# SANBASE CORPORATION LIMITED
# 莊 皇 集 團 公 司

*(Incorporated in the Cayman Islands with limited liability)*
**(Stock code: 8501)**

## DISCLOSEABLE AND CONNECTED TRANSACTION
## DISPOSAL OF A SUBSIDIARY

**THE DISPOSAL**

On 29 August 2025, the Vendor (a direct wholly-owned subsidiary of the Company) and the Purchaser (a connected person of the Company at the subsidiary level) entered into the Share Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Shares, representing the entire issued share capital of the Target Company (an indirect wholly-owned subsidiary of the Company) for the Consideration of HK$1,800,000, subject to the terms and conditions of the Share Purchase Agreement.

Upon completion of the Disposal, the Group will no longer have any interest in the Target Group (i.e., the Target Company and the PRC Subsidiary) and each of the Target Company and the PRC Subsidiary will cease to be accounted as a subsidiary of the Group. Accordingly, the Target Group's financial results, assets and liabilities will cease to be consolidated into the Company's consolidated financial statements.

**GEM LISTING RULES IMPLICATIONS**

**Discloseable transaction**

As one or more of the applicable percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) in relation to the Disposal is more than 5% and all of the percentage ratios are less than 25%, the entering into of the Share Purchase Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company and are subject to the notification and announcement requirements but exempt from shareholders' approval under Chapter 19 of the GEM Listing Rules.

**Connected transaction**

As at the date of the Share Purchase Agreement, the Purchaser is a substantial shareholder of the BVI Subsidiary, being an indirect non-wholly-owned subsidiary of the Company. Accordingly, the Purchaser is a connected person of the Company at the subsidiary level under Chapter 20 of the GEM Listing Rules. Therefore, the Disposal constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

One or more of the applicable percentage ratios in relation to the Disposal is more than 5% but all of the applicable percentage ratios are less than 25% and the total consideration of the Disposal is less than HK$10,000,000. In addition, as (i) the Purchaser is only a connected person of the Company at the subsidiary level, (ii) the Board has approved the Disposal, and (iii) the independent non-executive Directors have confirmed that the Disposal is on normal commercial terms and its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole, pursuant to Rules 20.74 and 20.99 of the GEM Listing Rules, the Disposal is subject to the notification and announcement requirements, but is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

## THE DISPOSAL

On 29 August 2025, the Vendor (a direct wholly-owned subsidiary of the Company) and the Purchaser (a connected person of the Company at the subsidiary level) entered into the Share Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, representing the entire issued share capital of the Target Company (an indirect wholly-owned subsidiary of the Company) for the Consideration of HK$1,800,000, subject to the terms and conditions of the Share Purchase Agreement.

## THE SHARE PURCHASE AGREEMENT

The principal terms of the Share Purchase Agreement are set out as follows:

**Date**

29 August 2025

**Parties**

(i) 1017 Company Limited, as the Vendor; and

(ii) Aeola Investment Limited, as the Purchaser

**Shares to be disposed**

Pursuant to the Share Purchase Agreement, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Shares, representing the entire issued share capital of the Target Company for the Consideration of HK$1,800,000, subject to the terms and conditions of the Share Purchase Agreement. As at the date of this announcement, the Target Company directly held 65% of the equity interest in the PRC Subsidiary (an indirect non-wholly-owned subsidiary of the Company).

**Consideration**

The Consideration for the Disposal is HK$1,800,000 and shall be paid by the Purchaser to the Vendor in cash by way of bank transfer to the bank account designated by the Vendor, or in such other manner as may be agreed between the parties in writing on the date of Closing.

The Consideration was determined upon arm's length negotiations between the parties to the Share Purchase Agreement with reference to, among others, (i) the historical financial performance (which is loss-making for the last financial year) of the Target Group, (ii) the Target Group's unaudited equity attributable to owners of the Company which amounted to approximately HK$1,750,123 as at 30 June 2025, and (iii) the current business operations and future business prospects of the Target Group as well as the reasons for and benefits of the Disposal, all as set out in the section headed "Reasons for and benefits of entering into the Share Purchase Agreement and the Disposal" in this announcement.

