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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 2022**

#### **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 of the Company and its subsidiaries (collectively referred to as the “**Group**”) is pleased to present the audited consolidated final results of the Group for the year ended 31 March 2022, together with the comparative figures for the year ended 31 March 2021, are as follows:

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

*FOR THE YEAR ENDED 31 MARCH 2022*

	<i>Note</i>	<b>2022</b> <i>HKD'000</i>	2021 <i>HKD'000</i>
<b>Revenue</b>	3	<b>413,122</b>	481,286
Cost of sales	5	<b>(390,385)</b>	(455,439)
<b>Gross profit</b>		<b>22,737</b>	25,847
Other income	4	<b>49</b>	3,725
Administrative expenses	5	<b>(30,332)</b>	(37,551)
Fair value changes of financial asset at fair value through profit or loss		<b>1,353</b>	6,083
(Provision for)/reversal of impairment losses on financial assets		<b>(602)</b>	1,058
<b>Operating loss</b>		<b>(6,795)</b>	(838)
Finance income		<b>161</b>	108
Finance costs		<b>(199)</b>	(223)
Finance costs – net	6	<b>(38)</b>	(115)
<b>Loss before income tax</b>		<b>(6,833)</b>	(953)
Income tax (expense)/credit	8	<b>(413)</b>	1,393
<b>(Loss)/profit for the year</b>		<b>(7,246)</b>	440
<b>Other comprehensive income, 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		<b>190</b>	552
<b>Total comprehensive (loss)/income for the year</b>		<b>(7,056)</b>	992
<b>(Loss)/profit for the year attributable to</b>			
Owners of the Company		<b>(5,735)</b>	397
Non-controlling interests		<b>(1,511)</b>	43
		<b>(7,246)</b>	440
<b>Total comprehensive (loss)/income for the year attributable to:</b>			
Owners of the Company		<b>(5,626)</b>	810
Non-controlling interests		<b>(1,430)</b>	182
		<b>(7,056)</b>	992
		<i>HK Cents</i>	<i>HK Cents</i>
<b>(Loss)/earnings per share attributable to owners of the Company</b>			
Basic and diluted	9	<b>(2.90)</b>	0.20

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 31 MARCH 2022*

	<i>Note</i>	<b>2022</b> <i>HKD'000</i>	2021 <i>HKD'000</i>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,707	1,910
Right-of-use assets		3,316	5,240
Intangible assets		11,965	11,965
Financial assets at fair value through profit or loss		14,647	13,200
Deposits and prepayments		338	607
Deferred tax assets		1,189	926
		<u>33,162</u>	<u>33,848</u>
<b>Current assets</b>			
Trade and retention receivables	<i>11</i>	44,673	59,536
Contract assets		83,581	50,116
Deposits, other receivables and prepayments		3,158	7,274
Income tax recoverable		2,692	2,147
Cash and cash equivalents		119,776	112,488
		<u>253,880</u>	<u>231,561</u>
<b>Total assets</b>		<u><u>287,042</u></u>	<u><u>265,409</u></u>
<b>Equity</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital		1,553	1,553
Shares held under share award scheme		(2,998)	(2,998)
Share premium		57,632	57,632
Exchange reserve		378	269
Retained earnings		80,293	86,028
		<u>136,858</u>	<u>142,484</u>
Non-controlling interests		5,291	6,721
<b>Total equity</b>		<u>142,149</u>	<u>149,205</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities		909	2,451
		<u>909</u>	<u>2,451</u>
<b>Current liabilities</b>			
Trade payables	<i>12</i>	124,151	102,215
Accruals and other payables	<i>12</i>	2,172	2,262
Contract liabilities		15,002	6,246
Lease liabilities		2,659	3,030
		<u>143,984</u>	<u>113,753</u>
<b>Total liabilities</b>		<u><u>144,893</u></u>	<u><u>116,204</u></u>
<b>Total equity and liabilities</b>		<u><u>287,042</u></u>	<u><u>265,409</u></u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Attributable to owners of the Company							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	Non-controlling interests HKD'000	
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 ("NCF")	-	-	-	-	-	-	(3,992)	(3,992)
Acquisition of NCI in a subsidiary	-	-	-	-	(117)	(117)	117	-
At 31 March 2021	<u>1,553</u>	<u>57,632</u>	<u>(2,998)</u>	<u>269</u>	<u>86,028</u>	<u>142,484</u>	<u>6,721</u>	<u>149,205</u>
At 1 April 2021	<u>1,553</u>	<u>57,632</u>	<u>(2,998)</u>	<u>269</u>	<u>86,028</u>	<u>142,484</u>	<u>6,721</u>	<u>149,205</u>
<b>Loss for the year</b>	-	-	-	-	(5,735)	(5,735)	(1,511)	(7,246)
<b>Other comprehensive income for the year:</b>								
Exchange differences arising on translation of foreign operation	-	-	-	109	-	109	81	190
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	109	(5,735)	(5,626)	(1,430)	(7,056)
At 31 March 2022	<u>1,553</u>	<u>57,632</u>	<u>(2,998)</u>	<u>378</u>	<u>80,293</u>	<u>136,858</u>	<u>5,291</u>	<u>142,149</u>

