



SANBASE CORPORATION LIMITED

莊 皇 集 團 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8501)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025**

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*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.*

2025 INTERIM RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 September 2025, together with the comparative figures for the corresponding period in 2024, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

		Unaudited Six months ended 30 September	
		2025	2024
	Notes	HK\$'000	HK\$'000
Revenue	5	175,276	146,127
Cost of sales	6	(174,886)	(139,482)
Gross Profit		390	6,645
Administrative expenses	6	(7,208)	(8,396)
Gain on disposal of subsidiaries	16	225	–
(Provision)/reversal of provision for impairment losses on financial assets	14	(33)	54
Operating loss		(6,626)	(1,697)
Finance income		893	1,793
Finance costs		(41)	(75)
Finance income – net	7	852	1,718
(Loss)/profit before income tax		(5,774)	21
Income tax expense	9	(47)	(627)
Loss for the period		(5,821)	(606)
Other comprehensive income, net of income tax			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
– Exchange differences on translation of foreign operation		156	158
<i>Item that will not be reclassified to profit or loss:</i>			
– Remeasurements of employee benefit obligations		140	72
Total comprehensive loss for the period		(5,525)	(376)

		Unaudited	
		Six months ended 30 September	
		2025	2024
<i>Notes</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/profit for the period attributable to:			
Owners of the Company		(6,024)	(2,235)
Non-controlling interests		203	1,629
		<u>(5,821)</u>	<u>(606)</u>
Total comprehensive (loss)/income for the period attributable to:			
Owners of the Company		(5,773)	(2,050)
Non-controlling interests		248	1,674
		<u>(5,525)</u>	<u>(376)</u>
		<i>HK Cents</i>	<i>HK Cents</i>
Loss per share attributable to owners of the Company			
Basic and diluted	<i>10</i>	<u>(3.01)</u>	<u>(1.12)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025

		Unaudited	Audited
		30 September	31 March
		2025	2025
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment	12	202	196
Right-of-use assets		644	2,465
Intangible assets	13	6,470	9,544
Financial asset at fair value through profit or loss	4.2	12,073	12,063
Deposits and prepayments		18	68
Deferred income tax assets		1,735	2,227
		<u>21,142</u>	<u>26,563</u>
Current assets			
Trade and retention receivables	14	92,497	73,794
Contract assets		20,856	61,539
Deposits, other receivables and prepayments		8,534	3,704
Pledged bank deposits		7,247	12,570
Cash and cash equivalents		125,323	103,618
		<u>254,457</u>	<u>255,225</u>
Total assets		<u>275,599</u>	<u>281,788</u>
EQUITY			
Equity attributable to the owners of the Company			
Share capital	17	1,553	1,553
Share premium		57,632	57,632
Exchange reserve		–	(123)
Retained earnings		67,919	73,815
		<u>127,104</u>	<u>132,877</u>
Non-controlling interests		5,959	7,130
Total equity		<u>133,063</u>	<u>140,007</u>

		Unaudited	Audited
		30 September	31 March
		2025	2025
<i>Note</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Lease liabilities		166	713
Employee benefit obligations		773	690
		<u>939</u>	<u>1,403</u>
Current liabilities			
Trade payables	<i>15</i>	102,449	120,658
Accruals and other payables	<i>15</i>	864	1,255
Contract liabilities		37,400	16,265
Lease liabilities		487	1,835
Income tax payable		397	365
		<u>141,597</u>	<u>140,378</u>
Total liabilities		<u>142,536</u>	<u>141,781</u>
Total equity and liabilities		<u>275,599</u>	<u>281,788</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

