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If you have sold or transferred all your shares in Zhaobangji Properties Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or the licensed securities dealer or registered institution in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO BANK DEPOSITS**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



A letter from the Board is set out on pages 4 to 13 of this circular.

A notice convening the EGM to be held at Unit 1113–15, 11th Floor, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong at 3:00 p.m. on 6 August 2018 is set out on pages 39 to 41 of this circular. A form of proxy for use by the Shareholders at the EGM is enclosed. Whether or not you intend to attend and/or vote at the EGM in person, you are requested to complete the form of proxy enclosed in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as practicable but in any event not less than forty-eight (48) hours before the time appointed for holding the EGM (i.e. at or before 3:00 p.m. on 4 August 2018 (Hong Kong time)) or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof (as the case may be) should you so desire and in such case, the form of proxy shall be deemed to be revoked.

19 July 2018

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AMCM”	Autoridade Monetária de Macau, the monetary authority of Macau
“Annual Caps”	has the meaning ascribed to it under the section headed “Letter from the Board – 2. The Bank Deposit Agreement – Proposed Annual Caps – Basis of the proposed Annual Caps” in this circular
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Bank Deposit Agreement”	the master agreement dated 1 June 2018 entered into between the Company and WLB in relation to the placing of the Bank Deposits which shall, subject to approval by the Independent Shareholders, be effective for a term commencing on the Effective Date and ending on 31 March 2021
“Bank Deposit(s)”	deposit(s) of whatever duration (including both saving and time deposits) maintained by the Company (or any member of the Group) with WLB from time to time in the ordinary and usual course of business
“Board”	the board of Directors
“Boardwin”	Boardwin Resources Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, and a 51.65% shareholder of the Company
“Company”	Zhaobangji Properties Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Effective Date”	the date of the EGM
“EGM”	the extraordinary general meeting of the Company to be convened for the Independent Shareholders to consider and, if thought fit, approve the Bank Deposit Agreement and the continuing connected transactions contemplated thereunder (including the Annual Caps)
“Group”	collectively, the Company and its subsidiaries for the time being
“HK\$” or “HKD”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board, comprising all four independent non-executive Directors, established to advise the Independent Shareholders in respect of the continuing connected transactions contemplated under the Bank Deposit Agreement
“Independent Financial Adviser”	Opus Capital Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the continuing connected transactions contemplated under the Bank Deposit Agreement
“Independent Shareholders”	the Shareholders other than Mr. Xu Chujia, Ms. Zhang Meijuan and Boardwin, who are materially interested in the Bank Deposit Agreement, and their respective associates
“Independent Third Party(ies)”	the person(s) or company(ies) who or which is (are) not connected person(s) or core connected person(s) (as defined in the Listing Rules) of our Company
“Latest Practicable Date”	17 July 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining information contained in this circular

DEFINITIONS

“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macao Special Administrative Region of the People’s Republic of China
“MOP”	Macanese pataca, the lawful currency of Macau
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, Macau and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“WLB”	Banco Well Link S.A., a company incorporated in Macau with limited liability
“%”	per cent.

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Xu Chujia (*Chairman*)
Mr. Wu Hanyu
Ms. Zhan Meiqing
Mr. Xu Weizhen
Mr. Kwan Kin Man Keith

Registered office:

Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Independent non-executive Directors:

Mr. Hui Chin Tong Godfrey
Mr. Sze-to Kin Keung
Mr. Wong Chun Man
Mr. Ye Longfei

*Head office and principal place
of business in Hong Kong:*

Unit 16–18, 11/F
China Merchants Tower Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

19 July 2018

To the Shareholders,

Dear Sir or Madam

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO BANK DEPOSITS**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 1 June 2018 and 17 July 2018 in relation to the Bank Deposit Agreement entered into between the Company and WLB, the transactions contemplated under which will constitute continuing connected transactions of the Company.

The purpose of this circular is to provide you with information regarding the resolution to be proposed at the EGM relating to the Bank Deposit Agreement and the continuing connected transactions contemplated thereunder (including the Annual Caps).

LETTER FROM THE BOARD

2. THE BANK DEPOSIT AGREEMENT

On 1 June 2018, the Company and WLB entered into the Bank Deposit Agreement, pursuant to which the Group may, in its ordinary and usual course of business, place and maintain Bank Deposits with WLB on normal commercial terms from time to time.

Further details of the Bank Deposit Agreement are set out below.

Date

1 June 2018

Parties

- (1) the Company; and
- (2) WLB

Principal terms

Pursuant to the Bank Deposit Agreement, the Group may, in its ordinary and usual course of business, place and maintain Bank Deposits with WLB on normal commercial terms from time to time during the term of the Bank Deposit Agreement, and the placing and maintenance of any Bank Deposits shall be subject to the terms and conditions of WLB applicable to customers similar to the Group from time to time. Under the Bank Deposit Agreement, the Group shall not be restricted from placing and maintaining deposits with any Independent Third Party bank.

Subject to approval by the Independent Shareholders, the Bank Deposit Agreement shall be effective for a term commencing on the Effective Date and ending on 31 March 2021. Subject to compliance with the Listing Rules, the Bank Deposit Agreement may be renewed by the Company and WLB by agreement in writing.

The Bank Deposit Agreement is conditional upon the approval by the Independent Shareholders of the Bank Deposit Agreement and the transactions contemplated thereunder (including the Annual Caps) at the EGM. If the above condition is not fulfilled on or before 31 July 2018 or such later date as agreed between the Company and WLB, the Bank Deposit Agreement shall cease and terminate with immediate effect.

Pricing methods and procedures

The Bank Deposit Agreement provides that the interest rates and other terms applicable to any Bank Deposits shall from time to time be determined based on the standard base rate in Macau announced by the AMCM and the interest rates and other terms offered to or obtained by the Group from Independent Third Parties banks in Macau from

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time to time. The Group will also take into account other factors, including amongst others, quality of services, financial conditions and reputation of the bank and previous transactions when negotiating with WLB to determine the interest rates and other terms applicable to the Bank Deposits to be placed with it.

In order to ensure that the pricing mechanism in the Bank Deposit Agreement will be adhered to and the continuing connected transactions contemplated thereunder will be conducted on normal commercial terms, the Group will adopt the following internal control procedures and external supervision measures:

- (1) the Bank Deposits will be placed with WLB by the Group on a voluntary and non-exclusive basis. Each time before placing any Bank Deposit, the finance department of the Group, which consists of two members with seven years of experience in financial management on average, will ascertain the standard base rate in Macau most recently announced by the AMCM and obtain quotations (setting out, amongst others, the applicable interest rates) from at least two Independent Third Parties banks in each of Hong Kong and Macau based on the contemplated amount and duration of the Bank Deposit. The finance department of the Group will then compare the interests rates and other terms offered by WLB with the prevailing standard base rate and quotations offered by the Independent Third Parties banks and conduct assessment taking into account a number of other factors, such as the financial conditions and reputation of WLB and the respective Independent Third Parties banks and experience in any previous transactions with them. The finance department will report its findings, including the respective advantages and disadvantages of placing the bank deposit with WLB and with the other banks, to the five executive Directors. The five executive Directors will review and consider the proposals, including the comparison of alternatives, and decide on the bank with which the deposit is to be placed by way of a majority decision, subject to the condition that the Bank Deposit will only be placed with WLB if the interest rates offered by WLB are no less favourable than those available from the Independent Third Parties banks which have provided quotations;
- (2) the Group will monitor the maximum outstanding balance of the Bank Deposits on a regular basis to ensure that such balance does not exceed the Annual Caps. After the placing of a Bank Deposit has been approved by the executive Directors (or a majority of the executive Directors, as the case may be), the finance assistant in the finance department of the Group will prepare the relevant transfer application for approval by the finance manager in the finance department of the Group. The transfer application will then be passed to relevant members of the Board for further review and approval, depending on the size of the relevant Bank Deposit. There are two groups of Directors authorised by the Board to review and approve such transfer applications: Group A consists of Mr. Xu Chujia, the chairman of the Board and an executive Director, and Mr. Wu Hanyu, the chief executive of the Company and an executive Director, and Group

LETTER FROM THE BOARD

B consists of Ms. Zhan Meiqing and Mr. Kwan Kin Man Keith, who are both executive Directors. A transfer application in relation to a Bank Deposit of or under HK\$10 million requires approval by one Director from Group A and one Director from Group B, and a transfer application in relation to a Bank Deposit exceeding HK\$10 million must be approved by both of the Directors from Group A. Approval of the transfer application should only be given by the finance manager and the Directors if the aggregate amount of Bank Deposits will not exceed the Annual Cap after the relevant Bank Deposit has been placed;

- (3) the Group will prepare a continuing connected transaction report once every six months on the Bank Deposits placed with WLB, which will be submitted to the Group's audit committee for consideration. The content of the CCT Report will include, amongst others: (i) the aggregate balance and maximum daily outstanding balance of the Bank Deposits; (ii) a summary and comparison of the interest rates and other terms offered by WLB against the prevailing standard base rate in Macau announced by the AMCM from time to time and the interest rates and other terms offered by the Independent Third Parties banks from which the Group has obtained quotations or with which the Group has placed deposit(s) during the relevant reporting period; and (iii) the status of compliance with and utilisation of the Annual Caps; and
- (4) the Group's audit committee will convene meetings at least twice a year to discuss and assess the implementation of the continuing connected transactions conducted under the Bank Deposit Agreement and other connected transactions(s) of the Group (if any).