## 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 Act 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. The Company and 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 24 June 2022.

### 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 all applicable 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 adopted by the Group*

The Group has applied the following amended standards for the first time for their financial statements period commencing 1 April 2021:

Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Interest rate benchmark reform
Amendments to HKFRS 16	Covid-19-related rent concessions

The amendments 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 and interpretations not yet adopted*

The following new accounting standard, amendments and interpretations have been published but are not mandatory for 31 March 2022 reporting period and have not been early adopted by the Group.

		<b>Effective for annual periods beginning on or after</b>
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
Revised Accounting Guideline 5	Revised Accounting Guideline 5 Merger Accounting for Common Control Combinations	1 April 2022
Amendments to HKAS 1	Classification of liabilities as current or non-current	1 April 2023
HKFRS 17	Insurance Contracts (new standard)	1 April 2023
HKFRS 17	Amendments to HKFRS 17	1 April 2023
Hong Kong Interpretation 5	Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (HK Int 5 (2020))	1 April 2023
HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies (amendments)	1 April 2023
Amendments to HKAS 8	Definition of Accounting Estimates	1 April 2023
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction (amendments)	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 and interpretations 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 and interpretations when they become effective.

### 3. REVENUE AND SEGMENT INFORMATION

	<b>2022 HKD'000</b>	<b>2021 HKD'000</b>
Bare shell fit-out	<b>172,096</b>	249,810
Restacking	<b>200,058</b>	201,024
Reinstatement	<b>6,419</b>	11,112
Design	<b>7,326</b>	1,402
Churn works	<b>25,696</b>	16,522
Maintenance and others	<b>1,527</b>	1,416
	<b>413,122</b>	481,286

The Group's revenue mainly represents revenue from the provision of interior fit-out solutions for the year ended 31 March 2022 and 2021.

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 2022 and 2021.

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 2022 and 2021. 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.

	2022 <i>HKD’000</i>	2021 <i>HKD’000</i>
Hong Kong	389,377	468,866
The PRC	23,745	12,420
	<u>413,122</u>	<u>481,286</u>

### Information about major customers

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

	2022 <i>HKD’000</i>	2021 <i>HKD’000</i>
Customer A	<i>N/A (Note)</i>	110,028
Customer B	<i>N/A (Note)</i>	101,213
Customer C	<u>46,107</u>	<u><i>N/A (Note)</i></u>

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

## 4. OTHER INCOME

	2022 <i>HKD’000</i>	2021 <i>HKD’000</i>
Government subsidies	<u>49</u>	<u>3,725</u>

The amount represents government grant in respect of the Distance Business Programme (2021: the Employment Support Scheme) received from the Government of the 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 2022 and 2021 are stated after charging the following cost of sales and administrative expenses:

	2022 <i>HKD'000</i>	2021 <i>HKD'000</i>
Subcontracting charges	356,205	414,495
Staff costs ( <i>note 7</i> )	44,941	45,163
Cleaning expenses	3,106	8,979
Insurance expenses	2,853	3,499
Short-term lease payments	248	13
Auditor's remuneration		
– Audit service	1,363	1,346
– Non-audit service	–	112
Depreciation on right-of-use assets	3,139	3,140
Depreciation on property, plant and equipment	1,298	1,460
Amortisation of intangible assets	–	175
Legal and professional fees	2,663	7,665
Other expenses	4,901	6,943
	<u>420,717</u>	<u>492,990</u>
Total cost of sales and administrative expenses	<u>420,717</u>	<u>492,990</u>
Representing:		
Cost of sales	390,385	455,439
Administrative expenses	30,332	37,551
	<u>420,717</u>	<u>492,990</u>

