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SANBASE CORPORATION LIMITED

莊皇集團公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8501)

**ANNOUNCEMENT MADE PURSUANT TO RULES 17.50(2)(s) AND
17.50A(2) OF THE GEM LISTING RULES**

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Sanbase Corporation Limited (the “**Company**”, together with its subsidiaries the “**Group**”) pursuant to Rules 17.50(2)(s) and 17.50A(2) of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”), to disclose the change of information in relation to Mr. Chan Chi Kwong, Dickson (“**Mr. Chan**”) to comply with the requirements under Rules 17.50(2)(s) and 17.50A(2) of the GEM Listing Rules.

The Board has been informed that Mr. Chan, an independent non-executive Director, was reprimanded by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) for failure to comply with the Accountant’s Report Rules and the Institute’s Practice Note 840 (Revised) *Reporting on Solicitors’ Accounts under the Solicitors’ Accounts Rules and the Accountant’s Report Rules* in relation to the issuance of an accountant’s report for a solicitors’ firm (the “**Firm**”) by Mr. Chan, as the HKICPA found that, in conducting the reporting engagement, Mr. Chan did not perform adequate procedures to identify (i) overdrawings of client money from client bank accounts by the Firm; and (ii) drawing of money from client bank accounts by the Firm for disbursements not yet expended. Furthermore, Mr. Chan did not adequately perform checks to identify an overpayment into the client bank accounts by the Firm. The HKICPA concluded that Mr. Chan failed or neglected to observe, maintain, or otherwise apply the fundamental principle of professional competence and due care in sections 110.1A1(c) and R113.1 under Chapter A of the Code of Ethics for Professional Accountants in conducting the engagement. Accordingly, Mr. Chan was ordered to pay an administrative penalty of HK\$15,000 and the HKICPA’s costs of HK\$15,000 (the “**Decision**”). Details of the above were disclosed in the press release published by the HKICPA dated 11 June 2021.

As the Decision does not involve the Company or the Group as a whole, and Mr. Chan has no role in the day-to-day operations of the Group, the Board does not consider that the Decision will have any material adverse impact on the business operation or financial position of the Group. Mr. Chan has confirmed to the Company that save as disclosed in this announcement, there is no other information relating to him that is required to be disclosed pursuant to the requirements of Rule 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules and he is not aware of any other matters that need to be brought to the attention of the shareholders of the Company.

By order of the Board of
Sanbase Corporation Limited
Wong Sai Chuen
*Chairman, Chief Executive Officer and
Executive Director*

Hong Kong, 15 June 2021

As at the date of this announcement, the Board comprises Mr. Wong Sai Chuen (Chairman and Chief Executive Officer), Mr. Wong Kin Kei (Chief Operating Officer), Ms. Hui Man Yee Maggie and Dr. Sung Tak Wing Leo being the executive Directors; and Mr. Cheung Chi Man Dennis, Mr. Chan Chi Kwong Dickson and Mr. Pang Chung Fai Benny being the independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication. This announcement will also be published on the Company’s website at www.sclhk.com.