SANBASE CORPORATION LIMITED
莊皇集團公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8501)

MAJOR TRANSACTION AND CONNECTED TRANSACTION AT SUBSIDIARY LEVEL IN RELATION TO THE DISPOSAL OF A SUBSIDIARY

THE DISPOSAL

The Company is pleased to announce that on 16 September 2026 (after trading hours), the Vendor (a wholly-owned subsidiary of the Company), the Purchaser (a connected person of the Company at subsidiary level) and the Purchaser's Guarantor (a connected person of the Company at subsidiary level) entered into the SPA, pursuant to which the Vendor has conditionally agreed to sell and procure the assignment of, and the Purchaser has conditionally agreed to purchase, the Sale Shares, representing 60% of the issued share capital of the Target Company, and the Sale Loans, at the aggregate Consideration of HK$27,000,000, subject to the terms and conditions of the SPA.

Upon Closing, the Target Company will cease to be an indirect non-wholly owned subsidiary of the Company and the financial results of the Target Group will no longer be consolidated into the accounts of the Company.

GEM LISTING RULES IMPLICATIONS

As the highest application percentage ratio (as defined under the GEM Listing rules) in respect of the Disposal exceeds 25% but is under 75%, the Disposal will constitute a major transaction of the Company under Chapter 19 of the GEM Listing Rules. Accordingly, the Disposal is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As at the date of this announcement, the Purchaser is a substantial shareholder of the Target Company holding 40% of the issued share capital of the Target Company and the Purchaser is wholly owned by the Purchaser's Guarantor. Furthermore, the Purchaser's Guarantor is a director of each of the Target Company and the Hong Kong Subsidiary. Accordingly, each of the Purchaser and the Purchaser's Guarantor is a connected person of the Company at subsidiary level and the Disposal will constitute a connected transaction of the Company at subsidiary level under Chapter 20 of the GEM Listing Rules. The Board has approved the Disposal and the independent non-executive Directors have confirmed that the terms of the SPA and the Disposal contemplated thereunder are fair and reasonable, on normal or better commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Disposal is subject to the reporting and announcement requirements but is exempt from the Shareholders' approval requirement (in respect of the connected transaction at subsidiary level) under Chapter 20 of the GEM Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders or any of their respective associates have a material interest in the Disposal. Should the Disposal be put forward to the Shareholders for approval at a general meeting of the Company, no Shareholder would be required to abstain from voting for the resolution to approve the Disposal. The Company will obtain a written approval for the Disposal from Madison Square International Investment Limited, the controlling Shareholder of the Company holding 112,500,000 Shares, representing 56.25% of the entire issued share capital of the Company as at the date of this announcement pursuant to Rule 19.44 of the GEM Listing Rules in lieu of a resolution to be passed at a general meeting of the Company. Accordingly, the Company will be exempted from the requirements to convene a Shareholders' meeting for the purpose of approving the Disposal pursuant to Rule 19.44 of the GEM Listing Rules.

Pursuant to Rule 19.41(a) of the GEM Listing Rules, a circular containing, among other things, (i) further details of the Disposal; (ii) financial information of the Group; and (iii) any other information required under the GEM Listing Rules, is expected to be despatched to the Shareholders on or before 8 October 2026.

Shareholders and potential investors should note that the Disposal is subject to the conditions set out in the SPA and therefore the Disposal may or may not proceed. Shareholders and potential investors are therefore reminded to exercise caution when dealing in the securities of the Company.

THE DISPOSAL

The Company is pleased to announce that on 16 September 2026 (after trading hours), the Vendor (a wholly-owned subsidiary of the Company), the Purchaser (a connected person of the Company at subsidiary level) and the Purchaser's Guarantor (a connected person of the Company at subsidiary level) entered into the SPA, pursuant to which the Vendor has conditionally agreed to sell and procure the assignment of, and the Purchaser has conditionally agreed to purchase, the Sale Shares, representing 60% of the issued share capital of the Target Company, and the Sale Loans, at the aggregate Consideration of HK$27,000,000, subject to the terms and conditions of the SPA.

The SPA

Set out below are the principal terms of the SPA:

Date 16 September 2026

Parties (i) the Vendor (as vendor);

(ii) the Purchaser (as purchaser); and

(iii) the Purchaser's Guarantor (as purchaser's guarantor).