**Conditions precedent**

Closing is conditional upon the fulfilment or (if applicable) waiver of the conditions precedent. Key conditions precedent are set out below:

(i) the Purchaser and/or the Target Company (as the case may be) having completed the requisite registration procedures in relation to the Disposal with the relevant government authority in the PRC in accordance with the applicable PRC laws and obtained the relevant written confirmation for the completion of the aforesaid registration procedures (if required);

(ii) the board of directors of each of the Company, the Vendor, the Purchaser and the Target Company having passed resolutions for approving, inter alia, the Disposal and having obtained all consents, approvals and/or waivers in relation to the Disposal; and

(iii) the warranties to be given by the Vendor and the Purchaser as set out in the Share Purchase Agreement being and remaining true, complete, accurate and correct in all material respects as at, and as if made on, the date of the Closing;

If any of the conditions shall not have been fulfilled or (if applicable) waived on or before the Longstop Date, all rights and obligations of the parties under the Share Purchase Agreement shall cease and terminate (save for any antecedent breach thereof).

**Closing**

Pursuant to the Share Purchase Agreement, Closing shall take place on the fifth calendar day after all of the above conditions precedent have been fulfilled or waived (as the case may be), which shall be no later than 29 August 2025, or such other later date as may be agreed between the Purchaser and the Vendor in writing.

## INFORMATION OF THE TARGET COMPANY AND THE TARGET GROUP

### The Target Company

The Target Company is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company as at the date of this announcement and immediately before closing. The Vendor acquired the entire issued share capital of the Target Company on 13 March 2018. The Target Company is principally engaged in investment holding of its 65% equity interest in the PRC Subsidiary.

### The PRC Subsidiary

The PRC Subsidiary is a company established in the PRC with limited liability. As at the date of this announcement, the PRC Subsidiary was directly owned as to 65%, 20% and 15% by the Target Company, 廣州胡木犀建築設計有限公司 (Guangzhou Hu Mu Xi Architectural Design Company Limited*) and Sze Chun Hing（施振興）, respectively. The Target Company acquired its 65% equity interest in the PRC Subsidiary on 8 May 2018. The PRC Subsidiary is principally engaged in the design and interior fit-out solutions provision in the PRC. Save for (i) their respective equity interests in the PRC Subsidiary, and (ii) Sze Chun Hing（施振興）is an employee of Studio 5, both 廣州胡木犀建築設計有限公司 (Guangzhou Hu Mu Xi Architectural Design Company Limited*) and Sze Chun Hing（施振興）have no other relationship with the Company and its connected persons.

Certain key financial information of the Target Group as extracted from its unaudited consolidated management accounts for the two years ended 31 March 2025 and the three months ended 30 June 2025 (prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants) is set out below.

| | **For the two years ended 31 March** | | **For the three months ended 30 June** |
|---|---|---|---|
| | **2024** | **2025** | **2025** |
| | *(HK$)* | *(HK$)* | *(HK$)* |
| | (unaudited) | (unaudited) | (unaudited) |
| | (approximately) | (approximately) | (approximately) |
| Net profit/(loss) before tax | 458,366 | 1,082 | (54,471) |
| Net profit/(loss) after tax | 358,610 | (27,519) | (57,370) |

The unaudited consolidated net asset value of the Target Group was approximately HK$3,133,374 as at 30 June 2025. The Target Group's unaudited equity attributable to owners of the Company was approximately HK$1,750,123 as at 30 June 2025.

