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SANBASE CORPORATION LIMITED

莊皇集團公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8501)

PROFIT WARNING - REDUCTION OF LOSS

This announcement is made by Sanbase Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2) of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 March 2026 (“**FY2026**”) and the information currently available to the Board, the Group is expected to record a loss attributable to owners of the Company of approximately HK\$13.6 million for FY2026 as compared to the proposed restated loss attributable to owners of the Company of approximately HK\$16.0 million for the year ended 31 March 2025 (“**FY2025**”), which is described as below.

The proposed restatement to the consolidated financial statements for FY2025 was due to the adjustment to the financial asset at fair value through profit or loss for FY2025 in respect of the Group’s investment in an unlisted private fund with limited liability incorporated in the Cayman Islands (the “**Cayman Fund**”) which holds a residential and commercial development project on a parcel of land (the “**Land**”) located in Cambodia (the “**Project**”). Particularly, the fair value of the Group’s investment in the Cayman Fund as at 31 March 2025 should be reassessed and restated following the Board’s identification, based on information subsequently obtained, of conditions that had existed as at 31 March 2025. These included, among others, matters revealed in the latest auditor’s report of the Cayman Fund for the year ended 31 December 2024 dated 8 May 2026 and subsequent discussions with the Cayman Fund’s investment manager, including but not limited to (a) the disclaimer of opinion issued by its auditor on going concern and fair value estimation of the Project; (b) the Cayman Fund’s default in loan repayments secured by the Land; (c) the subsequent adverse court order in August 2025 against the Cayman Fund in respect of the aforesaid loan repayment default which provided further evidence of the severity of the Cayman Fund’s financial position as at 31 March 2025; (d) the expiration of the Project’s development licence in March 2025; and (e) long outstanding contract payments due to the main

contractor.

Having considered the foregoing conditions, which indicated significant financial and operational uncertainties regarding the Project's viability as at 31 March 2025, the fair value of the Project should be remeasured on the basis of the Land's fair value in its current condition in an orderly transaction, rather than on a discounted cash flow basis assuming continued development of the Project. Taking into account of the proposed restatement, the fair value of the Group's investment in the Cayman Fund as at 31 March 2025 should be re-estimated as approximately the Land's fair value less the Cayman Fund's liabilities, which is nil. As a result, the loss in fair value change of a financial asset at fair value through profit or loss should have increased from approximately HK\$2.1 million to approximately HK\$14.1 million, and the loss attributable to owners of the Company for FY2025 should have correspondingly increased from approximately HK\$4.0 million to approximately HK\$16.0 million. The above proposed restatement by the Company's management is subject to review by the audit committee and confirmation by the auditor of the Company.

The anticipated loss attributable to owners of the Company for FY2026 was mainly attributable to the combined effects of (i) the decline in revenue by approximately HK\$74.1 million, which was driven primarily by the decrease in the number of projects secured by the Group during FY2026; and (ii) the pricing strategy adopted by the Group to maintain market presence.

The information contained in this announcement is only based on the preliminary assessment of the unaudited consolidated management accounts of the Group and the information currently available to the Board, which have not been reviewed by the audit committee of the Board and have not been audited by the auditor of the Company, and is therefore subject to necessary adjustments, amendments, and finalisation. The Group is still in the process of finalising its annual results for FY2026, shareholders and potential investors of the Company are advised to refer to the annual results announcement of the Group for FY2026 which is expected to be published by late June 2026.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 11 June 2026

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.