
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sanbase Corporation Limited, you should at once hand this circular together with the enclosed proxy form, to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



SANBASE CORPORATION LIMITED

莊皇集團公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8501)

**PROPOSALS FOR
(1) GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES;
(2) RE-ELECTION OF DIRECTORS;
(3) RE-APPOINTMENT OF AUDITOR; AND
(4) NOTICE OF AGM**

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 4 to 10 of this circular. A notice convening the AGM to be held at 2:30 p.m., on Friday, 18 August 2023 at Portion 2, 12/F, The Center, 99 Queen's Road Central, Hong Kong or its adjournment to approve matters referred to this circular is set out on pages AGM-1 to AGM-5 of this circular. A proxy form for use in connection with the AGM is also enclosed with this circular.

Whether or not you are able or intend to attend and vote at the AGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong as soon as possible, but in any event not later than 48 hours before the time appointed for the holding of the AGM (i.e. 2:30 p.m. on Wednesday, 16 August 2023) or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof (as the case may be) should you so wish, and in such case, the proxy form previously submitted shall be deemed to be revoked.

This circular and proxy form will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its publication and on the website of the Company at www.sclhk.com.

29 June 2023

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

	<i>Page</i>
Characteristics of GEM	i
Definitions	1
Letter from the Board	4
Appendix I – Explanatory Statement on the Repurchase Mandate	11
Appendix II – Particulars of Directors for re-election	15
Notice of AGM	AGM-1

DEFINITIONS

In this circular, unless the context otherwise requires, the following terms and expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at 2:30 p.m., on Friday, 18 August 2023 at Portion 2, 12/F, The Center, 99 Queen’s Road Central, Hong Kong
“AGM Notice”	the notice for convening the AGM as set out on pages AGM-1 to AGM-5 of this circular
“Articles”	the articles of association of the Company, as amended, supplemented and/or otherwise modified from time to time
“Board”	the board of Directors
“Close Associate(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Companies Act”	the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or modified from time to time
“Company”	Sanbase Corporation Limited 莊皇集團公司 (Stock Code: 8501), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules, including any person or group of persons who are entitled to exercise 30% or more of the voting power at the Company’s general meeting or are in a position to control the composition of a majority of the Board, which as at the Latest Practicable Date, consist of Mr. Wong Sai Chuen and Madison Square International Investment Limited
“Core Connected Person”	has the same meaning as defined in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“GEM”	GEM of the Stock Exchange

DEFINITIONS

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, supplemented and/or otherwise modified from time to time
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise all the power to allot, issue or otherwise deal with Shares of up to a maximum of 20% of the total number of Shares in issue of the Company as at the date of passing of the relevant resolution granting such mandate (such mandate to be extended to Shares with the number of any Shares repurchased by the Company pursuant to the Repurchase Mandate)
“Latest Practicable Date”	26 June 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Nomination Committee”	the nomination committee of the Company
“Remuneration Committee”	the remuneration committee of the Company
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise all powers to repurchase Shares on the Stock Exchange up to a maximum of 10% of the total number of Shares in issue of the Company as at the date of passing the relevant resolution granting such mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong), as amended, supplemented and/or otherwise modified from time to time
“Share(s)”	ordinary share(s) of US\$0.001 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission, as amended, supplemented and/or otherwise modified from time to time
“US\$”	United States dollars, the lawful currency in the United States of America
“%”	per cent

LETTER FROM THE BOARD



SANBASE CORPORATION LIMITED

莊皇集團公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8501)

Executive Directors:

Mr. Wong Sai Chuen

(Chairman and Chief Executive Officer)

Ms. Hui Man Yee, Maggie

Dr. Sung Tak Wing, Leo

Registered Office:

4th Floor, Harbour Place

103 South Church Street

P.O. Box 10240

Grand Cayman, KY1-1002

Cayman Islands

Independent Non-executive Directors:

Mr. Cheung Chi Man, Dennis

Mr. Chan Charles Cham Chuen

Mr. Law Chun Yat

Principal Place of Business

in Hong Kong:

16/F, Loon Kee Building

267-275 Des Voeux Road Central

Hong Kong

29 June 2023

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR
(1) GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES;
(2) RE-ELECTION OF DIRECTORS;
(3) RE-APPOINTMENT OF AUDITOR; AND
(4) NOTICE OF AGM**

1. INTRODUCTION

The purpose of this circular is to (i) provide you with all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolutions to be proposed at the AGM for the approval of (1) the proposed

LETTER FROM THE BOARD

grant of the Issue Mandate, the Repurchase Mandate and Extension Mandate; (2) the proposed re-election of the relevant Directors; (3) the re-appointment of the Company's independent auditor, and (ii) to give you the AGM Notice.

2. GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 2 September 2022, the then Shareholders granted a general mandate to the Directors to allot, issue and deal with the Shares. Such mandate will remain in effect until:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or
- (iii) being revoked or varied or renewed by an ordinary resolution of the Shareholders at a general meeting of the Company,

whichever occurs first.

In order to ensure that the flexibility and discretion be given to the Directors in the event that it becomes desirable to allot, issue and deal with the Shares, approval is being sought from the Shareholders for the granting of the Issue Mandate to the Directors to allot, issue and deal with additional Shares of up to a maximum of 20% of the total number of Shares in issue as at the date of the passing of the ordinary resolution contained in item 4 of the AGM Notice. No Share is repurchased by the Company, exercise in full of the Issue Mandate (on the basis of 200,000,000 Shares in issue as at the Latest Practicable Date) would result in up to 40,000,000 new Shares being allotted, issued and dealt with by the Company.

The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme as may be approved by the Shareholders.

3. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 2 September 2022, the then Shareholders granted a general mandate to the Directors to allot, issue and deal with the Shares. Such mandate will remain in effect until:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or

LETTER FROM THE BOARD

- (iii) being revoked or varied or renewed by an ordinary resolution of the Shareholders at a general meeting of the Company,

whichever occurs first.

As at the Latest Practicable Date, a total of 200,000,000 Shares were in issue. A resolution to grant the Directors the Repurchase Mandate will be proposed at the AGM to enable the Directors to exercise the powers of the Company to repurchase its own issued and fully paid Shares up to a maximum of 10% of the total number of Shares in issue as at the date of the passing of the ordinary resolution contained in item 5 of the AGM Notice (i.e. a total of 20,000,000 Shares, assuming that the number of issued Shares remains unchanged after the Latest Practicable Date and up to the date of the AGM). The Directors have no immediate plans to repurchase any Shares pursuant to the Repurchase Mandate.

In accordance with Rule 13.08 of the GEM Listing Rules, an explanatory statement containing information reasonably necessary for the Shareholders to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate is set out in Appendix I to this circular.

Each of the Repurchase Mandate and Issue Mandate, if granted, would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or the applicable laws of the Cayman Islands to be held; or (c) the revocation or variation of the authority given under the relevant mandate by an ordinary resolution of the Shareholders in a general meeting.

4. EXTENSION MANDATE

In addition, a separate ordinary resolution will be proposed at the AGM to extend the Issue Mandate by an addition of an amount representing the aggregate number of issued Shares repurchased by the Company pursuant to the Repurchase Mandate (if granted to the Directors at the AGM).

5. RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the executive Directors are Mr. Wong Sai Chuen, Ms. Hui Man Yee, Maggie and Dr. Sung Tak Wing, Leo; and the independent non-executive Directors are Mr. Cheung Chi Man, Dennis, Mr. Chan Charles Cham Chuen and Mr. Law Chun Yat.

LETTER FROM THE BOARD

Article 109(a) of the Articles states that notwithstanding any other provisions in the Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

Article 109(b) of the Articles states that the Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any Director who has not been subject to retirement by rotation in the three years preceding the annual general meeting shall retire by rotation at such annual general meeting. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Article 113 of the Articles states that the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director, provided that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting.

