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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 OF FINAL RESULTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “**Directors**”) of Sanbase Corporation Limited (the “**Company**”) 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 (the “**GEM Listing Rules**”) 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.*

The board (the “**Board**”) of directors (the “**Directors**”) of Sanbase Corporation Limited (the “**Company**” together with its subsidiaries (the “**Group**”)) is pleased to present the audited consolidated final results of the Group for the year ended 31 March 2021, together with the comparative figures for the year ended 31 March 2020, are as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*FOR THE YEAR ENDED 31 MARCH 2021*

	<i>Note</i>	<b>2021</b> <i>HKD’000</i>	2020 <i>HKD’000</i>
<b>Revenue</b>	3	<b>481,286</b>	638,030
Cost of sales	5	<u>(455,439)</u>	<u>(572,962)</u>
<b>Gross profit</b>		<b>25,847</b>	65,068
Other income	4	<b>3,725</b>	–
Administrative expenses	5	<b>(37,551)</b>	(32,721)
Fair value changes of financial asset at fair value through profit or loss		<b>6,083</b>	(737)
Reversal of/(provision for) impairment losses on financial assets		<u><b>1,058</b></u>	<u>(3,591)</u>
<b>Operating (loss)/profit</b>		<u><b>(838)</b></u>	<u>28,019</u>
Finance income		<b>108</b>	410
Finance costs		<u><b>(223)</b></u>	<u>(367)</u>
Finance (costs)/income – net	6	<u><b>(115)</b></u>	<u>43</u>
<b>(Loss)/profit before income tax</b>		<b>(953)</b>	28,062
Income tax credit/(expense)	8	<u><b>1,393</b></u>	<u>(6,321)</u>
<b>Profit for the year</b>		<b>440</b>	21,741
<b>Other comprehensive income/(loss), net of income tax</b>			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
– Exchange differences arising on translation of foreign operation		<u><b>552</b></u>	<u>(140)</u>
<b>Total comprehensive income for the year</b>		<u><b>992</b></u>	<u>21,601</u>

	<i>Note</i>	<b>2021</b> <b><i>HKD'000</i></b>	2020 <i>HKD'000</i>
<b>Profit for the year attributable to:</b>			
Owners of the Company		<b>397</b>	16,224
Non-controlling interests		<b>43</b>	5,517
		<u><b>440</b></u>	<u>21,741</u>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		<b>810</b>	16,133
Non-controlling interests		<b>182</b>	5,468
		<u><b>992</b></u>	<u>21,601</u>
		<i>HK Cents</i>	<i>HK Cents</i>
<b>Earnings per share attributable to owners of the Company</b>			
Basic and diluted	<i>9</i>	<u><b>0.20</b></u>	<u>8.20</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	<i>Note</i>	<b>2021</b> <b>HKD'000</b>	2020 HKD'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>1,910</b>	2,194
Right-of-use assets		<b>5,240</b>	4,861
Intangible assets		<b>11,965</b>	9,719
Financial assets at fair value through profit or loss		<b>13,200</b>	7,094
Deposits and prepayments		<b>607</b>	2,595
Deferred tax assets		<b>926</b>	294
		<u><b>33,848</b></u>	<u>26,757</u>
<b>Current assets</b>			
Trade and retention receivables	<i>11</i>	<b>59,536</b>	75,556
Contract assets		<b>50,116</b>	136,959
Deposits, other receivables and prepayments		<b>7,274</b>	11,265
Income tax recoverable		<b>2,147</b>	–
Cash and cash equivalents		<b>112,488</b>	120,321
		<u><b>231,561</b></u>	<u>344,101</u>
<b>Total assets</b>		<u><b>265,409</b></u>	<u>370,858</u>
<b>EQUITY</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital		<b>1,553</b>	1,553
Shares held under share award scheme		<b>(2,998)</b>	(2,998)
Share premium		<b>57,632</b>	57,632
Exchange reserve		<b>269</b>	(144)
Retained earnings		<b>86,028</b>	85,748
		<u><b>142,484</b></u>	<u>141,791</u>
Non-controlling interests		<u><b>6,721</b></u>	<u>10,414</u>
<b>Total equity</b>		<u><b>149,205</b></u>	<u>152,205</u>

	<i>Note</i>	<b>2021</b> <b>HKD'000</b>	2020 <i>HKD'000</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities		–	29
Lease liabilities		<b>2,451</b>	2,745
		<u>2,451</u>	<u>2,774</u>
<b>Current liabilities</b>			
Trade payables	<i>12</i>	<b>102,215</b>	201,835
Accruals and other payables	<i>12</i>	<b>2,262</b>	3,046
Contract liabilities		<b>6,246</b>	5,656
Lease liabilities		<b>3,030</b>	2,249
Current income tax liabilities		–	3,093
		<u>113,753</u>	<u>215,879</u>
<b>Total liabilities</b>		<b><u>116,204</u></b>	<b><u>218,653</u></b>
<b>Total equity and liabilities</b>		<b><u>265,409</u></b>	<b><u>370,858</u></b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Attributable to owners of the Company							Non-controlling interests HKD'000	Total equity HKD'000
	Share capital HKD'000	Share premium HKD'000	Shares held under share award scheme HKD'000	Exchange reserve HKD'000	Retained earnings HKD'000	Subtotal HKD'000			
At 1 April 2019	1,553	63,832	(2,998)	(53)	69,524	131,858	4,946	136,804	
<b>Profit for the year</b>	-	-	-	-	16,224	16,224	5,517	21,741	
<b>Other comprehensive loss for the year:</b>									
Exchange differences arising on translation of foreign operation	-	-	-	(91)	-	(91)	(49)	(140)	
<b>Total comprehensive (loss)/income for the year</b>	-	-	-	(91)	16,224	16,133	5,468	21,601	
Final dividend paid	-	(6,200)	-	-	-	(6,200)	-	(6,200)	
At 31 March 2020	1,553	57,632	(2,998)	(144)	85,748	141,791	10,414	152,205	
At 1 April 2020	1,553	57,632	(2,998)	(144)	85,748	141,791	10,414	152,205	
<b>Profit for the year</b>	-	-	-	-	397	397	43	440	
<b>Other comprehensive income for the year:</b>									
Exchange differences arising on translation of foreign operation	-	-	-	413	-	413	139	552	
<b>Total comprehensive income for the year</b>	-	-	-	413	397	810	182	992	
Dividend paid to non-controlling interests	-	-	-	-	-	-	(3,992)	(3,992)	
Changes in ownership interests									
Acquisition of non-controlling interests in a subsidiary	-	-	-	-	(117)	(117)	117	-	
At 31 March 2021	1,553	57,632	(2,998)	269	86,028	142,484	6,721	149,205	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