To the best knowledge, information and belief of the Directors, as at the date of this announcement, the Purchaser is a substantial shareholder of the Target Company holding 40% of the issued share capital of the Target Company and the Purchaser is wholly owned by the Purchaser's Guarantor. Furthermore, the Purchaser's Guarantor is a director of each of the Target Company and the Hong Kong Subsidiary. Hence, each of the Purchaser and the Purchaser's Guarantor is a connected person of the Company at the subsidiary level.

Subject matter

The Vendor has conditionally agreed to sell and procure the assignment of, and the Purchaser has conditionally agreed to purchase, the Sale Shares and the Sale Loans, at the Consideration of HK$27,000,000, subject to the terms and conditions of the SPA.

Consideration

The Consideration, being the sum of HK$27,000,000, shall be satisfied by the Purchaser in cash in the following manners:

(i) as to HK$4,000,000 will be payable by the Purchaser to the Vendor at Closing;

(ii) as to HK$5,000,000 will be payable by the Purchaser to the Vendor on or before 31 December 2026;

(iii) as to HK$5,000,000 will be payable by the Purchaser to the Vendor on or before 31 March 2027;

(iv) as to HK$5,000,000 will be payable by the Purchaser to the Vendor on or before 31 December 2027; and

(v) as to HK$8,000,000 will be payable by the Purchaser to the Vendor on or before 31 December 2028.

The Consideration was determined upon arm's length negotiations between the parties to the SPA with reference to, among others, (i) the unaudited net assets value of the Target Group of approximately HK$4.3 million as at 31 August 2026; (ii) the face value of the Sale Loans of approximately HK$10.8 million; (iii) the financial results of the Target Group for the financial years ended 31 March 2025 and 2026; and (iv) the reasons and benefits of the Disposal as discussed in the section headed "*Reasons for and benefits of the Disposal*" in this announcement.

Conditions precedents

Closing is conditional upon the fulfilment of (if applicable) waiver of the conditions precedent on or before the Long Stop Date. Set out below are the key conditions precedents:

(i) if required, the Company having published the circular in relation to, among others, the Disposal in accordance with Rule 19.41(a) of the GEM listing Rules;

(ii) if required, the Company having obtained a written shareholders' approval in accordance with Rule 19.44(2) of the GEM Listing Rules or the Shareholders having passed resolutions at an extraordinary general meeting of the Company, for approving, among others, the sale and purchase of the Sale Shares and the Sale Loans and the execution of the SPA in accordance with the requirements of the GEM Listing Rules or any other applicable laws or regulations; and

(iii) the warranties given by the Vendor, Purchaser and Purchaser's Guarantor being and remaining true, complete, accurate and correct in all material respects as at, and as if made on, the Closing Date.

The Vendor may at its sole discretion waive in writing the condition precedent in sub-paragraph (iii) above (in respect of the warranties given by the Purchaser and Purchaser's Guarantor only) and the Purchaser may at its sole discretion waive in writing the condition precedent in sub-paragraph (iii) above (in respect of the warranties given by the Vendor only).

If any of the conditions precedents is not fulfilled or waived, as the case may be, on or before the Long Stop Date, the SPA shall automatically lapse and be of no further effect and none of the parties to the SPA shall have any claim against the other under the SPA, save for any claim arising from any antecedent breach of any obligation before the termination of the SPA.

Closing

The Closing shall take place on the fifth (5th) calendar day after all of the conditions precedents have been fulfilled or waived (as the case may be) or such other later date as may be agreed between the parties to the SPA in writing.

Upon Closing, the Target Company will cease to be an indirect non-wholly owned subsidiary of the Company and the financial results of the Target Group will no longer be consolidated into the accounts of the Company.

Purchaser's Guarantor Guarantee

The Purchaser's Guarantor guarantees to the Vendor the due and punctual payment and performance of the Purchaser's payment obligations of the Consideration in accordance with the instalment schedule set out in the SPA. Should the Purchaser default on any instalment payment due under the SPA, the Vendor may issue a written demand to the Purchaser's Guarantor specifying the amount of the defaulted payment, the original due date, any partial payments made, and the remaining balance owed as if the Purchaser's Guarantor is the primary obligor.

