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**兆邦基地產**

**Zhaobangji Properties**

**Zhaobangji Properties Holdings Limited**

**兆邦基地產控股有限公司**

*Incorporated in the Cayman Islands with limited liability*

**(Stock code: 1660)**

**ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**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 2023 (the “**Year**”) together with comparative figures of the year ended 31 March 2022 (the “**Previous Year**”) as follows:

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*FOR THE YEAR ENDED 31 MARCH 2023*

		<b>2023</b>	<b>2022</b>
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Revenue	5	<b>258,353</b>	271,998
Cost of sales and services		<b>(225,603)</b>	(167,875)
<b>Gross profit</b>		<b>32,750</b>	104,123
Other gains and losses, net		<b>5,218</b>	95
Impairment losses on financial assets		<b>(12,290)</b>	(4,302)
Selling expenses		<b>(2,944)</b>	(4,122)
Administrative expenses		<b>(60,745)</b>	(37,176)
<b>(Loss)/profit from operations</b>		<b>(38,011)</b>	58,618
Finance income		<b>4,515</b>	3,358
Finance costs		<b>(1,950)</b>	(1,290)
Finance income, net		<b>2,565</b>	2,068
<b>(Loss)/profit before tax</b>		<b>(35,446)</b>	60,686
Income tax expense	7	<b>(5,539)</b>	(22,699)
<b>(Loss)/profit for the year</b>		<b>(40,985)</b>	37,987
<b>Other comprehensive (expense)/income</b>			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<b>(13,747)</b>	6,656
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value gain on financial asset at fair value through other comprehensive income		<b>1,233</b>	1,353
<b>Other comprehensive (expense)/income for the year, net of tax</b>		<b>(12,514)</b>	8,009
<b>Total comprehensive (expense)/income for the year</b>		<b>(53,499)</b>	45,996

	<i>Notes</i>	<b>2023</b> <b><i>HK\$'000</i></b>	2022 <i>HK\$'000</i>
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the Company		<b>(40,985)</b>	37,987
Non-controlling interests		<u>—</u>	<u>—</u>
		<b><u>(40,985)</u></b>	<b><u>37,987</u></b>
<b>Total comprehensive (expense)/income for the year attributable to:</b>			
Owners of the Company		<b>(53,502)</b>	45,999
Non-controlling interests		<u>3</u>	<u>(3)</u>
		<b><u>(53,499)</u></b>	<b><u>45,996</u></b>
<b>(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company:</b>	<b>10</b>		
		<b><i>HK cents</i></b>	<b><i>HK cents</i></b>
Basic and diluted		<b><u>(0.66)</u></b>	<b><u>0.61</u></b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**

		<b>2023</b>	<b>2022</b>
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Non-current assets</b>			
Property, plant and equipment	11	<b>150,577</b>	192,648
Right-of-use assets		<b>26,450</b>	23,696
Financial assets at fair value through other comprehensive income	12	<b>4,855</b>	3,769
Financial assets at fair value through profit or loss	14	<b>85,680</b>	–
Deposits, prepayments and other receivables	13	<b>11,936</b>	25,088
Loans receivable		<b>46,203</b>	–
		<b>325,701</b>	245,201
<b>Current assets</b>			
Finance lease receivables		–	699
Subleasing receivables		–	1,603
Inventories		<b>7,460</b>	8,508
Trade receivables	13	<b>114,219</b>	179,249
Deposits, prepayments and other receivables	13	<b>37,722</b>	39,373
Loans receivable		<b>284</b>	–
Financial assets at fair value through profit or loss	14	<b>17,146</b>	70,796
Current tax assets		–	4,274
Amounts due from related companies		<b>12,189</b>	19,008
Bank and cash balances		<b>43,245</b>	44,751
		<b>232,265</b>	368,261