The Directors consider that the above internal control measures are sufficient to ensure that the services and interest rates offered by WLB will be no less favourable than those offered by Independent Third Parties banks.

In addition to the measures set out above, the Group will also adopt the following measures:

- (i) the Company will engage its auditors to conduct an annual review of the continuing connected transactions conducted pursuant to the Bank Deposit Agreement; and
- (ii) the independent non-executive Directors will review the continuing connected transactions conducted pursuant to the Bank Deposit Agreement on an annual basis and confirm in the annual reports of the Company for the years ending 31 March 2019, 2020 and 2021 whether such continuing connected transactions have been entered into on normal commercial terms or better, in the ordinary and usual course of business of the Group and in accordance with the Bank Deposit Agreement on terms that are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The Directors consider that the above internal control measures can ensure that the transactions contemplated under the Bank Deposit Agreement will be conducted on normal commercial terms in a manner that is not prejudicial to the interests of the Company and its Shareholders.

Proposed Annual Caps

Historical transactions

The Group did not place any Bank Deposit with WLB for the year ended 31 March 2018.

Basis of the proposed Annual Caps

The Board expects that the aggregate maximum balance of the Bank Deposits which may be placed and maintained on any given day during the term of the Bank Deposit Agreement shall not exceed HK\$150 million for each of the three years ending 31 March 2019, 2020 and 2021 (the “**Annual Caps**”). Under the Bank Deposit Agreement, the Group shall not be restricted from placing and maintaining deposits with any Independent Third Party bank.

The Board mainly takes into account the following factors in determining the proposed Annual Caps: (1) historical cash level of the Group; (2) historical working capital cycle of the Group; and (3) historical financing pattern of the Group.

The Group obtained net proceeds of approximately HK\$109.4 million from the share offer in connection with the Listing. The Group has placed the net proceeds with two major financial institutions in Hong Kong, for deposits with maturity of three months or below. During the year ended 31 March 2018, the balance of cash and cash equivalents of the Group ranged from approximately HK\$44.5 million as at the end of February 2018 to approximately HK\$130.2 million as at the end of August 2017. As at 31 March 2018, the cash and cash equivalents of the Group amounted to approximately HK\$63.3 million. Subsequent to the end of the financial year ended 31 March 2018, the Group disposed of an available-for-sale financial asset to a third party for a cash consideration of approximately HK\$17.2 million.

Historically, the Group mainly generated its cash operationally from: (1) sales of machinery and spare parts and provision of related services; and (2) leasing of machinery and provision of related services. Revenue for the two years ended 31 March 2018 and 2017 was approximately HK\$150.0 million and approximately HK\$175.9 million, respectively. Cash flow from operating activities for the two years ended 31 March 2018 and 2017 was approximately HK\$42.0 million and approximately HK\$45.7 million, respectively. The Board considers that operating cash flows should be factored into the potential cash balance of the Group in determining the Annual Caps.

LETTER FROM THE BOARD

The Group generated proceeds from borrowings of approximately HK\$40.6 million and approximately HK\$56.3 million, respectively for the two years ended 31 March 2018 and 2017. Net cash flow generated from financing activities was approximately HK\$5.3 million and approximately HK\$13.8 million, respectively for the two years ended 31 March 2018 and 2017, excluding one off cash flows relating to the Listing. Historically, borrowings were mainly employed to finance the acquisition of property, plant and equipment. The Board considers that financing cash flows may temporarily be deposited with financial institutions until they are deployed for the designated uses and this should be factored into the potential cash balance of the Group in determining the Annual Caps.

Taking into account the fact that the Annual Caps is not significantly higher than the maximum cash and cash equivalents of the Group for the year ended 31 March 2018 and future cash inflows that may be generated from the operating and financing activities, the Board believes that it is fair and reasonable to set the Annual Caps at HK\$150 million, such that there will be room for the Group to deposit an appropriate proportion of its cash with WLB to maximise the interest income of the Group and the returns to Shareholders before it is deployed.

3. REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The Group has to maintain deposits and other bank balances from time to time as part of its treasury activities and in order to satisfy its business needs in the ordinary and usual course of business. Although the operation of the Group has been solely based and conducted in Hong Kong since the Listing, the Group intends to increase the proportion of its cash and cash equivalent maintained as deposits with banks in Macau in the light of the fact that the prevailing interest rates for deposits offered by banks in Macau have been generally higher than those offered by banks in Hong Kong. The Board conducted a market analysis on the prevailing interest rates offered by banks in Hong Kong and Macau in early June 2018, and noted that the one-month, three-month and six-month deposit rates were higher in Macau by 58 basis points, 37 basis points and 43 basis points, respectively.

WLB is a full licensed commercial bank regulated under AMCM. It was established in 1996 and has an operating history of around 22 years. In 2017, the original shareholder of WLB, Novo Banco S.A., one of the largest state-owned banks in Portugal, invited new shareholders to invest in the bank. The new shareholders are a consortium led by Well Link Holdings Limited (held by Mr. Xu Chujia, the controlling Shareholder of the Company), and other prominent businessmen across the Greater Bay Area, while Novo Banco S.A., retained an original shareholding of 25% in WLB. The main businesses of WLB includes savings, loan and remittance services. The chairman of WLB is Mr. Zhang Shengman, a renowned banker who has worked with the Ministry of Finance in the PRC, the World Bank, and Citigroup.

The Board has reviewed WLB's audited financial statements for the year ended 31 December 2017 and the management accounts for the six months ended 30 June 2018 as provided by WLB. Based on the preliminary information currently available to the Board, it is

LETTER FROM THE BOARD

noted that WLB had total assets of not less than MOP2.8 billion as at 30 June 2018 and maintained a capital adequacy ratio of not lower than 30%, well above the requirement of 20% established by AMCM, which evidences that the credit risk of the bank is relatively low. Furthermore, WLB has a one-month and three-month liquidity ratio of not lower than 140% and 220%, respectively, suggesting that the liquidity risk of the bank is relatively low. Given that WLB operates standard SWIFT transfers to and from Hong Kong, and that there is no exchange control between the financial systems in Hong Kong and Macau, the Board considers that the service and capability of WLB can meet the normal operational requirements of the Group. In terms of the reputation of WLB, as mentioned above, WLB has a long operating history of approximately 22 years. Following the recent change of control, WLB is currently owned by a consortium of shareholders consisting of prominent businessman across the Greater Bay Area, and the suitability of the shareholders is subject to stringent assessment by the regulators from time to time. The Board therefore does not see any significant reputation risk in WLB. In light of the above, the Board does not believe that the concentration of depositing a large proportion of its cash balances with WLB will give rise to any risk, but rather it will enhance the efficiency of the Group's cash and liquidity management. The Board also considers that building business relationship with WLB may be favourable for the future development of the Group as it may further enhance its capability to source business opportunities across the Greater Bay Area, which is in line with the Group's expansion strategy. Nevertheless, the Group does not have any plans to dispose of or terminate its existing business.

