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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 2024**

#### **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 the “**Group**”) is pleased to present the audited consolidated final results of the Group for the year ended 31 March 2024, together with the comparative figures for the year ended 31 March 2023, as follows:

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

FOR THE YEAR ENDED 31 MARCH 2024

	<i>Note</i>	<b>2024</b> <i>HKD’000</i>	2023 <i>HKD’000</i> (Restated) (Note 2)
<b>Revenue</b>	3	<b>428,077</b>	517,599
Cost of sales	5	<b>(402,885)</b>	(484,434)
<b>Gross profit</b>		<b>25,192</b>	33,165
Other income	4	<b>5</b>	1,714
Administrative expenses	5	<b>(26,651)</b>	(28,775)
Fair value change of a financial asset at fair value through profit or loss		<b>(437)</b>	2
Reversal of provision/(provision) for impairment losses on financial assets		<b>372</b>	(548)
Impairment loss on an intangible asset		<b>–</b>	(2,421)
<b>Operating (loss)/profit</b>		<b>(1,519)</b>	3,137
Finance income		<b>3,382</b>	1,094
Finance costs		<b>(114)</b>	(103)
Finance income – net	6	<b>3,268</b>	991
<b>Profit before income tax</b>		<b>1,749</b>	4,128
Income tax expense	8	<b>(1,030)</b>	(1,547)
<b>Profit for the year</b>		<b>719</b>	2,581
<b>Other comprehensive income, net of income tax</b>			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
– Exchange differences on translation of foreign operation		<b>(293)</b>	(359)
<i>Item that will not be reclassified to profit or loss:</i>			
– Remeasurements of employee benefit obligations		<b>515</b>	298
<b>Total comprehensive income for the year</b>		<b>941</b>	2,520

	<i>Note</i>	<b>2024</b> <i>HKD'000</i>	2023 <i>HKD'000</i> (Restated) <i>(Note 2)</i>
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the Company		<b>(1,369)</b>	751
Non-controlling interests		<b>2,088</b>	1,830
		<u><b>719</b></u>	<u>2,581</u>
<b>Total comprehensive (loss)/income for the year attributable to:</b>			
Owners of the Company		<b>(1,133)</b>	750
Non-controlling interests		<b>2,074</b>	1,770
		<u><b>941</b></u>	<u>2,520</u>
		<i>HK Cents</i>	<i>HK Cents</i> (Restated) <i>(Note 2)</i>
<b>(Loss)/earnings per share attributable to owners of the Company</b>			
Basic and diluted	9	<u><b>(0.69)</b></u>	<u>0.38</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 31 MARCH 2024*

		<b>31 March 2024</b>	31 March 2023	1 April 2022
	<i>Note</i>	<b><i>HKD'000</i></b>	<i>HKD'000</i>	<i>HKD'000</i>
			(Restated)	(Restated)
			<i>(Note 2)</i>	<i>(Note 2)</i>
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		334	790	1,707
Right-of-use assets		4,082	1,941	3,316
Intangible assets		9,544	9,544	11,965
Financial asset at fair value through profit or loss		14,202	14,687	14,647
Deposits and prepayments		484	404	338
Deferred income tax assets		1,121	1,233	1,189
		<u>29,767</u>	<u>28,599</u>	<u>33,162</u>
<b>Current assets</b>				
Trade and retention receivables	<i>11</i>	54,550	88,250	44,673
Contract assets		39,065	105,476	83,581
Deposits, other receivables and prepayments		2,732	2,454	3,158
Income tax recoverable		608	–	2,692
Cash and cash equivalents		139,638	109,702	119,776
		<u>236,593</u>	<u>305,882</u>	<u>253,880</u>
<b>Total assets</b>		<u><b>266,360</b></u>	<u>334,481</u>	<u>287,042</u>
<b>Equity</b>				
<b>Equity attributable to the owners of the Company</b>				
Share capital		1,553	1,553	1,553
Shares held under share award scheme		–	(2,998)	(2,998)
Share premium		57,632	57,632	57,632
Exchange reserve		(96)	115	378
Retained earnings		77,836	80,882	79,869
		<u>136,925</u>	<u>137,184</u>	<u>136,434</u>
Non-controlling interests		7,059	6,969	5,199
<b>Total equity</b>		<u><b>143,984</b></u>	<u>144,153</u>	<u>141,633</u>