	Unaudited Attributable to owners of the Company					Unaudited Non- controlling interests HK\$'000	Unaudited Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Subtotal HK\$'000		
At 1 April 2024	1,553	57,632	(96)	77,836	136,925	7,059	143,984
(Loss)/profit for the period	–	–	–	(2,235)	(2,235)	1,629	(606)
Other comprehensive income for the period:							
Exchange differences on translation of foreign operation	–	–	120	–	120	38	158
Remeasurements of employee benefit obligations	–	–	–	65	65	7	72
Total comprehensive income/(loss) for the period	–	–	120	(2,170)	(2,050)	1,674	(376)
At 30 September 2024	<u>1,553</u>	<u>57,632</u>	<u>24</u>	<u>75,666</u>	<u>134,875</u>	<u>8,733</u>	<u>143,608</u>
At 1 April 2025	<u>1,553</u>	<u>57,632</u>	<u>(123)</u>	<u>73,815</u>	<u>132,877</u>	<u>7,130</u>	<u>140,007</u>
(Loss)/profit for the period	–	–	–	(6,024)	(6,024)	203	(5,821)
Other comprehensive income for the period:							
Exchange differences on translation of foreign operation	–	–	123	–	123	33	156
Remeasurements of employee benefit obligations	–	–	–	128	128	12	140
Total comprehensive income/(loss) for the period	–	–	123	(5,896)	(5,773)	248	(5,525)
Disposal of subsidiaries	–	–	–	–	–	(1,419)	(1,419)
At 30 September 2025	<u>1,553</u>	<u>57,632</u>	<u>–</u>	<u>67,919</u>	<u>127,104</u>	<u>5,960</u>	<u>133,063</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

	Unaudited	
	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
Cash flows from operating activities		
Cash generated from/(used in) operations	24,131	(14,608)
Interest received	893	1,793
Income tax paid	(3)	(2)
Net cash generated from/(used in) operating activities	25,021	(12,817)
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	(58)	(58)
Placement of pledged bank deposits	5,323	–
Net cash outflow from disposals of subsidiaries	(7,592)	–
Net cash used in investing activities	(2,327)	(58)
Cash flows from financing activities		
Lease payments	(1,319)	(1,496)
Net cash used in financing activities	(1,319)	(1,496)
Net increase/(decrease) in cash and cash equivalents	21,375	(14,371)
Effects of exchange rate changes on cash and cash equivalents	330	228
Cash and cash equivalents at 1 April	103,618	139,638
Cash and cash equivalents at 30 September	125,323	125,495

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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 since 4 January 2018.

The unaudited condensed consolidated financial information for the six months ended 30 September 2025 has been reviewed by the audit committee of the Board (the "**Audit Committee**") but has not been reviewed or audited by the Company's auditor.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial information for six months ended 30 September 2025 has been prepared in accordance with Hong Kong Accounting Standards ("**HKAS**") 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules. The unaudited condensed consolidated financial information does not include all information and disclosures as required in the annual consolidated financial statements and should be read in conjunction with the Company's annual report for the year ended 31 March 2025.

The unaudited condensed consolidated financial information for the six months ended 30 September 2025 has been prepared on the historical cost basis except for certain financial instruments that are measured at fair value, as appropriate.

All amounts are presented in Hong Kong dollar thousands ("**HK\$'000**") in these unaudited condensed consolidated financial information unless otherwise stated.

Application of new and amendments to HKFRSs

The application of the new and amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

The significant accounting policies that have been used in the preparation of the unaudited condensed consolidated financial information for the six months ended 30 September 2025 are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 March 2025 included in the 2025 Annual Report.

The Group has not applied any new and revised HKFRSs that are not yet effective for the current period.

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the critical judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2025.

4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 March 2025.

There have been no changes in the risk management policies since 31 March 2025.

4.2 Fair value estimation

The following financial instrument carried at fair value is categorised based on the level of inputs to valuation techniques within a fair value hierarchy. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table presents the Group's financial instrument that is measured at fair value at 30 September 2025 and 31 March 2025 by level of the fair value measurement hierarchy.

	Level 1 <i>HK\$'000</i>	Level 2 <i>HK\$'000</i>	Level 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 30 September 2025 (Unaudited)				
Financial asset at fair value through profit or loss ("FVPL")				
– Unlisted fund investment	<u>–</u>	<u>–</u>	<u>12,073</u>	<u>12,073</u>
At 31 March 2025 (Audited)				
Financial asset at FVPL				
– Unlisted fund investment	<u>–</u>	<u>–</u>	<u>12,063</u>	<u>12,063</u>

There were no transfers of financial assets between level 1, level 2 and level 3 fair value hierarchy classifications as at 30 September 2025 and 31 March 2025.

