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## **Zhaobangji Lifestyle Holdings Limited**

**兆邦基生活控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1660)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2023**

Reference is made to the annual report of the Company for the year ended 31 March 2023 (the “**2022/23 Annual Report**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the 2022/23 Annual Report.

The Board would like to provide the shareholders and potential investors of the Company with supplemental information in relation to the Group’s money lending business under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) (the “**Money Lending Business**”) which formed part of the business of the Company in the 2022/23 Annual Report.

#### **(I) THE BUSINESS MODEL AND CREDIT RISK ASSESSMENT POLICY OF THE MONEY LENDING BUSINESS**

The Group holds a money lenders license under the Money Lender’s Ordinance (Chapter 163 of the Laws of Hong Kong) and mainly utilizes its internal resources to fund its Money Lending Business, with an aim to generate interest income that meets the return set by the Board from time to time. Our target loan size that ranges from around HK\$5 million to HK\$20 million, with an aim to maintain suitable risk diversification relatively the to the Group’s total asset size. Each individual loans may be collateralized or unsecured, and the corresponding interest rates will be adjusted based on prevailing market conditions. The Group typically identify its clients through referral from business partners or acquired from employees of the Group. For loans which are collateralized, our target customer range is broader as we focus more on acceptable loan-to-value ratios and liquidity of the collateral. For unsecured loans, we will focus on customers with cleaner credit history and stronger sources of repayment.

Potential borrowers are subject to credit verification procedures. These may include assessment on their creditworthiness based on their credit scores, business model, financial positions, profitability, cash flows, history of default, sources of repayment and other factors such as secured collaterals provided. Loan applications and credit assessment reports are compiled by a loan officer for senior management's approval.

Subsequent reviews of the borrowers are also updated on an annual basis, which may include assessment on their financial situation, historical payment records, the length any of overdue amounts, any foreseeable changes in the economic environment that would significantly deteriorate the borrower's ability to meet its obligation, and value of collaterals where applicable. Borrowers may be requested to early repay the loans if any of such adverse conditions happen.

## **(II) DETAILS OF THE GROUP'S LOAN PORTFOLIOS AND IMPAIRMENT POLICY**

In addition to the relevant disclosures made in the 2022/23 Annual Report, the Group would like to supplement that the total outstanding loan receivables comprised of three corporate borrowers with principal amount ranging from HK\$16 million to HK\$17 million. As at 31 March 2023, the loans will mature in approximately three years.

There were no receivables past due. Impairment of the loan portfolios was provided based on the expected credit loss calculations assessed by an independent third-party valuer and confirmed with our external auditor. For details of the basis of impairment assessment, please refer to: (i) section titled "Impairment assessment of loans receivable" in the Independent Auditor's Report; (ii) section titled "Loans receivable" under "Credit Risk" of note 6 "Financial Risk Management"; and (iii) note 28 of the 2022/23 Annual Report.

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

Hong Kong, 7 March 2024

As at the date of this announcement, the Board of the Company comprises:

***Executive Directors:***

Mr. Xu Chujia (*Chairman*)  
Mr. Xu Chusheng  
Mr. Xu Zhicong  
Mr. Kwan Kin Man Keith  
Ms. Zhang Yu

***Independent Non-executive Directors:***

Mr. Hui Chin Tong Godfrey  
Mr. Wong Chun Man  
Mr. Ye Longfei

***Non-executive Director:***

Ms. Zhan Meiqing