INFORMATION OF THE TARGET GROUP

The Target Company is a company incorporated in the BVI with limited liability. As at the date of this announcement, the Target Company is an indirect non-wholly owned subsidiary of the Company and is directly owned as to 60% and 40% by the Vendor and the Purchaser, respectively. The Target Company is principally engaged in investment holding and is the holder of the entire issued share capital of the Hong Kong Subsidiary.

The Hong Kong Subsidiary is a limited company incorporated in Hong Kong. As at the date of this announcement, the Hong Kong Subsidiary is a direct wholly owned subsidiary of the Target Company and is principally engaged in the provision of interior design and fit-out solutions.

Set out below is a summary of the unaudited financial information of the Target Group for the financial years ended 31 March 2025 and 2026:

	For the year ended 31 March	
	2025	**2026**
	HK'000	*HK$'000*
Revenue	200,450	212,706
Net profit/(loss) before taxation	7,294	(7,715)
Net profit/(loss) after taxation	6,253	(6,439)

The unaudited net assets value of the Target Group as at 31 August 2026 was approximately HK$4.3 million.

FINANCIAL EFFECT OF THE DISPOSAL AND THE USE OF PROCEEDS

The unaudited net assets value of the Target Group as at 31 August 2026 was approximately HK$4.3 million. The Group is expected to record a gain on Disposal after non-controlling interest of approximately HK$8.7 million, which is calculated based on the fair value of Consideration of approximately HK$25.7 million, less (i) the net assets value of the Target Group of approximately HK$4.3 million; (ii) the face value of the Sale Loans of approximately HK$10.8 million; and (iii) the goodwill attributable to the Target Group of approximately HK$3.6 million.

The net proceeds arising from the Disposal are expected to be approximately HK$26.3 million (after deducting expenses in relation to the Disposal) and will be utilized as general working capital of the Group.

The above figures are for illustrative purposes only. The actual financial effect in connection with the Disposal is subject to the review and audit by the auditors of the Company.

INFORMATION OF THE PARTIES TO THE SPA

The Vendor

The Vendor is a company incorporated in the BVI with limited liability, a direct wholly owned subsidiary of the Company and is principally engaged in investment holding.

The Purchaser

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Purchaser is a company incorporated in the BVI with limited liability and is principally engaged in investment holding. As at the date of this announcement, the Purchaser is a substantial shareholder of the Target Company holding 40% of the issued share capital of the Target Company and the Purchaser is wholly owned by the Purchaser's Guarantor. Hence, Purchaser is a connected person of the Company at the subsidiary level.

The Purchaser's Guarantor

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Purchaser's Guarantor is a Hong Kong resident and a businessman principally engaged in project management and engineering in the construction industry. As at the date of this announcement, the Purchaser's Guarantor is a director of each of the Target Company and the Hong Kong Subsidiary. Hence, the Purchaser's Guarantor is a connected person of the Company at the subsidiary level.

REASONS FOR AND BENEFITS OF 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. 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 Group acquired the Target Group from the Purchaser in 2018 and has reaped encouraging financial performance in the early years following the said acquisition. However, the Hong Kong commercial property market has since then faced significant challenges including the lasting impact of global pandemic, downturn and sluggish recovery of the economy, and according to a market report from Jones Lang LaSalle, the overall vacancy rate for Grade A office buildings in Hong Kong remains high at 13.5% as of March 2026. The persistent adverse market conditions and intense market competition have negatively impacted the operation of the Target Group, resulting in losses for the Target Group over the past year. As disclosed in the section headed "Information of the Target Group", the financial performance of the Target Group has deteriorated and has turnaround from a net profit position for the year ended 31 March 2025 to a net loss position for the year ended 31 March 2026. Having carefully considered the current business operations of the Group and the Target Group and prevailing market conditions, the Company considers that the Disposal will enable the Group to (i) streamline its corporate structure and have greater flexibility in resources allocation, (ii) reduce the overhead costs incurred by the Group in maintaining its investment in the Target Group and as a result improve the Group's overall financial performance, and (iii) realise the remaining value of its investment in the Target Group and allow the Group to consolidate and better utilise its resources to maintain its market presence in the Grade A office interior fit-out solutions services sector. The Group will also continue to explore opportunities to expand into other market sectors, including the retail, education, residential and non-governmental organisation sectors, as and when suitable opportunities arise.