## 6. FINANCE COSTS – NET

	2022 <i>HKD'000</i>	2021 <i>HKD'000</i>
Interest income from bank deposits	161	108
Interest expense on lease liabilities	(199)	(223)
	<u>(38)</u>	<u>(115)</u>

## 7. STAFF COSTS, INCLUDING DIRECTORS' EMOLUMENTS

	2022 <i>HKD'000</i>	2021 <i>HKD'000</i>
Salaries, bonuses and allowances	43,180	43,626
Retirement benefits contributions	1,761	1,537
	<u>44,941</u>	<u>45,163</u>

## 8. INCOME TAX EXPENSE/(CREDIT)

	2022 <i>HKD'000</i>	2021 <i>HKD'000</i>
Current income tax		
– Hong Kong profits tax	275	243
Under/(over)-provision for prior years	370	(999)
Deferred tax	(232)	(637)
	<u>413</u>	<u>(1,393)</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% (2021: 8.25%) on the first HKD2 million (2021: HKD2 million) of the estimated assessable profits and at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits above HKD2 million (2021: 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% (2021: 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. (LOSS)/EARNINGS PER SHARE

### (a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/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 2022 and 2021.

	2022	2021
(Loss)/profit attributable to owners of the Company ( <i>HKD'000</i> )	(5,735)	397
Weighted average number of ordinary shares in issue less shares held under share award scheme ( <i>in thousand</i> )	<u>197,977</u>	<u>197,977</u>
Basic (loss)/earnings per ordinary share ( <i>HK cents</i> )	<u>(2.90)</u>	<u>0.20</u>

### (b) Diluted

There were no outstanding share options as at 31 March 2022 and 2021 and have no potential dilutive ordinary share in issue. Accordingly, diluted (loss)/earnings per share is equal to basic (loss)/earnings per share.

## 10. DIVIDEND

The Board do not recommend the payment of a final dividend for the year ended 31 March 2022 and 2021.

## 11. TRADE AND RETENTION RECEIVABLES

	<i>Note</i>	2022 <i>HKD'000</i>	2021 <i>HKD'000</i>
Trade receivables	<i>(a)</i>	48,136	61,256
Retention receivables	<i>(b)</i>	<u>1,479</u>	<u>2,853</u>
		49,615	64,109
Less: provision for impairment of trade and retention receivables		<u>(4,942)</u>	<u>(4,573)</u>
Trade and retention receivables – net		<u>44,673</u>	<u>59,536</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 2022 and 2021 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 2022 and 2021, the ageing analysis of the trade receivables based on the invoice date is as follows:

	2022 <i>HKD'000</i>	2021 <i>HKD'000</i>
Within 30 days	15,278	32,144
31 to 60 days	1,890	16,085
61 to 90 days	7,729	4,591
91 to 180 days	19,383	3,849
Over 180 days	3,856	4,587
	<u>48,136</u>	<u>61,256</u>

- (b) As at 31 March 2022 and 2021, the ageing analysis of the retention receivables based on the invoice date was as follows:

	2022 <i>HKD'000</i>	2021 <i>HKD'000</i>
Within 30 days	–	1,745
31 to 60 days	123	–
61 to 90 days	–	301
91 to 180 days	–	540
Over 180 days	1,356	267
	<u>1,479</u>	<u>2,853</u>

- (c) As at 31 March 2022 and 2021, the carrying amounts of gross trade and retention receivables approximate their fair value and were denominated in the following currencies.