In accordance with the above provisions of the Articles, Mr. Wong Sai Chuen, Ms. Hui Man Yee, Maggie, Dr. Sung Tak Wing, Leo and Mr. Chan Charles Cham Chuen (collectively, the “**Retiring Directors**”) shall retire from office by rotation at the AGM. The board of Directors has been informed by Dr. Sung Tak Wing, Leo and Mr. Chan Charles Cham Chuen that they will retire as executive Director and independent non-executive Director respectively after the conclusion of the AGM and will not offer themselves for re-election at the AGM. Accordingly, Dr. Sung Tak Wing, Leo and Mr. Chan Charles Cham Chuen will cease to be Directors upon conclusion of the AGM. Mr. Wong Sai Chuen and Ms. Hui Man Yee, Maggie, being eligible, have agreed to offer themselves for re-election at the AGM.

Pursuant to Rule 17.46A of the GEM Listing Rules, particulars of each of the Retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

Dr. Sung Tak Wing, Leo and Mr. Chan Charles Cham Chuen have confirmed that they have no disagreement with the Board and there are no matters that need to be brought to the attention of the Shareholders in relation to their decisions of not offering themselves for re-election at the AGM.

LETTER FROM THE BOARD

Following the retirement of Mr. Chan Charles Cham Chuen, the Company will not be able to comply with (i) Rule 5.05(1) of the GEM Listing Rules, which stipulates that every board of directors of a listed issuer must include at least three independent non-executive directors; and (ii) Rule 5.28 of the GEM Listing Rules, which stipulates that the audit committee of a listed issuer must comprise a minimum of three members of non-executive directors only.

In order to comply with Rules 5.05(1) and 5.28 of the GEM Listing Rules, the Company is endeavouring to identify a suitable candidate to fill up the vacancy as soon as practicable, within three months from 18 August 2023 as prescribed under Rules 5.06 and 5.33 of the GEM Listing Rules, and will make further announcement(s) as and when appropriate.

All of the independent non-executive Directors, namely Mr. Cheung Chi Man, Dennis, Mr. Chan Charles Cham Chuen and Mr. Law Chun Yat, have made confirmation of independence pursuant to the independence guidelines set out in Rule 5.09 of the GEM Listing Rules. The nomination committee of the Company (the “**Nomination Committee**”) is also responsible for, *inter alia*, assessing the independence of independent non-executive Directors. The Nomination Committee assessed and reviewed the individual independent non-executive Director’s annual confirmation of independence based on the independent criteria as set out in Rule 5.09 of the GEM Listing Rules, and affirmed that Mr. Cheung Chi Man, Dennis, Mr. Chan Charles Cham Chuen and Mr. Law Chun Yat remained independent.

The Nomination Committee has also evaluated the performance of the Retiring Directors, which is of the opinion that their performance are satisfactory. With the nomination of the Nomination Committee, the Board has recommended that Mr. Wong Sai Chuen and Ms. Hui Man Yee, Maggie stand for re-election as Directors at the AGM. As a good corporate governance practice, each of the Retiring Directors has abstained from voting at the relevant Board meeting on the respective propositions of their recommendations for re-election by the Shareholders.

6. RE-APPOINTMENT OF PRICEWATERHOUSECOOPERS AS THE INDEPENDENT AUDITOR OF THE COMPANY

The Board proposes to re-appoint PricewaterhouseCoopers as the independent auditors of the Company to hold office until the conclusion of the next annual general meeting. A resolution will be proposed to authorise the Board to fix the auditor’s remuneration. PricewaterhouseCoopers has indicated its willingness to be re-appointed as the Company’s independent auditor for the said period.

LETTER FROM THE BOARD

7. NOTICE OF AGM AND PROXY FORM

The AGM Notice is set out on pages AGM-1 to AGM-5 of this circular.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

A proxy form for use in connection with the AGM is enclosed with this circular and such proxy form is also published on the website of the Stock Exchange at www.hkexnews.com and the Company's website at www.sclhk.com. Whether or not you are able or intend to attend and vote at the AGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the AGM (i.e. 2:30 p.m. on Wednesday, 16 August 2023) or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish. If you attend and vote at the AGM, the authority of your proxy will be revoked.