Sanbase Corporation Limited was incorporated in the Cayman Islands on 24 March 2017 as an exempted company with limited liability under the Companies Law Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands. The principal place of business is 16/F, Loon Kee Building, 267-275 Des Voeux Road Central, Hong Kong.

The Company is an investment holding company. Its subsidiaries are principally engaged in the provision of interior fit-out solutions in Hong Kong and the People's Republic of China (the "PRC"). The ultimate holding company of the Company is Madison Square International Investment Limited. The ultimate controlling party of the Group is Mr. Wong Sai Chuen ("Mr. Wong" or the "Controlling Shareholder").

The shares of the Company (the "Shares") have been listed on GEM of the Stock Exchange since 4 January 2018.

These consolidated financial statements are presented in Hong Kong dollar thousands ("HKD'000"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board on 25 June 2021.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting the Company and its subsidiaries.

#### 2.1 Basis of preparation

- (i) *Compliance with Hong Kong Financial Reporting Standards and Hong Kong Companies Ordinance*

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") and disclosure requirements of the Hong Kong Companies ordinance ("HKCO") Cap.622.

- (ii) *Historical cost convention*

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets measured at fair value.

(iii) *Amended standards and conceptual framework adopted by the Group*

The Group has applied the following amended standards and conceptual framework for the first time for their financial statements period commencing 1 April 2020:

Amendments to Hong Kong Accounting Standards (“HKAS”) 1 and HKAS 8	Definition of material
Amendments to HKFRS 3	Definition of a business
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Interest rate benchmark reform
Conceptual Framework for Financial Reporting 2018	Revised conceptual framework for financial reporting

The amendments and conceptual framework listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) *New and amended standards not yet adopted*

The following new accounting standard and amendments have been published but are not mandatory for 31 March 2021 reporting period and have not been early adopted by the Group.

		<b>Effective for annual periods beginning on or after</b>
Amendments to HKFRS 16	Covid-19-related rent concessions	1 June 2020
HKFRS 17	Insurance contracts	1 April 2021
Amendments to Annual Improvements Project	Annual improvements to HKFRSs 2018-2020	1 April 2022
Amendments to HKFRS 3, HKAS 16 and HKAS 37	Narrow-scope amendments	1 April 2022
Amendments to HKAS 1	Classification of liabilities as current or non-current	1 April 2023
Amendments to HKFRS 10 and HKAS 28	Sales or contribution of assets between an investor and its associate or joint venture	To be determined

The directors of the Company are of the opinion that the adoption of the above new standard and amendments to existing standards would not have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. The Group intends to adopt the above new standard and amendments to existing standards when they become effective.



### 3. REVENUE AND SEGMENT INFORMATION

	2021 <i>HKD'000</i>	2020 <i>HKD'000</i>
Bare shell fit-out	249,810	542,037
Restacking	201,024	58,506
Reinstatement	11,112	16,650
Design	1,402	5,531
Churn works	16,522	13,836
Maintenance and other	1,416	1,470
	<u>481,286</u>	<u>638,030</u>

Revenue generated from bare shell fit-out, restacking and reinstatement services were recognised over time while revenue generated from churn works, design, maintenance and other services were recognised at a point in time for the year ended 31 March 2021 and 2020.

The executive Directors have been identified as the chief operating decision makers (“CODM”) of the Group who review the Group’s internal reporting in order to assess performance and allocate resources. The Group focuses on provision of interior fit-out solutions in Hong Kong and the PRC for the year ended 31 March 2021 and 2020. Information reported to the CODM, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Directors regard the Group’s business as a single operating segment and review consolidated financial statements accordingly. The Group primarily operates in Hong Kong and the PRC. Revenue generated from customers in the PRC is also related to the provision of interior fit-out solutions and the reported geographical segment information is presented below.

#### Geographical information

The geographical location of customers is based on the location at which the service provided. The Group’s operations and workforce are mainly located in Hong Kong and the PRC. The following table provides an analysis of the Group’s revenue from external customers.

	2021 <i>HKD'000</i>	2020 <i>HKD'000</i>
Hong Kong	468,866	593,950
The PRC	12,420	44,080
	<u>481,286</u>	<u>638,030</u>

#### Information about major customers

Revenue from customers contributing over 10% of the Group’s total revenue are set out below.

	2021 <i>HKD'000</i>	2020 <i>HKD'000</i>
Customer A	110,028	N/A <i>(Note)</i>
Customer B	101,213	N/A <i>(Note)</i>
	<u>110,028</u>	<u>N/A</u>

*Note:* The corresponding revenue did not contribute over 10% of the Group’s total revenue.