The fair value of other financial assets and financial liabilities measured at amortised cost approximate their carrying amounts.

There are no other financial instruments that were measured at fair value as at 30 September 2025 and 31 March 2025.

There were no changes in valuation techniques for the six months ended 30 September 2025.

5. REVENUE AND SEGMENT INFORMATION

	Unaudited Six months ended 30 September	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bare shell fit-out	142,521	126,860
Restacking	13,799	5,585
Reinstatement	1,385	2,489
Design	2,720	1,783
Churn works	14,320	8,857
Maintenance and others	531	553
	<u>175,276</u>	<u>146,127</u>

The Group's revenue for the six months ended 30 September 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 makers (“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 six months ended 30 September 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 information 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 as 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.

	Unaudited	
	Six months ended 30 September	
	2025	2024
	HK\$’000	HK\$’000
Hong Kong	169,174	139,920
The PRC	6,102	6,207
	175,276	146,127

Information about major customers

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

	Unaudited	
	Six months ended 30 September	
	2025	2024
	HK\$’000	HK\$’000
Customer A	26,931	–
Customer B	23,905	15,839
Customer C	18,291	N/A (<i>Note</i>)
Customer D	17,912	N/A (<i>Note</i>)
Customer E	N/A (<i>Note</i>)	41,200
Customer F	–	20,659

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

6. EXPENSES BY NATURE

The Group's loss for the six months ended 30 September 2025 and 2024 are stated after charging the following cost of sales and administrative expenses:

	Unaudited Six months ended 30 September	
	2025 HK\$'000	2024 HK\$'000
Subcontracting charges	159,001	122,975
Staff costs (<i>Note 8</i>)	17,980	17,821
Cleaning expenses	277	961
Insurance expenses	1,014	1,154
Short-term lease payments	35	103
Auditor's remuneration	380	575
Depreciation on right-of-use assets	1,259	1,427
Depreciation on property, plant and equipment (<i>Note 12</i>)	44	141
Legal and professional fees	878	1,231
Other expenses	1,226	1,490
	<u>182,094</u>	<u>147,878</u>
Total cost of sales and administrative expenses	<u>182,094</u>	<u>147,878</u>

7. FINANCE INCOME – NET

	Unaudited Six months ended 30 September	
	2025 HK\$'000	2024 HK\$'000
Interest income from bank deposits	893	1,793
Interest expense on lease liabilities	(41)	(75)
	<u>852</u>	<u>1,718</u>

8. STAFF COSTS, INCLUDING DIRECTORS' EMOLUMENTS

	Unaudited Six months ended 30 September	
	2025 HK\$'000	2024 HK\$'000
Salaries and allowances	17,077	16,997
Retirement benefits contributions	903	824
	<u>17,980</u>	<u>17,821</u>

Note: As at 30 September and 31 March 2025, there were no forfeited contributions available to reduce the Group's contributions in future years.

9. INCOME TAX EXPENSE

	Unaudited Six months ended 30 September	
	2025 HK\$'000	2024 HK\$'000
Current income tax		
– Hong Kong profits tax	36	616
– PRC enterprise income tax	3	–
– Under-provision for prior years	4	–
Deferred tax	4	11
	<u>47</u>	<u>627</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduced the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Pursuant to the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of the qualifying group entity will be taxed at 8.25%, and assessable profits above HK\$2 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% (30 September 2024: 8.25%) on the first HK\$2 million (30 September 2024: HK\$2 million) of the estimated assessable profits and at the rate of 16.5% (30 September 2024: 16.5%) on the estimated assessable profits above HK\$2 million (30 September 2024: HK\$2 million) for the period.

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% (30 September 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 period (30 September 2024: same).

10. 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 ordinary shares in issue during the six months ended 30 September 2025 and 2024.

	Unaudited Six months ended 30 September	
	2025	2024
Loss attributable to owners of the Company (HK\$'000)	(6,024)	(2,235)
Weighted average number of ordinary shares in issue ('000)	<u>200,000</u>	<u>200,000</u>
Basic loss per ordinary share (HK cents)	<u>(3.01)</u>	<u>(1.12)</u>

(b) Diluted

There were no outstanding share options as at 30 September 2025 and 2024 and has no potential dilutive ordinary share in issue. Accordingly, diluted loss per share is equal to basic loss per share.