8. CLOSURE OF REGISTER OF MEMBERS FOR AGM

In order to ascertain the entitlement of Shareholders to attend and vote at the AGM, the transfer books and register of members of the Company will be closed from Tuesday, 15 August 2023 to Friday, 18 August 2023 (both days inclusive), during of which no transfer of Shares will be effected. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 14 August 2023.

9. VOTING BY POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith and in compliance with the GEM Listing Rules, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all resolutions proposed at the AGM shall be voted by poll. The Company will appoint Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, as the scrutineer to handle the vote-taking procedures at the AGM. An announcement on the poll vote results will be made by the Company after the AGM in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

LETTER FROM THE BOARD

10. RESPONSIBILITY STATEMENT

This circular, 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 have made all reasonable enquires, confirm that, to the best of their knowledge and belief, (i) the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement herein misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

11. RECOMMENDATION

The Directors are of the opinion that (1) the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; (2) the proposed re-election of Retiring Directors, in each case as described in this circular; and (3) the re-appointment of the Company's independent auditor are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of the relevant resolutions to be proposed at the AGM.

12. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully

For and on behalf of the Board

Sanbase Corporation Limited

Wong Sai Chuen

Chairman, Chief Executive Officer and Executive Director

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

This is an explanatory statement given to all the Shareholders relating to a resolution to be proposed at the AGM authorising the Repurchase Mandate.

This explanatory statement contains all the information required pursuant to Rule 13.08 and other relevant provisions of the GEM Listing Rules which are set out as follows:

1. SHARE CAPITAL

As at the Latest Practicable Date, the Company has 200,000,000 Shares in issue.

Subject to the passing of the ordinary resolution set out in item 4 of the AGM Notice in respect of the grant of the Repurchase Mandate and assuming that the total number of Shares in issue remains the same at 200,000,000 Shares from the Latest Practicable Date up to the date of passing such resolution, the Directors would be authorised under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, up to 20,000,000 Shares, representing 10% of the total number of issued Shares at the date of the AGM.

2. REASONS FOR SHARE REPURCHASES

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the Company the flexibility to make such repurchase when appropriate and beneficial to the Company. Repurchases of the Shares will only be made when the Directors believe that it is the best interests of the Company and the Shareholders to seek a general authority from Shareholders as such repurchases will benefit the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share.

3. FUNDING OF REPURCHASES

In repurchasing shares, the Company may only apply funds legally available for such purpose in accordance with the Articles, the Companies Act, the applicable laws of the Cayman Islands and the GEM Listing Rules.

It is presently proposed that any repurchase of Shares will be made out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or the proceeds of a fresh issue of shares made for the purpose of the purchase, and, in the case of any premium payable on the purchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company. Subject to the Companies Act, a repurchase of Shares may also be paid out of capital.

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 March 2023) in the event that the Repurchase Mandate is exercised in full.

The Directors do not intend to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

The Company may not purchase its own shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. CONNECTED PERSONS

As at the Latest Practicable Date, none of the Directors nor, to the best of the knowledge of the Directors, having made all reasonable enquiries, any of their respective Close Associates, has any present intention to sell any Shares to the Company or its subsidiaries, in the event that the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, no Core Connected Persons have notified the Company that he/she/it has a present intention to sell any Shares to the Company, nor has he/she/it undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

5. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the Companies Act, the Articles and the applicable laws of the Cayman Islands.

6. EFFECT OF TAKEOVERS CODE

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

As at the Latest Practicable Date, based on disclosures made under Part XV of the SFO and to the best of the knowledge and belief of the Directors, the interests of substantial Shareholders were as follows:

Substantial shareholders	Number of Shares held	Percentage of existing shareholding	Percentage of shareholding if Repurchase Mandate is exercised in full
Madison Square International Investment Limited (<i>Note 1</i>)	112,500,000	56.25%	62.50%
Mr. Wong Sai Chuen (<i>Note 1</i>)	112,500,000	56.25%	62.50%
Ms. Hui Man Yee, Maggie (<i>Note 1</i>)	112,500,000	56.25%	62.50%
J&J Partner Investment Group Limited (<i>Note 2</i>)	37,500,000	18.75%	20.83%
Mr. Wong Kin Kei (<i>Note 2</i>)	37,500,000	18.75%	20.83%
Ms. Ho Sin Ying (<i>Note 2</i>)	37,500,000	18.75%	20.83%