		2023	2022
	Notes	HK\$'000	HK\$'000
<b>Current liabilities</b>			
Contract liabilities		5,071	1,336
Borrowings		16,317	9,513
Lease liabilities		22,374	7,057
Trade and bills payables	15	18,045	21,744
Accruals and other payables	15	25,184	28,982
Amounts due to related companies		6,115	1,673
Current tax liabilities		<u>4,252</u>	<u>6,168</u>
		<u>97,358</u>	<u>76,473</u>
<b>Net current assets</b>		<u>134,907</u>	<u>291,788</u>
<b>Total assets less current liabilities</b>		<u>460,608</u>	<u>536,989</u>
<b>Non-current liabilities</b>			
Borrowings		9,710	23,177
Lease liabilities		2,599	621
Deferred tax liabilities		<u>13,876</u>	<u>25,269</u>
		<u>26,185</u>	<u>49,067</u>
<b>NET ASSETS</b>		<u><u>434,423</u></u>	<u><u>487,922</u></u>
<b>Capital and reserves</b>			
Share capital		12,390	12,390
Reserves		<u>422,085</u>	<u>475,587</u>
Equity attributable to owners of the Company		434,475	487,977
Non-controlling interests		<u>(52)</u>	<u>(55)</u>
<b>TOTAL EQUITY</b>		<u><u>434,423</u></u>	<u><u>487,922</u></u>

## NOTES

### 1. GENERAL INFORMATION

Zhaobangji Properties Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands with limited liability. The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The address of its principal place of business is Unit 13-15, 11th Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company and its subsidiaries (the “**Group**”) are principally engaged in trading of machinery and spare parts, leasing of machinery and the provision of related services, provision of transportation services and money lending business in Hong Kong and the provision of property management services, leasing of machinery, property leasing and subletting in the People’s Republic of China (the “**PRC**”).

In the opinion of the directors of the Company as at 31 March 2023, Boardwin Resources Limited, a company incorporated in the British Virgin Islands, is the immediate and ultimate parent and Mr. Xu Chujia is the ultimate controlling party of the Company.

### 2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from 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. ADOPTION OF HKFRSs

#### (a) Application of amendments to HKFRSs – effective 1 April 2022

The Group has adopted the following amendments to HKFRSs, which included HKFRSs, HKAS and Interpretations issued by the HKICPA relevant to the Group's accounting policies and business operations adopted for the first time prepared and presented on the consolidated financial statements for the annual period beginning on or after 1 April 2022:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41	Annual Improvements to HKFRSs 2018–2020

The application of the amendments to HKFRSs in the current period has no material impact on the Group's performance and financial positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### ***Amendments to HKFRS 3, Reference to the Conceptual Framework***

The amendments update HKFRS 3 “Business Combinations” (“**HKFRS 3**”) so that it refers to the revised Conceptual Framework for Financial Reporting 2018 instead of the version issued in 2010. The amendments add to HKFRS 3 a requirement that, for obligations within the scope of HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets” (“**HKAS 37**”), an acquirer applies HKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of HK(IFRIC)-Int 21 “Levies” (“**HK(IFRIC)-Int 21**”), the acquirer applies HK(IFRIC)-Int 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

These amendments had no impact on the consolidated financial statements of the Group.

#### ***Amendments to HKAS 16, Property, Plant and Equipment: Proceeds before Intended Use***

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items, and the cost of producing those items, is recognised in profit or loss.

These amendments had no impact on the consolidated financial statements of the Group.

### ***Amendments to HKAS 37, Onerous Contracts–Cost of Fulfilling a Contract***

The amendments specify that the ‘cost of fulfilling a contract’ comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour and materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

These amendments had no impact on the consolidated financial statements of the Group.

### ***Annual Improvements to HKFRSs 2018–2020***

- HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards (“**HKFRS 1**”), which permit a subsidiary that applies paragraph D16(a) of HKFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to HKFRSs.
- HKFRS 9, Financial Instruments (“**HKFRS 9**”), which clarify the fees included in the ‘10 per cent’ test in paragraph B3.3.6 of HKFRS 9 in assessing whether to derecognise a financial liability, explaining that only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on other’s behalf are included.
- HKFRS 16, Leases, which amend Illustrative Example 13 to remove the illustration of reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- HKAS 41, Agriculture, which remove the requirement to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

These amendments had no impact on the consolidated financial statements of the Group.



(b) **New or amendments to HKFRSs that have been issued but not yet effective**

The following new or amendments to HKFRSs, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRS 17	Insurance Contracts and the related Amendments <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKFRS 16	Lease liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current (the “ <b>2020 Amendments</b> ”) <sup>2, 4</sup>
Amendments to HKAS 1	Non-current liabilities with Covenants (the “ <b>2022 Amendments</b> ”) <sup>2</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>

<sup>1</sup> Effective for the annual period beginning on or after 1 January 2023

<sup>2</sup> Effective for the annual period beginning on or after 1 January 2024

<sup>3</sup> Effective for the annual period beginning on or after a date to be determined

<sup>4</sup> As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024. In addition, as a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause was revised to align the corresponding wording with no change in conclusion.