		<b>31 March 2024</b>	31 March 2023	1 April 2022
	<i>Note</i>	<b><i>HKD'000</i></b>	<i>HKD'000</i>	<i>HKD'000</i>
			(Restated) <i>(Note 2)</i>	(Restated) <i>(Note 2)</i>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Lease liabilities		<b>1,449</b>	620	909
Employee benefit obligations		<b>372</b>	644	608
		<u><b>1,821</b></u>	<u>1,264</u>	<u>1,517</u>
<b>Current liabilities</b>				
Trade payables	<i>12</i>	<b>110,562</b>	181,830	124,151
Accruals and other payables	<i>12</i>	<b>1,920</b>	3,269	2,080
Contract liabilities		<b>5,401</b>	1,716	15,002
Lease liabilities		<b>2,672</b>	1,404	2,659
Income tax payables		<b>–</b>	845	–
		<u><b>120,555</b></u>	<u>189,064</u>	<u>143,892</u>
<b>Total liabilities</b>		<u><b>122,376</b></u>	<u>190,328</u>	<u>145,409</u>
<b>Total equity and liabilities</b>		<u><b>266,360</b></u>	<u>334,481</u>	<u>287,042</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	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 2022, as previously reported	1,553	57,632	(2,998)	378	80,293	136,858	5,291	142,149
Change in accounting policy (note 2(v))	–	–	–	–	(424)	(424)	(92)	(516)
<b>At 1 April 2022, as restated</b>	<b>1,553</b>	<b>57,632</b>	<b>(2,998)</b>	<b>378</b>	<b>79,869</b>	<b>136,434</b>	<b>5,199</b>	<b>141,633</b>
Profit for the year, as previously reported	–	–	–	–	1,040	1,040	1,875	2,915
Change in accounting policy (note 2(v))	–	–	–	–	(289)	(289)	(45)	(334)
<b>Profit for the year, as restated</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>751</b>	<b>751</b>	<b>1,830</b>	<b>2,581</b>
Other comprehensive loss for the year:								
Exchange differences arising on translation of foreign operation	–	–	–	(263)	–	(263)	(96)	(359)
Other comprehensive loss for the year, as previously reported	–	–	–	(263)	–	(263)	(96)	(359)
Remeasurement of employee benefit obligations	–	–	–	–	262	262	36	298
<b>Other comprehensive (loss)/income for the year, as restated</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(263)</b>	<b>262</b>	<b>(1)</b>	<b>(60)</b>	<b>(61)</b>
<b>Total comprehensive (loss)/income for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(263)</b>	<b>1,013</b>	<b>750</b>	<b>1,770</b>	<b>2,520</b>
At 31 March 2023, as restated	1,553	57,632	(2,998)	115	80,882	137,184	6,969	144,153
At 1 April 2023, as previously reported	1,553	57,632	(2,998)	115	81,333	137,635	7,070	144,705
Change in accounting policy (note 2(v))	–	–	–	–	(451)	(451)	(101)	(552)
<b>At 1 April 2023, as restated</b>	<b>1,553</b>	<b>57,632</b>	<b>(2,998)</b>	<b>115</b>	<b>80,882</b>	<b>137,184</b>	<b>6,969</b>	<b>144,153</b>
(Loss)/profit for the year	–	–	–	–	(1,369)	(1,369)	2,088	719
Other comprehensive (loss)/income for the year:								
Exchange differences on translation of foreign operation	–	–	–	(211)	–	(211)	(82)	(293)
Remeasurements of employee benefit obligations	–	–	–	–	447	447	68	515
<b>Total comprehensive (loss)/income for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(211)</b>	<b>(922)</b>	<b>(1,133)</b>	<b>2,074</b>	<b>941</b>
<b>Transactions with owners in their capacity as owners:</b>								
Dividend paid to non-controlling interests	–	–	–	–	–	–	(1,984)	(1,984)
Issuance of shares under share award scheme	–	–	2,998	–	(2,124)	874	–	874
<b>At 31 March 2024</b>	<b>1,553</b>	<b>57,632</b>	<b>–</b>	<b>(96)</b>	<b>77,836</b>	<b>136,925</b>	<b>7,059</b>	<b>143,984</b>

## 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 (Act 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 together 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 of Hong Kong Limited (the "Stock Exchange") since 4 January 2018.

These consolidated financial statements are presented in Hong Kong dollar ("HKD"), unless otherwise stated. These consolidated financial statements have been approved for issue by the board of directors (the "Board") of the Company on 21 June 2024.