The Board does not consider that the macro environment in Macau will present any risks to the Group or that the increase in proportion of cash and cash equivalent to be placed in Macau (i.e. with WLB) will cause any operational concern, namely because: (1) the Board recognises that there is no foreign exchange control between Macau and Hong Kong; (2) WLB operates SWIFT transfer across Hong Kong and Macau and transfers can normally be completed within hours from the lodging of application; (3) HKD is one of the currencies widely used in transactions in Macau (alongside MOP) and the Group can maintain deposits in HKD with WLB without potential swap, exchange, or hedging costs, and therefore, there will be no currency risk; and (4) the Macau government has maintained ample financial surplus, which indicates that the local economy is sound and healthy.

On the basis of the above, the Board believes that WLB will be able to provide banking and related support that caters to the Group's needs in its current business operations and contemplated business expansion and treasury activities in the long run. By placing Bank Deposits with WLB, the Group will enjoy secure deposit services at no additional risks and at the same time be able to obtain higher interest income that will serve to maximise the return to Shareholders. The Board does not see any material disadvantage in the placing of Bank Deposits with WLB. As such, the Board is of the view that the arrangements for placing of Bank Deposits with WLB are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

There is no restriction under the Bank Deposit Agreement on the Group's ability to source the relevant services from Independent Third Parties banks and the Group is at its sole discretion to decide which bank to place its deposits with according to the relevant interest rates and other

LETTER FROM THE BOARD

terms offered by the banks and other relevant factors such as the quality of services, financial conditions and reputation of the banks. Hence, the entering into of the Bank Deposit Agreement will only enhance, and will by no means detract from, the ability of the Group to maximise its interest income.

Except for Mr. Xu Chujia, the chairman of the Board and an executive Director who indirectly holds 38% of the issued shares of WLB and Ms. Zhan Meiqing, an executive Director who is a sister-in-law of Mr. Xu Chujia and indirectly holds 6% of the issued shares of WLB, none of the Directors has or is deemed to have a material interest in the Bank Deposit Agreement and the continuing connected transactions contemplated thereunder (including the Annual Caps). Mr. Xu Chujia and Ms. Zhan Meiqing have abstained from voting on the relevant resolutions at the board meeting.

The terms and conditions of the Bank Deposit Agreement were negotiated between the parties thereto on an arm's length basis. The Board is of the view that the terms and conditions of the Bank Deposit Agreement (including the pricing mechanism and procedures and the proposed Annual Caps) are fair and reasonable, and the continuing connected transactions contemplated under the Bank Deposit Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

4. IMPLICATIONS UNDER THE LISTING RULES

The Group is 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. WLB is a bank in Macau operating with full banking licenses and principally engaged in provision of savings, loan and remittance services.

As at the Latest Practicable Date, WLB is controlled as to 38% by Mr. Xu Chujia, the chairman of the Board, an executive Director and a controlling shareholder indirectly holding approximately 51.65% of the total number of issued Shares. As such, WLB is an associate of Mr. Xu Chujia, and a connected person of the Company under the Listing Rules, and the transactions contemplated under the Bank Deposit Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Annual Cap for each of the three years ending 31 March 2021 is expected to represent more than 5% of one or more of the applicable percentage ratios under the Listing Rules and exceed HK\$10 million, the transactions contemplated under the Bank Deposit Agreement (including the Annual Caps) are subject to reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In view of the foregoing, the Company will seek to obtain the approval of the Independent Shareholders on the Bank Deposit Agreement and the continuing connected transactions contemplated thereunder (including the Annual Caps) at the EGM. As at the Latest Practicable Date, Mr. Xu Chujia, through Boardwin indirectly holds approximately 51.65% of the total

LETTER FROM THE BOARD

number of issued Shares, and Ms. Zhang Meijuan, the spouse of Mr. Xu Chujia, beneficially owns approximately 4.89% of the total number of issued Shares. In accordance with the Listing Rules, at the EGM where the voting will be taken by poll, Mr. Xu Chujia, Ms. Zhang Meijuan, and Boardwin, who are materially interested in the Bank Deposit Agreement, and their respective associates are required to abstain from voting on the proposed resolutions for approving the Bank Deposit Agreement and the continuing connected transactions contemplated thereunder (including the Annual Caps).

The Company has established the Independent Board Committee comprising all four independent non-executive Directors to advise the Independent Shareholders as to whether the terms of the continuing connected transactions contemplated under the Bank Deposit Agreement are fair and reasonable, and whether such transactions are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, after taking into account the recommendations of the Independent Financial Adviser. Opus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the foregoing matters.

5. EGM

The Company will convene the EGM at Unit 13–15, 11/F China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong at 3:00 p.m. on 6 August 2018 to consider and, if thought fit, approve the Bank Deposit Agreement and the transactions contemplated thereunder (including the Annual Caps). A notice of the EGM is set out on pages 4 to 13 of this circular.

Pursuant to Rule 13.39 of the Listing Rules, the resolution to be proposed at the EGM will be taken by poll, the results of which will be announced after the EGM.

Mr. Xu Chujia, Ms. Zhang Meijuan, and Boardwin Resources Limited, who are materially interested in the Bank Deposit Agreement, and their respective associates are required to abstain from voting on the resolution proposed to be passed at the EGM for approving the Bank Deposit Agreement and the transactions contemplated thereunder (including the Annual Caps). To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, Mr. Xu Chujia, Ms. Zhang Meijuan, and Boardwin held an aggregate of 700,528,000 Shares, representing approximately 56.54% of the total number of Shares in issue as at the Latest Practicable Date.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as practicable but in any event not less than forty-eight (48) hours before the time appointed for the holding of the EGM (i.e. at or before 3:00 p.m. on 4 August 2018 (Hong Kong time)) or any adjourned meeting thereof (as

LETTER FROM THE BOARD

the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof (as the case may be) should you so desire and in such case, the form of proxy shall be deemed to be revoked.

6. RECOMMENDATION

The Board considers that the Bank Deposit Agreement and the continuing connected transactions contemplated thereunder (including the Annual Caps) are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the relevant resolution in the terms as set out in the notice of the EGM.

7. ADDITIONAL INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee set out on pages 14 to 15 of this circular which contains its advice to the Independent Shareholders regarding the Bank Deposit Agreement and the continuing connected transactions contemplated thereunder (including the Annual Caps), the letter from the Independent Financial Adviser set out on pages 16 to 34 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders regarding the Bank Deposit Agreement and the continuing connected transactions contemplated thereunder (including the Annual Caps) and the principal factors and reasons taken into consideration in arriving at its advice, and the additional information set out in the Appendix to this circular.

Yours faithfully,
By order of the Board
Zhaobangji Properties Holdings Limited
Xu Chujia
Chairman and executive Director

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)

19 July 2018

To the Independent Shareholders

Dear Sir or Madam

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO BANK DEPOSITS**

We refer to the circular issued by the Company to the Shareholders and dated 19 July 2018 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular have the same meanings when used in this letter unless the context otherwise requires.

Under the Listing Rules, the transactions contemplated under the Bank Deposit Agreement constitute continuing connected transactions of the Company and are subject to the approval of the Independent Shareholders. We have been appointed by the Board to consider the terms of the Bank Deposit Agreement and to advise the Independent Shareholders in connection with the continuing connected transactions contemplated under the Bank Deposit Agreement as to whether, in our opinion, the terms of the such transactions are fair and reasonable, whether such transactions are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and how the Independent Shareholders should vote at the EGM, after taking into account the recommendations of the Independent Financial Adviser. Opus Capital Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect.

We wish to draw your attention to the letter from the Board and the letter from the Independent Financial Adviser as set out in the Circular. Having considered the principal factors and reasons considered by, and the advice and recommendation of, the Independent Financial Adviser as set out in its letter of advice, we consider that the terms of the continuing connected transactions contemplated under the Bank Deposit Agreement (including the Annual Caps) are fair and reasonable. We also consider that the continuing connected transactions contemplated under the Bank Deposit Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we would recommend the Independent Shareholders to vote in favour of the

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

ordinary resolution to approve the terms and the entering into of the Bank Deposit Agreement, and the continuing connected transactions contemplated thereunder (including the Annual Caps) at the EGM.