	2022 <i>HKD'000</i>	2021 <i>HKD'000</i>
HK\$	48,206	63,453
RMB	1,409	656
	<u>49,615</u>	<u>64,109</u>

## 12. TRADE AND OTHER PAYABLES

	2022 <i>HKD'000</i>	2021 <i>HKD'000</i>
Trade payables	124,151	102,215
Accruals and other payables	2,172	2,262
	<u>126,323</u>	<u>104,477</u>

As at 31 March 2022 and 2021, the aging analysis of the trade payables based on invoice date was as follows:

	2022 <i>HKD'000</i>	2021 <i>HKD'000</i>
Within 30 days	104,833	78,899
31 to 60 days	2,305	3,159
61 to 90 days	7,548	6,660
91 to 180 days	3,417	3,931
Over 180 days	6,048	9,566
	<u>124,151</u>	<u>102,215</u>

As at 31 March 2022 and 2021, the carrying amounts of trade and other payables approximate their fair values and were denominated in the following currencies:

	2022 <i>HKD'000</i>	2021 <i>HKD'000</i>
HKD	121,702	96,209
RMB	4,621	8,268
	<u>126,323</u>	<u>104,477</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 the 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 involves upgrading and re-planning and providing modification works to existing interior structures of a premise; (iii) reinstatement which involves demolishing any additional moveable structure that the existing tenant installed; (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 2022, our business continued to be adversely affected by the Covid-19 pandemic (“COVID-19”). Customers became more conservative in their decisions regarding interior fit-out services, restacking and design of their offices. Work from home policy of some customers also suppressed the demand of new offices. In tendering for new projects, we have lowered our bidding prices in order to secure a higher chance for success in bidding. COVID-19 has become more serious near the year-end. In the fourth quarter, the strict COVID-19 quarantine measures or lockdown restrictions implemented in Hong Kong and some of the PRC cities have caused the postponement of certain projects.

Under this challenging economic environment, for the year ended 31 March 2022, revenue of the Group was HKD413.1 million, representing a decrease of 14.2% compared with HKD481.3 million recorded last year. Revenues from bare shell fit-out and restacking, which were the main sources of our Group's income, have been decreased during the year. Gross profit was HKD22.7 million for the year ended 31 March 2022, representing a decrease of 12.0% compared with HKD25.8 million recorded last year.

For the year ended 31 March 2022, the loss attributable to owners of the Company was HKD5.7 million while profit attributable to owners of the Company was HKD0.4 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. For the year ended 31 March 2022, the revenue of the Group was HKD413.1 million, representing a decrease of 14.2% compared with HKD481.3 million recorded last year. The decrease was mainly attributed to the adverse effects brought by COVID-19 on the economy of the PRC and Hong Kong. The pandemic has caused postponement or halt of certain projects during the strict COVID-19 quarantine measures or lockdown restrictions implemented in Hong Kong and some of the PRC cities.

The following table sets forth a breakdown of the Group's revenue by project types for the year ended 31 March 2022 and 2021:

Project type	Year ended 31 March			
	2022		2021	
	HKD'000	%	HKD'000	%
Bare shell fit-out	172,096	41.7	249,810	51.9
Restacking	200,058	48.4	201,024	41.8
Reinstatement	6,419	1.5	11,112	2.3
Design	7,326	1.8	1,402	0.3
Churn works	25,696	6.2	16,522	3.4
Maintenance and others	1,527	0.4	1,416	0.3
<b>Total</b>	<b>413,122</b>	<b>100.0</b>	<b>481,286</b>	<b>100.0</b>

As shown in table above, our bare shell fit-out contributed to 41.7% and 51.9% of the Group's total revenue for the year ended 31 March 2022 and 2021, respectively. Revenue from bare shell fit-out was HKD172.1 million for the year ended 31 March 2022, representing a decrease of 31.1% compared with HKD249.8 million recorded last year.

From 1 April 2021 and up to the date of this announcement, we were newly awarded a total of 33 bare shell fit-out projects with a total project sum of HKD248.3 million.

### Cost of sales and Direct margin

The Group's cost of sales mainly comprised of subcontracting charges and staff costs. Cost of sales for the year ended 31 March 2022 was HKD390.4 million, representing a decrease of 14.3% compared with HKD455.4 million recorded last year. The decrease was in line with the decrease in revenue.