### 2. BASIS OF PREPARATION

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

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

HKFRS comprises the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

#### (ii) Historical cost convention

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

**(iii) New and amended standards adopted by the Group**

The Group has applied the following new and amended standards for its annual reporting period commencing 1 April 2023:

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
HKFRS 17	Insurance contracts

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**

Certain amendments to accounting standards and interpretation have been published that are not mandatory for 31 March 2024 reporting period and have not been early adopted by the Group. These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

**(v) Change in accounting policies**

*(a) Change in accounting policy on offsetting arrangement in long service payment scheme in Hong Kong*

In June 2022, the Hong Kong Government enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “**Amendment Ordinance**”) which will be effective from 1 May 2025 (the “**Transition Date**”). Under the Amendment Ordinance, any accrued benefits attributable to the employer’s mandatory contributions under mandatory provident fund scheme (the “**MPF Benefits**”) of an entity would no longer be eligible to offset against its obligations on long service payment (the “**LSP**”) for the portion of the LSP accrued on or after the Transition Date. There is also a change in the calculation basis of last monthly wages for the portion of the LSP accrued before the Transition Date.

Prior to 1 April 2023, the Group applied practical expedient in HKAS 19 paragraph 93(b) (the “**practical expedient**”) to account for the offsettable MPF Benefits as deemed employee contributions to reduce the current service costs in the period in which the related services were rendered.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” (the “**Guidance**”) which provides clarified and detailed guidance on the accounting considerations relating to the abolition of the offsetting mechanism. The Guidance clarified that following the enactment of the Amendment Ordinance, LSP is no longer a ‘simple type of contributory plans’ to which the practical expedient had been intended to apply.



By following the Guidance, the Group has therefore changed its accounting policy and ceased to apply the practical expedient and reattribute the deemed employee contributions on a straight-line basis from the date when services by employees first lead to their benefits in terms of the LSP legislation in accordance with HKAS 19 paragraph 93(a). This change in accounting policy upon the cessation in applying the practical expedient has resulted in a catch-up adjustment for past service costs and a corresponding increase in the Group's LSP obligations in the year of enactment of the Amendment Ordinance (i.e., as at 1 April 2022 and year ended 31 March 2023). The adjustment is recognised as past service costs in profit or loss as at 1 April 2022 and for the year ended 31 March 2023 as the Amendment Ordinance is not contemplated in the original LSP legislation.

This change in accounting policy has been applied retrospectively by restating the balances as at 31 March 2023 and the results for the year then ended as summarised below:

	<b>As previously reported</b>	<b>Effect of change in accounting policy</b>	<b>As restated</b>
	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>
<b>As at 31 March 2023</b>			
Employee benefit obligations	–	644	644
Accruals and other payables	3,361	(92)	3,269
Retained earnings	81,333	(451)	80,882
Non-controlling interests	7,070	(101)	6,969
<b>For the year ended 31 March 2023</b>			
Cost of sales	(484,167)	(267)	(484,434)
Administrative expenses	(28,708)	(67)	(28,775)
Remeasurement of employee benefit obligations	–	298	298
Basic and diluted earnings per share	0.53	(0.15)	0.38
<b>As at 1 April 2022</b>			
Employee benefit obligations	–	608	608
Accruals and other payables	2,172	(92)	2,080
Retained earnings	80,293	(424)	79,869
Non-controlling interest	5,291	(92)	5,199

### 3. REVENUE AND SEGMENT INFORMATION

	2024 <i>HKD'000</i>	2023 <i>HKD'000</i>
Bare shell fit-out	375,240	345,987
Restacking	22,375	145,647
Reinstatement	–	4,419
Design	5,201	3,862
Churn works	24,288	16,860
Maintenance and others	973	824
	<u>428,077</u>	<u>517,599</u>

The Group's revenue for the years ended 31 March 2024 and 2023 mainly represents revenue from the provision of interior fit-out solutions.

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.

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 years ended 31 March 2024 and 2023. 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 services were 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.

