



【For Immediate Release】

6 February 2020



Sanbase Corporation Limited
莊皇集團公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8501

Announces 2019/20 Third-Quarter Results
Revenue Grew by 19.2% YoY to HK\$481.9 million
Q3 Gross Profit Margin Boosted by 3.9 Percentage Points as Compared with Q2

Financial Highlights

For the nine months ended	2019	2018	Change
31 December	HK\$ million	HK\$ million	
Revenue	481.9	404.4	+19.2%
Gross profit	45.7	41.3	+10.8%
Profit attributable to owners of the Company	10.2	16.0	-36.0%
Basic earnings per share (HK cents)	5.17	7.99	-35.3%

(Hong Kong - 6 February 2020) One of the largest interior fit-out solutions providers for Grade A offices in Hong Kong – **Sanbase Corporation Limited** (the “Company”), and its subsidiaries (collectively as the “Group”), announced its unaudited consolidated results for the nine months ended 31 December 2019 (the “Period”).

During the Period, the Group achieved a year-on-year (“YoY”) increase in revenue of approximately 19.2%, from approximately HK\$404.4 million to approximately HK\$481.9 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 10.8% increase YoY from HK\$41.3 million to HK\$45.7 million. Overall gross profit margin remained stable at 9.5% (2018/19: 10.2%); however, if consider by quarter-over-quarter, gross profit margin boosted from 8.3% and 8.5% in the first and second-quarter to 12.4% of the third quarter, mainly attributable to enhanced cost control such as expanding subcontractor portfolio and streamline internal procedures, leading to a reducing cost pressure since the first six months of the



financial year. Profit attributable to owners of the Company dropped by approximately 36.0% YoY to approximately HK\$10.2 million (2018/19: approximately HK\$16.0million).

On the acquisition front, the Group significantly benefited from the two acquisitions in Hong Kong and China respectively. Such acquisitions has enabled the Group to tap into the vast Chinese market, whereas the newly-added design business has also broadened our business portfolio and enhanced our means to offer one-stop fit-out solutions to our clients, yielding greater customer stickiness and maintaining our competitive edge in the market. For the nine months ended 31 December 2019, the two acquisitions in Hong Kong and China have contributed, respectively, a revenue of HK \$177.4 million and HK\$ 37.8 million, representing a YoY increase of 37.0% and 126.4% and account for 36.8% and 7.8% of the Group's total revenue.

Mr. Wong Sai Chuen, the Chairman of Sanbase Corporation Limited stated, "These substantial improvement have highlighted our ability to identify, execute, integrate and improve acquisition targets, and we take this success as a solid foundation for our future plans as we continue to explore overseas opportunities. Notably, the Company had its first ever collaboration with contractors in a Cambodian housing project last year, with its quality being well recognized by the market. Our accomplishments in both China and Cambodia illustrated how we are able to replicate our competitive business model in Hong Kong, and bring it into life in a new market in a way to expand as a global enterprise."

Mr. Wong continued, "Looking forward to 2020, we remain positive in the commercial fit-out services market in both Hong Kong and China, and we believe the short-term uncertainties will gradually fade. Hong Kong continues to be ranked first globally in terms of IPO proceeds and the amount of fund raised in 2019. With over 160 corporates deciding to go public in Hong Kong, this will drive a significant increase in demand of Grade A commercial buildings, and hence fit-out services, in major business districts. 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. Boosted by the strong revenue growth, we have the utmost confidence that the Group's financial performance is likely to improve further when 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 more than 230 projects for a total of more than 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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