11. DIVIDEND

The Board do not recommend the payment of an interim dividend for the six months ended 30 September 2025 (Six months ended 30 September 2024: same).

12. PROPERTY, PLANT AND EQUIPMENT

	Furniture and equipment <i>HK\$'000</i>	Leasehold improvements <i>HK\$'000</i>	Motor vehicle <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 31 March 2025 (audited)				
Cost	3,322	2,697	475	6,494
Accumulated depreciation	(3,126)	(2,697)	(475)	(6,298)
Net book amount	196	–	–	196
Six months ended 30 September 2025 (unaudited)				
Net book amount at 1 April 2025	196	–	–	196
Additions	58	–	–	58
Disposals of subsidiaries	(8)	–	–	(8)
Depreciation charge (<i>Note 6</i>)	(44)	–	–	(44)
Net book amount at 30 September 2025	202	–	–	202
At 30 September 2025 (unaudited)				
Cost	3,233	2,697	475	6,405
Accumulated depreciation	(3,031)	(2,697)	(475)	(6,203)
Net book amount	202	–	–	202

13. INTANGIBLE ASSETS

	Goodwill <i>HK\$'000</i>	Customer relationship and contracts <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 31 March 2025 (audited)			
Cost	9,544	2,870	12,414
Accumulated amortisation	—	(2,870)	(2,870)
	<u>9,544</u>	<u>—</u>	<u>9,544</u>
Net book amount	<u>9,544</u>	<u>—</u>	<u>9,544</u>
Six months ended 30 September 2025 (unaudited)			
Net book amount at 1 April 2025	9,544	—	9,544
Disposals of subsidiaries	(3,074)	—	(3,074)
Amortisation charge	—	—	—
	<u>6,470</u>	<u>—</u>	<u>6,470</u>
Net book amount at 30 September 2025	<u>6,470</u>	<u>—</u>	<u>6,470</u>
At 30 September 2025 (unaudited)			
Cost	6,470	2,647	9,117
Accumulated amortisation	—	(2,647)	(2,647)
	<u>6,470</u>	<u>—</u>	<u>6,470</u>
Net book amount	<u>6,470</u>	<u>—</u>	<u>6,470</u>

14. TRADE AND RETENTION RECEIVABLES

	Unaudited	Audited
	As at 30 September 2025 HK\$'000	As at 31 March 2025 HK\$'000
Trade receivables	90,889	74,958
Less: provision for impairment of trade receivables	(2,717)	(3,084)
	<u>88,172</u>	<u>71,874</u>
Trade receivables – net	<u>88,172</u>	<u>71,874</u>
Retention receivables	6,314	3,509
Less: provision for impairment of retention receivables	(1,989)	(1,589)
	<u>4,325</u>	<u>1,920</u>
Retention receivables – net	<u>4,325</u>	<u>1,920</u>
Trade and retention receivables – net	<u>92,497</u>	<u>73,794</u>

Trade and retention receivables balances are categorised as “financial assets measured at amortised cost”. The carrying amounts of trade and retention receivables approximate their fair values.

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 1 year after the date of completion of the works. As at 30 September 2025 and 31 March 2025, the ageing analysis of the trade receivables based on the invoice date is as follows:

	Unaudited	Audited
	As at	As at
	30 September	31 March
	2025	2025
	HK\$'000	HK\$'000
Within 30 days	24,802	20,338
31 to 60 days	22,356	21,729
61 to 90 days	3,273	15,614
91 to 180 days	10,566	11,265
Over 180 days	29,892	6,012
	90,889	74,958

Impairment assessment on financial assets subject to expected credit loss model

	Unaudited	
	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
Impairment losses recognised/ (reversed) in respect of:		
– Trade and retention receivables	54	(87)
– Contract assets	(21)	33
	33	(54)

The basis of determining the inputs and assumptions and the estimation techniques used in this unaudited condensed consolidated financial statements for the six months ended 30 September 2025 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2025.