	2024 <i>HKD'000</i>	2023 <i>HKD'000</i>
Hong Kong	412,220	503,021
The PRC	15,857	14,578
	<u>428,077</u>	<u>517,599</u>

## Information about major customers

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

	<b>2024</b> <i>HKD'000</i>	2023 <i>HKD'000</i>
Customer A	N/A ( <i>Note</i> )	85,680
Customer B	<b>92,963</b>	N/A ( <i>Note</i> )
Customer C	<b>54,146</b>	–
Customer D	<b>51,693</b>	–

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

## 4. OTHER INCOME

	<b>2024</b> <i>HKD'000</i>	2023 <i>HKD'000</i>
Government subsidies ( <i>Note</i> )	–	1,714
Others	<b>5</b>	–

*Note:* The amount represents government grant in respect of the Employment Support Scheme and the Distance Business Programme 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 years ended 31 March 2024 and 2023 are stated after charging the following cost of sales and administrative expenses:

	2024 <i>HKD'000</i>	2023 <i>HKD'000</i> (Restated) (Note 2)
Subcontracting charges	359,663	441,841
Staff costs (Note 7)	49,257	49,425
Cleaning expenses	5,629	5,400
Insurance expenses	3,032	4,174
Short-term lease payments	1,466	835
Auditor's remuneration		
– Audit service	1,150	1,431
Depreciation on right-of-use assets	2,057	2,621
Depreciation on property, plant and equipment	533	1,089
Legal and professional fees	2,983	3,014
Other expenses	3,766	3,379
	<hr/>	<hr/>
Total cost of sales and administrative expenses	<b>429,536</b>	<b>513,209</b>
	<hr/> <hr/>	<hr/> <hr/>
Representing:		
Cost of sales	402,885	484,434
Administrative expenses	26,651	28,775
	<hr/>	<hr/>
	<b>429,536</b>	<b>513,209</b>
	<hr/> <hr/>	<hr/> <hr/>

## 6. FINANCE INCOME – NET

	2024 <i>HKD'000</i>	2023 <i>HKD'000</i>
Interest income from bank deposits	3,382	1,094
Interest expense on lease liabilities	(114)	(103)
	<hr/>	<hr/>
	<b>3,268</b>	<b>991</b>
	<hr/> <hr/>	<hr/> <hr/>

## 7. STAFF COSTS, INCLUDING DIRECTORS' EMOLUMENTS

	2024 <i>HKD'000</i>	2023 <i>HKD'000</i> (Restated) <i>(Note 2)</i>
Salaries, bonuses and allowances	46,567	47,475
Share-based payments	874	–
Retirement benefits contributions	1,816	1,950
	<u>49,257</u>	<u>49,425</u>

## 8. INCOME TAX EXPENSE

	2024 <i>HKD'000</i>	2023 <i>HKD'000</i>
Current income tax		
– Hong Kong profits tax	917	1,502
– PRC enterprise income tax	11	–
– Under-provision for prior years	25	149
Deferred income tax	77	(104)
	<u>1,030</u>	<u>1,547</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 one of group entities is calculated at 8.25% (2023: 8.25%) on the first HKD2 million (2023: HKD2 million) of the estimated assessable profits and at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits above HKD2 million (2023: HKD2 million) for the current year (i.e., the year ended 31 March 2024).

Under the Law of the PRC on enterprise income tax (the “**EIT**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% (2023: 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 (2023: same).

## 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 Shares in issue less the total number of Shares held under share award scheme during the years ended 31 March 2024 and 2023.

	2024	2023 (Restated) (Note 2)
(Loss)/profit attributable to owners of the Company (HKD'000)	(1,369)	751
Weighted average number of Shares in issue less Shares held under share award scheme (in thousand)	<u>198,084</u>	<u>197,944</u>
Basic (loss)/earnings per share (HK cents)	<u>(0.69)</u>	<u>0.38</u>

### (b) Diluted

There were no outstanding share options or other potential dilutive equity instruments in issue as at 31 March 2024 and 2023. Accordingly, diluted (loss)/earnings per share is equal to basic (loss)/earnings per share.

## 10. DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 March 2024 (2023: same).

## 11. TRADE AND RETENTION RECEIVABLES

	Note	2024 HKD'000	2023 HKD'000
Trade receivables	(a)	53,606	86,765
Retention receivables	(b)	<u>2,994</u>	<u>3,331</u>
		<b>56,600</b>	90,096
Less: provision for impairment of loss		<u>(2,050)</u>	<u>(1,846)</u>
Trade and retention receivables – net		<u><b>54,550</b></u>	<u>88,250</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 2024 and 2023 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.

As at 31 March 2024 and 2023, the carrying amounts of gross trade and retention receivables approximate their fair values and were denominated in the following currencies.

