Zhaobangji Properties Holdings Limited
兆邦基地產控股有限公司

(Formerly known as Sanroc International Holdings Limited 善樂國際控股有限公司)
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1660)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018

RESULTS

The board (the "**Board**") of directors (the "**Director(s)**") of Zhaobangji Properties Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2018 (the "**Year**") together with comparative figures of the year ended 31 March 2017 (the "**Previous Year**") as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	Note	Year ended 31 March **2018** ***HK$'000***	 2017 *HK$'000*
Revenue	4	**149,984**	175,862
Cost of sales and services		**(89,959)**	(115,029)
Gross profit		**60,025**	60,833
Other income and gains, net		**2,817**	1,389
Selling expenses		**(3,417)**	(2,937)
Administrative expenses		**(23,028)**	(34,456)
Operating profit		**36,397**	24,829
Finance income		**654**	958
Finance costs		**(2,419)**	(1,843)
Finance costs, net		**(1,765)**	(885)
Profit before income tax		**34,632**	23,944
Income tax expense	5	**(6,393)**	(6,762)
Profit for the year	6	**28,239**	17,182
Profit and total comprehensive income attributable to equity holders of the Company		**28,239**	17,182
Other comprehensive income, net of tax			
Items that may be subsequently reclassified to profit or loss			
Fair value gain on revaluation of an available-for-sale financial asset		**410**	–
Total comprehensive income for the year, net of tax		**28,649**	17,182
		HK cents	*HK cents*
Earnings per share for profit attributable to equity holders of the Company:			
Basic and diluted	8	**2.28**	1.82

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2018

		As at 31 March	
		2018	2017
	Note	***HK$'000***	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**229,031**	160,795
Deferred income tax assets		**651**	7,068
Available-for-sale financial asset		**15,410**	–
Deposits, prepayments and other receivables	9	**1,253**	1,054
Finance lease receivables		**–**	804
		246,345	169,721
Current assets			
Inventories		**9,220**	12,102
Trade receivables	9	**49,482**	39,523
Deposits, prepayments and other receivables	9	**4,182**	3,924
Amounts due from related companies		**84**	22
Income tax recoverable		**4,533**	527
Finance lease receivables		**841**	2,437
Restricted cash		**10,000**	15,500
Cash and cash equivalents		**63,258**	133,807
		141,600	207,842
Total assets		**387,945**	377,563
EQUITY			
Capital and reserves attributable to the owners of the Company			
Share capital		**12,390**	12,390
Reserves		**265,620**	236,971
Total equity		**278,010**	249,361

	Note	As at 31 March 2018 *HK$'000*	 2017 *HK$'000*
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**23,948**	23,972
Obligations under finance leases		**5,346**	11,460
		29,294	35,432
Current liabilities			
Trade and bills payables	10	**11,992**	28,036
Accruals and other payables	10	**6,153**	11,107
Borrowings		**55,865**	42,699
Income tax payable		**–**	2,553
Obligations under finance leases		**6,631**	8,375
		80,641	92,770
Total liabilities		**109,935**	128,202
Total equity and liabilities		**387,945**	377,563

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

On 16 May 2018, an Extraordinary General Meeting ("**EGM**") was held by the Company during which the English name of the Company was approved to be changed to Zhaobangji Properties Holdings Limited and "兆邦基地產控股有限公司" was approved to be adopted as the secondary name of the Company. The names have been effective on 13 June 2018.

The Company is an investment holding company and its subsidiaries are principally engaged in trading of machinery and spare parts, leasing of machinery and the provision of related services, and the provision of transportation services in Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), unless otherwise stated.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

(a) New and amended standards adopted by the Group:

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 April 2017:

- Annual Improvements Project — Annual improvements 2014-2016 cycle (amendments)
- Amendments to Hong Kong Accounting Standards ("HKAS") 7 — Disclosure initiative (amendments)
- Amendments to HKAS 12 — Recognition of deferred tax assets for unrealised losses

The adoption of these amendments did not have any significant impact on the consolidated financial statements for the current year or any prior period and is not likely to affect those for the future periods.