Expect for as described below, the directors of the Company do not anticipate that the adoption of these new or amendments to HKFRSs that have been issued but not yet effective will have any material impact on these consolidated financial statements.

***Amendments to HKFRS 16, Lease Liability in a Sale and Leaseback***

The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements of HKFRS 15 to be accounted for as a sale. The amendments require a seller-lessee to determine “lease payments” or “revised lease payments” such that the seller-lessee would not recognise a gain or loss that relates to the right of use retained by the seller-lessee. The amendments also clarify that applying the requirements does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to subsequent partial or full termination of a lease.

As part of the amendments, Illustrative Example 25 accompanying HKFRS 16 is added to illustrate the application of the requirements in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

***Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)***

The amendments provide clarification and additional guidance on the assessment of right to defer settlement or at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:
  - (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and
  - (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and
- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Based on the Group's outstanding liabilities as at 31 March 2023, the application of the amendments will not result in reclassification of the Group's liabilities.

***Amendments to HKAS 1, Non-current Liabilities with Covenants (2022)***

The 2022 Amendments clarify how to treat liabilities that are subject to covenants to be complied with, at a date subsequent to the reporting period. The 2022 Amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The 2022 Amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current. The 2022 Amendments are effective for annual periods beginning on or after 1 April 2024 and shall be applied retrospectively. Earlier application of the 2022 Amendments is permitted.

Based on the Group's outstanding liabilities as at 31 March 2023, the application of the amendments will not result in reclassification of the Group's liabilities.

### ***Amendments to HKAS 1 and HKFRS Practice Statement 2, Disclosure of Accounting Policies***

HKAS 1 is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group’s significant accounting policies. The impacts of application, if any, will be disclosed in the Group’s future consolidated financial statements.

### ***Amendments to HKAS 8, Definition of Accounting Estimates***

The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty—that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group’s consolidated financial statements.

***Amendments to HKAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 Income Taxes so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the relevant assets and liabilities separately. Temporary differences on initial recognition of the relevant assets and liabilities are not recognised due to application of the initial recognition exemption.

Upon the application of the amendments, the Group will recognise a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

The amendments are effective for the Group's annual reporting period beginning on 1 January 2023. As at 31 March 2023, the carrying amounts of right-of-use assets and lease liabilities which are subject to the amendments amounted to HK\$20,034,000 and HK\$20,104,000 respectively, in which the Group will recognise the related deferred tax assets and deferred tax liabilities of HK\$5,009,000 and HK\$5,026,000 respectively.

**4. SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

The preparation of consolidated 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.

## 5. REVENUE

### Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service line for the year is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by major products or service lines:		
Sales of machinery and spare parts and provision of related services	12,814	31,638
Transportation services	2,828	6,225
Property management services	81,920	88,543
Property leasing, subletting and others	<u>37,371</u>	<u>313</u>
	<u>134,933</u>	<u>126,719</u>
<b>Revenue from other sources</b>		
Interest income on the net investments in subleases	423	5,469
Interest income on loans receivable	284	–
Property leasing, subletting and others	<u>5,888</u>	<u>1,238</u>
	6,595	6,707
Leasing of machinery and provision of related services	<u>116,825</u>	<u>138,572</u>
	<u>123,420</u>	<u>145,279</u>
	<u><u>258,353</u></u>	<u><u>271,998</u></u>

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

	Sales of machinery and spare parts and provision of related services		Transportation services		Property management services		Property leasing, subletting and others		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Primary geographical markets</b>										
Hong Kong	12,814	31,638	2,828	6,225	-	-	-	-	15,642	37,863
The PRC except Hong Kong	-	-	-	-	81,920	88,543	37,371	313	119,291	88,856
Revenue from external customers	<u>12,814</u>	<u>31,638</u>	<u>2,828</u>	<u>6,225</u>	<u>81,920</u>	<u>88,543</u>	<u>37,371</u>	<u>313</u>	<u>134,933</u>	<u>126,719</u>
<b>Timing of revenue recognition</b>										
Goods and services transferred at a point in time	12,814	31,638	2,828	6,225	-	-	-	-	15,642	37,863
Services transferred over time	-	-	-	-	81,920	88,543	37,371	313	119,291	88,856
Total	<u>12,814</u>	<u>31,638</u>	<u>2,828</u>	<u>6,225</u>	<u>81,920</u>	<u>88,543</u>	<u>37,371</u>	<u>313</u>	<u>134,933</u>	<u>126,719</u>