## FINANCIAL EFFECT OF THE DISPOSAL

As at the date of this announcement, the Vendor owns the entire issued share capital of the Target Company. Upon completion of the Disposal, the Group will no longer have any interest in the Target Company and the PRC Subsidiary and each of the Target Company and the PRC Subsidiary will cease to be accounted as a subsidiary of the Group. Accordingly, the Target Group's financial results, assets and liabilities will cease to be consolidated into the Company's consolidated financial statements, and the operations of the PRC Subsidiary (namely, the design and interior fit-out solutions provision in the PRC) will cease to be part of the Group's activities, resulting in the Group no longer conducting any business in the PRC.

As a result of the Disposal, the Company is expected to record an unaudited gain of approximately HK$39,877, which is calculated with reference to the Consideration, the Company's investment in the Target Company, and the net asset value of the Target Group as at 30 June 2025. The actual amount of the gain from the Disposal to be recognised by the Group is subject to audit and may be different from the estimated amount as it will depend on, amongst other factors, (i) the actual amounts of the assets and liabilities of the Target Group as at the date of Closing; and (ii) the actual transaction costs incurred.

## INTENDED USE OF PROCEEDS

Net proceeds from the Disposal, after deducting expenses in relation to the Disposal, are estimated to be approximately HK$1,720,200. The Company intends to use the net proceeds from the Disposal for the purpose of general working capital.

## REASONS FOR AND BENEFITS OF ENTERING INTO THE SHARE PURCHASE AGREEMENT AND THE DISPOSAL

The Group is an interior fit-out solutions provider focusing on providing services to clients whose offices are predominantly situated in Grade A offices in Hong Kong and the PRC. Its 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. The PRC Subsidiary is principally engaged in the design and interior fit-out solutions provision in the PRC.

The PRC Subsidiary was loss-making for the year ended 31 March 2025 with losses persisting for the three months ended 30 June 2025, which the Company believes to be mainly attributable to the lower volume of orders from the clients whose offices are predominantly situated in Grade A offices in the PRC in view of the recent economic environment in the PRC affecting Grade A office leases.

The Company conducts strategic reviews of the Group's assets and operations from time to time. Taking into consideration the deteriorating financial performance of the PRC Subsidiary and the anticipated continued decline in demand for design and interior fit-out solutions for Grade A offices in the PRC in the near future, which is expected to further impact the PRC Subsidiary's business negatively, the Directors are of the view that the Disposal would mitigate the adverse impact brought by the deteriorating financial performance of the PRC Subsidiary on the overall financial performance of the Group. Furthermore, the Disposal will allow the Group to focus its capital and management resources more effectively on pursuing other growth opportunities, thereby enhancing the Group's long-term sustainability and development. The Company will continuously observe the overall business environment in its industry and formulate suitable development plans as and when appropriate.

The Company believes that the Disposal is one of the Company's corporate strategies, which presents an opportunity for the Group to realise its investments in the Target Group, reallocate its resources alongside the proceeds from the Disposal to other business opportunities in Hong Kong, Macau and the PRC for better synergy, thereby allowing the Group to streamline its business direction, enhance the growth potential of the Group, focus on the more profitable investments and ultimately maximise returns to the Shareholders.

The Directors (including the independent non-executive Directors) have reviewed the Disposal and in view of the above, the Directors (including the independent non-executive Directors) consider that although the Disposal is not in the ordinary and usual course of business of the Group, the terms of the transactions contemplated under the Share Purchase Agreement are on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## INFORMATION OF THE GROUP AND THE PARTIES TO THE SHARE PURCHASE AGREEMENT

### The Group

The Group is an interior fit-out solutions provider focusing on providing services to clients whose offices are predominantly situated in Grade A offices in Hong Kong and the PRC. Its 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.

### The Vendor

The Vendor, which is a company incorporated in the BVI with limited liability, is a direct wholly-owned subsidiary of the Company. The Vendor is an investment holding company and its main assets are its 100% shareholding in the Target Company and 60% shareholding in the BVI Subsidiary.