During the current interim period, the Group recognised HK\$54,000 impairment allowance to trade and retention receivables and reversed HK\$21,000 impairment allowance to contract assets were classified as “financial assets measured at amortised cost”.

15. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	Unaudited	Audited
	As at	As at
	30 September	31 March
	2025	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables	102,449	120,658
Accruals and other payables	864	1,255
	103,313	121,913

An ageing analysis of the trade payables, based on the invoice date is as follows:

	Unaudited	Audited
	As at	As at
	30 September	31 March
	2025	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 30 days	68,635	101,619
31 to 60 days	8,705	2,811
61 to 90 days	5,511	4,023
91 to 180 days	11,459	2,842
Over 180 days	8,139	9,363
	102,449	120,658

16. DISPOSAL OF SUBSIDIARIES

On 29 August 2025, 1017 Company Limited, a subsidiary of the Company, entered into an agreement with a connected person of the Company at the subsidiary level under Chapter 20 of the GEM listing Rules to dispose of 100% equity interest in a subsidiary, Sanbase China Holding Limited, a company incorporated in Hong Kong with limited liability, for an aggregate cash consideration of HK\$1,800,000. Sanbase China Holding Limited and its subsidiary are principally engaged the design and interior fit-out solutions provision in the PRC. The disposal was completed on 2 September 2025.

17. SHARE CAPITAL

	Unaudited	
	Number of shares (<i>'000</i>)	Share Capital <i>HK\$'000</i>
Ordinary shares, issued and fully paid:		
At 1 April 2024, 30 September 2024, 1 April 2025 and 30 September 2025	200,000	1,553

18. RELATED PARTIES TRANSACTIONS

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the six months ended 30 September 2025 and 2024.

Compensation of key management

Key management includes executives of the Group. The compensation paid or payable to key management for employee services is shown below:

	Unaudited Six months ended 30 September	
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Salaries and allowances	1,920	1,920
Retirement benefits contributions	18	18
	<u>1,938</u>	<u>1,938</u>

19. CONTINGENT LIABILITIES

The Group had the following contingent liabilities not provided for:

	Unaudited	Audited
	As at 30 September 2025 <i>HK\$'000</i>	As at 31 March 2025 <i>HK\$'000</i>
Surety bonds	4,282	22,262
Performance guarantees	1,522	6,532
	<u>5,804</u>	<u>28,794</u>

As at 30 September 2025, the Group provided guarantees of surety bonds of HK\$4,282,000 (31 March 2025: HK\$22,262,000) in respect of 2 (31 March 2025: 5) interior fit-out solution service contracts of the Group in its ordinary course of business.

As at 30 September 2025, performance guarantees of HK\$1,522,000 (31 March 2025: HK\$6,532,000) were given by a bank in favour of the Group's customers in respect of 3 (31 March 2025: 5) 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 into 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.

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 the 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 consultancy services.

During the six months ended 30 September 2025 (the “**Current Period**”), the Group recorded a revenue of approximately HK\$175.3 million, as compared with approximately HK\$146.1 million for the six months ended 30 September 2024 (the “**Previous Period**”), representing an increase of approximately 19.9%. The increase in revenue was mainly attributed to the increase in revenue from the bare shell fit-out business. The Group's gross profit was approximately HK\$0.4 million for the Current Period, as compared with approximately HK\$6.6 million for the Previous Period, representing a decrease of approximately 94.1%.

The Group recorded a loss attributable to owners of the Company in the amount of approximately HK\$6.0 million for the Current Period while the loss attributable to owners of the Company was approximately HK\$2.2 million for the Previous Period.

OUTLOOK

Entering the latter half of 2025, the Hong Kong office market continues to encounter significant challenges, with cautious tenant sentiment prevailing. According to JLL's market reports, the vacancy rate for Grade A offices in Hong Kong remains at 13.4% as of September 2025, unchanged from the same period last year. This stability reflects the ongoing struggle with high vacancy levels. Furthermore, Savills' September Hong Kong Research indicates that while there have been some encouraging developments in the office leasing market, such as increased IPO activity and the relocation of corporate headquarters, these factors have had a limited impact on reversing the overall downward trend in the short term. The industry remains under considerable pressure, highlighting the necessity for strategic adaptations to effectively navigate the current landscape.