Notes:

1. Mr. Wong Sai Chuen is a Controlling Shareholder. He is also a director and the ultimate beneficial owner of Madison Square International Investment Limited. Ms. Hui Man Yee, Maggie, the spouse of Mr. Wong Sai Chuen, is deemed to be interested in the 112,500,000 Shares held by him, through his controlled corporation, Madison Square International Investment Limited, pursuant to Part XV of the SFO.
2. Mr. Wong Kin Kei is a substantial shareholder of the Company. Ms. Ho Sin Ying, the spouse of Mr. Wong Kin Kei, is deemed to be interested in the 37,500,000 Shares held by him, through his controlled corporation, J&J Partner Investment Group Limited, pursuant to Part XV of the SFO.

On the basis that the total number of Shares in issue of the Company remains unchanged and no further Shares are issued or repurchased prior to the date of the AGM, in the event that the Directors exercise in full the Repurchase Mandate, the interests of all of the above substantial Shareholders would be increased to such percentages of the total number of issued Shares as set out in the fourth column of the above table. On the basis of the current shareholding of all of the above substantial Shareholders as at the Latest Practicable Date, all of the above substantial Shareholders may be obliged to make a mandatory offer under Rule 26 of the Takeovers Code if the Repurchase Mandate is exercised in full.

The Directors have no present intention to repurchase the Shares to the extent that it will trigger the obligations under the Takeovers Code on making a mandatory offer, nor the Directors will not exercise the Repurchase Mandate to such extent that will result in the number of Shares held by public falling below the prescribed minimum percentage of 25%.

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

7. SHARE REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company, whether on the Stock Exchange or otherwise in the six months preceding the Latest Practicable Date.

8. SHARE PRICES

The highest and lowest prices per Share at which the Shares were traded on the Stock Exchange in the last 12 months prior to the Latest Practicable Date were as follows:

	Highest Price (HK\$)	Lowest Price (HK\$)
2022		
June	0.840	0.670
July	0.680	0.650
August	0.670	0.560
September	0.610	0.500
October	0.600	0.550
November	0.600	0.600
December	0.600	0.600
2023		
January	0.570	0.530
February	0.540	0.405
March	0.445	0.445
April	0.445	0.445
May	0.410	0.410
June (up to the Latest Practicable Date)	0.580	0.385

APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

The following are the particulars of the Directors who will retire and, being eligible, shall offer themselves for re-election at the AGM pursuant to the Articles.

EXECUTIVE DIRECTORS

Mr. Wong Sai Chuen (“Mr. Wong”)

Mr. Wong, aged 48, is the Chairman, Chief Executive Officer and an executive Director of the Company since 4 January 2018. Mr. Wong was also appointed as the chairman of the nomination committee on 8 January 2020. Mr. Wong founded the Group in 2009 and was appointed as a Director on 24 March 2017. Mr. Wong is responsible for the strategic planning, business development, daily operations and major decision making of the Group. Mr. Wong is also a director of certain subsidiaries of the Company.

Mr. Wong has over 13 years of experience in the interior fit-out industry. He is also an honorary director of the 56th Term Board of Directors of the Yan Chai Hospital.

Mr. Wong has entered into the director’s service agreement for his directorship with the Company with an initial term of three years commencing from 4 January 2018 and subject to the rotational retirement and re-election provisions of the Articles. Mr. Wong is entitled to a fixed remuneration as a director of the Company of HK\$20,000 per month and such other remuneration and discretionary bonus as may be determined by the Board with reference to the performance of the Company, Mr. Wong’s duties and responsibilities and prevailing market conditions. Such remuneration is covered in his service agreement with the Company. His remuneration will be subject to review by the Remuneration Committee and approval by the Board from time to time. Save as disclosed above, Mr. Wong is not entitled to any other remuneration. The aggregate remuneration of Mr. Wong received from the Group for the year ended 31 March 2023 amounted to HK\$3,775,000.