In view of the aforesaid and taking into account the terms of the SPA were arrived at after arm's length negotiations, the Directors (including the independent non-executive Directors) consider that the terms of the SPA and the Disposal contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the highest application percentage ratio (as defined under the GEM Listing rules) in respect of the Disposal exceeds 25% but is under 75%, the Disposal will constitute a major transaction of the Company under Chapter 19 of the GEM Listing Rules. Accordingly, the Disposal is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As at the date of this announcement, the Purchaser is a substantial shareholder of the Target Company holding 40% of the issued share capital of the Target Company and the Purchaser is wholly owned by the Purchaser's Guarantor. Furthermore, the Purchaser's Guarantor is a director of each of the Target Company and the Hong Kong Subsidiary. Accordingly, each of the Purchaser and the Purchaser's Guarantor is a connected person of the Company at subsidiary level and the Disposal will constitute a connected transaction of the Company at subsidiary level under Chapter 20 of the GEM Listing Rules. The Board has approved the Disposal and the independent non-executive Directors have confirmed that the terms of the SPA and the Disposal contemplated thereunder are fair and reasonable, on normal or better commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Disposal is subject to the reporting and announcement requirements but is exempt from the Shareholders' approval requirement (in respect of the connected transaction at subsidiary level) under Chapter 20 of the GEM Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders or any of their respective associates have a material interest in the Disposal. Should the Disposal be put forward to the Shareholders for approval at a general meeting of the Company, no Shareholder would be required to abstain from voting for the resolution to approve the Disposal. The Company will obtain a written approval for the Disposal from Madison Square International Investment Limited, the controlling Shareholder of the Company holding 112,500,000 Shares, representing 56.25% of the entire issued share capital of the Company as at the date of this announcement pursuant to Rule 19.44 of the GEM Listing Rules in lieu of a resolution to be passed at a general meeting of the Company. Accordingly, the Company will be exempted from the requirements to convene a Shareholders' meeting for the purpose of approving the Disposal pursuant to Rule 19.44 of the GEM Listing Rules.

Pursuant to Rule 19.41(a) of the GEM Listing Rules, a circular containing, among other things, (i) further details of the Disposal; (ii) financial information of the Group; and (iii) any other information required under the GEM Listing Rules, is expected to be despatched to the Shareholders on or before 8 October 2026.

DEFINITIONS

Unless otherwise stated or the context requires otherwise, the terms and expression in this announcement shall have the following meanings:

"Board"	the board of Directors
"BVI"	the British Virgin Islands
"Closing"	closing of the Disposal
"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)
"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$27,000,000, being the aggregate consideration for the Disposal
"Director(s)"	director(s) of the Company
"Disposal"	the disposal of the Sale Shares by the Vendor, and the assignment of the Sale Loans by the Remaining Group, to the Purchaser pursuant to the terms and conditions of the SPA
"GEM"	GEM of the Stock Exchange
"GEM Listing Rules"	The Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Subsidiary"	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 Target Company as at the date of this announcement
"Long Stop Date"	30 November 2026
"PRC"	the People's Republic of China

"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 Kenny Man Kam as at the date of this announcement
"Purchaser's Guarantor"	Mr. Ngai Kenny Man Kam (魏汶鑫先生)
"Remaining Group"	the Group but excluding the Target Group
"Sale Loans"	the outstanding amount due from the Target Group to the Remaining Group as at the date of the SPA in the aggregate amount of HK$10,843,382.72
"Sale Shares"	30,000 ordinary shares in the Target Company, representing 60% of the issued share capital of the Target Company
"Shareholder(s)"	holder(s) of the Share(s)
"Shares"	ordinary share(s) of US$0.001 each in the share capital of the Company
"SPA"	the share purchase agreement dated 16 September 2026 entered into among the Vendor, the Purchaser and the Purchaser's Guarantor in relation to the Disposal
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Core Group Holding Limited, a company incorporated in the BVI with limited liability, being an indirect non-wholly owned subsidiary of the Company and is directly owned as to 60% and 40% by the Vendor and the Purchaser, respectively, as at the date of this announcement
"Target Group"	the Target Company and the Hong Kong Subsidiary
"US$"	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 subsidiary of the Company as at the date of this announcement
"%"	per cent

Shareholders and potential investors should note that the Disposal is subject to the conditions set out in the SPA and therefore the Disposal may or may not proceed. Shareholders and potential investors are therefore reminded to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 16 September 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.