Given the challenging market conditions, it is anticipated that the difficulties will persist in the near future. The Group is committed to increasing market share by delivering high-quality services and is actively expanding its business beyond Grade A commercial properties, diversifying the client base in the process.

Looking forward, we believe that new opportunities will emerge. The 2025 Policy Address underscores the government's commitment to implementing measures aimed at attracting businesses to establish operations in Hong Kong. This initiative is expected to stimulate further growth and development within the industry. The Group will also continue to enhance cost control measures, improve its sub-contractor portfolio, and strictly manage the Group's expenses to lay a solid foundation for future profitability.

FINANCIAL REVIEW

Revenue

The Group's revenue is generated from the provision of services which include (i) bare shell fit-out; (ii) restacking; (iii) reinstatement; (iv) design; (v) churn works; and (vi) maintenance and others. For the Current Period, the revenue of the Group was approximately HK\$175.3 million, representing an increase of approximately 19.9% as compared with approximately HK\$146.1 million recorded in the Previous Period. The increase in revenue was mainly attributable to the increase in revenue from the bare shell fit-out business.

The following table sets forth a breakdown of the Group's revenue by project types for the six months ended 30 September 2025 and 2024:

	Unaudited			
	Six months ended 30 September			
	2025		2024	
	HK\$'000	%	HK\$'000	%
Project type				
Bare shell fit-out	142,521	81.3	126,860	86.8
Restacking	13,799	7.9	5,585	3.8
Reinstatement	1,385	0.8	2,489	1.7
Design	2,720	1.5	1,783	1.2
Churn works	14,320	8.2	8,857	6.1
Maintenance and others	531	0.3	553	0.4
Total	175,276	100.0	146,127	100.0

As shown in above table, our bare shell fit-out contributed to approximately 81.3% and 86.8% of the Group's total revenue for the six months ended 30 September 2025 and 2024 respectively. Revenue from bare shell fit-out was approximately HK\$142.5 million for the Current Period as compared with approximately HK\$126.9 million for the Previous Period, representing an increase of approximately 12.3%.

From 1 April 2025 and up to the date of this announcement, we were newly awarded a total of 25 bare shell fit-out projects with a total project sum of approximately HK\$110.4 million.

Cost of sales

The Group's cost of sales mainly comprised of subcontracting charges and staff costs. Cost of sales for the Current Period was HK\$174.9 million, representing an increase of 25.4% as compared with HK\$139.5 million for the Previous Period. The increase in cost of sales exceeded the increase in revenue primarily due to the Group's adjusted pricing strategy to retain and attract clients as a result of the intense competition during the Current Period.

Gross profit and gross profit margin

The Group's overall gross profit was HK\$0.4 million for the Current Period, representing a decrease of 94.1% as compared with HK\$6.6 million for the Previous Period of the Group. The gross profit margin for the Current was 0.2%, representing a decrease of 4.3% as compared with 4.5% for the Previous Period. Such decrease in the gross profit was primarily due to the Group's adjusted pricing strategy to retain and attract clients as a result of the intense competition during the Current Period.

Administrative expenses

Administrative expenses were approximately HK\$7.2 million for the Current Period, representing a decrease of approximately 14.1% as compared with approximately HK\$8.4 million for the Previous Period. Such decrease was primarily attributable to a decrease in professional services procured during the Current Period.

Gain on disposal of subsidiaries

The Group recorded a gain on disposal of subsidiaries of approximately HK\$0.2 million as a result of the disposal of 100% equity interest in Sanbase China Holding Limited.

Finance income

Finance income represents interest income from bank deposits. Finance income were approximately HK\$0.9 million for the Current Period as compared with approximately HK\$1.8 million for the Previous Period, representing a decrease of approximately 50.2%. Such decrease was primarily attributable to the decrease in the fixed deposit interest rate.

Finance costs

Finance costs comprised mainly the interest on the lease liabilities. Finance costs were approximately HK\$41,000 for the Current Period as compared with approximately HK\$75,000 for the Previous Period, representing a decrease of approximately 45.3%.