Defined as revenue less subcontracting costs, cleaning expenses, insurance expenses and security expenses, the direct margin of the Group indicates the overall project profitability before taking into account 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 2022 and 2021:

	Year ended 31 March			
	2022	% of	2021	% of
	<i>HKD'000</i>	<i>revenue</i>	<i>HKD'000</i>	<i>revenue</i>
<b>Project type</b>				
Bare shell fit-out	26,568	15.4	26,782	10.7
Restacking	17,550	8.8	23,282	11.6
Reinstatement	844	13.1	661	5.9
Design	1,819	24.8	1,182	84.3
Churn works	3,401	13.2	412	2.5
Maintenance and others	220	14.4	289	20.4
<b>Total</b>	<b>50,402</b>	<b>12.2</b>	<b>52,608</b>	<b>10.9</b>

The Group's overall direct margin was HKD50.4 million for the year ended 31 March 2022, representing a decrease of 4.2% compared with HKD52.6 million recorded last year. The direct margin ratio for the year ended 31 March 2022 was 12.2%, representing an increase of 1.3 percentage points compared with 10.9% for the corresponding period of last year. Such increase was due to the decrease in materials cost, cleaning expenses, insurance expenses and security expenses.

### Other income

Other income for the current year was HKD0.1 million, representing a decrease of 98.7% compared with HKD3.7 million for the corresponding period of last year. The amount represents government grant in respect of the Distance Business Programme (2021: the Employment Support Scheme) received from the Government of the Hong Kong Special Administrative Region.

### Administrative expenses

Administrative expenses was HKD30.3 million for the current year, representing a decrease of 19.2% compared with HKD37.6 million recorded last year. Such decrease was primarily attributable to (i) a decrease of HKD5.0 million in legal and professional fee; and (ii) a decrease of HKD1.7 million in administrative staff costs.

### Finance costs

Finance costs which comprised mainly the interest on the lease liabilities amounted to HK\$0.2 million for both years.

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

Income tax expense for the current year was HKD0.4 million while income tax credit for last year was HKD1.4 million.

### **(Loss)/profit for the year**

Loss was HKD7.2 million for the year ended 31 March 2022 while a profit of HKD0.4 million was recorded for last year.

### **(Loss)/profit for the year attributable to owners of the Company**

Loss attributable to owners of the Company was HKD5.7 million for the year ended 31 March 2022, while profit attributable to owners of the Company was HKD0.4 million for last year.

### **Dividend**

The Board does not recommend the payment of the final dividend for the year ended 31 March 2022 (2021: 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 summarized 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, CAPITAL STRUCTURE AND FOREIGN EXCHANGE EXPOSURE**

During the year ended 31 March 2022, the Group financed its operation by its internal resources. As at 31 March 2022, the Group had net current assets of HKD109.9 million (31 March 2021: HKD117.8 million), including cash and cash equivalents balances of HKD119.8 million (31 March 2021: HKD112.5 million) mainly denominated in Hong Kong dollars (“**HKD**”) and Renminbi (“**RMB**”).

The current ratio, being the ratio of current assets to current liabilities, was 1.8 times as at 31 March 2022 (31 March 2021: 2.0 times). The gearing ratio of the Group as at 31 March 2022 was nil (31 March 2021: 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 2022. The equity attributable to owners of the Company amounted to HKD136.9 million as at 31 March 2022 (31 March 2021: HKD142.5 million).

The Group does not have any exposure to fluctuations in exchange rates and any related hedges during the year ended 31 March 2022.

### **PLEDGE OF ASSETS**

As at 31 March 2022 and 2021, the Group had not pledged any assets to secure bank facilities or finance lease obligations.

### **CAPITAL COMMITMENTS**

As at 31 March 2022, the Group did not have any material capital commitment in relation to the acquisitions (31 March 2021: Nil).

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

During the year ended 31 March 2022, the Group did not have any significant investment, material acquisition or disposal.

### **CONTINGENT LIABILITIES**

As at 31 March 2022, the Group provided guarantees of surety bonds of HKD4.0 million (31 March 2021: HKD16.2 million) in respect of 3 (31 March 2021: 5) construction contract(s) in its ordinary course of business. The surety bonds are expected to be released in accordance with the terms of the respective construction contracts.

## **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 2022, the Group has 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 2022, we have provided competitive remuneration packages to our employees to recognize their contribution to the Group.

The principal goal of the Group is to maximize 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 2022, the Group had a total of 83 (31 March 2021: 87) 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. The total staff cost for the year ended 31 March 2022 amounted to approximately HKD44.9million (31 March 2021: HKD45.2million).

## **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 was entered into or in existence as at the end of the year ended 31 March 2022.

## **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 2022 and 2021.

## **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 recognize 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.