(b) New standards and interpretations and amendments not yet adopted:

The following are new standards, interpretations and amendments to standards that have been published but are not yet effective for the annual periods beginning after 1 April 2017 and have not been early adopted by the Group.

Annual Improvements Project Hong Kong Financial Reporting Standards ("HKFRS") 1 and HKAS 28	Annual improvements 2014-2016 cycle[1]
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 financial instruments with HKFRS 4 insurance contracts[1]
HKFRS 9	Financial instruments[1]
HKFRS 15	Revenue from contracts with customers[1]
HKFRS 16	Leases[2]
Amendments to HKFRS 9	Prepayment features with negative compensation[2]
Amendments to HKFRS 15	Clarifications to HKFRS 15[1]
Amendments to HKAS 40	Transfers of investment property[1]

Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[3]
HK(IFRIC)-Int 22	Foreign currency transactions and advance consideration[1]
HK(IFRIC)-Int 23	Uncertainty over income tax treatments[2]

Notes:

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2019
3 Effective date not yet been determined

The Group is assessing the impacts of these new standards and interpretations in the period of initial application. So far the Group has identified some aspects of the new standards which may have impacts on the consolidated financial statements. Further details of the expected impacts are to be discussed in the annual report for the year ended 31 March 2018. While preliminary assessment has been completed for HKFRS 9, HKFRS 15 and HKFRS 16, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on information currently available to the Group, and further impacts may be identified when the standards are initially applied.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared in accordance with all applicable HKFRSs and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention, except for the available-for-sale financial asset which is measured at fair value.

The preparation of the financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents gross receipts on sales of machinery and spare parts, leasing of machinery, the provision of transportation services and the provision of related services in the ordinary course of business. Revenue recognised during the Year is as follows:

	Year ended 31 March	
	2018	2017
	HK$'000	*HK$'000*
Revenue		
Sales of machinery and spare parts and provision of related services	**43,595**	92,192
Leasing of machinery and provision of related services	**83,495**	74,203
Transportation services	**22,894**	9,467
	149,984	175,862

The Group's reportable segments are as follows:

1. Trading — Sales of machinery and spare parts and provision of related services

2. Leasing — Leasing of machinery and provision of related services

3. Transportation — Provision of transportation services

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the Year

	Trading	Leasing	Transportation	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue				
Segment revenue from external customers	**43,595**	**83,495**	**22,894**	**149,984**
Results				
Segment profit	**10,152**	**39,299**	**1,547**	**50,998**
Unallocated corporate income				**2,001**
Unallocated corporate expenses				**(18,367)**
Profit before tax				**34,632**

For the Previous Year

	Trading	Leasing	Transportation	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue				
Segment revenue from external customers	92,192	74,203	9,467	175,862
Results				
Segment profit/(loss)	18,306	32,806	(74)	51,038
Unallocated corporate income				958
Unallocated corporate expenses				(28,052)
Profit before tax				23,944

5. INCOME TAX EXPENSE

The amount of income tax charged to profit or loss represents:

	Year ended 31 March	
	2018	2017
	HK$'000	*HK$'000*
Hong Kong profits tax		
Current income tax	**–**	6,325
Deferred income tax	**6,393**	437
	6,393	6,762

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profit for the Year.