Yours faithfully,

For and on behalf of

The Independent Board Committee

Mr. Hui Chin Tong Godfrey Mr. Sze-to Kin Keung Mr. Wong Chun Man Mr. Ye Longfei

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice to the Independent Board Committee and Independent Shareholders from the Independent Financial Adviser dated 19 July 2018 prepared for incorporation in this circular.



18th Floor, Fung House
19–20 Connaught Road Central
Central, Hong Kong

19 July 2018

*To: The Independent Board Committee and
the Independent Shareholders of Zhaobangji Properties Holdings Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO BANK DEPOSITS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the continuing connected transactions contemplated under the Bank Deposit Agreement and the Annual Caps, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 19 July 2018 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

BANK DEPOSIT AGREEMENT

On 1 June 2018, the Company and WLB entered into the Bank Deposit Agreement, pursuant to which the Group may, in its ordinary and usual course of business, place and maintain Bank Deposits with WLB on normal commercial terms from time to time during the term of the Bank Deposit Agreement. Subject to the approval by the Independent Shareholders, the Bank Deposit Agreement shall be effective for a term commencing on the Effective Date and ending on 31 March 2021. Subject to compliance with the then prevailing Listing Rules, the Bank Deposit Agreement may be renewed by the Company and WLB by agreement in writing.

As at the Latest Practicable Date, WLB was controlled as to 38% by Mr. Xu Chujia (“**Mr. Xu**”), the chairman of the Board, an executive Director and a controlling shareholder of the Company who indirectly holds approximately 51.65% of the total number of issued Shares. As such, WLB is an associate of Mr. Xu, and a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly the transactions contemplated under the Bank Deposit Agreement (including the Annual Caps) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the Annual Cap for each of the three years

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ending 31 March 2021 is expected to represent more than 5% of one or more of the applicable percentage ratios under the Listing Rules and exceed HK\$10 million, the transactions contemplated under the Bank Deposit Agreement (including the Annual Caps) are subject to reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Ms. Zhan Meiqing, an executive Director who is a sister-in-law of Mr. Xu, also indirectly holds 6% of the issued shares of WLB. Therefore, both Mr. Xu and Ms. Zhan Meiqing have abstained from voting on the relevant resolutions at the board meeting relating to the Bank Deposit Agreement.

As at the Latest Practicable Date, Mr. Xu, through Boardwin, indirectly holds approximately 51.65% of the total number of issued Shares whilst his spouse, Ms. Zhang Meijuan, beneficially owns approximately 4.89% of the total number of issued Shares. In accordance with the Listing Rules, Mr. Xu, Ms. Zhang Meijuan and Boardwin and their respective associates are required to abstain from voting on the relevant resolutions in relation to the Bank Deposit Agreement and the continuing connected transactions contemplated thereunder (including the Annual Caps).

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising Mr. Hui Chin Tong Godfrey, Mr. Sze-to Kin Keung, Mr. Wong Chun Man and Mr. Ye Longfei, all being the independent non-executive Directors, has been established by the Company to advise and make recommendations to the Independent Shareholders in respect of the transactions contemplated under the Bank Deposit Agreement (including the Annual Caps). Our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders has been approved by the Independent Board Committee in this respect.

Our role as the Independent Financial Adviser is to advise the Independent Board Committee and the Independent Shareholders as to: (i) whether the terms of the Bank Deposit Agreement (including the Annual Caps) are fair and reasonable and whether such transactions are on normal commercial terms and in the interests of the Company and the Shareholders as a whole; and (ii) recommend as to how the Independent Shareholders should vote on the relevant resolutions at the EGM.

OUR INDEPENDENCE

As at the Latest Practicable Date, we do not have any relationship with, or interest in, the Company, WLB or any other parties that could reasonably be regarded as relevant to our independence. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules.

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BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, amongst other things, the Bank Deposit Agreement, the Company's annual report for the financial year ended 31 March 2017 (the "**2017 Annual Report**"), the results announcement for the financial year ended 31 March 2018 (the "**2018 Results Announcement**") and other information set out in the Circular.

We have relied on the truth, accuracy, and completeness of the information contained in the documents and representations provided to us by the Company, the Directors and the management of the Company (collectively, the "**Management**"). We have assumed that all information and representations contained or referred to in the Circular and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the EGM. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the Circular, the omission of which make any such statement contained in the Circular misleading. We have no reason to suspect that any relevant information has been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Management, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not carried out any independent verification of the information provided by the Management, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospects. We also have not considered the taxation implication on the Group or the Shareholders as a result of the Bank Deposits.

The Directors have collectively and individually accepted full responsibility, including particulars given in compliance with the Listing Rules, for the accuracy of the information contained in the Circular and have confirmed, after having made all reasonable enquires, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other matters of facts the omission of which would make any statement herein or the Circular misleading.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection for their consideration of the terms of the Bank Deposit Agreement (including the Annual Caps), and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes without our prior written consent.

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PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the terms of the Bank Deposit Agreement and the Annual Caps, we have taken into consideration the following principal factors and reasons:

1. Information of the Group

The Group is an investment holding company and its subsidiaries are principally engaged in construction machinery trading and leasing services in Hong Kong. Its businesses include: (i) trading of foundation machinery and drilling accessories; (ii) leasing of power and energy machinery; and (iii) provision of local transportation services with crane lorries.

As stated in the recent announcement by the Company dated 4 June 2018, Mr. Wu Hanyu, an existing executive Director was appointed as the new chief executive officer of the Company. He has extensive experience in the real estate industry after working for over twenty years in several real estate and property companies, principally responsible for coordinating and managing the property business. He has previously worked in companies such as CITIC Real Estate and Baoneng Real Estate.

As discussed with the Management, major central banks around the world have adopted tightening monetary policies, resulting in an environment of increasing interest rates. This has heightened the risk associated with real estate market since asset prices have increased significantly in the past decade. Accordingly as consumers are cautious in their approach towards real estate, the Group foresees challenges ahead in the real estate related businesses and the construction industry in Hong Kong. Furthermore, the Group experienced a significant decline of approximately 52.7% in its revenue from trading of construction machinery for the year ended 31 March 2018 due to delays in certain infrastructure projects in Hong Kong, which was partly the result of adverse political environment in Hong Kong.

In light of the above, the Group intends to leverage on its strength in the construction industry, the business network and the resources of the newly appointed executive Directors in March 2018, namely Mr. Xu, Mr. Wu Hanyu, Mr. Xu Weizhen, Ms. Zhan Meiqing and Mr. Kwan Kin Man Keith, in the Guangdong-Hong Kong-Macau Greater Bay Area (the “**Greater Bay Area**”). It is the intention of the Group to establish companies in the PRC with a view to expand its business both upstream and downstream by engaging in construction works, property management, leasing management, property investment, real estate development and related businesses in the Greater Bay Area, with Shenzhen as the focus. With the Group’s existing business in the construction industry, this business expansion will help to diversify the Group’s business scope and sources of income. Nevertheless, the Group does not have any plans to dispose of or terminate its existing business.

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2. Information on WLB

WLB is a fully licensed commercial bank under the supervision of Autoridade Monetária de Macau (i.e. AMCM), the monetary authority of Macau, which was established with the function of a quasi-central bank and has the power to supervise the financial system, including 28 licensed banks, in Macau. It supervises the monetary policies and financial operations of banks and other financial institutions in Macau according to the terms established in the regulatory statutes governing each respective area.

WLB was established in 1996 in Macau as the Macau subsidiary of Banco Espírito Santo S.A. (“**BES**”), the second largest listed bank in Portugal with an operating history of approximately 22 years. It was subsequently re-branded as Novo Banco Asia, S.A. in 2014 following structural changes in BES which resulted in a new banking group called Novo Banco, S.A. (“**Novo Banco**”). Novo Banco decided to sell its international units to focus on its domestic business which led to the successful acquisition of WLB by a consortium of investors led by Mr. Xu via Well Link Holdings Limited in a competitive international acquisition process which was subsequently approved by AMCM. Therefore, Novo Banco Asia, S.A. was renamed as Banco Well Link S.A. in October 2017. The new shareholders consist of Well Link Holdings Limited as well as other prominent businessmen across the Greater Bay Area, while Novo Banco retained a 25% shareholding in WLB. Mr. Xu is a major shareholder of the Well Link Group, which is a group of companies that engaged in securities, corporate finance, asset management and insurance business in Hong Kong. The chairman of WLB is Mr. Zhang Shengman, an established banker with extensive experience in the PRC and international financial sector, having served as the vice secretary and deputy director of the Ministry of Finance of the PRC, the executive director for China at the World Bank and chairman for the Asia Pacific region of Citigroup.

