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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 2025**

**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 2025, together with the comparative figures for the year ended 31 March 2024, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	<i>Note</i>	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Revenue	3	418,769	428,077
Cost of sales	4	(399,009)	(402,885)
Gross profit		19,760	25,192
Other income		5	5
Administrative expenses	4	(19,222)	(26,651)
Fair value change of a financial asset at fair value through profit or loss		(2,060)	(437)
(Provision)/reversal of provision for impairment losses on financial assets		(2,620)	372
Operating loss		(4,137)	(1,519)
Finance income		2,994	3,382
Finance costs		(136)	(114)
Finance income – net	5	2,858	3,268
(Loss)/profit before income tax		(1,279)	1,749
Income tax expense	7	(202)	(1,030)
(Loss)/profit for the year		(1,481)	719
Other comprehensive (loss)/income, net of income tax			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
– Exchange differences on translation of foreign operation		(37)	(293)
<i>Item that will not be reclassified to profit or loss:</i>			
– Remeasurements of employee benefit obligations		(63)	515
Total comprehensive (loss)/income for the year		(1,581)	941

		2025	2024
	<i>Note</i>	<i>HKD'000</i>	<i>HKD'000</i>
(Loss)/profit for the year attributable to:			
Owners of the Company		(3,976)	(1,369)
Non-controlling interests		2,495	2,088
		<u>(1,481)</u>	<u>719</u>
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		(4,048)	(1,133)
Non-controlling interests		2,467	2,074
		<u>(1,581)</u>	<u>941</u>
		<i>HK Cents</i>	<i>HK Cents</i>
Loss per share attributable to owners of the Company			
Basic and diluted	8	<u>(1.99)</u>	<u>(0.69)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

		31 March 2025	31 March 2024
	<i>Note</i>	HKD'000	HKD'000
Assets			
Non-current assets			
Property, plant and equipment		196	334
Right-of-use assets		2,465	4,082
Intangible assets		9,544	9,544
Financial asset at fair value through profit or loss		12,063	14,202
Deposits and prepayments		68	484
Deferred income tax assets		2,227	1,121
		26,563	29,767
Current assets			
Trade and retention receivables	10	73,794	54,550
Contract assets		61,539	39,065
Deposits, other receivables and prepayments		3,704	2,732
Income tax recoverable		–	608
Pledged bank deposits		12,570	–
Cash and cash equivalents		103,618	139,638
		255,225	236,593
Total assets		281,788	266,360
Equity			
Equity attributable to the owners of the Company			
Share capital		1,553	1,553
Share premium		57,632	57,632
Exchange reserve		(123)	(96)
Retained earnings		73,815	77,836
		132,877	136,925
Non-controlling interests		7,130	7,059
Total equity		140,007	143,984

		31 March 2025	31 March 2024
	<i>Note</i>	<i>HKD'000</i>	<i>HKD'000</i>
Liabilities			
Non-current liabilities			
Lease liabilities		713	1,449
Employee benefit obligations		690	372
		<u>1,403</u>	<u>1,821</u>
Current liabilities			
Trade payables	<i>11</i>	120,658	110,562
Accruals and other payables	<i>11</i>	1,255	1,920
Contract liabilities		16,265	5,401
Lease liabilities		1,835	2,672
Income tax payables		365	–
		<u>140,378</u>	<u>120,555</u>
Total liabilities		<u>141,781</u>	<u>122,376</u>
Total equity and liabilities		<u>281,788</u>	<u>266,360</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	Attributable to owners of the Company							
	Share capital	Share premium	Shares held under share award scheme	Exchange reserve	Retained earnings	Subtotal	Non-controlling interests	Total equity
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
At 1 April 2023	1,553	57,632	(2,998)	115	80,882	137,184	6,969	144,153
(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
Total comprehensive (loss)/income for the year	–	–	–	(211)	(922)	(1,133)	2,074	941
Transactions with owners in their capacity as owners:								
Dividend paid to non-controlling interests	–	–	–	–	–	–	(1,984)	(1,984)
Issuance of shares under share award scheme	–	–	2,998	–	(2,124)	874	–	874
At 31 March 2024	<u>1,553</u>	<u>57,632</u>	<u>–</u>	<u>(96)</u>	<u>77,836</u>	<u>136,925</u>	<u>7,059</u>	<u>143,984</u>
At 1 April 2024	<u>1,553</u>	<u>57,632</u>	<u>–</u>	<u>(96)</u>	<u>77,836</u>	<u>136,925</u>	<u>7,059</u>	<u>143,984</u>
(Loss)/profit for the year	–	–	–	–	(3,976)	(3,976)	2,495	(1,481)
Other comprehensive (loss)/income for the year:								
Exchange differences on translation of foreign operation	–	–	–	(27)	–	(27)	(10)	(37)
Remeasurements of employee benefit obligations	–	–	–	–	(45)	(45)	(18)	(63)
Total comprehensive (loss)/income for the year	–	–	–	(27)	(4,021)	(4,048)	2,467	(1,581)
Transactions with owners in their capacity as owners:								
Dividend paid to non-controlling interests	–	–	–	–	–	–	(2,396)	(2,396)
At 31 March 2025	<u>1,553</u>	<u>57,632</u>	<u>–</u>	<u>(123)</u>	<u>73,815</u>	<u>132,877</u>	<u>7,130</u>	<u>140,007</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 (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**") and all values are rounded to the nearest thousand, unless otherwise stated. These consolidated financial statements have been approved for issue by the board of directors (the "**Board**") of the Company on 20 June 2025.