6. PROFIT FOR THE YEAR

	Year ended 31 March	
	2018	2017
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging/(crediting):		
Costs of machinery and equipment and spare parts	**32,129**	71,220
Staff costs, including directors' emoluments	**23,679**	17,942
Leasing expense of machinery and equipment	**3,754**	5,461
Operating lease rental in respect of office and storage premises	**1,821**	1,611
Auditor's remuneration		
– Audit services	**1,500**	1,300
– Non-audit services	**319**	119
Listing expenses	**–**	17,174
Legal and professional fees	**4,514**	1,032
Depreciation		
– owned machinery and equipment	**25,998**	21,016
– machinery and equipment held under finance leases	**4,096**	3,434
Donation	**–**	1,000
Foreign exchange (gain)/loss, net	**(1,221)**	134
Gain on disposal of property, plant and equipment	**(1,470)**	(1,320)

7. DIVIDENDS

No dividend has been paid or declared by the Company during the Year (2017: Nil).

8. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective years. The weighted average number of ordinary shares used for such purpose has been retrospectively adjusted for the effects of the issue of shares in connection with the reorganisation completed on 10 November 2016 and the issue of additional 899,999,600 of the ordinary shares which took place on 10 February 2017.

	Year ended 31 March	
	2018	2017
Profit attributable to equity holders of the Company *(HK$'000)*	**28,239**	17,182
Weighted average number of ordinary shares in issue (*thousands)*	**1,239,000**	943,265
Basic earnings per share *(HK cents)*	**2.28**	1.82

(b) Diluted

Diluted earnings per share is of the same amount as the basic earnings per share as there were no potential dilutive ordinary shares outstanding as at 31 March 2018 (2017: Same).

9 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 March	
	2018	2017
	HK$'000	*HK$'000*
Trade receivables	**50,504**	40,545
Provision for impairment	**(1,022)**	(1,022)
	49,482	39,523
Deposits, prepayments and other receivables	**5,435**	4,978
Less: non-current portion	**(1,253)**	(1,054)
Current portion	**4,182**	3,924

The credit period granted to trade customers was generally between 30 to 60 days. The Group does not hold any collateral as security.

As at 31 March 2018, the ageing analysis of the trade receivables based on invoice date is as follows:

	As at 31 March	
	2018	2017
	HK$'000	*HK$'000*
0 to 30 days	**16,956**	12,329
31 to 60 days	**14,457**	10,740
61 to 90 days	**6,907**	4,781
More than 90 days	**11,162**	11,673
	49,482	39,523

10. TRADE AND BILLS PAYABLES, ACCRUALS AND OTHER PAYABLES

	As at 31 March	
	2018	2017
	HK$'000	*HK$'000*
Trade and bills payables	**11,992**	28,036
Accruals and other payables *(Note)*	**6,153**	11,107
	18,145	39,143

Note: The amounts mainly represent advance from customers, accruals and other payables for wages, legal and professional fees and transportation costs.

The ageing analysis of the trade and bills payables based on invoice date are as follows:

	As at 31 March	
	2018	2017
	HK$'000	*HK$'000*
0 to 30 days	**8,963**	5,921
31 to 60 days	**1,416**	2,724
61 to 90 days	**791**	325
More than 90 days	**822**	19,066
	11,992	28,036

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND MARKET PROSPECT

Zhaobangji Properties Holdings Limited went through a year of change in the year ended 31 March 2018. On 24 February 2018, Boardwin Resources Limited ("**Boardwin**"), controlled by Mr. Xu Chujia, acquired 51.65% of the shareholding of the Company from Lion Spring Enterprises Limited, and Well Link Securities Limited acted on behalf of Boardwin to extend an unconditional mandatory cash offer for all the issued shares of the Company. New board members were appointed after the completion of the acquisition, and Mr. Wu Hanyu, who is equipped with extensive experience in real estate, was nominated as the Company's chief executive on 4 June 2018.

During the Year, our Group provided construction machinery trading and leasing services in Hong Kong. Our business includes: (i) trading of construction machinery, which are mainly foundation machinery and drilling accessories; (ii) leasing of construction machinery, which are mainly power and energy machinery; and (iii) the provision of local transportation services with our crane lorries.