**The BVI Subsidiary**

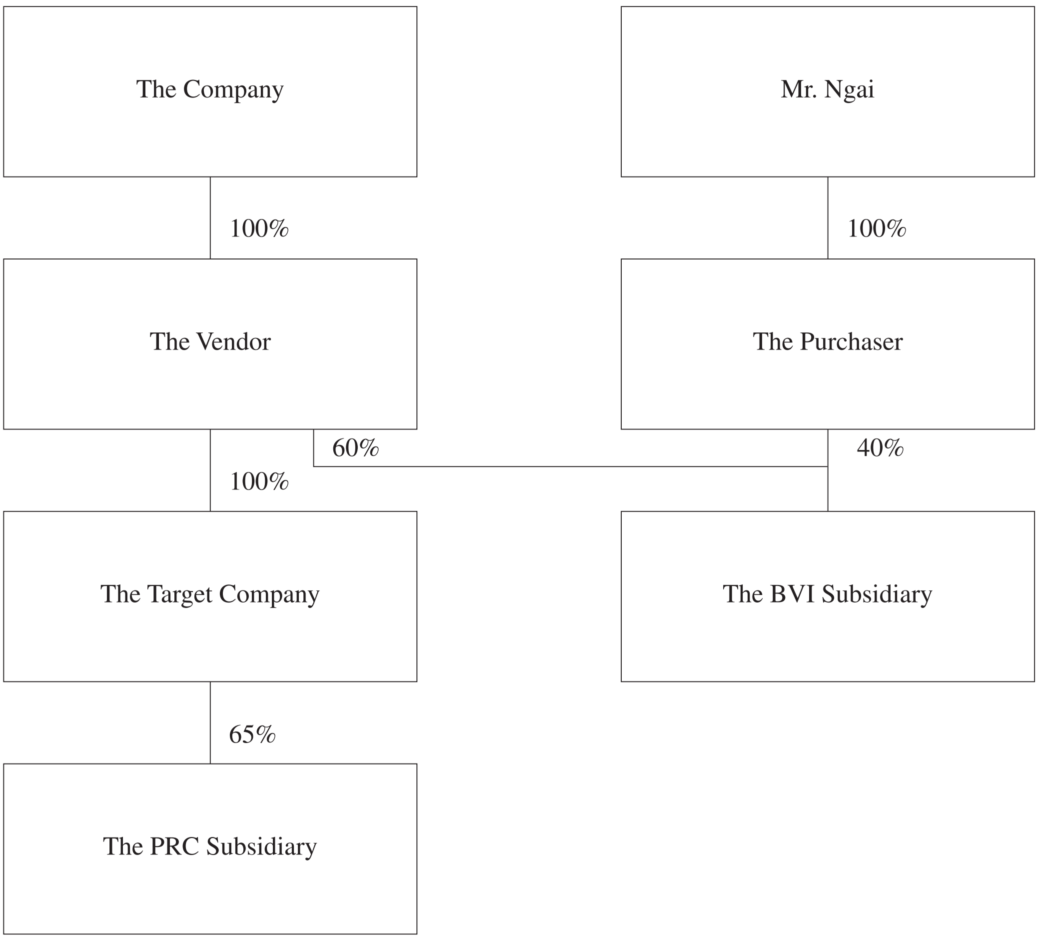
The BVI Subsidiary is a company incorporated in the BVI with limited liability. As at the date of this announcement, the BVI Subsidiary is directly owned as to 60% and 40% by the Vendor and the Purchaser, respectively. The BVI Subsidiary is an indirect non-wholly-owned subsidiary of the Company and is principally engaged in investment holding, and its sole asset is its 100% shareholding in Studio 5, which is a design and interior fit-out solutions provider.