The business scope of WLB includes the provision of corporate banking services, which comprises of savings, loans and remittance services.

Under the purview of AMCM, WLB is required to operate in compliance with the “Decree-Law no. 32/93/M of 5 July 1993” and other relevant notices and guidance issued by AMCM (the “**Regulations**”). We note that the Regulations set out certain compliance and risk control requirements/measures in relation to the bank operations, including but not limited to maintaining certain financial ratios at all times.

As discussed with the Management, WLB is required by AMCM to maintain a minimum capital adequacy ratio of 20% at any given time. Based on WLB’s latest published annual disclosures, as at 31 December 2017, 2016 and 2015, WLB had capital adequacy ratios of approximately 44.25%, 46.23% and 38.97% respectively, which were significantly higher than the minimum capital adequacy ratio requirement imposed by AMCM. Based on the information provided by the Management, the capital adequacy ratio of WLB as at 30 June 2018 was not lower than 30%, which is also much higher than the minimum requirement of AMCM. Based on information provided by the Management, WLB had total assets of not less than MOP2.8 billion as at 30 June 2018. The Directors also

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confirmed that, to the best of their knowledge, there was no record of non-compliance by WLB with the relevant laws and regulations of Macau.

3. Reason for and Benefits of the Bank Deposit Agreement

With reference to the Letter from the Board, the Group has to maintain deposits and other bank balances from time to time as part of its treasury activities and in order to satisfy its business needs in the ordinary and usual course of business. We note that the Group also intends to increase the proportion of cash and cash equivalent maintained as deposits with banks in Macau in view of the fact that the prevailing interest rates for deposits offered by banks in Macau have generally been higher than those offered by banks in Hong Kong.

According to Direcção dos Serviços de Estatística e Censos, an administrative agency in the Macau Government, which provide timely and comprehensive information on the latest development of Macau, Macau's annual gross domestic product ("GDP") was reported as follows:

	1Q 2018	2017	2016	2015
GDP of Macau (MOP)	107 billion	404 billion	362 billion	362 billion

As stated above, the GDP of Macau registered a compound annual growth rate of approximately 5.64% from 2015 to 2017. With the steady GDP growth, the Macau's economic outlook appears to be stable and positive, which provides a conducive environment for business operations.

As a licensed bank, WLB operates standard SWIFT transfers between Hong Kong and Macau and the transfers can normally be completed within a reasonable timeframe from lodging the application. Furthermore, there is no foreign exchange control between Macau and Hong Kong. As Hong Kong dollars is one of the currencies that is widely used and accepted in transactions in Macau (besides MOP), the Group is able to maintain deposits in Hong Kong dollar with WLB without the need to undertake potential swap, exchange or incur hedging costs. Accordingly, the Group is not faced with potential currency risk. In view of the above factors, although the Group's operation has been solely based and conducted in Hong Kong, we concur with the views of the Board that increasing the proportion of cash and cash equivalent to be placed in Macau (i.e. with WLB) will not cause any operational issues for the Group.

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Furthermore, we note that there is no restriction under the Bank Deposit Agreement on the Group's ability to source the relevant deposit services from Independent Third Party banks for the same tenure. The Group has the flexibility to decide at its sole discretion on the final selection of the bank to place its deposits after taking into account various factors, such as interest rates, other relevant terms, service quality, financial conditions and reputation of the banks.

For our due diligence purpose, we obtained recent bank statements of the Group showing the interest rate on overnight deposits which the Group received from other Hong Kong banks for similar period in relation to their bank deposits. We note that the interest rates quoted by WLB to the Group is much higher than the interest rates provided by other Hong Kong banks for similar period. As advised by the Management and pursuant to our independent quotation enquiries with WLB, WLB also quoted similar interest rates to its external customers, hence the deposit rates offered to the Group by WLB is no less favourable than the deposits rates which WLB offered to its external customers.

As discussed with the Management, given the fact that there are existing relationship of common director and common shareholdings by certain Directors in both WLB and the Group, the Group believes that WLB will be able to provide more cost-efficient, convenient, comprehensive and customised financial services to the Group than the normal deposit services provided by other commercial banks. As stated in the Letter from the Board, we note that the Board considers building business relationship with WLB may be favourable for future development of the Group as it may enhance its capability to source business opportunities across the Greater Bay Area, which is in line with the Group's expansion strategy.

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As the Management advised that only Hong Kong dollar deposits are proposed to be deposited with WLB, we have conducted our independent enquiries with each of the 3 commercial banks in both Macau and Hong Kong to obtain the Hong Kong dollar deposit rates for various deposit tenures. We have selected each of the 3 commercial banks from the top 10 commercial banks in terms of total asset size in each of Hong Kong and Macau as ranked by research reports from the Corporate Finance Institute and KPMG respectively, which we consider to be a fair representative of banks in Hong Kong and Macau. Based on the information made available to us from our independent enquiries, we noted the findings below:

Tenure	Deposit rates on Hong Kong Dollars (%)					
	7 days	1 month	2 months	3 months	6 months	12 months
Banks in Hong Kong¹						
The Hongkong and Shanghai Banking Corporation Limited	0.001%	0.010%	0.010%	0.010%	0.050%	0.200%
Bank of China (Hong Kong) Limited	0.010%	0.750%	N/A ³	1.600%	1.800%	2.000%
China Construction Bank (Asia) Corporation Limited	N/A ³	1.000%	1.450%	1.850%	2.000%	2.100%
Average deposit rate for banks in Hong Kong	0.006%	0.587%	0.730%	1.153%	1.283%	1.433%
Banks in Macau¹						
Bank of China Macau Branch	0.010%	0.363%	N/A ³	0.675%	0.938%	1.000%
Tai Fung Bank Limited	0.200%	1.500%	N/A ³	1.800%	1.900%	2.100%
Luso International Banking Limited	0.500%	1.650%	1.700%	2.100%	2.300%	2.400%
Average deposit rate for banks in Macau	0.237%	1.171%	1.700%	1.525%	1.713%	1.833%
WLB deposit rate²	1.550%	1.850%	2.150%	2.400%	2.650%	2.950%

Notes:

1. Based on our independent quotation enquiries with the respective banks in Macau and Hong Kong
2. As provided by the Management and supported by our independent quotation enquiries with WLB
3. Not available at such tenure

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As shown in the table above, we note that the deposit rates provided by Macau banks are generally higher than the rates provided by Hong Kong banks. Furthermore, the deposit rates provided by WLB are on average higher than the deposit rates provided by other banks in Macau.

In light of the above and having considered in particular:

- (i) the deposit interest rates to be offered by WLB are generally higher than the deposit rates offered to the Group by other commercial banks in Hong Kong and Macau for the provision of similar deposit services for similar deposit tenures;
- (ii) there are no exchange control regimes which restrict the Group from transferring funds between Macau and Hong Kong;
- (iii) the Group is not restricted and is able to source from Independent Third Party banks for relevant deposit services pursuant to the terms of the Bank Deposit Agreement;
- (iv) the Group has the sole and absolute discretion to decide on the final bank selection to place its deposit after taking into account of factors which it considers to be relevant; and
- (v) building business relationship with WLB may be favourable for future development of the Group,

we concur with the Directors' views that the entering into the Bank Deposit Agreement will enhance and not affect the ability of the Group to maximise its interest income and is in the interests of the Company and the Shareholders as a whole.

4. Principal Terms of the Bank Deposit Agreement

A summary of the principal terms of the Bank Deposit Agreement dated 1 June 2018 is set out below:

Parties: The Company as recipient

WLB as service provider

Term: from the Effective Date up to 31 March 2021

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Pricing and payment terms:

- (i) Pursuant to the Bank Deposit Agreement, WLB agrees to provide the members of the Group to place and maintain Bank Deposits with WLB on normal commercial terms, from time to time, from the Effective Date to 31 March 2021.
- (ii) The placing and maintenance of any Bank Deposits shall be subject to the terms and conditions of WLB applicable to customers similar to the Group from time to time.
- (iii) The Group shall not be restricted from placing and maintaining deposits with any Independent Third Party bank.
- (iv) The interest rate(s) and other terms applicable to any Bank Deposits shall from time to time be determined based on the standard base rate in Macau as announced by AMCM and the interest rates and other terms offered to or obtained by the Group from Independent Third Party banks in Macau from time to time.

