



【 For Immediate Release 】

8 November 2019



Sanbase Corporation Limited
莊皇集團公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8501

Announces 2019/20 Interim Results
Revenue Grew by 57.4% YoY to HK\$347.4 million
Strong Revenue Growth Empowered by Successful Acquisitions

Financial Highlights

For the six months ended	2019	2018	Change
30 September	HK\$ million	HK\$ million	
Revenue	347.4	220.7	+57.4%
Gross profit	29.0	25.1	+15.5%
Profit attributable to owners of the Company	4.6	7.8	-41.0%
Basic earnings per share (HK cents)	2.32	3.89	-40.4%

(Hong Kong – 8 November 2019) One of the largest interior fit-out solutions providers for Grade A offices in Hong Kong – **Sanbase Corporation Limited** (“Sanbase” or the “Company”), and its subsidiaries (collectively as the “Group”), announced its unaudited consolidated results for the six months ended 30 September 2019 (the “Period”).

During the Period, the Group achieved a year-on-year (“YoY”) increase in revenue of approximately 57.4%, from approximately HK\$220.7 million to approximately HK\$347.4 million, mainly attributable to the increase in revenue from bare shell fit-out and restacking. As a result of the revenue growth, gross profit recorded a 15.5% increase YoY from HK\$25.1 million to HK\$29.0 million. Yet, impacted by the decrease in gross profit margin by 3 percentage points because of customers’ higher sensitivity in contract negotiation in the face of possible economic slowdown. Therefore, profit attributable to owners of the Company dropped by approximately 41.0% YoY to approximately HK\$4.6 million (2018/19: approximately HK\$7.8million).



On the acquisition front, the Group was able to derive significant benefits from the two recent acquisitions in Hong Kong and China respectively, as the Company was able to expand its business coverage to the previously untapped China market, while the newly-added design component has also enabled the Company to enrich its service portfolio and deliver one-stop fit-out solutions to clients, yielding higher customer stickiness and better financial performance. Specifically, for the six months ended 30 September 2019, the two acquisitions in Hong Kong and China have contributed, respectively, revenue of HK\$153.0 million and HK\$29.1 million, representing a YoY increase of 56.8% and 150.9% and account for 44.0% and 8.4% of the Group's total revenue.

Mr. Wong Sai Chuen, the Chairman of Sanbase Corporation Limited stated, "We see the bright performance of the two acquisitions as a good start, as we have demonstrated our ability to identify, execute, and integrate acquisition targets with proven financial results. This should set us up well for other potential project opportunities in Hong Kong, China, and potentially Asia in the future, as we attempt to further expand our business coverage, geographical coverage and client base."

Mr. Wong continued, "Looking forward to 2019/20, we remain positive in the commercial fit-out services market in both Hong Kong and China. We believe the short-term uncertainties will eventually fade, and in the longer term, favorable policies such as "Moving out of Central" and "Green Office" in Hong Kong, as well as the blueprints of developing new central business districts in the Guangdong-Hong Kong-Macau Greater Bay Area, should provide further impetus to the market. While we continue to expand our business, we will also pay specific attention to cost and efficiency, by means such as securing better deals in contract renewal with existing subcontractors, expanding our subcontractor portfolio, and streamlining our operations, in order to maintain a lean cost structure. We believe the cost pressure will be brief, and it will become more stable in long-run as the market slowly reaches its equilibrium. Boosted by the strong revenue growth, we have the utmost confidence that the Group's financial performance is likely to improve further when the business sentiment recovers."

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Sanbase Corporation Limited

Sanbase is an interior fit-out solutions provider focusing on providing services to clients whose offices are predominately situated in Grade A offices in Hong Kong. The main categories of services include: (i) bare shell fit-out; (ii) restacking; (iii) reinstatement; (iv) design; (v) churn works; and (vi) maintenance and others. According to the Industry Report, Sanbase is the largest fit-out solutions provider for Grade A offices in Hong Kong in terms of market share in 2016. During the Track Record Period, the Group worked on 230 projects for a total of 107 clients. Revenue for the two years ended March 31, 2018 and 2019 were HK\$376.2 million and HK\$650.5 million respectively, representing a year-on-year growth of approximately 72.9%.

This press release is issued by DLK Advisory Limited on behalf of **Sanbase Corporation Limited**.

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