Looking back at this financial year, following rapid expansion of monetary base in the past years, global central banks begin to implement tightening monetary policies. This will gradually impact on the construction industry in the future. In China, tightening monetary policy is impacting every industry, however, policies implemented by the government in the Greater Bay Area created relatively more business opportunities. Leveraging on the Company's background in the construction industry and the newly appointed executive directors' business network in the Greater Bay Area, the Group plans to establish companies in the People's Republic of China with a view to expanding our scope of business upstream and downstream, and looking for quality projects for further development and acquisition, including engaging in construction works, property management, leasing management, property investment, real estate development and the related business in the Greater Bay Area with Shenzhen as the focus. This will support the Group's income source and sustainability. The Board will employ a low leverage position to develop the aforementioned business scope, in order to better enable the Group to face the challenges arising from ever-changing economic environment, thus keeping our dedication to deliver superior return to our shareholders.

FINANCIAL REVIEW

Revenue

Our total revenue decreased by approximately HK$25.9 million, or 14.7%, from approximately HK$175.9 million for the Previous Year to approximately HK$150.0 million for the Year. Such decrease was mainly attributable to the combined effect from (i) the decrease in revenue from trading of construction machinery and (ii) the increase in revenue from leasing of construction machinery and transportation services.

Trading of construction machinery

Our Group's revenue generated from trading of construction machinery recorded a decrease by approximately HK$48.6 million, or approximately 52.7%, from approximately HK$92.2 million for the Previous Year to approximately HK$43.6 million for the Year. Such decrease was mainly attributable to the decrease in trading volume of construction machinery due to the delay in commencement of several public related projects which decreased the demand for construction machinery in the industry.

Leasing of construction machinery

Our Group's revenue generated from leasing of construction machinery recorded an increase by approximately HK$9.3 million, or approximately 12.5%, from approximately HK$74.2 million for the Previous Year to approximately HK$83.5 million for the Year. Such increase was mainly due to the increase in construction machinery available for leasing for the Year.

Transportation services

Our Group's revenue generated from transportation services increase by approximately HK$13.4 million, or 141.1%, from approximately HK$9.5 million for the Previous Year to approximately HK$22.9 million for the Year, as the transportation business has been developing during the Year and additional crane lorries were acquired during the Year.

Cost of Sales and Services

Our Group's cost of sales and services amounted to approximately HK$90.0 million for the Year, representing a decrease of approximately 21.7% (2017: approximately HK$115.0 million). Cost of sales and services mainly comprised costs of machinery and equipment and spare parts, staff costs and depreciation, which together accounted for approximately 81.6% (2017: 89.2%) of the Group's total cost of sales and services for the Year.

Among the three major items under cost of sales and services, the Group recorded a decrease of approximately 55.0% in costs of machinery and equipment and spare parts, which is in line with the decrease in trading business for the Year. Staff costs increased substantially by approximately 54.4% due to an increase in staff headcount to cope with business expansion of the leasing and transportation business and annual salary increment for the Year. Depreciation increased by approximately 23.8%.

Gross Profit and Gross Profit Margin

Our Group's gross profit decreased by approximately HK$0.8 million, or 1.32%, from approximately HK$60.8 million for the Previous Year to approximately HK$60.0 million for the Year, while our gross profit margin increased from approximately 34.6% for the Previous Year to approximately 40.0% for the Year. The increase in gross profit margin was due to higher gross profit margin contributed by our trading and leasing business.

Other Income and Gains

Our Group's other income and gains increased by approximately HK$1.4 million, or 100%, from approximately HK$1.4 million gain for the Previous Year to approximately HK$2.8 million gain for the Year. The increase in other income and gains was mainly attributable to the net gain on foreign exchange of approximately HK$1.2 million for the Year.

Selling Expenses

Our Group's selling expenses increased by approximately HK$0.5 million, or approximately 17.2%, from approximately HK$2.9 million for the Previous Year to approximately HK$3.4 million for the Year, mainly due to the increase in staff costs in the sales department.