We note that the terms and conditions of the Bank Deposit Agreement were negotiated between the parties on an arm's length basis.

5. Market Practices

We have reviewed the Bank Deposit Agreement and compared the principal terms thereunder in relation to the deposit services with similar transactions entered into by other listed companies (the "**Sample Companies**") during a three-month period immediately before the last trading day for the Shares prior to the issue of the Company's announcement on 1 June 2018 relating to the Bank Deposit Agreement (the "**Review Period**"). We are of the opinion that as there are sufficient number of such transactions during the Review Period, and the Review Period reflects a fair and recent period for comparison of similar deposit transactions under continuing connected transactions. During the Review Period and based on our research conducted, we identified a total of nine (9) continuing connected transactions that related to deposit services. However, Shareholders should note that the

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business and operations of the Company may not be the same as the Sample Companies and we have not conducted any in-depth investigation into their businesses and operations. We noted the findings below:

Company	Stock Code	Announcement date	Pricing policy
Honghua Group Limited ("Honghua")	196.HK	1/6/2018	<p>The interest rate will not be lower than:</p> <ul style="list-style-type: none"> (i) the benchmark interest rate specified by the People's Bank of China ("PBOC") for deposits of the same type over the same period; and (ii) the interest rate for deposits of the same type with deposit placing provider placed by the other members of Honghua's shareholder over the same period.
China Southern Airlines Company Limited	1055.HK	18/5/2018	Deposit placing provider shall accept deposit of money at interest rates not lower than interest rate rules prescribed by the PBOC for the same term of deposit.
CIMC Enric Holdings Limited	3899.HK	18/5/2018	The interest rates on deposits offered must be higher than PBOC's benchmark rates and the interest rates offered by independent commercial banks in the PRC.
Yuexiu Transport Infrastructure Limited ("Yuexiu")	1052.HK	14/5/2018	<p>The interest rates to bank deposits shall be determined based on:</p> <ul style="list-style-type: none"> (i) in the case of deposits in Hong Kong, interest rates and other terms offered by or obtained from the other banks in Hong Kong to Yuexiu; and (ii) in the case of deposits in PRC, interest rates for deposits in PRC set with reference to the standard published by the PBOC and interest rates and other terms offered by or obtained from the other banks in PRC to Yuexiu.

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Company	Stock Code	Announcement date	Pricing policy
Minmetals Land Limited ("China Minmetals")	230.HK	14/5/2018	<p>Interest rates on deposits placed with deposit placing provider shall not be lower than:</p> <p>(i) the highest interest rates for comparable category of deposits offered by other major PRC commercial banks with which China Minmetals and its subsidiaries in PRC have established business relationship; and</p> <p>(ii) the highest interest rate offered by deposit placing provider to other subsidiaries of China Minmetals for comparable category of deposits,</p> <p>whichever is higher.</p>
CRCC High Tech Equipment Corporation Limited	1786.HK	28/4/2018	<p>Deposit placing provider shall accept deposits at interest rates not lower than the prevailing rates offered by the major Hong Kong commercial banks for deposits of similar nature.</p>
China Electronics Huada Technology Company Limited	85.HK	25/4/2018	<p>The interest rates on deposits offered must be higher than PBOC's benchmark rates and the interest rates offered by independent commercial banks in the PRC.</p>
China Communications Construction Company Limited	1800.HK	29/3/2018	<p>The deposit rates shall be in accordance with requirements of the PBOC on deposits of the same term and same category and shall not be higher than the interest rates applicable to deposit services of the same term and same category provided by major Hong Kong commercial banks.</p>

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Company	Stock Code	Announcement date	Pricing policy
China National Building Material Company Limited (“CNBM”)	3323.HK	29/3/2018	<p>The interest rate for the deposits with deposit placing provider will comply with the PBOC’s regulations on interest rates for deposits of the same type from time to time, and will not be lower than:</p> <ul style="list-style-type: none">(i) the interest rate specified by the PBOC for deposits of the same category during the same period;(ii) the interest rate paid by deposit placing provider for deposits of the same type placed by members of the CNBM controller shareholder Group (other than CNBM) under the same conditions; and(iii) the interest rate for deposits of the same type offered by PRC commercial banks to CNBM during the same period under the same conditions.

Based on our findings, we noted that:

- (i) all except for one of the Sample Companies require the interest rates for deposits as stated in the agreements to be: (a) no less than the interest rate for similar deposits of the same period as announced by the corresponding governing central bank; and (b) no less than the interest rate for similar deposits of the same period offered by other major commercial banks; and
- (ii) save for the aforesaid finding (i), the terms thereunder are on normal commercial terms, which are principally similar to the terms under the Bank Deposit Agreement in relation to the deposit services.

Based on the above, we are of the view that the terms in relation to the Bank Deposits under the Bank Deposit Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

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6. Internal Control Procedures

In order to ensure that the pricing mechanism and terms of the Bank Deposit Agreement are fair and reasonable and no less favourable than the terms provided by any Independent Third Party banks to the Group, the Group has established a series of internal control and external supervision measures (the “**Internal Control Procedures**”) as follows:

- (i) the Bank Deposits will be placed with WLB by the Group on a voluntary and non-exclusive basis. Each time before placing any Bank Deposits, the finance department of the Group (the “**Finance Department**”), which consists of two experienced staff, will ascertain the standard base rate in Macau most recently announced by AMCM and obtain quotations (setting out, amongst others, the applicable interest rates) from at least two (2) other Independent Third Party banks. The Group will also take into account a number of other factors, such as the financial conditions and reputation of WLB and the respective Independent Third Party banks and experience in any previous transactions with them, before making its decision as to the bank with which the deposits are to be placed.

We note that the Finance Department will compare the interest rates obtained from WLB with the prevailing standard base rate announced by the AMCM and quotations offered by at least two Independent Third Party banks, each of Hong Kong and Macau, prior to the placing of any Bank Deposits. The Finance Department will report its findings, which include the advantages and disadvantages of placing bank deposits with WLB and with other banks as well as the sampled interest rates quotations from Hong Kong and Macau, to the five (5) executive Directors. After considering the respective factors and only under the circumstances that the interest rate offered by WLB is no less favourable than those available quotations from other Independent Third Party banks, the executive Directors will, by way of majority decision, approve the proposed Bank Deposits;

- (ii) the Group will monitor the maximum outstanding balance of the Bank Deposits on a regular basis to ensure that such balance does not exceed the Annual Caps. After the placing of a Bank Deposit has been approved by the executive Directors (or a majority of the executive Directors, as the case may be) as stated in item (i) above, the finance assistant in the Finance Department will prepare the relevant transfer application for approval by the finance manager. The transfer application will then be passed to the relevant members of the Board for further review and approval, depending on the size of the relevant Bank Deposit.

There are two groups of Directors authorised by the Board to review and approve such transfer applications: Group A consists of (i) Mr. Xu, the chairman of the Board and an executive Director; and (ii) Mr. Wu Hanyu, the chief executive of the Company and an executive Director. Group B consists of Ms. Zhan Meiqing and Mr. Kwan Kin Man Keith, who are both executive Directors. A transfer application in relation to a Bank Deposit of HK\$10 million or below requires

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approval by one Director from Group A and one Director from Group B, whilst a transfer application in relation to a Bank Deposit exceeding HK\$10 million must be approved by both Directors from Group A. Approval for the transfer application should only be given by the finance manager and the Directors if the aggregate amount of Bank Deposit will not exceed the Annual Cap after the relevant Bank Deposit has been placed;

- (iii) the Group will prepare a continuing connected transaction report (the “**CCT Report**”) once every six months on the Bank Deposits placed with WLB, which will be submitted to the Group’s audit committee for consideration. The content of the CCT Report will include, amongst others: (i) the aggregate balance and maximum daily outstanding balance of the Bank Deposits; (ii) a summary and comparison of the interest rates and other terms offered by WLB against the prevailing standard base rate in Macau announced by AMCM from time to time and the interest rates and other terms offered by the Independent Third Party banks from which the Group has obtained quotations or with which the Group has placed deposit(s) during the relevant reporting period; and (iii) the status of compliance with and utilisation of the Annual Caps;
- (iv) the Group’s audit committee will convene meetings at least twice a year to discuss and assess the implementation of the continuing connected transactions conducted under the Bank Deposit Agreement and other connected transactions(s) of the Group (if any);
- (v) the Company will engage its auditors to conduct an annual review of the continuing connected transactions conducted pursuant to the Bank Deposit Agreement. We note that this is in accordance with Chapter 14A.56 of the Listing Rules; and
- (vi) the independent non-executive Directors will review the continuing connected transactions conducted pursuant to the Bank Deposit Agreement on an annual basis and confirm in the annual reports of the Company for the years ending 31 March 2019, 2020 and 2021 whether such continuing connected transactions have been entered into on normal commercial terms or better, in the ordinary and usual course of business of the Group and in accordance with the Bank Deposit Agreement on terms that are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. We note that this is in accordance with Chapter 14A.55 of the Listing Rules.