#### 4. OTHER INCOME

	2021 <i>HKD'000</i>	2020 <i>HKD'000</i>
Government subsidies	<u>3,725</u>	<u>–</u>

The amount represents the grant in respect of the Employment Support Scheme received from the Government of Hong Kong Special Administrative Region. There are no unfulfilled conditions or other contingencies attaching to the grant. The Group did not benefit directly from any other forms of government assistance.

#### 5. EXPENSES BY NATURE

The Group's profit for the year ended 31 March 2021 and 2020 are stated after charging the following cost of sales and administrative expenses:

	2021 <i>HKD'000</i>	2020 <i>HKD'000</i>
Subcontracting charges	414,495	528,058
Staff costs ( <i>Note 7</i> )	45,163	46,410
Cleaning expenses	8,979	8,329
Insurance expenses	3,499	3,465
Short-term lease payments	13	51
Auditor's remuneration		
– Audit service	1,346	1,250
– Non-audit service	112	345
Depreciation on right-of-use assets	3,140	2,564
Depreciation on property, plant and equipment	1,460	1,112
Amortisation of intangible assets	175	208
Legal and professional fees	7,665	5,406
Other expenses	6,943	8,485
	<u>492,990</u>	<u>605,683</u>
Total cost of sales and administrative expenses		
	<u>492,990</u>	<u>605,683</u>
Representing:		
Cost of sales	455,439	572,962
Administrative expenses	37,551	32,721
	<u>492,990</u>	<u>605,683</u>

#### 6. FINANCE (COSTS)/INCOME – NET

	2021 <i>HKD'000</i>	2020 <i>HKD'000</i>
Interest income from bank deposits	108	410
Bank interest expense on bank borrowings	–	(49)
Interest expense on lease liabilities	(223)	(318)
	<u>(115)</u>	<u>43</u>

## 7. STAFF COSTS, INCLUDING DIRECTORS' EMOLUMENTS

	2021 <i>HKD'000</i>	2020 <i>HKD'000</i>
Salaries, bonuses and allowances	43,626	44,880
Retirement benefits contributions	1,537	1,530
	<u>45,163</u>	<u>46,410</u>

## 8. INCOME TAX (CREDIT)/EXPENSE

	2021 <i>HKD'000</i>	2020 <i>HKD'000</i>
Current income tax		
– Hong Kong profits tax	243	4,627
– The PRC enterprise income tax	–	2,065
Over-provision for prior years	(999)	(555)
Deferred tax	(637)	184
	<u>(1,393)</u>	<u>6,321</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazette on the following day. Pursuant to the two-tiered profits tax rates regime, the first HKD2 million of assessable profits of the qualifying group entity will be taxed at 8.25%, and assessable profits above HKD2 million will be taxed at 16.5%. The assessable profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong profits tax of Sanbase Interior Contracting Limited is calculated at 8.25% (2020: 8.25%) on the first HKD2 million (2020: HKD2 million) of the estimated assessable profits and at the rate of 16.5% (2020: 16.5%) on the estimated assessable profits above HKD2 million (2020: HKD2 million) for the year.

Under the Law of the PRC on enterprise income tax (“**EIT**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% (2020: 25%).

No provision for income tax in other jurisdictions has been made as the Group had no assessable profit in other jurisdictions during the year.

## 9. EARNINGS PER SHARE

### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue less the total number of shares held under share award scheme during the year ended 31 March 2021 and 2020.

	2021	2020
Profit attributable to owners of the Company ( <i>HKD'000</i> )	397	16,224
Weighted average number of ordinary shares in issue less shares held under share award scheme ( <i>in thousand</i> )	<u>197,944</u>	<u>197,944</u>
Basic earnings per ordinary share ( <i>HK cents</i> )	<u>0.20</u>	<u>8.20</u>

### (b) Diluted

There were no outstanding share options as at 31 March 2021 and 2020 and have no potential dilutive ordinary share in issue. Accordingly, diluted earnings per share is equal to basic earnings per share.

## 10. DIVIDEND

The Board do not recommend the payment of a final dividend for the year ended 31 March 2021 and 2020.

## 11. TRADE AND RETENTION RECEIVABLES

	<i>Note</i>	2021 <i>HKD'000</i>	2020 <i>HKD'000</i>
Trade receivables	<i>(a)</i>	61,256	79,497
Retention receivables	<i>(b)</i>	<u>2,853</u>	<u>1,046</u>
		64,109	80,543
Less: provision for impairment of trade and retention receivables		<u>(4,573)</u>	<u>(4,987)</u>
Trade and retention receivables – net		<u>59,536</u>	<u>75,556</u>

Trade and retention receivables balances are categorised as “financial assets measured at amortised cost”. The maximum exposure to credit risk as at 31 March 2021 and 2020 was the carrying value of each class of receivables mentioned above. The Group did not hold any collateral as security. The carrying amounts of trade and retention receivables approximate their fair values. The trade and retention receivables were mainly denominated in HKD and RMB.

- (a) The credit terms granted to its customers were generally 30 days from the invoice date except for the amount relating to retention money which is payable after 1 year from the date of completion of the works. As at 31 March 2021 and 2020, the ageing analysis of the trade receivables based on the invoice date is as follows:

	2021 <i>HKD'000</i>	2020 <i>HKD'000</i>
Within 30 days	32,144	50,678
31 to 60 days	16,085	8,709
61 to 90 days	4,591	2,553
91 to 180 days	3,849	5,409
Over 180 days	4,587	12,148
	<u>61,256</u>	<u>79,497</u>

- (b) As at 31 March 2021 and 2020, the ageing analysis of the retention receivables based on the invoice date was as follows:

	2021 <i>HKD'000</i>	2020 <i>HKD'000</i>
Within 30 days	1,745	160
31 to 60 days	–	–
61 to 90 days	301	45
91 to 180 days	540	414
Over 180 days	267	427
	<u>2,853</u>	<u>1,046</u>