**The Purchaser**

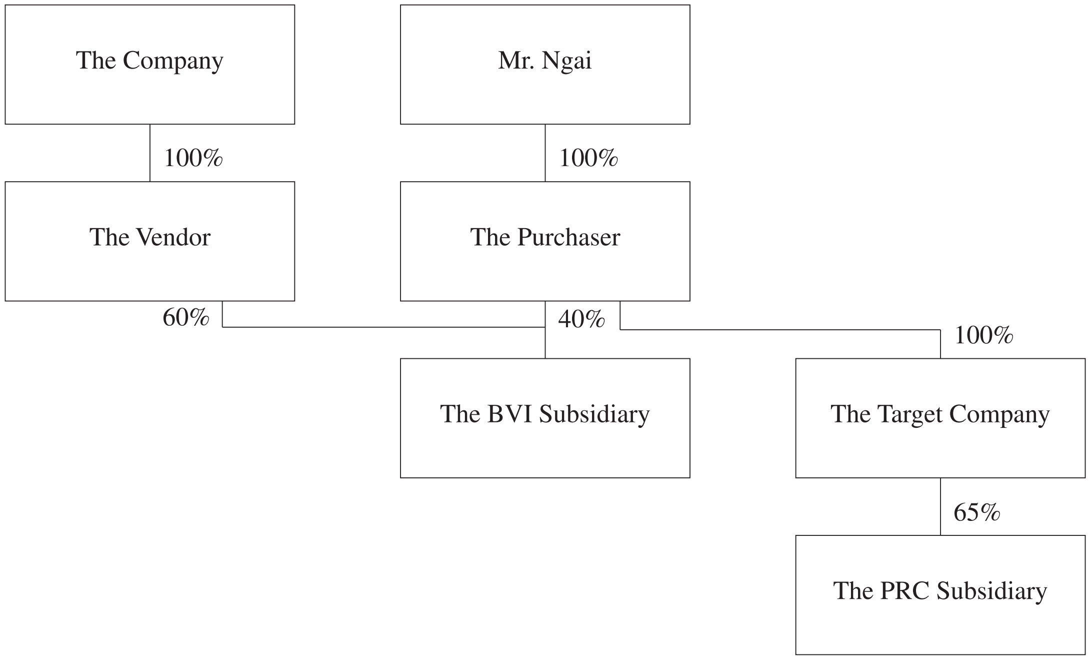
The Purchaser is a company incorporated in the BVI with limited liability. As at the date of this announcement, the Purchaser is directly wholly-owned by Mr. Ngai. The Purchaser is principally engaged in investment holding, and its sole asset is its 40% shareholding in the BVI Subsidiary. Mr. Ngai Kenny Man Kam is a Hong Kong resident and a businessman principally engaged in project management and engineering in the construction industry.

The Purchaser is a substantial shareholder of the BVI Subsidiary, being an indirect non-wholly owned subsidiary of the Company. Mr. Ngai is a director of the BVI Subsidiary and is interested in the BVI Subsidiary through its 100% shareholding in the Purchaser. Accordingly, each of the Purchaser and Mr. Ngai is a connected person of the Company at the subsidiary level under Chapter 20 of the GEM Listing Rules.

The diagram below illustrates a simplified shareholding and corporate structure of the Target Group as at the date of this announcement and immediately before closing:



The diagram below illustrates a simplified shareholding and corporate structure of the Target Group immediately after Closing:




## GEM LISTING RULES IMPLICATIONS

### Discloseable transaction

As one or more of the applicable percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) in relation to the Disposal is more than 5% and all of the percentage ratios are less than 25%, the entering into of the Share Purchase Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company and are subject to the notification and announcement requirements but exempt from shareholders' approval under Chapter 19 of the GEM Listing Rules.