	<b>2024</b> <i>HKD'000</i>	2023 <i>HKD'000</i>
HKD	<b>55,301</b>	88,624
RMB	<b>1,299</b>	1,472
	<b>56,600</b>	90,096

During the year ended 31 March 2023, impaired trade receivables of HKD3,582,000 were written off.

- (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 2024 and 2023, the ageing analysis of the trade receivables based on the invoice date is as follows:

	<b>2024</b> <i>HKD'000</i>	2023 <i>HKD'000</i>
Within 30 days	<b>12,630</b>	52,948
31 to 60 days	<b>17,381</b>	13,051
61 to 90 days	<b>12,066</b>	7,542
91 to 180 days	<b>1,389</b>	3,814
Over 180 days	<b>10,140</b>	9,410
	<b>53,606</b>	86,765

- (b) As at 31 March 2024 and 2023, the ageing analysis of the retention receivables based on the invoice date was as follows:

	<b>2024</b> <i>HKD'000</i>	2023 <i>HKD'000</i>
31 to 60 days	<b>236</b>	621
61 to 90 days	<b>758</b>	518
91 to 180 days	<b>588</b>	–
Over 180 days	<b>1,412</b>	2,192
	<b>2,994</b>	3,331

## 12. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	<b>2024</b> <b>HKD'000</b>	2023 <i>HKD'000</i> (Restated) <i>(Note 2)</i>	2022 <i>HKD'000</i> (Restated) <i>(Note 2)</i>
Trade payables	<b>110,562</b>	181,830	124,151
Accruals and other payables	<b>1,920</b>	3,269	2,080
	<b>112,482</b>	185,099	126,231

As at 31 March 2024 and 2023, the ageing analysis of the trade payables based on invoice date was as follows:

	<b>2024</b> <b>HKD'000</b>	2023 <i>HKD'000</i>
Within 30 days	<b>80,011</b>	154,206
31 to 60 days	<b>2,667</b>	7,219
61 to 90 days	<b>7,109</b>	3,434
91 to 180 days	<b>10,390</b>	6,812
Over 180 days	<b>10,385</b>	10,159
	<b>110,562</b>	181,830

As at 31 March 2024 and 2023, the carrying amounts of trade payables, accruals and other payables approximate their fair values and were denominated in the following currencies.

	<b>2024</b> <b>HKD'000</b>	2023 <i>HKD'000</i> (Restated) <i>(Note 2)</i>	2022 <i>HKD'000</i> (Restated) <i>(Note 2)</i>
HKD	<b>107,712</b>	178,962	121,610
RMB	<b>4,770</b>	6,137	4,621
	<b>112,482</b>	185,099	126,231



## 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 (the "MEP") consultancy services.

During the year ended 31 March 2024, the Group recorded a decrease in revenue of 17.3% to HKD428.1 million from HKD517.6 million for the year ended 31 March 2023. The decrease was mainly attributable to the decrease in revenue from the business of restacking. The Group's gross profit decreased to HKD25.2 million for the year ended 31 March 2024 from HKD33.2 million for the year ended 31 March 2023, representing a decrease of 24.0%.

For the year ended 31 March 2024, the loss attributable to owners of the Company was HKD1.4 million while the profit attributable to owners of the Company was HKD0.8 million for the corresponding period of last year (i.e., the year ended 31 March 2023).

### FINANCIAL 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 2024, the revenue of the Group was HKD428.1 million, representing a decrease of 17.3% compared with HKD517.6 million recorded last year. The decrease was mainly attributable to the decrease in revenue from the restacking.

The following table sets forth a breakdown of the Group's revenue by project types for the years ended 31 March 2024 and 2023:

	Year ended 31 March			
	2024		2023	
	<i>HKD'000</i>	<i>%</i>	<i>HKD'000</i>	<i>%</i>
<b>Project type</b>				
Bare shell fit-out	375,240	87.7	345,987	66.8
Restacking	22,375	5.2	145,647	28.1
Reinstatement	–	–	4,419	0.9
Design	5,201	1.2	3,862	0.7
Churn works	24,288	5.7	16,860	3.3
Maintenance and others	973	0.2	824	0.2
<b>Total</b>	<b>428,077</b>	<b>100.0</b>	<b>517,599</b>	<b>100.0</b>

As shown in table above, our bare shell fit-out contributed to 87.7% and 66.8% of the Group's total revenue for the year ended 31 March 2024 and 2023, respectively. Revenue from bare shell fit-out was HKD375.2 million for the year ended 31 March 2024, representing an increase of 8.5% compared with HKD346.0 million recorded last year.