Administrative Expenses

Our Group's administrative expenses decreased by approximately HK$11.5 million, or 33.3%, from approximately HK$34.5 million for the Previous Year to approximately HK$23.0 million for the Year. The decrease in administrative expenses was mainly attributable to the fact that no listing expenses were incurred for the Year.

Finance Income

Our Group's finance income decreased by approximately HK$0.3 million or 30.0%, from approximately HK$1.0 million for the Previous Year to approximately HK$0.7 million for the Year, which was mainly attributable to the interest income generated from bank deposits.

Finance Costs

Our Group's finance costs increased by approximately HK$0.6 million, or 33.3%, from approximately HK$1.8 million for the Previous Year to approximately HK$2.4 million for the Year. The increase in finance costs was mainly attributable to the increase in borrowings for the Year.

Income Tax Expense and Effective Tax Rate

Our Group's income tax expense decreased by approximately HK$0.4 million, or approximately 5.9%, from approximately HK$6.8 million for the Previous Year to approximately HK$6.4 million for the Year.

Our Group's effective tax rate decreased from approximately 28.5% for the Previous Year to approximately 18.5% for the Year, which was due to the fact that no non-deductible listing expenses were incurred for the Year.

Net Profit and Net Profit Margin

Our Group's net profit increased by approximately HK$11.0 million, from approximately HK$17.2 million for the Previous Year to approximately HK$28.2 million for the Year, representing a net profit rise of approximately 64.0%.

Our Group's net profit margin were approximately 18.8% for the Year and 9.8% for the Previous Year, where the increase was mainly due to the reasons illustrated above.

LIQUIDITY AND FINANCIAL RESOURCES REVIEW

The Group financed its operations through a combination of cash flow from operations, borrowings and obligations under finance leases. As at 31 March 2018, the Group had cash and cash equivalents of approximately HK$63.3 million (2017: approximately HK$133.8 million) which were mainly denominated in HK$, and had borrowings of approximately HK$55.9 million (2017: approximately HK$42.7 million) and obligations under finance leases of approximately HK$12.0 million (2017: approximately HK$19.8 million) respectively that were denominated in HK$.

Gearing ratio is calculated as net debt divided by total equity at the end of the reporting period. Net debt is calculated as total borrowings and total obligations under finance leases less cash and cash equivalents and restricted cash. As at 31 March 2018, the gearing ratio was not applicable due to the net assets position (2017: Same).

As at 31 March 2018, our Group's total current assets and current liabilities were approximately HK$141.6 million (2017: approximately HK$207.8 million) and approximately HK$80.6 million (2017: approximately HK$92.8 million) respectively. Our Group's current ratio decreased to approximately 1.8 times as at 31 March 2018 (2017: 2.2 times). The current ratio decreased mainly due to the increase of property, plant and equipment purchased from proceeds obtained from the initial public offering of the shares of the Company (the "**Share Offer**").

Going forward, the Group expects to fund its capital expenditures, working capital and other capital requirements primarily with cash generated from operations, and other financing means which the Company may from time to time consider appropriate.

The table below sets forth the utilisation of the net proceeds from the Share Offer according to the designated uses set out in the prospectus of the Company dated 27 January 2017:

	Net proceeds from the Listing	**Actual utilisation up to 31 March 2018**	**Unutilised amounts as at 31 March 2018**
	HK$ million	*HK$ million*	*HK$ million*
Expansion of our leasing fleet	69.5	69.5	–
Expansion of our transportation fleet	38.6	3.7	34.9
General working capital	1.3	1.3	-
	109.4	74.5	34.9

PLEDGE OF ASSETS

As at 31 March 2018, property, plant and equipment amounting to HK$87.3 million (2017: HK$54.7 million) was pledged for the Group's bank borrowings.

CAPITAL STRUCTURE

As at 31 March 2018, the total issued share capital of the Company was approximately HK$12.4 million representing 1,239,000,000 ordinary shares of HK$0.01 each.