## **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 2022 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 C.2.1 of the CG Code, the roles of chairman and chief 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 scrutinizing the performance of management in achieving agreed corporate goals and objectives, monitoring the Group's performance reporting, management and business development, ensuring corporate governance practices and procedures of the Group 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**

Entering the second half of 2022, as the fifth wave of the pandemic gradually fades, and border controls are expected to be lifted, the Group remains optimistic over the outlook of Grade A commercial property fit-out market in Hong Kong. A report from Savills indicated that, as the pandemic becomes increasingly under control, the Hong Kong office leasing market is expected to return to an upward trajectory in the second and third quarters of the calendar year. As normal working practices resume, companies may now have a growing incentive for lease renewals and relocations, thus laying the solid foundation for a rebound in the Hong Kong commercial property market and hence driving the demand for fit-out services.

Over the last two challenging years, the Group strived to maintain its business scale while optimizing its subcontractor network, in an attempt to maintain or even enhance profit margin without sacrificing quality. As the market condition improves, the Group believes that its efforts over the past two years will help the Group to secure larger-scale and higher-margin service contracts, allowing us to improve financially in the latter part of the year.

For our business in the PRC, the Group continued to consolidate its foundation over the past year. Although the preventive measures are unlikely to relax shortly, the management team will continue to maintain its business scale in the PRC, and actively look for different opportunities, such as working with more quality subcontractors and securing more different types of contracts when the pandemic subsides, in order to strengthen its foothold in the PRC. In the medium-to-long term, the Group expects the business scale in the PRC will gradually expand, delivering stronger economies of scale and becoming one of the contributors to its future development.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the code of conduct for securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard of Dealings**”). Having made specific enquiry, all Directors have confirmed that they have fully complied with the required standards set out in the Required Standard of Dealings throughout the year ended 31 March 2022.

## **DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS**

As at 31 March 2022, 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 SFO (Chapter 571 of the Laws of Hong Kong)), 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 Ordinary Shares and Underlying Shares of the Company**

<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 ( <i>Note 1</i> )	56.25%
Ms. Hui Man Yee, Maggie	Interest of spouse	112,500,000 ( <i>Note 2</i> )	56.25%
Mr. Wong Kin Kei	Interest in a controlled corporation	37,500,000 ( <i>Note 3</i> )	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, is the spouse of Mr. Wong Sai Chuen and she was also deemed to be interested in 112,500,000 Shares, 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 our associated corporation.

Save as disclosed above, as at 31 March 2022, 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 2022, 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 Ordinary Shares and Underlying Share of the Company

<b>Name of Shareholders</b>	<b>Capacity/ nature of interest</b>	<b>Number of issued shares held/ interested in</b>	<b>Percentage of shareholding</b>
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:

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 is the spouse of Mr. Wong Sai Chuen and she was also deemed to be interested in the 112,500,000 Shares 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.
4. Ms. Ho Sin Ying is the spouse of Mr. Wong Kin Kei and she was also deemed to be interested in the 37,500,000 Shares pursuant to Part XV of the SFO.

Save as disclosed above, as at 31 March 2022, 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 2022 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.

## **FINAL DIVIDENDS**

The Board do not recommend the payment of a final dividend for the year ended 31 March 2022 and 2021.

## **CLOSURE OF REGISTER OF MEMBERS FOR THE ANNUAL GENERAL MEETING (THE "AGM")**

In order to ascertain the entitlement of Shareholders to attend and vote at the AGM, the transfer books and register of members of the Company will be closed from Tuesday, 30 August 2022 to Friday, 2 September 2022 (both days inclusive), during which no transfer of Shares will be affected. 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 (on or after 13 August 2022: 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong) not later than 4:30 p.m. on Monday, 29 August 2022.

## **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 2022 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 contained in Appendix 15 of the GEM Listing Rules (the "**CG Code**"). Currently, the Audit Committee comprises three independent non-executive Directors, Mr. Cheung Chi Man, Dennis, Mr. Chan Charles Cham Chuen and Mr. Law Chun Yat, 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 2022, which is of the opinion that such information has 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 2022 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 2022 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, 24 June 2022

*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 Charles Cham Chuen and Mr. Law Chun Yat 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 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 Listed Company Information” page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) 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).*