From 1 April 2023 and up to 31 March 2024, we were newly awarded a total of 37 bare shell fit-out projects with a total project sum of HKD268.8 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 2024 was HKD402.9 million, representing a decrease of 16.8% compared with HKD484.4 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 years ended 31 March 2024 and 2023:

	Year ended 31 March			
	2024	% of	2023	% of
	<i>HKD'000</i>	<i>revenue</i>	<i>HKD'000</i>	<i>revenue</i>
<b>Project type</b>				
Bare shell fit-out	49,213	13.1	41,710	12.1
Restacking	490	2.2	16,209	11.1
Reinstatement	–	–	4,111	93.0
Design	3,935	75.7	2,628	68.0
Churn works	6,086	25.1	1,977	11.7
Maintenance and others	653	67.1	215	26.1
<b>Total</b>	<b>60,377</b>	<b>14.1</b>	<b>66,850</b>	<b>12.9</b>

The Group's overall direct margin was HKD60.4 million for the year ended 31 March 2024, representing a decrease of 9.7% compared with HKD66.9 million recorded last year of the Group. The direct margin ratio for the year ended 31 March 2024 was 14.1%, representing an increase of 1.2 percentage points compared with 12.9% for the corresponding period of last year. Such decrease in the direct margin was primarily due to the decrease of direct margin from restacking.

### Other income

Other income for the current year was HKD5,000, representing a decrease of 99.7% as compared with HKD1.7 million for the corresponding period of last year. The Group received the government subsidies from the Government of the Hong Kong Special Administrative Region under the Employment Support Scheme and the Distance Business Programme during the previous year, but no such subsidies were available during the current year.

### Administrative expenses

Administrative expenses was HKD26.7 million for the current year, representing a decrease of 7.3% as compared with HKD28.8 million recorded last year. Such decrease was primarily attributable to (i) a decrease of HKD1.7 million in administrative staff costs and (ii) a decrease of HKD0.6 million in depreciation on property, plant and equipment.

### Finance costs

Finance costs which comprised mainly the interest on the lease liabilities was HKD0.1 million for the year ended 31 March 2024 (2023: HKD0.1 million).

## **Income tax expense**

Income tax expense for the current year was HKD1.0 million while income tax expense for last year was HKD1.5 million.

## **Profit for the year**

Net profit was HKD0.7 million for the year ended 31 March 2024 while net profit of HKD2.6 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 HKD1.4 million for the year ended 31 March 2024, while profit attributable to owners of the Company was HKD0.8 million for last year.

## **Dividend**

The Board does not recommend the payment of the final dividend for the year ended 31 March 2024 (2023: 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 of the Group. 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 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 2024, the Group financed its operation by its internal resources. As at 31 March 2024, the Group had net current assets of HKD116.0 million (31 March 2023: HKD116.8 million), including cash and cash equivalents of HKD139.6 million (31 March 2023: HKD109.7 million) mainly denominated in Hong Kong dollars (“**HKD**”) and Renminbi (“**RMB**”).

The current ratio, being the ratio of current assets to current liabilities, was 2.0 times as at 31 March 2024 (31 March 2023: 1.6 times). The gearing ratio of the Group as at 31 March 2024 was 2.9% (31 March 2023: 1.4%). The gearing ratio is calculated as total debt divided by total equity as at the respective period end. Total debt includes lease liabilities.

There has been no change in capital structure of the Company as at 31 March 2024. The equity attributable to owners of the Company amounted to HKD136.9 million as at 31 March 2024 (31 March 2023: HKD137.2 million).

The Board will continue to follow a prudent treasury policy in managing its bank balances and cash and maintain a strong and healthy liquidity to ensure that the Group is well positioned to achieve its business objectives and strategies.

As the revenue and costs of the Group are mainly denominated in HKD and RMB, the Board considers that the Group has no significant foreign exchange exposures.

The Group did not make any foreign exchange related hedges for the year ended 31 March 2024.

### **PLEDGE OF ASSETS**

As at 31 March 2024 and 2023, the Group had not pledged any assets to secure bank facilities or finance lease obligations.

### **CAPITAL COMMITMENTS**

As at 31 March 2024, the Group did not have any material capital commitments (31 March 2023: Nil).