CAPITAL EXPENDITURE

The total capital expenditure incurred for the Year settled by cash was approximately HK$120.7 million (2017: approximately HK$92.8 million) which was mainly used in purchase of machinery for our leasing business.

CURRENCY RISK

Certain transactions of the Group are denominated in currencies which are different from the functional currency of the Group, namely, HK$, and therefore the Group is exposed to foreign exchange risk. Payments made by the Group for the settlement of its purchases from suppliers are generally denominated in HK$, JPY, USD and EUR. Payments received by the Group from its customers are mainly denominated in HK$. The available-for-sale financial asset is also denominated in USD.

The Group does not have a foreign currency hedging policy. However, the Group will continue to monitor closely its exposure to currency movement and take proactive measures.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities at the end of the reporting period (2017: Nil).

CAPITAL COMMITMENTS

Our capital commitments consist primarily of purchase of construction machinery for leasing purpose. As at 31 March 2018, there were HK$24.1 million (2017: Nil) capital commitments of machinery and equipment contracted but not provided for.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2018, our Group had 61 staff members (2017: 40). The total staff costs incurred by our Group for the Year were approximately HK$23.7 million (2017: approximately HK$17.9 million). The increase in staff costs was mainly due to increase in headcount and salary increment for the Year.

Employees' remuneration packages are determined with reference to the market information and individual performance and will be reviewed on a regular basis. The remuneration policy will be reviewed by the Board from time to time. In addition to basic remuneration, the Group also makes contributions to mandatory provident funds scheme.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during the Year. Save for the business plan as disclosed in the section headed "Management Discussion and Analysis – Business Review and Market Prospect" in this announcement, there was no other plan for material investments or capital assets as at 31 March 2018.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

There were no purchase, redemption or sale by the Company or any of its subsidiaries of the listed securities of the Company for the Year.

SHARE OPTION SCHEME

The Company's share option scheme ("**Share Option Scheme**") was adopted pursuant to the written resolutions passed on 23 January 2017. From the date of the adoption of the Share Option Scheme and up to the end of the reporting period, no share option has been granted, or agreed to be granted, under the Share Option Scheme.

OTHER INFORMATION

Corporate Governance Practices

The Group is committed to maintain high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as our corporate governance practices. The Company has complied with the applicable code provisions under the CG Code for the Year.

Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. The Company has made enquiries to all Directors regarding any non-compliance with the Model Code.

All the Directors confirmed that they have fully complied with the required standard set out in the Model Code during the Year.

Scope of work of PricewaterhouseCoopers

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary results announcement.

Review by Audit Committee

The annual results of the Group for the Year have been reviewed by the audit committee of the Company.

Dividends

The Board does not recommend the payment of a final dividend for the Year (2017: Nil).

Closure of Register of Members

For determining the entitlement to attend and vote at the annual general meeting ("**AGM**") of the Company to be held on Friday, 7 September 2018, the register of members of the Company will be closed from Tuesday, 4 September 2018 to Friday, 7 September 2018 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrar, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Monday, 3 September 2018.

Publication of the Results Announcement and Annual Report

This results announcement is published on the Company's website (https://www.szzhaobangji.com) and the website of the Stock Exchange (http://www.hkex.com.hk).

The annual report of the Company for the Year will also be available at the respective websites of the Company and the Stock Exchange and will be despatched to the shareholders of the Company in late July.

By Order of the Board
Zhaobangji Properties Holdings Limited
Xu Chujia
Chairman and Executive Director

Hong Kong, 29 June 2018

As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Xu Chujia, Mr. Wu Hanyu, Ms. Zhan Meiqing, Mr. Xu Weizhen and Mr. Kwan Kin Man Keith; and four independent non-executive Directors, namely, Mr. Hui Chin Tong Godfrey, Mr. Sze-to Kin Keung, Mr. Wong Chun Man and Mr. Ye Longfei.