Income tax expense

Income tax expense for the Current Period was approximately HK\$47,000, representing a decrease of approximately 92.5% as compared with approximately HK\$0.6 million for the Previous Period.

Loss for the period

The Group recorded a loss of approximately HK\$5.8 million for the Current Period due to the reasons mentioned above, while the loss was approximately HK\$0.6 million for the Previous Period.

Loss attributable to owners of the Company

The Group recorded a loss attributable to owners of the Company of approximately HK\$6.0 million for the Current Period while the loss attributable to owners of the Company was approximately HK\$2.2 million for the Previous Period.

LIQUIDITY, FINANCIAL RESOURCES, GEARING RATIO AND CAPITAL STRUCTURE

During the Current Period, the Group financed its operation by its internal resources. As at 30 September 2025, the Group had net current assets of approximately HK\$112.9 million (31 March 2025: HK\$114.8 million), including cash and cash equivalents balances of approximately HK\$125.3 million (31 March 2025: HK\$103.6 million) mainly denominated in Hong Kong dollars (“**HK\$**”) and Renminbi (“**RMB**”).

The current ratio, being the ratio of current assets to current liabilities, was approximately 1.8 times as at 30 September 2025 (31 March 2025: 1.8 times). The gearing ratio of the Group as at 30 September 2025 was 0.5% (31 March 2025: 1.8%). The gearing ratio is calculated as total debt (including lease liabilities) divided by total equity as at the respective period end.

There was no change in capital structure of the Company as at 30 September 2025 since the date of publication of the annual report of the Company for the year ended 31 March 2025 (“**2025 Annual Report**”). The equity attributable to owners of the Company amounted to approximately HK\$127.1 million as at 30 September 2025 (31 March 2025: HK\$132.9 million).

The Directors will continue to adopt a prudent financial management approach towards its treasury and funding policy in managing the Group’s cash and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

The Group was not exposed to material fluctuations in exchange rates and did not make any foreign exchange related hedges for the Current Period and the Previous Period.

There has been no material change to the capital management policy of the Company since the date of publication of 2025 Annual Report.

PLEDGE OF ASSETS

The pledge bank deposits amounted to HK\$7.2 million as at 30 September 2025 (31 March 2025: HK\$12.6 million).

CAPITAL COMMITMENTS

As at 30 September 2025 and 31 March 2025, the Group did not have any material capital commitment.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND AFFILIATED COMPANIES

On 29 August 2025, 1017 Company Limited, a subsidiary of the Company, entered into an agreement with a connected person at the subsidiary level, in accordance with Chapter 20 of the GEM Listing Rules, to dispose of 100% equity interest in Sanbase China Holding Limited, a company incorporated in Hong Kong with limited liability, for an aggregate cash consideration of HK\$1.8 million. Sanbase China Holding Limited and its subsidiary are principally engaged in the design and interior fit-out solutions provision in the PRC. One or more of the applicable percentage ratios in relation to the disposal was more than 5% but all of the applicable percentage ratios were less than 25% and the total consideration of the disposal was less than HK\$10,000,000. In addition, as (i) the purchaser was only a connected person of the Company at the subsidiary level, (ii) the Board had approved the disposal, and (iii) the independent non-executive Directors had confirmed that the disposal was on normal commercial terms and its terms were 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 was subject to the notification and announcement requirements, but was exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. The disposal was completed on 2 September 2025. Details of the disposal have been set out in the announcement of the Company dated 29 August 2025 and 2 September 2025, as well as in note 16 to the unaudited condensed consolidated financial information.

Aside from the disclosures above, during the periods ended 31 March 2025 and 30 September 2025, the Group did not engage in any other significant investments or material acquisitions or disposals of subsidiaries, associates, joint ventures or affiliated companies.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 September 2025, the Group did not have any future plans for material investments or capital assets.

CONTINGENT LIABILITIES

As at 30 September 2025, the Group provided guarantees of surety bonds of HK\$4.3 million (31 March 2025: HK\$22.3 million) in respect of 2 (31 March 2025: 5) interior fit-out solution service contracts of the Group in its ordinary course of business.

As at 30 September 2025, performance guarantees of HK\$1.5 million (31 March 2025: HK\$6.5 million) were given by a bank in favour of the Group's customers in respect of 3 (31 March 2025: 5) 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 into 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.