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

During the year ended 31 March 2024, the Group did not have any significant investment held, or material acquisitions or disposals of subsidiaries, associates and joint ventures.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as disclosed in this announcement, the Group did not have any plans for material investment or acquisition of capital assets as at the date of this announcement. The Company will make further announcement in accordance with the GEM Listing Rules, where applicable, if any investments and acquisition opportunities materialise.

## **CONTINGENT LIABILITIES**

As at 31 March 2024, the Group provided guarantees of surety bonds of HKD15.2 million (31 March 2023: HKD14.8 million) in respect of 4 (31 March 2023: 5) construction contracts in its ordinary course of business. The surety bonds are expected to be released in accordance with the terms of the respective construction contracts.

## **EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed in this announcement, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2024 and up to the date of this announcement.

## **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 (the “**Shareholders**”). During the year ended 31 March 2024, 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 2024, we have provided competitive remuneration packages to our employees to recognise 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 2024, the Group had a total of 67 (31 March 2023: 75) 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 2024 amounted to approximately HKD49.3 million (31 March 2023: HKD49.4 million).

## 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 2024.

## 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 as at the beginning and the end of the year ended 31 March 2024 and the date of this announcement was 20,000,000 Shares, representing 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. Accordingly, the remaining life of the Share Option Scheme as at the date of this announcement is approximately 3 years.

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 there was no outstanding share option as at 31 March 2024 and 2023.

## 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 Share Award Scheme was adopted on 16 October 2018 and shall be valid and effective for a term of 10 years until 15 October 2028 unless early terminated by the Board.

Under the rules relating to the Share Award Scheme, the Board may from time to time select employees, director or officer of any member of the Group or any of its affiliates whom the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group to participate in the Share Award Scheme. The vesting period, criteria and conditions of any award granted are determined by the Board or its delegate(s) in accordance with the terms of the Share Award Scheme and the GEM Listing Rules. Unless otherwise specified in the award letter, no payment is payable by the grantee upon acceptance of the award granted. The Company shall not make any further grant of award which will result in the aggregate number of Shares underlying all grants made pursuant to the Share Award Scheme (excluding forfeited awards) to exceed 16,000,000 Shares, representing 8% of the total number of Shares in issue as at the date of adoption of the Share Award Scheme (i.e., 16 October 2018). There is no service provider sublimit under the Share Award Scheme.

Pursuant to Rule 23.03D(1) of the GEM Listing Rules, unless approved by independent shareholders of the Company in a general meeting, the total number of Shares issued and to be issued by the Company in respect of the share awards granted under the Share Award Scheme to each participant in any 12-month period (up to and including the date of grant) shall not exceed 1% of the Shares in issue.

As at the beginning of the year ended 31 March 2024, the total number of awards available for grant under the Share Award Scheme was 16,000,000, and the underlying 16,000,000 Shares represent 8% of the Shares in issue as at the date of adoption of the Share Award Scheme.

On 22 September 2023, a total of 2,056,000 ordinary shares (the “**Award Shares**”) were granted to 38 eligible persons (“**Grantees**”) for nil consideration. The purpose of the grant of the Award Shares to the Grantees is to (i) recognise the Grantees’ contribution to the business performance and development of the Group; and (ii) encourage and retain the Grantees to make continual contributions to the long-term growth and profits of the Group, and therefore the consideration for the grant was nil. These Award Shares were satisfied by the then existing Shares held by the trustee of the Share Award Scheme (the “**Trustee**”) through acquisition from the open market by utilising the Company’s internal resources provided to the Trustee, and therefore no new Shares would be issued for the purpose of such grant. All of the Award Shares shall vest in the Grantees on the date of grant. There is no performance target attached to the Award Shares. The closing price of the Shares immediately before the date on which the Award Shares were granted was HKD0.43 per Share. On 6 March 2024, the administrative procedures in connection with the despatch of the share certificates representing the Award Shares to the respective Grantees had been completed, and as such, the transfer of the Award Shares from the trustee of the Share Award Scheme to the



respective Grantees had been completed. The 2,056,000 Award Shares represent the value of approximately HK\$884,000, taking into account the closing price of HK\$0.43 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant, and the Award Shares represent a fair value of approximately HK\$873,800, taking into account the market price of the Shares upon transfer of the Award Shares which was HK\$0.425 per Share. The 2,056,000 Award Shares represented approximately 1.03% of the issued share capital of the Company as at the date of grant. Save for one Grantee who was a director and substantial shareholder of a subsidiary of the Company and therefore a connected person of the Company at the subsidiary level, all Grantees were employees of the Group. For details, please refer to the announcements of the Company dated 16 October 2018, 22 September 2023, 3 November 2023, 29 December 2023 and 6 March 2024.