## 12. TRADE AND OTHER PAYABLES

	2021 <i>HKD'000</i>	2020 <i>HKD'000</i>
Trade payables	102,215	201,835
Accruals and other payables	2,262	3,046
	<u>104,477</u>	<u>204,881</u>

As at 31 March 2021 and 2020, the aging analysis of the trade payables based on invoice date was as follows:

	2021 <i>HKD'000</i>	2020 <i>HKD'000</i>
Within 30 days	78,899	134,244
31 to 60 days	3,159	14,998
61 to 90 days	6,660	15,468
91 to 180 days	3,931	17,254
Over 180 days	9,566	19,871
	<u>102,215</u>	<u>201,835</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group 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 and the PRC. Our role in these fit-out projects entails the overall project management, coordination and implementation of fit-out projects by engaging subcontractors from different trades for their services and labour, providing expertise such as controlling the quality aspects of the projects and carrying out corresponding project management.

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

During the year ended 31 March 2021, the Group recorded a decrease in revenue of 24.6% to HKD481.3 million from HKD638.0 million for the year ended 31 March 2020. The decrease was mainly attributable to the combined effect of the facts that (i) the prolonged adverse effect on economy of China and Hong Kong brought by the constant spread of COVID-19 virus worldwide, in which certain project owners and/or customers have suffered tight cashflow, leading to postponement and/or slowdown in certain projects; and (ii) we have been aggressively in tendering for new projects with relatively lower bidding prices of projects to secure a higher chance of success of bidding. As a result, the Group's gross profit decreased to HKD25.8 million for the year ended 31 March 2021 from HKD65.1 million for the year ended 31 March 2020, representing a decrease of 60.3%.

The Group's profit attributable to owners of the Company decreased by 97.6% to HKD0.4 million for the current year from HKD16.2 million for the corresponding period of last year.

## FINANCE REVIEW

### Revenue

The Group's revenue is principally generated from (i) bare shell fit-out; (ii) restacking; (iii) reinstatement; (iv) design; (v) churn works; and (vi) maintenance and others. During the year ended 31 March 2021, the Group's revenue decreased by 24.6% to HKD481.3 million as compared with HKD638.0 million of last year. The decrease is mainly attributable to the combined effect of the facts that (i) the prolonged adverse effect on economy of China and Hong Kong brought by the constant spread of COVID-19 virus worldwide, in which certain project owners and/or customers have suffered tight cashflow, leading to postponement and/or slowdown in certain projects; and (ii) we have been aggressively in tendering for new projects with relatively lower bidding prices of projects to secure a higher chance of success of bidding.

The following table sets forth a breakdown of the Group's revenue by project types for the year ended 31 March 2021 and 2020:

	Year ended 31 March			
	2021		2020	
	HKD'000	%	HKD'000	%
<b>Project type</b>				
Bare shell fit-out	249,810	51.9	542,037	85.0
Restacking	201,024	41.8	58,506	9.1
Reinstatement	11,112	2.3	16,650	2.6
Design	1,402	0.3	5,531	0.9
Churn works	16,522	3.4	13,836	2.2
Maintenance and other	1,416	0.3	1,470	0.2
<b>Total</b>	<b>481,286</b>	<b>100.0</b>	<b>638,030</b>	<b>100.0</b>

As shown in above table, our bare shell fit-out contributed to 51.9% and 85.0% of the Group's total revenue for the year ended 31 March 2021 and 2020 respectively. Revenue from bare shell fit-out decreased to HKD249.8 million for the year ended 31 March 2021 from HKD542.0 million for the last year, representing a decrease of 53.9%.

From 1 April 2020 and up to the date of this announcement, we were newly awarded a total of 31 bare shell fit-out projects with a total project sum of HKD215.4 million.

### Cost of sales and Direct margin

The Group's cost of sales mainly comprised subcontracting charges and staff costs. The decrease in cost of sales from HKD573.0 million for the last year to HKD455.4 million for the current year, representing a decrease of 20.5%.

Defined as revenue less subcontracting costs, cleaning expenses, insurance expenses and security expenses, direct margin of the Group indicates the overall project profitability before taking into account of other fixed costs. The following table sets forth the breakdown of the Group's direct margin by project types for the year ended 31 March 2021 and 2020:

	Year ended 31 March			
	2021	% of	2020	% of
	<i>HKD'000</i>	<i>revenue</i>	<i>HKD'000</i>	<i>revenue</i>
<b>Project type</b>				
Bare shell fit-out	26,782	10.7	79,757	14.7
Restacking	23,282	11.6	2,807	4.8
Reinstatement	661	5.9	867	5.2
Design	1,182	84.3	4,798	86.7
Churn works	412	2.5	4,359	31.5
Maintenance and others	289	20.4	164	11.2
<b>Total</b>	<b>52,608</b>	<b>10.9</b>	<b>92,752</b>	<b>14.5</b>

The Group's overall direct margin decreased to HKD52.6 million for the year ended 31 March 2021 from HKD92.8 million for the last year. Such decrease in the direct margin was primarily attributable to the fact that we have been aggressively in tendering for new projects with relatively lower bidding prices of projects to secure a higher chance of success of bidding.

### Other income

The Group's other income amounted to HKD3.7 million for the current year (2020: Nil) as a result of the government subsidies received from the HKSAR government under the Employment Support Scheme that provides time-limited financial support to eligible employers to retain their employees due to the adverse situation of COVID-19 in Hong Kong.

### Administrative expenses

The Group's administrative expenses amounted to HKD37.6 million for the current year, representing an increase of HKD4.9 million or 14.8% as compared to that of HKD32.7 million for the last year. Such increase was primarily attributable to (i) an increase of HKD2.2 million in staff costs due to the general pay rise; and (ii) an increase of HKD2.3 million in legal and professional fee.