2. BASIS OF PREPARATION

(i) Compliance with HKFRS Accounting Standards and Hong Kong Companies Ordinance

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

HKFRS Accounting Standards 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) **Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments listed above to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(iv) **New and amended standards issued but not yet adopted by the Group**

The following new and amended standards have been published that are not mandatory for the Group's financial periods beginning 1 April 2024 and have not been early adopted by the Group.

HKFRS 18	Presentation and Disclosure in Financial Statements ⁴
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the Board anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made. HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Bare shell fit-out	357,099	375,240
Restacking	15,442	22,375
Reinstatement	3,131	–
Design	12,295	5,201
Churn works	28,873	24,288
Maintenance and others	1,929	973
	<u>418,769</u>	<u>428,077</u>

The Group's revenue for the years ended 31 March 2025 and 2024 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 design, churn works, maintenance and other services were recognised at a point in time.

The executive directors have been identified as the chief operating decision-maker (“**CODM**”). 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 2025 and 2024. 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.

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Hong Kong	409,293	412,220
The PRC	9,476	15,857
	<u>418,769</u>	<u>428,077</u>

Information about major customers

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

	2025 HKD'000	2024 HKD'000
Customer A	N/A (Note)	92,963
Customer B	73,802	–
Customer C	68,418	54,146
Customer D	N/A (Note)	51,693
Customer E	43,325	N/A (Note)

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

4. EXPENSES BY NATURE

The Group's profit for the years ended 31 March 2025 and 2024 are stated after charging the following cost of sales and administrative expenses:

	2025 HKD'000	2024 HKD'000
Subcontracting charges	357,981	359,663
Staff costs (Note 6)	42,959	49,257
Cleaning expenses	3,493	5,629
Insurance expenses	3,895	3,032
Short-term lease payments	173	1,466
Auditor's remuneration		
– Audit service	760	1,150
Depreciation on right-of-use assets	2,770	2,057
Depreciation on property, plant and equipment	206	533
Legal and professional fees	2,558	2,983
Other expenses	3,436	3,766
Total cost of sales and administrative expenses	418,231	429,536
Representing:		
Cost of sales	399,009	402,885
Administrative expenses	19,222	26,651
	418,231	429,536

5. FINANCE INCOME – NET

	2025 HKD'000	2024 HKD'000
Interest income from bank deposits	2,994	3,382
Interest expense on lease liabilities	(136)	(114)
	2,858	3,268

6. STAFF COSTS, INCLUDING DIRECTORS' EMOLUMENTS

	2025 HKD'000	2024 HKD'000
Salaries and allowances	34,484	38,288
Discretionary bonuses	6,760	8,279
Share-based payments	–	874
Retirement benefits contributions (<i>Note</i>)	1,715	1,816
	<u>42,959</u>	<u>49,257</u>

Note:

As at 31 March 2025 and 2024, there were no forfeited contributions available to reduce the Group's contributions in future years.

