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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

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, Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that based on the preliminary assessment of the unaudited condensed consolidated management accounts of the Group for the six months ended 30 September 2021 (the “**Relevant Period**”) and the information currently available to the Board, the Group is expected to record a substantial decrease in the net profit and gross profit of approximately 50.1% and 22.4% respectively for the Relevant Period as compared with the corresponding period in 2020.

The substantial decrease in the net profit and gross profit anticipated were mainly attributable to the combined effects of (i) the prolonged adverse impact on the economy of Hong Kong brought by the constant spread of COVID-19 worldwide, in which certain project owners and/or customers have suffered tight cashflow, leading to postponement and/or slowdown in certain projects; and (ii) the impact of decrease in revenue resulting from fierce competitions in the bare shell fit-out market in Hong Kong outweighing the benefits of the cost control initiatives implemented by the management to reduce the cost of sales in the Relevant Period.

The information contained in this announcement is only based on the preliminary assessment of the unaudited condensed consolidated management accounts of the Group and the information currently available, which have not been reviewed or audited by the Company’s auditor and have not been reviewed by the audit committee of the Company, and is therefore subject to necessary adjustments and amendments. The Group is still in the process of finalising its unaudited condensed consolidated interim results for the Relevant Period, which will be published in November 2021. The Shareholders and potential investors of the Company are advised to read the interim results announcement of the Group for the Relevant Period with care when it is published.

The 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, 29 October 2021

As at the date of this announcement, the Board comprises Mr. Wong Sai Chuen (Chairman and Chief Executive Officer), Mr. Wong Kin Kei (Chief Operating Officer), Ms. Hui Man Yee Maggie and Dr. Sung Tak Wing Leo being the executive Directors; and Mr. Cheung Chi Man Dennis, Mr. Chan Chi Kwong Dickson and Mr. Chan Charles Cham Chuen 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 GEM website at www.hkgem.com 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.