Revenue from other source not within the scope of HKFRS 15

	Leasing of machinery and provision of related services		Property leasing, subletting and others		Unallocated		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Primary geographical markets</b>								
Hong Kong	101,606	105,961	-	-	284	-	101,890	105,961
The PRC except Hong Kong	15,219	32,611	6,311	6,707	-	-	21,530	39,318
Revenue from external customers	<u>116,825</u>	<u>138,572</u>	<u>6,311</u>	<u>6,707</u>	<u>284</u>	<u>-</u>	<u>123,420</u>	<u>145,279</u>

## 6. SEGMENT INFORMATION

The Group has five (2022: five) reportable segments as follows:

- |       |   |   |   |
|-------|---|---|---|
| (i)   | Trading                                 | – | Sales of machinery and spare parts and provision of related services  |
| (ii)  | Leasing                                 | – | Leasing of machinery and provision of related services                |
| (iii) | Transportation                          | – | Provision of transportation services                                  |
| (iv)  | Property management                     | – | Provision of property management services                             |
| (v)   | Property leasing, subletting and others | – | Provision of property leasing, subletting and other retail businesses |

Information reported to the directors of the Group, being the chief operating decision maker (“**CODM**”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

The Group’s reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Segment profits or losses do not include corporate income and expenses, certain other income, finance cost and income tax.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

(i) **Information about reportable segments profit or loss:**

	Trading		Leasing		Transportation		Property management		Property leasing, subletting and others		Unallocated		Inter segment elimination		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Year ended 31 March																
Revenue from external customers	12,814	31,638	116,825	138,572	2,828	6,225	81,920	88,543	43,682	7,020	284	-	-	-	258,353	271,998
Inter-segment revenue*	-	-	-	-	-	-	1,042	1,525	-	-	-	-	(1,042)	(1,525)	-	-
Reportable segment revenue	12,814	31,638	116,825	138,572	2,828	6,225	82,962	90,068	43,682	7,020	284	-	(1,042)	(1,525)	258,353	271,998
Segment (loss)/profit before tax	(4,332)	(6,599)	(9,266)	36,059	451	5,442	26,259	52,985	(26,588)	3,802	284	-	-	-	(13,192)	91,689
Depreciation	-	-	(98,127)	(66,100)	(566)	(248)	-	-	(12,352)	(515)	(251)	(1,055)	-	-	(111,296)	(67,918)
Gain on disposals of property, plant and equipment	-	-	3,151	5,365	-	2,121	-	-	-	-	-	-	-	-	3,151	7,486
Loss on disposals of right-of-use assets	-	-	(3,078)	-	-	-	-	-	-	-	-	-	-	-	(3,078)	-
Written-off on property, plant and equipment	-	-	(263)	-	-	-	-	-	-	-	-	-	-	-	(263)	-
Written-off on right-of-use assets	-	-	(244)	-	-	-	-	-	-	-	-	-	-	-	(244)	-
Interest income	45	156	3,300	1,292	-	49	5	81	1,163	1,739	2	41	-	-	4,515	3,358
Interest expenses	(166)	(265)	(668)	(887)	-	-	-	-	(1,116)	(138)	-	-	-	-	(1,950)	(1,290)
(Provision for)/reversal of impairment loss on financial assets	(510)	(1,291)	1,377	(1,909)	-	-	(5,625)	(694)	(4,735)	(408)	(2,797)	-	-	-	(12,290)	(4,302)
Addition of property, plant and equipment	-	-	34,855	25,182	-	-	-	-	22,078	32	-	152	-	-	56,933	25,366

(ii) **Reconciliations of reportable segments revenue and profit or loss:**

	2023 HK\$'000	2022 HK\$'000
<b>Revenue</b>		
Total revenue of reportable segments	258,353	271,998
<b>Profit or loss</b>		
Total profit or loss of reportable segments	(13,192)	91,689
Unallocated amounts:		
Unallocated corporate income	5,030	1,065
Unallocated corporate expenses	(27,284)	(32,068)
Consolidated (loss)/profit before tax	(35,446)	60,686



(iii) **Geographical information:**

**Revenue**

The Group's revenue from external customers by location of operations are detailed below:

	<b>Revenue</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Hong Kong	<b>117,532</b>	143,824
PRC except Hong Kong	<b>140,821</b>	128,174
Consolidated total	<b>258,353</b>	271,998

**Non-current assets**

The Group's non-current assets, excluding financial instruments by location of operations are detailed below:

	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Hong Kong	<b>109,768</b>	174,152
PRC except Hong Kong	<b>67,259</b>	44,060
Consolidated total	<b>177,027</b>	218,212

(iv) **Revenue from major customers:**

	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Customer A*	<b>40,337</b>	— <sup>#</sup>
Customer B*	<b>—<sup>#</sup></b>	<b>32,114</b>

\* The revenue was derived from the leasing segment.