HUMAN RESOURCES MANAGEMENT

As at 30 September 2025, the Group had a total of 53 (31 March 2025: 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 bonuses are offered to eligible employees by reference to the Group's results and individual performance. The total staff costs for the six months ended 30 September 2025 amounted to approximately HK\$18.0 million (30 September 2024: HK\$17.8 million). The decrease in the total number of employees was primarily attributable to the disposal of subsidiaries completed by the Company on 2 September 2025. Despite the reduction in headcount, the total staff costs did not decrease proportionally as the staff costs related to the disposed subsidiaries were still borne and expensed by the Group up to the completion date of the disposal.

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.

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 30 September 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 Director/ 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 in 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 Director/ chief executive	Name of associated corporation	Capacity/ nature of interest	Number of issued ordinary 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 an associated corporation of the Company.

Save as disclosed above, as at 30 September 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 30 September 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 Shares 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:

- 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 in 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.
- 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 in under Part XV of the SFO.
- 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 30 September 2025, the Company had not been notified by any person (other than Directors or chief executive of the Company) who has interests or short positions in the Shares or underlying Shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this announcement, at no time during the six months ended 30 September 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 during the Current Period (including sale of treasury shares). As at 30 September 2025, the Company did not hold any treasury shares.

INTEREST IN COMPETING BUSINESS

None of the Directors and Controlling Shareholder 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 which any such person has or may have with the Group during the Current Period.

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 in the absolute discretion of the Board has contributed or will contribute to the Group.

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme is 20,000,000 Shares, representing 10% of the total issued share capital of the Company as at the beginning and the end of the Current Period and 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 HK\$1 by the grantee.

The Share Option Scheme will remain in force for a period of 10 years commencing on 8 December 2017 and the options granted have a 10-year exercise period. Options may be vested over such period(s) as determined by the Board in its absolute discretion subject to compliance with the requirements under any applicable laws, regulations or rules.

The exercise price of share options under the Share Option Scheme is determined by the Board, but shall not be less than the higher of (i) the closing price of the Shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

A summary of the terms of the Share Option Scheme has been set out in the section headed “E. Share Option Scheme” in Appendix IV to the Prospectus of the Company dated 18 December 2017.

No share options have lapsed, or have been granted, exercised or cancelled under the Share Option Scheme since its adoption and up to the date of this announcement.

ISSUE FOR CASH OF EQUITY SECURITIES

During the six months ended 30 September 2025, the Company did not issue for cash any equity securities (including shares, debentures, and securities convertible into equity securities) or sell treasury shares for cash.

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 to all Directors, all Directors have confirmed that they have fully complied with the required standards set out in the Required Standard of Dealings and the code of conduct throughout the six months ended 30 September 2025.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

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 the shareholders of the Company.

The Company has complied throughout the six months ended 30 September 2025 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 of the Company, 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.

UPDATE ON DIRECTORS’ INFORMATION

As at the date of this announcement, there is no change in the Directors’ biographical details which is required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules since the date of publication of the 2025 Annual Report of the Company.

DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2025.

EVENTS AFTER THE REPORTING PERIOD

There was no significant event relevant to the business or financial performance of the Group that has come to the attention of the Directors after the six months ended 30 September 2025 and up to the date of this announcement.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference which are no less exacting than those set out in the CG Code contained in Appendix C1 to the GEM Listing Rules. 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 Rules 5.05 and 5.28 of the GEM Listing Rules.

The Audit Committee has reviewed the unaudited condensed consolidated financial information for the six months ended 30 September 2025 and is of the opinion that such information has been prepared in accordance with all applicable accounting standards and the requirements under the Hong Kong Companies Ordinance and the GEM Listing Rules.

PUBLICATION OF 2025 INTERIM REPORT

The 2025 interim report of the Company containing all the information required by the GEM Listing Rules will be dispatched to the shareholders of the Company and will also be published on the websites of HKEXnews (www.hkexnews.hk) as well as the website of the Company (www.sclhk.com).

By order of the Board

Sanbase Corporation Limited

Wong Sai Chuen

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 21 November 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.