



【For Immediate Release】

26 March 2018



Sanbase Corporation Limited
莊皇集團公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8501

**Reached Agreement over the Acquisitions of HK and PRC Targets
Expanding Scale, Services, and Coverage to Unlock Further
Business Synergies**

(Hong Kong – 26 March 2018) The largest interior fit-out solutions provider for Grade A offices in Hong Kong – **Sanbase Corporation Limited** (“Sanbase” or “Company”, and its subsidiaries “Group”, stock code: 8501) is pleased to announce that on 23 March 2018 (after trading hours of the Stock Exchange), two of its wholly-owned subsidiaries, 1017 Company Limited (“1017 Company”) and Sanbase China Holding Limited (“Sanbase China”), have respectively entered into an acquisition agreement detailed as follows:

The HK Target Acquisition

On 23 March 2018 (after trading hours of the Stock Exchange), 1017 Company has entered into an agreement with Aeola Investment Limited (“Aeola Investment”), pursuant to which 1017 Company agreed to acquire 60% equity interest of HK Target from Aeola Investment for cash consideration of HK\$10,020,000 (“HK Target Agreement”).

HK Target is a limited company incorporated in British Virgin Islands and its principal business is investment holding. As at the date of the announcement, the Operating Subsidiary is the only subsidiary of HK Target, principally engaging in the provision of interior design services and interior fit-out solutions for commercial premises in Hong Kong.

Under the HK Target Agreement, Aeola Investment guarantees that the net profit after tax of the Operating Subsidiary for the year ended 31 December 2017 and year ending 31 December 2018 shall not be less than HK\$4,000,000.0 and HK\$5,000,000.0, respectively.



The PRC Target Acquisition

On 23 March 2018, Sanbase China has entered into an agreement with an independent third party, pursuant to which Sanbase China agreed to acquire 65% equity interest of PRC Target from the independent third party for cash consideration of RMB\$1,975,000.

PRC Target principally engages in providing interior design services and interior fit-out solutions for commercial premises in China. For the year ended 31 December 2016, the profit before tax and profit after tax of PRC Target amounted to RMB37,899.3 and RMB34,109.4, respectively.

Upon completion of the two acquisitions, HK Target, the Operating Subsidiary, and PRC Target will become non-wholly owned subsidiaries of the Company. The cash consideration of the two acquisitions will be financed by the Group's internal resources.

Mr. Wong Sai Chuen, Chairman of Sanbase Corporation Limited stated, "We are delighted to have reached an agreement regarding the two acquisitions, which would allow the Group to immediately strengthen its market share in the interior fit-out industry in Hong Kong and enjoy the relevant economies of scale, as well as extending its geographical footprint by linking up with existing clients who have offices in China. Strategically, the acquisitions would also complete our one-stop interior fit-out solutions, which include design, coordination, implementation and quality control, allowing us to boost our scale and influence in the market through our comprehensive service offering. Together with the 2 large tenders awarded in the last 2 months, we firmly believe that the Group is moving towards a bright future, as demonstrated by the growing market recognition and increasing business profitability. In the future, we will continue to keep a keen eye for potential strategic partnership or investment, in order to further unlock business synergies and to deliver greater and sustainable returns to our shareholders."

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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) maintenance and (v) churn work. 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, 2016 and 2017 were HK\$231.1 million and HK\$280.7 million respectively, representing a growth of approximately 21.5% from the year ended March 31, 2016 to the year ended March 31, 2017.

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

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