<sup>#</sup> The customer contributed less than 10% of the Group's revenue for the year.

## 7. INCOME TAX EXPENSE

Income tax has been recognised in profit or loss as follows:

	2023 HK\$'000	2022 HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	5,597	5,684
Current tax – PRC Enterprise Income Tax		
Provision for the year	<u>11,335</u>	<u>23,917</u>
Deferred tax	<u>(11,393)</u>	<u>(6,902)</u>
	<u><u>5,539</u></u>	<u><u>22,699</u></u>

For the years ended 31 March 2023 and 2022, under the two-tiered profits tax regime of Hong Kong Profits Tax, profits tax rate for the first HK\$2 million of assessable profits of qualifying corporations established in Hong Kong will be lowered to 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. For the other Hong Kong established subsidiaries, Hong Kong Profits Tax has been provided at a rate 16.5% on the estimated assessable profits.

PRC Enterprise Income Tax has been provided at a rate of 25% (2022: 25%).

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/regions in which the Group's subsidiaries operate, based on existing legislation, interpretation and practices in respect thereof.

## 8. (LOSS)/PROFIT FOR THE YEAR

The Group's (loss)/profit for the year is stated after charging/(crediting) the following:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Depreciation of property, plant and equipment	93,574	61,111
Depreciation of right-of-use assets	17,722	6,807
Gain on disposals of property, plant and equipment	(3,151)	(7,486)
Loss on disposals of right-of-use assets	3,078	–
Auditors' remunerations		
– Audit services	1,560	1,540
– Non-audit services	–	53
Cost of inventories sold	28,179	37,299
Written-off on property, plant and equipment	263	–
Written-off on right-of-use assets	244	–
Impairment losses on goodwill	–	61
Impairment losses on financial assets	12,290	4,302

*Note:* Cost of sales and services includes depreciation of property, plant and equipment, depreciation of right-of-use assets and cost of inventories sold of approximately HK\$133,613,000 (2022: HK\$103,664,000).

## 9. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 March 2023 (2022: Nil).

## 10. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share is based on the following:

	2023 HK\$'000	2022 HK\$'000
<b>(Loss)/earnings</b>		
(Loss)/earnings for the purpose of calculating basic (loss)/earnings per share ((loss)/profit for the year attributable to owners of the Company)	<u>(40,985)</u>	<u>37,987</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	<u>6,195,000,000</u>	<u>6,195,000,000</u>

The Company did not have any potential dilutive shares for the years ended 31 March 2023 and 2022. Accordingly, the diluted (loss)/earnings per share are the same as the basic (loss)/earnings per share.

## 11. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 March 2023, the Group purchased and disposed property, plant and equipment of approximately HK\$56,933,000 and HK\$53,011,000 (2022: HK\$25,366,000 and HK\$45,794,000) and depreciation of property, plant and equipment, net of the effect of disposal, of HK\$48,945,000 (2022: HK\$38,666,000) was recorded.

## 12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023 HK\$'000	2022 HK\$'000
Unlisted equity securities	<u>4,855</u>	<u>3,769</u>

As at 31 March 2023, the unlisted equity securities represented an investment of 0.70% (2022: 0.70%) equity interest in a private company established in the PRC controlled by certain director of the Company and are denominated in RMB.

The fair value of this investment at 31 March 2023 was valued on asset-based approach with reference to its consolidated management accounts provided by the management. The valuation was performed by an independent qualified valuation firm, 深圳市國政房地產土地資產評估顧問有限公司 (“**Guo Zheng Appraisal**”). Guo Zheng Appraisal took into consideration the assets and liabilities of this investment and its current financial status.

## 13. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

### (a) Trade receivables

	2023 HK\$'000	2022 HK\$'000
Trade receivables	128,117	186,103
Allowance for impairment losses	<u>(13,898)</u>	<u>(6,854)</u>
	<u>114,219</u>	<u>179,249</u>

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 1 to 90 days. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors and senior management.

