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SANBASE CORPORATION LIMITED

莊皇集團公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8501)

PROFIT WARNING

This announcement is made by Sanbase Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2) of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the three months ended 30 June 2021 (the “**Relevant Period**”) and the information currently available, the Group is expected to record a substantial decrease in the net profit and gross profit of approximately 104% and 53% respectively for the Relevant Period as compared to that for the three months ended 30 June 2020.

The substantial decrease anticipated was mainly attributable to the combined effect of the facts that (i) the prolonged adverse effect on economy of the People’s Republic of China and Hong Kong brought by the constant spread of COVID-19 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, which led to a lower profit margin for certain projects and in turn the drop in net profit and gross profit of the Group during the Relevant Period.

The information contained in this announcement is only based on the preliminary assessment of the unaudited consolidated management accounts of the Group and the information currently available, which have not been reviewed or audited by the Company’s auditor and have not been reviewed by the audit committee of the Company, and is therefore subject to necessary adjustments and amendments. The Group is still in the process of finalising its unaudited consolidated first quarterly results for the Relevant Period which will be published in August 2021. The Shareholders and potential investors of the Company are advised to read the first quarterly results announcement of the Company for the Relevant Period with care when it is published.

The Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 3 August 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 and Mr. Chan Chi Kwong Dickson 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 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.

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.