7. INCOME TAX EXPENSE

	2025 HKD'000	2024 HKD'000
Current income tax		
– Hong Kong profits tax	1,282	917
– PRC enterprise income tax	–	11
– Under-provision for prior years	29	25
Deferred income tax	(1,109)	77
	<u>202</u>	<u>1,030</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% (31 March 2024: 8.25%) on the first HKD2 million (31 March 2024: HKD2 million) of the estimated assessable profits and at the rate of 16.5% (31 March 2024: 16.5%) on the estimated assessable profits above HKD2 million (31 March 2024: HKD2 million) for the year.

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% (31 March 2024: 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 (31 March 2024: same).

8. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss 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 2025 and 2024.

	2025	2024
Loss attributable to owners of the Company (<i>HKD'000</i>)	(3,976)	(1,369)
Weighted average number of Shares in issue less shares held under share award scheme (<i>in thousand</i>)	<u>200,000</u>	<u>198,084</u>
Basic loss per share (<i>HK cents</i>)	<u>(1.99)</u>	<u>(0.69)</u>

(b) Diluted

There were no outstanding share options or other potential dilutive equity instruments in issue as at 31 March 2025 and 2024. Accordingly, diluted loss per share is equal to basic loss per share.

9. DIVIDEND

The Board do not recommend the payment of a final dividend for the years ended 31 March 2025 (31 March 2024: nil).

10. TRADE AND RETENTION RECEIVABLES

	Note	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Trade receivables	(a)	74,958	53,606
Retention receivables	(c)	<u>3,509</u>	<u>2,994</u>
		78,467	56,600
Less: provision for impairment loss		<u>(4,673)</u>	<u>(2,050)</u>
Trade and retention receivables – net		<u>73,794</u>	<u>54,550</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 2025 and 2024 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 Renminbi (“RMB”).

As at 31 March 2025 and 2024, the carrying amounts of gross trade and retention receivables approximate their fair values and were denominated in the following currencies.

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
HKD	77,917	55,301
RMB	550	1,299
	<u>78,467</u>	<u>56,600</u>

- (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 2025 and 2024, the ageing analysis of the trade receivables based on the invoice date is as follows:

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Within 30 days	20,338	12,630
31 to 60 days	21,729	17,381
61 to 90 days	15,614	12,066
91 to 180 days	11,265	1,389
Over 180 days	6,012	10,140
	<u>74,958</u>	<u>53,606</u>

(b) **Impairment assessment on financial assets subject to expected credit loss model**

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9.

During the year, the Group provided HKD2,623,000 impairment allowance to trade and retention receivables and reversed HKD3,000 impairment allowance to contract assets respectively (31 March 2024: provided HKD204,000 impairment allowance to trade and retention receivables and reversed HKD576,000 impairment allowance to contract assets respectively).

- (c) As at 31 March 2025 and 2024, the ageing analysis of the retention receivables based on the invoice date was as follows:

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
31 to 60 days	165	236
61 to 90 days	–	758
91 to 180 days	11	588
Over 180 days	3,333	1,412
	<u>3,509</u>	<u>2,994</u>

11. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Trade payables	120,658	110,562
Accruals and other payables	1,255	1,920
	<u>121,913</u>	<u>112,482</u>

As at 31 March 2025 and 2024, the carrying amounts of trade payables, accruals and other payables approximate their fair values and were denominated in the following currencies.

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
HKD	117,953	107,712
RMB	3,960	4,770
	<u>121,913</u>	<u>112,482</u>

As at 31 March 2025 and 2024, the ageing analysis of the trade payables based on invoice date was as follows:

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Within 30 days	101,619	80,011
31 to 60 days	2,811	2,667
61 to 90 days	4,023	7,109
91 to 180 days	2,842	10,390
Over 180 days	9,363	10,385
	<u>120,658</u>	<u>110,562</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 (the “MEP”) consultancy services.

During the year ended 31 March 2025, the Group recorded a decrease in revenue of 2.2% to HKD418.8 million from HKD428.1 million for the year ended 31 March 2024. The decrease was mainly attributable to the decrease in revenue from the business of bare shell fit-out. The Group's gross profit decreased to HKD19.8 million for the year ended 31 March 2025 from HKD25.2 million for the year ended 31 March 2024, representing a decrease of 21.6%.

For the year ended 31 March 2025, the loss attributable to owners of the Company was HKD4.0 million while the loss attributable to owners of the Company was HKD1.4 million for the corresponding period of last year (i.e., the year ended 31 March 2024).