### Finance costs

The Group's finance costs for the current year mainly comprise interest on the lease liabilities after the coming into effect of HKFRS 16. Finance costs decreased to HKD0.2 million for the current year from HKD0.4 million for the last year.



### **Income tax credit/(expense)**

The Group's income tax credit for the current year was HKD1.4 million, representing a decrease of HKD7.7 million as compared to HKD6.3 million for the last year's income tax expenses.

### **Profit for the year**

The Group's profit decreased to HKD0.4 million for the year ended 31 March 2021 from HKD21.7million for the last year.

### **Profit attributable to owners of the Company**

Profit attributable to owners of the Company amounted to HKD0.4 million for the current year, representing a decrease of HKD15.8 million, as compared with HKD16.2 million for the last year.

### **Dividend**

The Board do not recommend the payment of final dividend for the year ended 31 March 2021 (2020: Nil).

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The business operations and results of the Group may be affected by various factors, some of which are external causes and some are inherent to the business. The Board is aware that the Group is exposed to various risks and the principal risks and uncertainties are summarised below:

- The Group's business and operation may be affected by the pandemic or public health incident, which may slow down the progress of projects;
- We depend on our subcontractors to carry out various trades of work and bear the risks associated with fluctuations in subcontracting costs, substandard performance and instability of their operations;
- The Group's business is project-based. Fee collection and profit margin depend on the terms of the work contract and may not be regular;
- Most of the revenue is derived from contracts awarded through competitive tendering and the contracts are non-recurring in nature. The Group's business depends on its success on project tenders;
- We determine the tender price based on our estimation of the time and costs involved, which may not be accurate; and
- Our liquidity and financial position may be adversely affected if we cannot receive progress payments or retention money in full in time or at all.

## **LIQUIDITY, FINANCIAL RESOURCES, GEARING RATIO AND CAPITAL STRUCTURE**

During the year ended 31 March 2021, the Group financed its operation by its internal resources and granted bank facility. As at 31 March 2021, the Group had net current assets of HKD117.8 million (2020: HKD128.2 million), including cash and cash equivalents balances of HKD112.5 million (2020: HKD120.3 million) mainly denominated in Hong Kong dollars (“**HKD**”).

The current ratio, being the ratio of current assets to current liabilities, was 2.0 times as at 31 March 2021 (2020: 1.6 times). The gearing ratio of the Group as at 31 March 2021 was nil (2020: Nil). The gearing ratio is calculated as total debt divided by total equity as at the respective period end.

There has been no change in capital structure of the Company as at 31 March 2021. The equity attributable to owners of the Company amounted to HKD142.5 million as at 31 March 2021 (2020: HKD141.8 million).

The Group does not have any exposure to fluctuations in exchange rates and any related hedges.

### **PLEDGE OF ASSETS**

As at 31 March 2021 and 2020, the Group had not pledged any assets to secure bank facilities or finance lease obligation.

### **CAPITAL COMMITMENTS**

As at 31 March 2021, the Group did not have any material capital commitment in relation to the acquisitions (31 March 2020: HKD1.3 million).

### **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES**

During the year ended 31 March 2021, the Group did not have any significant investment, material acquisition or disposal.

### **CONTINGENT LIABILITIES**

As at 31 March 2021, the Group provided guarantees of surety bonds of HKD16.2 million (2020: HKD7.1 million) in respect of 5 (2020: 4) construction contract(s) of the Group in its ordinary course of business. The surety bonds are expected to be released in accordance with the terms of the respective construction contracts.

## USE OF PROCEEDS

The net proceeds from the listing of the Shares, after deducting the underwriting commission and related expenses, were HKD56.9 million (the “**Net Proceeds**”). The Company announced on 18 June 2020 for the change of proposed use of Net Proceeds. Set out below are details of original allocation of Net Proceeds, the revised allocation of Net Proceeds and the utilisation of Net Proceeds as at 31 March 2021:

Having considered the current business needs of the Company, the Board resolved to reallocate the unutilised Net Proceeds in the following manner:

<b>Utilisation of Net Proceeds</b>	<b>Original allocation of Net Proceeds as stated in the Prospectus (HKD million)</b>	<b>Revised allocation of Net Proceeds as at 18 June 2020 (HKD million)</b>	<b>Actual use of Net Proceeds up to 31 March 2021 (HKD million)</b>	<b>Unutilised Net Proceeds up to 31 March 2021 (HKD million)</b>
(i) For project execution and start-up costs for projects	34.2	34.2	34.2	–
(ii) For recruiting high calibre and experienced managers and supervisors for the expansion of our project teams and renting additional office space	11.4	14.7	14.7	–
(iii) For revamping our project management and execution system	4.0	0.7	0.7	–
(iv) For implementation of enterprise resources planning system	1.7	1.7	1.7	–
(v) For additional working capital and other general corporate purpose	5.6	5.6	5.6	–
<b>Total</b>	<u>56.9</u>	<u>56.9</u>	<u>56.9</u>	<u>–</u>

The business objectives, future plans and intended use of the proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group’s business and its industry.

## **Reasons for and benefits of the change in use of proceeds**

The Company had planned to use HKD4.0 million of the Net Proceeds for revamping our project management and execution system to enhance its operational efficiency, and HKD0.7 million had been utilised for such purpose. During the year ended 31 March 2020, the Group failed to reach an agreement with the vendor in relation to the transfer of patent rights of the conceptual framework of the project management and executive system (the “**Management System**”) for the Group’s operational use. As at 18 June 2020, the Company has yet to identify any suitable alternate service providers to resume the design and implementation of the Management System upon research.

