Success Limited ("Goldstar Success"), the controlling shareholder of the Company, has disposed of an aggregate of ordinary shares of the Company (representing approximately 23.58% of the issued ordinary shares of the Company) to two individuals (the "New Shareholders") (the "Disposals").'*

*'To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, immediately before the Disposals, the New Shareholders were third parties independent of the Company and its connected persons (as defined in the Listing Rules).'*

*'Immediately after the completion of the Disposals, Goldstar Success, holding of 300,000,000 ordinary shares of the Company (representing approximately 37.50% of the issued ordinary*

*shares of the Company) is still a substantial shareholder of the Company. The Board does not expect that the Disposals will have any significant impact on the business operations and the composition of the management of the Group.'*

The Third Event is found in the Statement of Claim, attached to a Writ of Summons, filed in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) on May 22, 2014 (last Thursday), exactly 22 days ... [CLICK TO ORDER FULL ARTICLE](#)

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