The ageing analysis of the Group's gross trade receivables, based on the invoice date is as follows:

	2023 HK\$'000	2022 HK\$'000
0 to 30 days	18,877	15,750
31 to 60 days	17,007	15,106
61 to 90 days	10,695	110,014
More than 90 days	<u>81,538</u>	<u>45,233</u>
	<u>128,117</u>	<u>186,103</u>

(b) Deposits, prepayments and other receivables

	2023 HK\$'000	2022 HK\$'000
Current portion:		
Deposits	6,258	1,367
Prepayments	12,959	21,989
Other receivables	<u>18,505</u>	<u>16,017</u>
	<u>37,722</u>	<u>39,373</u>
Non-current portion:		
Deposits	447	1,077
Prepayments	–	1,868
Other receivables	<u>11,489</u>	<u>22,143</u>
	<u>11,936</u>	<u>25,088</u>
	<u>49,658</u>	<u>64,461</u>

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 HK\$'000	2022 HK\$'000
Current portion:		
Equity securities listed in Hong Kong	7,957	54,660
Unlisted fund investment	3,719	–
Derivative financial instruments		
– Call options	<u>5,470</u>	<u>16,136</u>
	<u>17,146</u>	<u>70,796</u>
Non-current portion:		
Distressed asset	<u>85,680</u>	<u>–</u>
	<u>102,826</u>	<u>70,796</u>

The equity securities listed in Hong Kong, the unlisted fund investment and the call options are denominated in HK\$. The distressed asset is denominated in RMB.

# **15. TRADE AND BILLS PAYABLES, ACCRUALS AND OTHER PAYABLES**

	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i>
Trade and bill payables		
Trade payables	<b>18,045</b>	20,985
Bills payables	<u>–</u>	<u>759</u>
	<u><b>18,045</b></u>	<u>21,744</u>
Accruals and other payables	<u><b>25,184</b></u>	<u>28,982</u>
	<u><b>43,229</b></u>	<u>50,726</u>

The ageing analysis of the Group's trade and bills payables, based on the date of receipt of goods or service consumed, is as follows:

	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i>
0 to 30 days	<b>3,537</b>	12,471
31 to 60 days	<b>2,605</b>	4,129
61 to 90 days	<b>867</b>	4,432
More than 90 days	<u><b>11,036</b></u>	<u>712</u>
	<u><b>18,045</b></u>	<u>21,744</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW AND MARKET PROSPECT

The Group is principally engaged in the trading of machinery and spare parts, leasing of machinery and provision of related services, provision of transportation services in Hong Kong, and provision of property management services, leasing of machinery and property leasing and subletting in the People's Republic of China (the “**PRC**”).

During a large part of the Year, the slow real estate markets in Mainland China and Hong Kong have continued to impact our business in construction machinery leasing. With the relatively high interest rate environment in Hong Kong and the deleveraging trend of real estate developers in the Mainland China, the Board remains vigilant of the market situation in the year ahead.

In terms of our property management, property leasing, subletting and retail businesses, the COVID-19 pandemic has continued to impact our business for a large part of the Year. In January 2023, a significant part of the COVID-19 pandemic restrictive measures in the Mainland China and Hong Kong were lifted. Although we expect the market to eventually grow back to normal, the overall macro environment is still challenging and the Board is cautiously optimistic in the year ahead.

In light of the challenging market conditions, the Board will continue to employ a low-leverage position and will continue to explore potential business opportunities to bring long-term value to the shareholders of the Company (the “**Shareholders**”).

### FINANCIAL REVIEW

#### Revenue

Our total revenue decreased by approximately HK\$13.6 million, or 5.0%, from approximately HK\$272.0 million for the Previous Year to approximately HK\$258.4 million for the Year. Such decrease was mainly attributable to the reduction of leasing income from construction machinery due to poor construction market conditions in Hong Kong and Mainland China during the Year, and the provision of property management fee concessions to tenants during the COVID-19 pandemic. This was partially off-set by the increase in revenue as a result of a full-year consolidation of the retail business in Mainland China into the Group's financial results for the Year.

#### *Leasing of construction machinery*

Our Group's revenue generated from leasing of construction machinery recorded a decrease by approximately HK\$21.8 million, or approximately 15.7%, from approximately HK\$138.6 million for the Previous Year to approximately HK\$116.8 million for the Year. Such decrease was mainly due to adverse construction market conditions in Hong Kong and Mainland China during the Year.



