



【 For Immediate Release 】

12 November 2018



Sanbase Corporation Limited
莊皇集團公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8501

Announces 2018/19 Interim Results

Revenue Increased by 25.3% YoY to HK\$220.7 million

Profit Attributable to Owners of the Company Rose by 21.0% YoY to HK\$7.8 million

Hong Kong and China Acquisitions to Complete its Value Proposition and Provide Meaningful Contributions

Financial Highlights

For the six months ended	2018	2017	Change
30 September	HK\$ million	HK\$ million	
Revenue	220.7	176.2	+25.3%
Gross profit	25.1	21.6	+16.1%
Profit attributable to owners of the Company	7.8	6.4	+21.0%
Basic earnings per share (HK cents)	3.89	4.29	-9.3%

(Hong Kong – 12 November 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 its unaudited consolidated results for the six months ended 30 September 2018 (the “Period”).

During the Period, the Group achieved a year-on-year (“YoY”) increase in revenue of approximately 25.3%, from approximately HK\$176.2 million to approximately HK\$220.7 million, mainly attributable to (i) the acquisitions of Core Group and Guangzhou Siwu in April 2018 and May 2018 respectively, as well as (ii) the increase in revenue contribution from bare shell fit-out and maintenance, design and others. In line with the increase in revenue, the Group’s gross profit increased to approximately HK\$25.1 million (1H17/18: approximately HK\$21.6 million), representing an increase of approximately 16.1% YoY. The Group’s profit attributable to owners of the Company increased by approximately



21.0% YoY to approximately HK\$7.8 million (1H17/18: approximately HK\$6.4 million).

The Group's projects can be broadly categorized into (i) bare shell fit-out projects, which undertaken with respect to the interior space of a vacant premise having basic flooring and plastered walls; (ii) restacking projects, which involve upgrading and re-planning and providing modification work to the existing interior structure of the premise; (iii) reinstatement projects, which involve demolishing any additional moveable structure that were installed by the existing tenant; and (iv) churn works, maintenance, design and others, which involve providing minor repairs and general builder's maintenance work to the tenant's office facilities, pest control and emergency call service, project management services and mechanical, electrical and plumbing consultancy services.

For the Period, the four aforementioned segments have contributed 88.0%, 3.6%, 3.4%, and 5.0% of total revenue (1H17/18: 77.9%; 12.0%; 5.9%; and 4.2%) respectively. Specifically, for its bare shell fit-out services, the major revenue contributor, revenue has increased to approximately HK\$194.3 (1H17/18: approximately HK\$137.2 million) indicating a 41.6% growth YoY. The increase in revenue was mainly driven by 3 major bare-shell fit-out projects, each accounted for revenue over HK\$10.0 million, as well as the acquisition of Core Group and Guangzhou Siwu during the Period.

In addition, between 1 Oct 2018 and the date of the announcement, the Group was awarded 8 additional bare shell fit-out projects, with a total project sum of approximately HK\$23.5 million.

The Group's overall direct margin increased from approximately HK\$27.1 million for the six month ended 30 September 2017, to approximately HK\$36.6 million for the six months ended 30 September 2018. Specifically, direct margin for bare shell fit-out and maintenance, design and others projects increased to approximately HK\$25.9 million and HK\$4.6 million respectively (1H17/18: HK\$18.2 million and HK\$0.2 million respectively). The remarkable increase was mainly driven by the larger scale of projects awarded during the Period.

Mr. Wong Sai Chuen, Chairman of Sanbase Corporation Limited stated, "In echoing the corporate values of 'Strive for Betterment', we have continued to stride forward ever since listing. On 17 September 2018, we were awarded a bare shell fit-out project with a total contract sum of approximately HK\$95.8 million, which represents more than 25% of total revenue of last year. Along with other large contracts awarded since listing, such series of successful tender has further showcased our growing market recognition, track record and execution capabilities, as we look to maintain a strong organic growth while solidifying our leading market position in Hong Kong."



Mr. Wong continued, “We have also made progress on the acquisition front through the acquisition in Hong Kong and in China respectively. We are encouraged by the fact that despite the acquisitions only being completed for less than half a year, the two targets were already able to deliver meaningful revenue contributions, as well as a significant margin enhancement to our Maintenance, Design and Others business. As the two target companies continue to integrate into the Group’s existing business, we have high hopes in realizing a stronger synergistic effect in the near future.”

“Looking forward, the Guangdong-Hong Kong-Macau Greater Bay Area would represent a huge market to tap into, as cities such as Guangzhou, Shenzhen and Hong Kong all have plans to develop CBDs, expecting to create new office supply of 4.75 million sq. m by 2022. To capture such market, the Group will leverage the market position of its new acquisition in China, and aims to solidify its regional presence by going hand in hand with our existing clients, providing them with one-stop, premium services including design, coordination, implementation, and quality control. Our strong organic growth in Hong Kong, along with our new ventures in China, should continue to deliver greater and sustainable returns to its shareholders.” **Mr. Wong** concluded.

- End -



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, 2017 and 2018 were HK\$280.7 million and HK\$376.2 million respectively, representing a growth of approximately 34.0% from the year ended March 31, 2017 to the year ended March 31, 2018.

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

For enquiries, please contact:



DLK Advisory 金通策略

Michelle Shi (michelleshi@dlkadvisory.com)

Jonathan Lam (jonathanlam@dlkadvisory.com)

Victoria Chow (victoriachow@dlkadvisory.com)

Tel: +852 2857 7101

Fax: +852 2857 7103