For due diligence purposes, we have reviewed the staff’s qualifications in the Finance Department and noted the two staff are well experienced with an average of seven years working experiences in the financial management field. Further, the executive Directors, who are responsible in approving the placing as well as the transfer application of the Bank Deposits, consist of members who are experienced in financial management and accounting. In light of the above, we are of the view that the personnel handling the review and approval process are financially competent.

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Taking into account the above, we consider that the implementation of the Internal Control Procedures to be adopted by the Group would help to ensure fair pricing of the Bank Deposits contemplated under the Bank Deposits Agreement according to the pricing policies as stated below:

- (i) there is a control process which effectively compares the interest rates offered by WLB to quotations offered by at least two Independent Third Party banks, each of Hong Kong and Macau, prior to the placing of any Bank Deposits;
- (ii) the Bank Deposit transfer application to WLB is subject to two (2) levels of approval, being the finance manager and the Board. Furthermore, a more rigorous approval process is put in place where Bank Deposits of a higher amount (i.e. exceeding HK\$10 million) is subject to the joint approvals of both the chairman and the chief executive officer; and
- (iii) the Group's Internal Control Procedures which monitor the maximum outstanding balance of the Bank Deposits are effective as each placing of Bank Deposit is subject to checking of the Annual Caps to ensure it is not breached after the placing of the Bank Deposits.

In view of the above, we concur with the Company's views that there are adequate Internal Control Procedures and external supervision measures to ensure that the Bank Deposits will comply with relevant regulatory guidelines and the deposit rates offered by WLB is no less favourable than those offered by Independent Third Party banks.

7. Proposed Annual Caps

The Company proposed the Annual Caps for the aggregate maximum daily deposit amount with WLB in relation to the Bank Deposits from the Effective Date to 31 March 2021 to be as follows:

	From Effective Date to 31 March 2019 (HK\$)	From 1 April 2019 to 31 March 2020 (HK\$)	From 1 April 2020 to 31 March 2021 (HK\$)
Aggregate maximum balance of the Bank Deposit on any given day	150 million	150 million	150 million

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have discussed with the Management the main factors considered and basis in determining the Annual Caps, which are set out as follows:

(i) Historical cash level of the Group

As disclosed in the 2018 Results Announcement, the Group had cash and cash equivalents of approximately HK\$63.3 million (excluding restricted cash of HK\$10.0 million that have been pledged to the banks) as at 31 March 2018. Subsequent to the end of the financial year ended 31 March 2018, we were advised by the Management that the Group disposed of an available-for-sale financial asset for approximately HK\$17.2 million.

During the year ended 31 March 2018, the Group's cash and cash equivalents experienced mild fluctuations, ranging from approximately HK\$44.5 million as at the end of February 2018 to approximately HK\$130.2 million as at the end of August 2017. As discussed with the Management, this was primarily due to the cash paid by the Group with aggregate value of HK\$120.7 million to acquire new machinery for its leasing business, which segment revenue accounted for approximately 55.67% and approximately 42.19% of the Group's total revenue for the two years ended 31 March 2018 and 2017 respectively. As advised by the Management, a majority of the acquisition costs were financed by existing working capital without obtaining additional bank borrowings. Therefore, the Group's cash and cash equivalents balance as at 31 March 2018 was near the low end of its cash and cash equivalents range.

(ii) Cash flow generated from the operations of the Group

Historically, the Group primarily generated its cash flows from operation from (i) sale of machinery and spare parts and provision of related services; and (ii) leasing of machinery and provision of related services. As advised by the Management, the Group does not have any plans to dispose of or terminate its existing business.

As disclosed in the 2017 Annual Report, 2018 Results Announcement and information provided by the Management, the Group generated the following revenue and net cash from operations for the two years ended 31 March 2017 and 2018 (the "Preceding Financial Years") respectively:

	2018	2017
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Revenue	149,984	175,862
Net cash generated from operations	41,989	45,721

From the table above, it is shown that the Group generated stable revenue and cash flows from its existing business in the Preceding Financial Years. The Group has, on average, generated approximately HK\$43.9 million net cash from its operations in the Preceding Financial Years. The Management advised that it expects the existing business to operate at a similar scale for the periods covered in the Annual Caps as compared to the Preceding Financial Years.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(iii) Historical financing activities of the Group

Based on our review of the information provided by the Management and as set out in the 2017 Annual Report, the Group's average proceeds from borrowings for the financial years ended 31 March 2017 and 2018 was approximately HK\$48.5 million. As discussed with the Management, in order to operate the existing business and to cater for business growth, the Group does not intend to reduce its bank borrowings and the additional cash inflows from bank borrowings may be temporarily deposited with financial institutions on a short-term basis for treasury management purpose pending application to the designated uses.

Taking into account the cash and cash equivalents of approximately HK\$63.3 million held by the Group as at 31 March 2018, the historical cash level of the Group, the cash flows to be generated from the operation of the Group and the historical financing activities of the Group, the Annual Caps will cater for additional funds to be deposited with WLB should WLB become the Group's selected bank after performing the relevant Internal Control Procedures. We concurred with the Board that it is fair and reasonable to set the Annual Caps at HK\$150 million, such that there will be room for the Group to deposit an appropriate portion of its cash with WLB to maximise the interest income of the Group and the returns to Shareholders.

Having considered the above, we considered the basis for determining the Annual Caps to be fair and reasonable as far as the Independent Shareholders are concerned.

RECOMMENDATION

Based on the principal factors and reasons stated above and having considered in particular:

Benefits to the Group and the Shareholders

- (i) WLB is a fully licensed bank under the supervision of AMCM and has complied with all the relevant laws and regulations of Macau;
- (ii) the interest rate(s) offered to the Group for their deposits with WLB from time to time be determined based on the standard base rate for deposits in Macau announced by AMCM and the interest rates and other terms offered to or obtained by the Group from Independent Third Party banks in Macau from time to time;
- (iii) the economic outlook in Macau appears to be stable and positive; and
- (iv) the Annual Caps will cater for additional funds to be generated from the existing business of the Group and additional bank borrowings to be deposited temporarily with financial institutions for a short-term basis for treasury management purpose pending application to designated uses.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Terms of the Bank Deposit Agreement

- (i) the principal terms of the Bank Deposit Agreement are in accordance with the market practice of similar deposit transactions of the Sample Companies;
- (ii) the placing and maintenance of any Bank Deposits shall be subject to the terms and conditions of WLB applicable to customers similar to the Group from time to time;
- (iii) there is no restriction under the Bank Deposit Agreement on the Group's ability to source the relevant services from Independent Third Party banks and the Bank Deposits placed with WLB is on a voluntary and non-exclusive basis; and
- (iv) the Group has sole discretion to decide on the final bank selection in relation to the deposit transactions after taking into account of interest rates offered and other relevant factors.

Internal Control Procedures

- (i) the robust implementation of the Internal Control Procedures adopted by the Group will help to ensure fair pricing of the Bank Deposits,

we are of the view that the terms of the Bank Deposit Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. We also consider the Bank Deposit Agreement (including the Annual Caps) are fair and reasonable. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Bank Deposit Agreement (including the Annual Caps).