### ***Trading of construction machinery***

Our Group's revenue generated from trading of construction machinery recorded a decrease by approximately HK\$18.8 million, or approximately 59.5%, from approximately HK\$31.6 million for the Previous Year to approximately HK\$12.8 million for the Year. Such decrease was mainly attributable to decreased trading demand in the Hong Kong market.

### ***Transportation services***

Our Group's revenue generated from transportation services decreased by approximately HK\$3.4 million, or approximately 54.8%, from approximately HK\$6.2 million for the Previous Year to approximately HK\$2.8 million for the Year. It is our Group's strategy to reduce our exposure to transportation business as we foresee a decline in market demand in this sector.

### ***Property management services***

Our Group's revenue generated from property management services decreased by approximately HK\$6.6 million, or approximately 7.5%, from approximately HK\$88.5 million for the Previous Year to approximately HK\$81.9 million for the Year. The decrease was mainly due to the provision of management fee concessions to certain tenants during the COVID-19 pandemic.

### ***Property leasing, subletting services and retail businesses***

Our Group's revenue generated from property leasing, subletting services and retail businesses increased by approximately HK\$37.1 million from approximately HK\$0.3 million for the Previous Year to approximately HK\$37.4 million for the Year. Such increase was mainly the result of a full-year consolidation of the retail business in Mainland China into the Group's financial results for the Year.

### ***Cost of Sales and Services***

Our Group's cost of sales and services increased by approximately HK\$57.7 million, or approximately 34.4%, from approximately HK\$167.9 million for the Previous Year to approximately HK\$225.6 million for the Year. Cost of sales and services mainly comprised costs of machinery and equipment and spare parts, staff costs and depreciation. The increase in cost of sales and services was mainly due to increased depreciation recorded as a result of our prudent approach to increase depreciation on traditional diesel generators taking into account replacement and obsolescence risks from the change in environmental standard requirements.

## **Gross Profit and Gross Profit Margin**

Our Group's gross profit decreased by approximately HK\$71.3 million, or approximately 68.5%, from approximately HK\$104.1 million for the Previous Year to approximately HK\$32.8 million for the Year, and our gross profit margin decreased from approximately 38.3% for the Previous Year to approximately 12.7% for the Year.

The decrease in gross profit margin was due to a more challenging business environment in the Mainland China and Hong Kong due to adverse impact of and slow recovery from the COVID-19 pandemic, and other reasons as listed above.

## **Other Gains and Losses**

Our Group's other gains and losses increased by approximately HK\$5.1 million, from approximately HK\$0.1 million gain for the Previous Year to approximately HK\$5.2 million gain for the Year. The increase was mainly due to the fair value gain on financial assets at fair value through profit or loss for the Year.

## **Selling Expenses**

Our Group's selling expenses decreased by approximately HK\$1.2 million, or approximately 29.3%, from approximately HK\$4.1 million for the Previous Year to approximately HK\$2.9 million for the Year, mainly due to decrease in staff cost in the selling department.

## **Administrative Expenses**

Our Group's administrative expenses increased by approximately HK\$23.5 million, or 63.2%, from approximately HK\$37.2 million for the Previous Year to approximately HK\$60.7 million for the Year. The increase is mainly attributable to the increase in rental fee for office which derived from a full-year consolidation of the retail business into the Group's financial results for the Year.

## **Finance Income**

Our Group's finance income increased by approximately HK\$1.1 million, or approximately 32.4%, from approximately HK\$3.4 million for the Previous Year to approximately HK\$4.5 million for the Year. The increase is mainly generated from the interest income on receivables.

## **Finance Costs**

Our Group's finance costs increased by approximately HK\$0.7 million, or approximately 53.8%, from approximately HK\$1.3 million for the Previous Year to approximately HK\$2.0 million for the Year. The increase was mainly due to an increase in interest expense on bank loan which derived from a full-year consolidation of the retail business into the Group's financial results for the Year.

## **Income Tax Expense and Effective Tax Rate**

Our Group's income tax expense decreased by approximately HK\$17.2 million, or approximately 75.8%, from approximately HK\$22.7 million for the Previous Year to approximately HK\$5.5 million for the Year. The decline was mainly due to the larger loss making position from business units during the Year.

Our Group's effective tax rate was 28.1% for the Previous Year. The effective tax rate was not applicable for the Year as the Group was loss-making.