As at the beginning and at the end of the year ended 31 March 2024, there was no unvested share award under the Share Award Scheme. No share award was cancelled or lapsed during the year ended 31 March 2024.

On 6 March 2024, the Board has resolved to terminate the Share Award Scheme with effect from 6 March 2024. No further Award Shares may be granted under the Share Award Scheme in the future from 6 March 2024. For details, please refer to the announcement of the Company dated 6 March 2024. Accordingly, there is no share award available for grant under the Share Award Scheme and no remaining life of the Share Award Scheme as at 31 March 2024 and the date of this announcement as the Share Award Scheme was terminated with effect from 6 March 2024.

## **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 2024 with all the code provisions in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to 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, all major decisions are made in consultation with members of the Board and relevant Board committees, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authorities between the Board and the management of the Company, and 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.

To maintain a high standard of corporate governance practice for the Company, the nomination committee of the Board and the Board shall nevertheless review the effectiveness of the structure and composition of the Board from time to time in light of the prevailing circumstances. The Company will continue to review and monitor its corporate governance practices to ensure its compliance with the CG Code.

## **OUTLOOK**

A report recently released by Knight Frank pointed out that Hong Kong's Grade A office market was still affected by economic uncertainties in the first quarter of 2024, with overall demand being weak and the office vacancy rate hovering at a high level. However, as rents in core business districts have continued to decline in the first quarter, and certain landlords have taken the initiative to provide tenants with more flexible leasing plans and preferential measures, it is believed that the leasing market will gradually stabilize. Cushman & Wakefield also pointed out that the supply of new Grade A offices coupled with competitive rental levels will provide more high-quality options for companies having intention in upgrading and relocating, especially companies actively seeking to relocate to commercial properties that meet environmental, social and governance requirements. Meanwhile, the Hong Kong government has also formulated a series of measures in the 2024-25 Budget including allocating funds to promote the development of artificial intelligence, life and health technology, new industries, asset and wealth management, intellectual property, and legal dispute services and other industries. By then, it is believed that more professional institutions will be attracted to settle in Hong Kong's Grade A offices, driving up demand for local fit-out services.

## **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 2024.

**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 2024, 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 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 ordinary 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%

*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.

**(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%

*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 the Company's issued share capital and thus was the Company's associated corporation.

Save as disclosed above, as at 31 March 2024, 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 2024, 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

Name of Shareholders	Capacity/ nature of interest	Number of issued ordinary Shares held/ interested in	Percentage of shareholding
Madison Square International Investment Limited ( <i>Note 1</i> )	Beneficial owner	112,500,000	56.25%
J&J Partner Investment Group Limited ( <i>Note 2</i> )	Beneficial owner	37,500,000	18.75%
Mr. Wong Kin Kei ( <i>Note 2</i> )	Interest in a controlled corporation	37,500,000	18.75%
Ms. Ho Sin Ying ( <i>Note 3</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. 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.
2. 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.
3. 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 2024, 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 or at the end of the year ended 31 March 2024 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**

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.

## **DIVIDEND**

The Board does not recommend the payment of a final dividend for the years ended 31 March 2024 (2023: Nil).

## **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, 20 August 2024 to Friday, 23 August 2024 (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 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 19 August 2024.

## **SCOPE OF WORK OF PRICEWATERHOUSECOOPERS**

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and the related notes thereto for the year ended 31 March 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to 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 and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

## **AUDIT COMMITTEE**

The Company has established an audit committee of the Board (the "**Audit Committee**") with written terms of reference which are no less exacting terms than those set out in the CG Code. Currently, the Audit Committee comprises three independent non-executive Directors, Mr. Cheung Chi Man, Dennis, Mr. Law Chun Yat and Mr. Siu Chi Wai, 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 2024, which is of the opinion that such information has been prepared in accordance with all applicable accounting standards, the requirements under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the GEM Listing Rules.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND 2024 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 2024 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, 21 June 2024

*As at the date of this announcement, the Board comprises Mr. Wong Sai Chuen (Chairman and Chief Executive Officer) and Ms. Hui Man Yee, Maggie being the executive Directors; and Mr. Cheung Chi Man, Dennis, Mr. Law Chun Yat and Mr. Siu Chi Wai 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 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).*