### Connected transaction

As at the date of the Share Purchase Agreement, Aeola Investment Limited, being the Purchaser, is a substantial shareholder of the BVI Subsidiary, being an indirect non-wholly owned subsidiary of the Company. Accordingly, the Purchaser is a connected person of the Company at the subsidiary level under Chapter 20 of the GEM Listing Rules. Therefore, the Disposal constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

One or more of the applicable percentage ratios in relation to the Disposal is more than 5% but all of the applicable percentage ratios are less than 25% and the total consideration of the Disposal is less than HK$10,000,000. In addition, as (i) the Purchaser is only a connected person of the Company at the subsidiary level, (ii) the Board has approved the Disposal, and (iii) the independent non-executive Directors have confirmed that the Disposal is on normal commercial terms and its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole, pursuant to Rules 20.74 and 20.99 of the GEM Listing Rules, the Disposal is subject to the notification and announcement requirements, but is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

As none of the Directors has a material interest in the Disposal, no Director is required to abstain from voting on the Board resolution(s) approving the Disposal.

As the Disposal is subject to Closing clauses set out in the Share Purchase Agreement and therefore may or may not proceed. Shareholders and investors of the Company are reminded to exercise caution when dealing in the Shares.

**DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings given to them as below:

| | |
|---|---|
| "Board" | the board of Directors |
| "BVI" | the British Virgin Islands |
| "BVI Subsidiary" | Core Group Holding Limited, a company incorporated in the BVI with limited liability, and is indirectly owned as to 60% and 40% by the Company and the Purchaser, respectively, as at the date of this announcement |
| "Company" | Sanbase Corporation Limited (莊皇集團公司), an company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM (stock code: 8501) |
| "Closing" | closing of the Disposal |
| "connected person(s)" | has the meaning ascribed to it in the GEM Listing Rules |
| "connected transaction" | has the meaning ascribed to it in the GEM Listing Rules |
| "Consideration" | HK$1,800,000, being the consideration for the Disposal |
| "Director(s)" | director(s) of the Company |
| "Disposal" | the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the terms and conditions of the Share Purchase Agreement |
| "GEM" | GEM of the Stock Exchange |
| "GEM Listing Rules" | The Rules Governing the Listing of Securities on GEM |
| "Group" | the Company and its subsidiary(ies) |
| "HK$" | Hong Kong dollar, the lawful currency of Hong Kong |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |

| | |
|---|---|
| "independent shareholder(s)" | has the meaning ascribed to it in the GEM Listing Rules |
| "Longstop Date" | 31 October 2025 |
| "Macau" | the Macau Special Administrative Region of the PRC |
| "Mr. Ngai" | Mr. Ngai Kenny Man Kam (魏汶鑫先生) |
| "PRC" | the People's Republic of China |
| "PRC Subsidiary" | Siwu Architectural (Guangzhou) Limited (廣州斯五建築設計有限公司), a company established under the laws of the PRC with limited liability, which is owned as to 65% by the Target Company and an indirect non-wholly-owned subsidiary of the Company as at the date of this announcement and immediately before closing |
| "Purchaser" | Aeola Investment Limited, a company incorporated under the laws of the BVI with limited liability, the entire issued share capital of which is owned by Mr. Ngai as at the date of this announcement |
| "Sale Shares" | the entire issued share capital of the Target Company, being 10,000 ordinary shares in the Target Company |
| "Share Purchase Agreement" | the share purchase agreement dated 29 August 2025 entered into between the Vendor and the Purchaser in relation to the Disposal |
| "Shares" | ordinary share(s) of US$0.001 each in the share capital of the Company |
| "Shareholder(s)" | holder(s) of the Share(s) |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Studio 5" | Studio 5 International Limited (廸澳有限公司), a company incorporated in Hong Kong with limited liability, being a direct wholly-owned subsidiary of the BVI Subsidiary as at the date of this announcement |
| "Target Company" | Sanbase China Holding Limited (莊皇中國控股有限公司), a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company as at the date of this announcement and immediately before closing |
| "Target Group" | the Target Company and the PRC Subsidiary |

| | |
|---|---|
| "US$" | United States dollar, the lawful currency of the United States of America |
| "Vendor" | 1017 Company Limited, a company incorporated in the BVI with limited liability, being a direct wholly-owned company of the Company as at the date of this announcement |
| "%" | per cent |

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

Hong Kong, 29 August 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.*

* *For identification purposes only*