## **Net Profit and Net Profit Margin**

The Group incurred a net loss of HK\$41.0 million during the Year from the net profit of HK\$38.0 million in the Previous Year, which was mainly due to the challenging business environment as illustrated above.

## **LIQUIDITY AND FINANCIAL RESOURCES REVIEW**

The Group financed its operations through a combination of cash flow from operations, borrowings and lease liabilities. As at 31 March 2023, the Group had cash and bank balance of approximately HK\$43.2 million (2022: approximately HK\$ 44.8 million) which were mainly denominated in HK\$ and RMB, and had borrowings of approximately HK\$26.0 million (2022: approximately HK\$32.7 million) and lease liabilities of approximately HK\$25.0 million (2022: approximately HK\$7.7 million) respectively that were mainly in HK\$ and RMB.

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 bank balances and restricted cash. As at 31 March 2023, the Group was in a net cash position (2022: net cash position).

As at 31 March 2023, our Group's total current assets and current liabilities were approximately HK\$232.3 million (2022: approximately HK\$368.3 million) and approximately HK\$97.4 million (2022: approximately HK\$76.5 million) respectively. Our Group's current ratio was approximately 2.4 times as at 31 March 2023 (2022: 4.8 times).

## **PLEDGE OF ASSETS**

As at 31 March 2023, our Group's borrowings of HK\$26.0 million (2022: approximately HK\$32.7 million) and lease liabilities of HK\$25.0 million (2022: approximately HK\$7.7 million) were secured by property, plant and equipment and right-of-use assets with nil net carrying amount (2022: approximately 20.6 million).

## **CAPITAL STRUCTURE**

As at 31 March 2023, the total issued share capital of the Company was HK\$12,390,000 divided into 6,195,000,000 ordinary shares of HK\$0.002 each.

## **CAPITAL EXPENDITURE**

The total capital expenditure incurred for the Year settled by cash was approximately HK\$46.3 million (2022: approximately HK\$25.0 million) which was mainly used in purchase of property, plant and equipment for our leasing business and property decoration.

## **CURRENCY RISK**

Certain transactions of the Group are denominated in currencies which are different from the functional currencies of the Group's principal subsidiaries, namely, HK\$ and RMB, 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, EUR and RMB. Payments received by the Group from its customers are mainly denominated in HK\$ and RMB.

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 (31 March 2022: Nil).

## **CAPITAL COMMITMENTS**

Our capital commitments consist primarily of purchase of construction machinery for leasing purpose. As at 31 March 2023, there were approximately HK\$5.3 million (31 March 2022: HK\$6.8 million) of capital commitments in machinery and equipment contracted but not provided for.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 March 2023, our Group had 380 staff members (2022: 416). The total staff costs incurred by our Group for the Year were approximately HK\$46.0 million (2022: approximately HK\$44.2 million). The increase in staff costs was mainly due to higher headcount 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 in Hong Kong and contribute an amount to certain retirement benefit schemes of those employees in the PRC.

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSET**

Save as to the acquisition of the secured loan of RMB80,000,000 (equivalent to approximately HK\$91,200,000) principal amount for a cash consideration of RMB65,000,000 (equivalent to approximately HK\$74,100,000), the details of which has been disclosed in the Company's announcement dated 8 September 2022, the Group did not have any significant investments held.

During the Year, the Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures.

As at the date of this announcement, the Group does not have any plans for material investments or capital asset.

## **SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

There was no significant events affecting the Group after the end of the Year up to the date of this announcement.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

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

## **SHARE OPTION SCHEME**

The Company's share option scheme (the "**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 31 March 2023, 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 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 Listing Rules as our corporate governance practices. The Company has complied with the applicable code provisions under the CG Code during 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 BDO Limited**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other 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, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by BDO Limited on the preliminary announcement.

## **Review by Audit Committee**

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

## **Dividend**

The Directors do not recommend the payment of a final dividend for the Year (2022: 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 Tuesday, 15 August 2023, the register of members of the Company will be closed from Thursday, 10 August 2023 to Tuesday, 15 August 2023 (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, 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 9 August 2023.

## **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.hkexnews.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 in July.

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

Hong Kong, 30 June 2023

*As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Xu Chujia, Mr. Xu Chusheng and Mr. Kwan Kin Man Keith; one non-executive Director, namely, Ms. Zhan Meiqing; and three independent non-executive Directors, namely, Mr. Hui Chin Tong Godfrey, Mr. Wong Chun Man and Mr. Ye Longfei.*

\* For identification purpose only