Yours faithfully,

For and on behalf of

Opus Capital Limited

Koh Kwai Yim
Executive Director

Zhang Wenwen
Director

Ms. Koh Kwai Yim is the Executive Director of Opus Capital Limited and is licensed under the SFO as a Responsible Officer to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Ms. Koh has over 17 years of corporate finance experience in Asia and has participated in and completed various financial advisory and independent financial advisory transactions.

Ms. Zhang Wenwen is the Director of Opus Capital Limited and is licensed under the SFO as a Responsible Officer to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Ms. Zhang has participated in and completed various financial advisory and independent financial advisory transactions.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular or this circular misleading.

2. DISCLOSURE OF INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF DIRECTORS AND CHIEF EXECUTIVE

So far as was known to the Directors, as at the Latest Practicable Date, the following Director had interests in the shares of the Company and/or the associated corporations (within the meaning of Part XV of the SFO) of the Company which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which he was taken or deemed to have under such provisions of the SFO); (ii) recorded in the register maintained by the Company referred to in section 352 of the SFO pursuant thereto; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as adopted by the Company:

Name of company	Name of Director	Capacity/Nature of interest	Number and class of shares	Approximate percentage of the issued share capital
The Company (<i>Note 1</i>)	Xu Chujia	Interest of spouse (<i>Note 2</i>)	60,528,000 Shares	4.89%
		Interest of a controlled corporation (<i>Note 3</i>)	640,000,000 Shares	51.65%
			700,528,000 Shares	56.54%
Boardwin (<i>Notes 3 and 4</i>)	Xu Chujia	Beneficial owner	76 ordinary shares	76%
	Wu Hanyu	Beneficial owner	2 ordinary shares	2%

Name of company	Name of Director	Capacity/Nature of interest	Number and class of shares	Approximate percentage of the issued share capital
	Xu Weizhen	Beneficial owner	2 ordinary shares	2%
	Zhan Meiqing	Beneficial owner	1 ordinary shares	1%

Notes:

1. The approximate percentages of the issued share capital of the Company held by the Director are calculated based on the number of issued Shares of the Company as at the Latest Practicable Date of 1,239,000,000.
2. As at the Latest Practicable Date, 60,528,000 Shares were beneficially owned by Ms. Zhang Meiquan, the spouse of Mr. Xu Chujia. By virtue of the SFO, Mr. Xu Chujia was taken to be interested in such Shares.
3. As at the Latest Practicable Date, Boardwin beneficially owned 640,000,000 Shares, representing approximately 51.65% of the issued share capital of the Company, and hence was an associated corporation (within the meaning of Part XV of the SFO) of the Company.

As at the Latest Practicable Date, Boardwin was held as to 76% by Mr. Xu Chujia. By virtue of the SFO, Mr. Xu Chujia was taken to be interested in the Shares beneficially owned by Boardwin.

4. The approximate percentage of the issued share capital of Boardwin held by each respective Director is calculated based on the number of issued ordinary shares of Boardwin as at the Latest Practicable Date of 100.

Save as disclosed above, so far as was known to the Directors, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they were taken or deemed to have under such provisions of the SFO); (ii) recorded in the register maintained by the Company referred to in section 352 of the SFO pursuant thereto; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

So far as was known to the Directors, as at the Latest Practicable Date, Mr. Xu Chujia and Mr. Xu Weizhen were directors of Boardwin. Save as disclosed above, so far as was known to the Directors, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, no Director had any existing or proposed service contract with any member of the Group, excluding service contracts expiring or determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

4. INTERESTS IN ASSETS AND CONTRACTS AND COMPETING INTERESTS

None of the Directors had any interest, direct or indirect, in any asset which had, since 31 March 2018 (being the date to which the latest published audited consolidated financial statements of the Group were made up) and up to the Latest Practicable Date, been acquired or disposed of by or leased to any member of the Group or which were, as at the Latest Practicable Date, proposed to be acquired or disposed of by or leased to any member of the Group.

None of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interest in any business which competed or were likely to compete, either directly or indirectly, with the businesses of the Group.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2018, the date to which the latest published audited consolidated financial statements of the Group were made up.

6. QUALIFICATION AND CONSENT OF EXPERTS

The following are the qualification of the expert who has given advice, letter or opinion contained in this circular:

Name	Qualification
Opus Capital Limited	a corporation licensed under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Opus Capital Limited had no shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Opus Capital Limited did not have any interest, direct or indirect, in any asset which had, since 31 March 2018 (being the date to which the latest published audited consolidated financial statements of the Group were made up) and up to the Latest Practicable Date, been acquired or disposed of by or leased to any member of the Group or which were, as at the Latest Practicable Date, proposed to be acquired or disposed of by or leased to any member of the Group.

Opus Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they appear.

7. LITIGATION

So far as the Directors are aware, as at the Latest Practicable Date, no member of the Group was involved in any litigation or claim of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

8. MISCELLANEOUS

- (a) All references to times and dates in this circular refer to Hong Kong times and dates.
- (b) The English text of this circular and the accompanying proxy form shall prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at Unit 16–18, 11/F China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong during normal business hours from 9:30 a.m. to 5:30 p.m. on any business day from the date of this circular up to and including the date of the EGM:

- (a) the Bank Deposit Agreement;
- (b) the letter from the Independent Board Committee, the text of which is set out on pages 14 to 15 of this circular;
- (c) the letter from the Independent Financial Adviser, the text of which is set out on pages 16 to 34 of this circular; and
- (d) the letter of consent referred to under the paragraph headed “Qualification and Consent of Experts” in this Appendix.

NOTICE OF THE EGM

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Zhaobangji Properties Holdings Limited (the “**Company**”; together with its subsidiaries, the “**Group**”) will be held at Unit 13–15, 11/F China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong on 6 August 2018 at 3:00 p.m. for the purpose of considering and, if thought fit, with or without amendments, passing the following resolution as an ordinary resolution of the Company:

“THAT

- (a) the master agreement (the “**Bank Deposit Agreement**”) entered into between the Company and Banco Well Link S.A. (“**WLB**”) on 1 June 2018 in relation to the placing of bank deposit(s) (the “**Bank Deposit(s)**”) of whatever duration (including both saving and time deposits) maintained by the Company (or any member of the Group) with WLB from time to time in the ordinary and usual course of business (a copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for identification purpose), and the transactions contemplated thereunder (including the aggregate maximum balance of the Bank Deposits which may be placed and maintained on any given day during the term of the Bank Deposit Agreement of HK\$150 million for each of the years ending 31 March 2019, 2020 and 2021) be and are hereby approved, and the entering into of the Bank Deposit Agreement by a director of the Company (the “**Director**”) for and on behalf of the Company on 1 June 2018 be and is hereby approved, confirmed and ratified; and
- (b) any Director or any other person authorised by the Directors be and is hereby authorised to do and execute all such acts, matters, deeds, documents and things as he/she may in his/her absolute discretion consider necessary or desirable for or in connection with the implementation of the Bank Deposit Agreement and all transactions and other matters contemplated thereunder or ancillary thereto, to waive compliance from and/or agree to any amendment or supplement to any of the

NOTICE OF THE EGM

provisions of the Bank Deposit Agreement which is in his/her opinion not of a material nature and to effect or implement any other matters referred to in this resolution.”

Yours faithfully,
By order of the board
Zhaobangji Properties Holdings Limited
Xu Chujia
Chairman and executive Director

Hong Kong, 19 July 2018

Registered office:

Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Unit 16–18, 11/F
China Merchants Tower Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

Notes:

1. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 1 August 2018 to 6 August 2018, both days inclusive, during which period no transfer of shares will be effected and registered. In order to be eligible to attend and vote at the EGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration no later than 4:30 p.m. on 31 July 2018.
2. Any member entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and vote instead of him. A member may appoint a proxy in respect of only part of his holding of shares in the Company. A proxy need not be a member of the Company.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof, it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
4. The instrument appointing a proxy and (if required by the board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not less than forty-eight (48) hours before the time appointed for holding the EGM (i.e. at or before 3:00 p.m. on 4 August 2018 (Hong Kong time)) or adjourned meeting at which the person named in the instrument proposes to vote.
5. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the EGM convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

NOTICE OF THE EGM

6. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders are present at the EGM, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

As at the date of this notice, 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.