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 2025, the revenue of the Group was HKD418.8 million, representing a decrease of 2.2% as compared with HKD428.1 million recorded last year. The decrease was mainly attributable to the decrease in revenue from the business of bare shell fit-out.

The following table sets forth a breakdown of the Group's revenue by project types for the years ended 31 March 2025 and 2024:

	Year ended 31 March			
	2025		2024	
	HKD'000	%	HKD'000	%
Project type				
Bare shell fit-out	357,099	85.3	375,240	87.7
Restacking	15,442	3.7	22,375	5.2
Reinstatement	3,131	0.7	—	—
Design	12,295	2.9	5,201	1.2
Churn works	28,873	6.9	24,288	5.7
Maintenance and others	1,929	0.5	973	0.2
Total	418,769	100.0	428,077	100.0

As shown in table above, our bare shell fit-out contributed to 85.3% and 87.7% of the Group's total revenue for the year ended 31 March 2025 and 2024, respectively. Revenue from bare shell fit-out was HKD357.1 million for the year ended 31 March 2025, representing an decrease of 4.8% as compared with HKD375.2 million recorded last year.

From 1 April 2024 and up to 31 March 2025, we were newly awarded a total of 33 bare shell fit-out projects with a total project sum of HKD328.8 million.

Cost of sales

The Group's cost of sales mainly comprised of subcontracting charges and staff costs. Cost of sales for the year ended 31 March 2025 was HKD399.0 million, representing a decrease of 1.0% as compared with HKD402.9 million recorded last year. The decrease was in line with the decrease in revenue.

Gross profit and gross profit margin

The Group's overall gross profit was HKD19.8 million for the year ended 31 March 2025, representing a decrease of 21.6% as compared with HKD25.2 million recorded last year of the Group. The gross profit margin for the year ended 31 March 2025 was 4.7%, representing a decrease of 1.2% as compared with 5.9% for the corresponding period of last year. Such decrease in the gross profit was primarily due to the decrease of gross profit from business of bare shell fit-out.

Other income

Other income for the current year (i.e., the year ended 31 March 2025) was HKD 5,000, which is approximately the same as the corresponding period of last year.

Administrative expenses

Administrative expenses was HKD19.2 million for the current year, representing a decrease of 27.9% as compared with HKD26.7 million recorded last year. Such decrease was primarily attributable to (i) a decrease of HKD5.4 million in administrative staff costs and (ii) a decrease of HKD1.3 million in short-term lease payments.

Finance costs

Finance costs which comprised mainly the interest on the lease liabilities for the current year was 0.1 million, which is approximately the same as the corresponding period of last year.

Income tax expense

Income tax expense for the current year was HKD0.2 million while income tax expense for last year was HKD1.0 million.

Loss for the year

Net loss was HKD1.5 million for the year ended 31 March 2025 while net profit of HKD0.7 million was recorded for last year.

Loss for the year attributable to owners of the Company

Loss attributable to owners of the Company was HKD4.0 million for the year ended 31 March 2025, while loss attributable to owners of the Company was HKD1.4 million for last year.

Dividend

The Board does not recommend the payment of the final dividend for the year ended 31 March 2025 (31 March 2024: 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 charges, 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 2025, the Group financed its operation by its internal resources. As at 31 March 2025, the Group had net current assets of HKD114.8 million (31 March 2024: HKD116.0 million), including cash and cash equivalents of HKD103.6 million (31 March 2024: HKD139.6 million) mainly denominated in HKD and RMB.

The current ratio, being the ratio of current assets to current liabilities, was 1.8 times as at 31 March 2025 (31 March 2024: 2.0 times). The gearing ratio of the Group as at 31 March 2025 was 1.8% (31 March 2024: 2.9%). 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 2025. The equity attributable to owners of the Company amounted to HKD132.9 million as at 31 March 2025 (31 March 2024: HKD136.9 million).

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position for the year ended 31 March 2025. To manage the liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

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 has no exposure to fluctuations in exchange rate and did not make any foreign exchange related hedges for the year ended 31 March 2025.

PLEDGE OF ASSETS

The pledge bank deposits amounted to HKD12.6 million as at 31 March 2025 (31 March 2024: Nil).

CAPITAL COMMITMENTS

As at 31 March 2025, the Group did not have any material capital commitments (31 March 2024: Nil).