Meanwhile, one of our wholly-owned subsidiaries requires more high calibre and experienced managers and supervisors to provide a stronger support for the execution of projects awarded. As such, on 18 June 2020, based on the interest of the Company and its Shareholders as a whole, the Board resolved to reallocate HKD3.3 million of the unutilised Net Proceeds, which were originally allocated for revamping our project management and execution system, to supplement for recruiting high calibre and experienced managers and supervisors for the expansion of our project teams and renting additional office space. The Board is of the view that such reallocation of unutilised Net Proceeds will strengthen the efficiency and effectiveness of the capital use, the use of proceeds is appropriately reallocated to better meet the current business needs of the Company, which also enables the Company to invest its financial sources in a more beneficial and effective way so as to cooperate in the future development of the Company and grasp the potential business opportunities in the future.

The Board considers that the development direction of the Company is still in line with the disclosure in the Prospectus in spite of such change in use of the Net Proceeds as stated above. The aforesaid change in the use of the Net Proceeds will not adversely affect the operation and business of the Group and is in the interest of the Company and its Shareholders as a whole. Save for the aforesaid changes, there is no other change to the use of the Net Proceeds.

## **RELATIONSHIP WITH CUSTOMERS, SUPPLIERS, EMPLOYEES AND SHAREHOLDERS**

The success of the Group also depends on the support from key parties which comprise customers, suppliers, employees and shareholders. During the year ended 31 March 2021, the Group have maintained good relationships with the customers and suppliers and there was no material dispute between the Group and the customers or the suppliers.

Regarding the employees, the Group focuses on the talents of our employees as our most valuable asset and provides a harmonious and professional working environment. During the year ended 31 March 2021, we have provided competitive remuneration packages to our employees to recognise their contribution to the Group.

The principal goal of the Group is to maximise the return to the Shareholders. The Group will focus on our core business for achieving sustainable profit growth and rewarding the Shareholders with dividend payouts while taking into account the business development needs and financial health of the Group.

## **HUMAN RESOURCES MANAGEMENT**

As at 31 March 2021, the Group had a total of 87 (2020: 94) employees. To ensure that the Group is able to attract and retain staff capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis. In addition, discretionary bonus is offered to eligible employees by reference to the Group's results and individual performance.

## **MANAGEMENT CONTRACTS**

Other than the Directors' service agreements and appointment letters, no contract concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence as at the end of the year ended 31 March 2021 or at any time during the year ended 31 March 2020.

## **SHARE OPTION SCHEME**

On 8 December 2017, the Company adopted the share option scheme (the "**Share Option Scheme**"), which falls within the ambit of, and is subject to, the regulations under Chapter 23 of the GEM Listing Rules. The purpose of the Share Option Scheme is to attract, retain and motivate employees, Directors and other participants, and to provide a means of compensating them through the grant of options for their contribution to the growth and profits of the Group, and to allow such employees, Directors and other persons to participate in the growth and profitability of the Group.

Qualified participants of the Share Option Scheme include directors (including executive, non-executive and independent non-executive Directors) and employees (whether full-time or part-time) of the Company or any of its subsidiaries or any other person who is in the absolute discretion of the Board has contributed or will contribute to the Group.

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme is 20,000,000 Shares, representing approximately 10% of the total issued share capital of the Company as at the date of this announcement.

The total number of Shares issued and to be issued upon the exercise of the options granted to or to be granted to each eligible person under the Share Option Scheme (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue.

The offer of a grant of share options under the Share Option Scheme may be accepted upon payment of a consideration of HKD1 by the grantee.

The Share Option Scheme will remain in force for a period of 10 years commencing on 8 December 2017 and the options granted have a 10-year exercise period. Options may be vested over such period(s) as determined by the Board in its absolute discretion subject to compliance with the requirements under any applicable laws, regulations or rules.

The exercise price of share options under the Share Option Scheme is determined by the Board, but shall not be less than the higher of (i) the closing price of the Shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

No share options has lapsed, or have been granted, exercised or cancelled under the Share Option Scheme since its adoption and up to the date of this announcement, hence no outstanding share option as at 31 March 2021 and 2020.

## **SHARE AWARD SCHEME**

On 16 October 2018, the Board approved the adoption of the share award scheme (the “**Share Award Scheme**”) with immediate effect, pursuant to which all eligible persons will be entitled to participate. The purpose of the Share Award Scheme is to recognise the contributions by certain eligible persons and provide them with incentives in order to retain them for the continuing operation and development of the Group, and to attract suitable personnel for further development of the Group.

The total number of Shares which may be granted under the Share Award Scheme is 2,056,000 Shares, representing approximately 1.03% of the total issued share capital of the Company as at the date of this announcement. No Shares have been granted under the Share Award Scheme since its adoption and up to the date of this announcement.

A summary of the terms of the Share Award Scheme has been set out in the announcement of the Company dated 16 October 2018.

## **THE COVID-19 PANDEMIC’S IMPACT**

An outbreak of the COVID-19 has been continuously expanded across Hong Kong, the PRC and globally and the prevention and control measures to combat the disease have been continued to be implemented in Hong Kong and the PRC. As the COVID-19 continues, there is impact on the Group’s operation and financial in a certain extent. The Directors will continue to closely monitor the development of the COVID-19 pandemic and assess its impact on the financial position, and operational results of the Group. We will continue to develop and strengthen its overall competitiveness and business growth in the interior fit-out services industry in Hong Kong and the PRC.

## **ACQUISITION OF YU RONG CAPITAL LIMITED**

On 1 June 2020, the acquisition of Yu Rong Capital Limited (the “**Target**”) has been completed. Immediately after the completion of acquisition, the Target has become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group. For details, please refer the announcement of the Company dated 14 February 2020 and 1 June 2020 respectively.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to adopting a high standard of corporate governance practices and procedures throughout the Group. The Directors firmly believe that sound and reasonable corporate governance practices are essential for the steady growth of the Group and for safeguarding the interests of Shareholders.