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

During the year ended 31 March 2025, 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 31 March 2025 and 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 2025, the Group provided guarantees of surety bonds of HKD22,262,000 (31 March 2024: HKD15,173,000) in respect of 5 (31 March 2024: 4) interior fit-out solution service contracts of the Group in its ordinary course of business.

As at 31 March 2025, performance guarantees of HKD6,532,000 (31 March 2024: Nil) were given by a bank in favour of the Group's customers in respect of 5 (31 March 2024: Nil) interior fit-out solution service contracts of the Group as security for the due performance and observance of the Group's obligations under the contracts entered between the Group and their customers.

If the Group fails to provide satisfactory performance to their customers to whom surety bonds and performance guarantees have been given, such customers may demand the bank to pay to them the sum or sum stipulated in such demand. The Group will become liable to compensate such bank accordingly. The relevant surety bonds and performance guarantees will be released.

The surety bonds and performance guarantees were secured by the pledged bank deposits.

At the end of each reporting period, the directors of the Company do not consider it is probable that a claim will be made against the Group.

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 2025 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 2025, 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 2025, 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 2025, the Group had a total of 67 (31 March 2024: 67) 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 2025 amounted to approximately HKD43.0 million (31 March 2024: HKD49.3 million).

The terms of employment of employees conform to normal commercial practice. The remuneration of the employees, Directors and senior management of the Group is set and paid on the basis of the relevant employees’, Director’s and senior management’s qualifications, competence, work performance, industry experience, relevant market trend and the Group’s operating results, etc. Other benefits including share options, retirement benefits, subsidised medical care, pension funds and training programmes are offered to eligible employees.

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 2025.

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 2025 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 2 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 2025 and 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 2025 with all the code provisions in the Corporate Governance Code (“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

Entering the 2025/2026 financial year, against the backdrop of prevailing high interest rates and growing macro uncertainties, most corporates remained concerned with the macro environment. This has led to companies slowing down or suspending their expansion plans. According to a report from Jones Lang LaSalle, the market for office spaces market in Hong Kong recorded a negative net absorption of 143,400 square feet in the first quarter of 2025. The decline is primarily attributable to company consolidations and relocations, releasing substantial office spaces during the process. In addition, as new office building projects contributed to the supply, the overall office vacancy rate rose further to 13.7% by the end of March 2025. Looking into submarket performance, the vacancy rate in Kowloon East increased from 18.6% in the fourth quarter of 2024 to 21.3%. Conversely, the vacancy rate in Central experienced a slight decrease from 11.6% to 11.5%, whereas the vacancy rate in Wan Chai/Causeway Bay and Tsim Sha Tsui improved to 9.5% and 8.3%, respectively.

Other than occupancy rates, a recent report from Knight Frank has indicated that overall rent rates in Hong Kong have declined for the third consecutive month, with a notable reduction among traditional Grade A offices in Central. The trend has prompted an increasing number of tenants to switch to higher-quality leasing options, which is anticipated to drive the demand for local Grade A office fit-out services.

By considering the above market movement, the Group is dedicated to enhancing its service quality and adapting to the latest market dynamics in order to capture a larger market share. In addition, the Group will further strengthen its cost control measures and optimize its subcontractor portfolio, laying the solid foundation for quality and profitability enhancement.

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 2025.

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 2025, 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

Name of Directors/ chief executive	Capacity/ nature of interest	Number of issued ordinary Shares held/ interested in	Percentage of the issued share capital
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

Name of Directors/ chief executive	Name of associated corporation	Capacity/ nature of interest	Number of issued shares held/interested in	Percentage of shareholding
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 2025, 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 2025, 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 2025, 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 2025 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, nor were there any sales of treasury shares of the Company during the year. As of 31 March 2025, the Company did not hold any treasury shares.

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 2025 (31 March 2024: same).

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, 19 August 2025 to Friday, 22 August 2025 (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, 18 August 2025.

SCOPE OF WORK OF BAKER TILLY HONG KONG LIMITED (THE "BAKER TILLY")

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 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Baker Tilly, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Baker Tilly in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Baker Tilly 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 2025, 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 2025 ANNUAL REPORT

This announcement is published on the websites of HKEXnews (www.hkexnews.hk) as well as the website of the Company (www.sclhk.com). The Company’s 2025 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, 20 June 2025

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 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.