The Company has complied throughout the year ended 31 March 2021 with all the code provisions in the CG Code as set out in Appendix 15 of the GEM Listing Rules, except the following deviation:

Under code provision A.2.1 of the CG Code, the roles of Chairman and Chief Officer Executive should be separate and should not be performed by the same individual. Mr. Wong, being the chairman and chief executive officer, has been primarily responsible for scrutinising the performance of management in achieving agreed corporate goals and objectives, monitoring the Group's performance reporting, management and business development and formulating business strategies and policies of the Group since 2009. As the Board meets regularly to consider matters relating to business operations of the Group, the Board is of the view that the above arrangement will not impair the balance of power and authority of the Board and the executive management. The effectiveness of corporate planning and implementation of corporate strategies and decisions will generally not be undermined.

## **OUTLOOK**

Looking into the coming year, the Group remains cautiously optimistic over the demand of premium fit-out services in Hong Kong. Supported by the roll-out of vaccination and effective prevention measures, Hong Kong's real economy is currently enjoying a steady rebound. According to the report issued by JLL, although Grade A office rent level in Hong Kong's core business districts continues to decline, some enterprises are now actively looking for office space to meet post-pandemic demand. As Grade A offices often equip with more advanced equipment and supporting facilities, they should be better suited to the needs of enterprises, and the attractive rent level should yield a rebound in rental demand. Through close collaborations with Grade A offices in Hong Kong and Kowloon, the Group is expected to gain ample opportunities in the upcoming window.

In view of the opportunities in the PRC, the pandemic has long been under control since the middle of last year, with economic activity becoming increasingly regular in recent months. Over the past two months, the Group's subsidiary in the PRC has received a number of enquiries regarding our fit-out services, painting a brighter future in the coming year. The Group also plans to further expand its business into the Greater Bay Area, and to strengthen its collaborations with property management companies and developers, in order to seize the opportunities in the local fit-out market, while diversifying our geographical and operational risks.

In the long run, fit-out services will continue to be the main driver of the Group's future growth. Leveraging its reputation and technical knowledge over years, the Group is committed to solidifying its presence in Hong Kong and the PRC. Meanwhile, the Group will continue to explore opportunities for its financing business, and is hoping to launch its business when market visibility returns to normal, eventually providing another boost to the Group's overall development.



## MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the code of conduct for securities transactions by Directors on terms equivalent to the Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Model Code**”). Having made specific enquiry, all Directors have confirmed that they have fully complied with the required standards set out in the Model Code throughout the year ended 31 March 2021.

## DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 31 March 2021, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”), which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they are taken or deemed to have under such provisions of the SFO) or which were required to be recorded in the register maintained by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to the securities transactions by the directors were as follows:

### (A) Long Position in the Company’s Shares

<b>Name of Directors/ chief executive</b>	<b>Capacity/ nature of interest</b>	<b>Number of issued shares held/ interested in</b>	<b>Percentage of the issued share capital</b>
Mr. Wong Sai Chuen	Interest in a controlled corporation	112,500,000 (Note 1)	56.25%
Ms. Hui Man Yee, Maggie	Interest of spouse	112,500,000 (Note 2)	56.25%
Mr. Wong Kin Kei	Interest in a controlled corporation	37,500,000 (Note 3)	18.75%

#### Notes:

1. Shares in which Mr. Wong Sai Chuen is interested in consist of 112,500,000 Shares held by Madison Square International Investment Limited, a company wholly owned by him, in which Mr. Wong Sai Chuen is deemed to be interested under Part XV of the SFO.
2. Ms. Hui Man Yee, Maggie, the spouse of Mr. Wong Sai Chuen, is deemed to be interested in the 112,500,000 Shares held by him, through his controlled corporation, Madison Square International Investment Limited, pursuant to Part XV of the SFO.
3. Shares in which Mr. Wong Kin Kei is interested in consist of 37,500,000 Shares held by J&J Partner Investment Group Limited, a company wholly owned by him, in which Mr. Wong Kin Kei is deemed to be interested under Part XV of the SFO.



**(B) Long Position in the Shares of associated corporations**

<b>Name of Directors/ chief executive</b>	<b>Name of associated corporation</b>	<b>Capacity/ nature of interest</b>	<b>Number of issued shares held/ interested in</b>	<b>Percentage of shareholding</b>
Mr. Wong Sai Chuen	Madison Square International Investment Limited ( <i>Note 2</i> )	Beneficial owner	37,500	100%
Ms. Hui Man Yee, Maggie ( <i>Note 1</i> )	Madison Square International Investment Limited ( <i>Note 2</i> )	Interest of spouse	37,500	100%
Mr. Wong Kin Kei	J&J Partner Investment Group Limited ( <i>Note 3</i> )	Beneficial owner	12,500	100%

*Notes:*

1. Ms. Hui Man Yee, Maggie, the spouse of Mr. Wong Sai Chuen, is deemed to be interested in Mr. Wong Sai Chuen's interest in Madison Square International Investment Limited, pursuant to Part XV of the SFO.
2. Under Part XV of the SFO, a holding company of listed corporation is regarded as an "associated corporation". Madison Square International Investment Limited held 56.25% of our issued share capital and thus was our associated corporation.
3. Under Part XV of the SFO, a holding company of listed corporation is regarded as an "associated corporation". J&J Partner Investment Group Limited held 18.75% of our issued share capital and thus was or associated corporation.

Save as disclosed above, as at 31 March 2021, none of the Directors and chief executive of the Company nor their close associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations as defined in the SFO.

## INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2021, so far as known to the Directors, the particulars of the corporate or persons (other than a Director or the chief executive of the Company) which had 5% or more interests and short positions in the shares and the underlying shares of the Company as recorded in the register kept pursuant to section 336 of the SFO were as follows:

### Long Position in the Company's Shares

Name of Shareholders	Capacity/ nature of interest	Number of issued shares held/ interested in	Percentage of shareholding
Madison Square International Investment Limited ( <i>Note 1</i> )	Beneficial owner	112,500,000	56.25%
Mr. Wong Sai Chuen ( <i>Note 1</i> )	Interest in a controlled corporation	112,500,000	56.25%
Ms. Hui Man Yee, Maggie ( <i>Note 2</i> )	Interest of spouse	112,500,000	56.25%
J&J Partner Investment Group Limited ( <i>Note 3</i> )	Beneficial owner	37,500,000	18.75%
Mr. Wong Kin Kei ( <i>Note 3</i> )	Interest in a controlled corporation	37,500,000	18.75%
Ms. Ho Sin Ying ( <i>Note 4</i> )	Interest of spouse	37,500,000	18.75%

#### Notes:

- Shares in which Mr. Wong Sai Chuen is interested in consist of 112,500,000 Shares held by Madison Square International Investment Limited, a company wholly owned by him, in which Mr. Wong Sai Chuen is deemed to be interested under Part XV of the SFO.
- Ms. Hui Man Yee, Maggie, the spouse of Mr. Wong Sai Chuen, is deemed to be interested in the 112,500,000 Shares held by him, through his controlled corporation, Madison Square International Investment Limited, pursuant to Part XV of the SFO.
- Shares in which Mr. Wong Kin Kei is interested in consist of 37,500,000 Shares held by J&J Partner Investment Group Limited, a company wholly owned by him, in which Mr. Wong Kin Kei is deemed to be interested under Part XV of the SFO.
- Ms. Ho Sin Ying, the spouse of Mr. Wong Kin Kei, is deemed to be interested in the 37,500,000 Shares held by him, through his controlled corporation, J&J Partner Investment Group Limited, pursuant to Part XV of the SFO.

Save as disclosed above, as at 31 March 2021, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who has interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

#### **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed in this announcement, at no time during the year ended 31 March 2021 was the Company, its holding company or any of its subsidiaries or fellow subsidiaries a party to an arrangement that would enable the Directors or their close associates to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

#### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Save for the purchase of Shares by the trustee through on-market transactions at prevailing market price as stipulated under the Share Award Scheme (as defined above), neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

#### **INTEREST IN COMPETING BUSINESS**

None of the Directors and Controlling Shareholders or any of their respective close associates (as defined in the GEM Listing Rules) are engaged in any business that competes or may compete, directly or indirectly, with the business of the Group or have any other conflicts of interest with the Group nor are they aware of any other conflicts of interest with the Group nor are they aware of any other conflicts of interest which any such person has or may have with the Group during the year.

#### **INTEREST OF COMPLIANCE ADVISER**

With effect from 1 July 2020, the Company and Messis Capital Limited (“**Messis Capital**”) have mutually agreed to terminate the compliance adviser agreement entered into between the Company and Messis Capital dated 30 April 2019 (the “**CA Agreement**”). Since the date of listing of the Company on GEM of the Stock Exchange on 4 January 2018, the Company had appointed compliance adviser throughout the two full financial years commencing on the date of its initial listing (being the financial years ended 31 March 2019 and 2020).

As notified by Messis Capital, except for the CA Agreement, neither Messis Capital nor its directors, employees or close associates (as defined under the GEM Listing Rules) had any interest in the Company or any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules as at 30 June 2020.

#### **FINAL DIVIDENDS**

The Board do not recommend the payment of a final dividend for the year ended 31 March 2021 and 2020.

## **CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING**

In order to ascertain the entitlement of Shareholders to attend and vote at the annual general meeting (the “**AGM**”), the transfer books and register of members of the Company will be closed from Tuesday, 27 July 2021 to Friday, 30 July 2021 (both days inclusive), during of which no transfer of Shares will be effected. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Monday, 26 July 2021.

## **SCOPE OF WORK OF PRICEWATERHOUSECOOPERS**

The figures in respect of consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and related notes of this results announcement of the Group’s results for the year ended 31 March 2021 have been agreed by the Company’s auditor, PricewaterhouseCoopers, that they were consistent with the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements nor Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers on this results announcement.

## **AUDIT COMMITTEE**

The Company has established an audit committee of the Company (the “**Audit Committee**”) with written terms of reference which are no less exacting terms than those set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules (the “**CG Code**”). Currently, the Audit Committee comprises three independent non-executive Directors namely Mr. Cheung Chi Man, Dennis, Mr. Chan Chi Kwong, Dickson and Mr. Pang Chung Fai, Benny, and chaired by Mr. Cheung Chi Man, Dennis, who has appropriate professional qualifications and experience as required by the GEM Listing Rules.

The Audit Committee has reviewed with the management of the Company, the accounting principles and practices adopted by the Group and the consolidated financial statements for the year ended 31 March 2021, which is of the opinion that such information have been prepared in accordance with all applicable accounting standards, the requirements under the Companies Ordinance and the GEM Listing Rules.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND 2021 ANNUAL REPORT**

This announcement is published on the websites of HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)) as well as the website of the Company ([www.sclhk.com](http://www.sclhk.com)). The Company's 2021 annual report will be dispatched to Shareholders and will be published on the aforementioned websites in due course.

By order of the Board of  
**Sanbase Corporation Limited**  
**Wong Sai Chuen**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 25 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](http://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](http://www.sclhk.com).*