Mr. Wong is the spouse of Ms. Hui Man Yee, Maggie, an executive Director of the Company. Save as disclosed above, Mr. Wong is not related to any other Directors, members of the senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Wong is interested in 112,500,000 Shares held by Madison Square International Investment Limited, a company wholly owned by him, in which Mr. Wong is deemed to be interested under Part XV of the SFO.

Save as disclosed above, there is no other matter in relation to the re-election of Mr. Wong that needs to be brought to the attention of the Shareholders nor any information that is required to be disclosed pursuant to Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules.

APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

Ms. Hui Man Yee, Maggie (“Ms. Hui”)

Ms. Hui, aged 46, is an executive Director of the Company since 4 January 2018. Ms. Hui joined the Group in April 2015 and was appointed as a Director on 6 July 2017. Ms. Hui is responsible for daily operations, business development, human resources and administrative management of the Group. Ms. Hui is also a director of certain subsidiaries of the Company.

Prior to joining the Group, Ms. Hui has over 10 years of experience in the hotel industry. Ms. Hui graduated from Sheffield Hallam University in the United Kingdom with a bachelor’s degree of science in hotel and tourism management in June 1998. Ms. Hui then obtained a master’s degree in business administration from University of Birmingham in the United Kingdom in December 2011. Ms. Hui is the spouse of Mr. Wong, the Chairman, Chief Executive Officer and an executive Director of the Company.

Ms. Hui has entered into the director’s service agreement for her directorship with the Company with an initial term of three years commencing from 4 January 2018 and subject to the rotational retirement and re-election provisions of the Articles. Ms. Hui is entitled to a fixed remuneration of HK\$20,000 per month and such other remuneration and discretionary bonus as may be determined by the Board with reference to the performance of the Company, Ms. Hui’s duties and responsibilities with the Company and the prevailing market conditions. Such remuneration is covered in her service agreement with the Company. Her remuneration will be subject to review by the Remuneration Committee and approval by the Board from time to time. Save as disclosed above, Ms. Hui is not entitled to any other remuneration. The aggregate remuneration of Ms. Hui received from the Group for the year ended 31 March 2023 amounted to HK\$3,025,000.

Ms. Hui is the spouse of Mr. Wong, the Chairman and an executive Director of the Company. Save as disclosed above, Ms. Hui is not related to any other Directors, member of the senior management, substantial shareholders or controlling shareholders of the Company and does not have any interest in the Shares within the meaning of Part XV of the SFO.

As at the Latest Practicable Date, Ms. Hui, the spouse of Mr. Wong, is interested in the 112,500,000 Shares held by Madison Square International Investment Limited, a company wholly owned by Mr. Wong, in which Ms. Hui is deemed to be interested under Part XV of the SFO.

Save as disclosed above, there is no other matter in relation to the re-election of Ms. Hui that needs to be brought to the attention of the Shareholders nor any information that is required to be disclosed pursuant to Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules.

GENERAL

Save as disclosed herein, all of the above Retiring Directors are not connected with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company or an associate of any of them nor they did not hold any directorship in any other listed companies on the Stock Exchange and any other stock exchange or other major appointments or professional qualifications during the three years preceding the Latest Practicable Date.

NOTICE OF AGM



SANBASE CORPORATION LIMITED

莊皇集團公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8501)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “AGM”) of Sanbase Corporation Limited 莊皇集團公司 (the “Company”) will be held at 2:30 p.m., on Friday, 18 August 2023 at Portion 2, 12/F, The Center, 99 Queen’s Road Central, Hong Kong for the following purposes:

ORDINARY RESOLUTIONS

1. to receive and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the “**Director(s)**”) and the independent auditor of the Company for the year ended 31 March 2023;
2. to consider and approve, each as a separate resolution, if thought fit, the following resolutions:
 - (a) to re-elect Mr. Wong Sai Chuen as an executive Director;
 - (b) to re-elect Ms. Hui Man Yee, Maggie as an executive Director; and
 - (c) to authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors;
3. to re-appoint PricewaterhouseCoopers as the independent auditor of the Company to hold office until the conclusion of the next general meeting of the Company and to authorise the Board to fix their remuneration for the year ending 31 March 2024;

NOTICE OF AGM

As a special business, to consider and, if thought fit, pass with or without modifications the following resolutions as ordinary resolutions of the Company:

4. **“THAT:**

- (a) subject to paragraph (c) below, and pursuant to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), a general mandate be and is hereby generally and unconditionally given to the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of US\$0.001 each in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to:
 - (i) a Right Issue (as hereinafter defined); or
 - (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company which carry rights to subscribe for or are convertible into shares of the Company; or
 - (iii) the exercise of any options granted under the share option scheme of the Company; or
 - (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company (the “**Articles**”) in force from time to time shall not exceed 20% of the total number of shares of the Company in issue at the date of the passing this resolution and the said approval shall be limited accordingly;

NOTICE OF AGM

(d) for the purpose of the following ordinary resolutions:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, or any other applicable laws to be held; and
- (iii) the passing of an ordinary resolution by the shareholders in general meeting revoking or varying the authority given to the Directors by this resolution.

“**Rights Issue**” means an offer of shares or issue of options, warrants or other securities giving rights to subscribe for shares of the Company open for a period fixed by the Directors to holders of shares on the register of members of the Company on a fixed record date in proportion to their holdings of shares of the Company (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

5. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares on GEM or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (b) the total number of shares of the Company which may be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the total number of the issued share of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) above shall be limited accordingly; and

NOTICE OF AGM

(c) for the purpose of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, or any other applicable laws to be held; and
- (iii) the passing of an ordinary resolution by the shareholders in general meeting revoking or varying the authority given to the Directors by this resolution.

6. “**THAT:**

conditional upon to the passing of resolutions nos. 4 and 5 above, the general mandate granted to the Directors and for the time being in force to exercise the power of the Company to allot, issue and otherwise deal with shares pursuant to the said resolution no. 4 be and is hereby extended by the addition thereto of the total number of shares repurchased by the Company under the authority granted pursuant to the said resolution no. 5, provided that such number of shares so repurchased shall not exceed 10% of the total number of the share of the Company in issue as at the date of the passing of the said resolution no. 5.”

By order of the Board

Sanbase Corporation Limited

Wong Sai Chuen

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 29 June 2023

Registered Office:

4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

Principal Place of Business in Hong Kong:

16/F, Loon Kee Building
267-275 Des Voeux Road Central
Hong Kong

NOTICE OF AGM

Notes:

1. All resolutions at the AGM must be taken by poll (except where the chairman decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands) pursuant to the GEM Listing Rules. The results of the poll will be published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.sclhk.com in accordance with the GEM Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the AGM is entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the shareholder to speak at the meeting. A shareholder of the Company who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the meeting. If more than one proxy is appointed, the number of shares of the Company in respect of which each such proxy so appointed must be specified in the relevant proxy form. A proxy need not be a shareholder of the Company.
3. To be valid, a proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong not later than 48 Hours before the time appointed for holding the AGM (i.e. 2:30 p.m. on Wednesday, 16 August 2023) or any adjourned meeting and in default thereof the proxy form shall not be treated as valid.
4. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the AGM and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any share, any one of such persons may vote at the AGM, either in person or by proxy, in respect of such shares as if he was solely entitled thereto; but if more than one of such joint registered holders be present at the AGM either personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
6. To ascertain the entitlement of shareholders of the Company to attend and vote at the AGM, the transfer books and register of members of the Company will be closed from Tuesday, 15 August 2023 to Friday, 18 August 2023 (both days inclusive), during of which no transfer of shares will be affected. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 14 August 2023.
7. If Typhoon Signal No. 8 or above, or "extreme conditions" caused by super typhoons or a "black" rainstorm warning is in effect any time after 12:00 noon on the date of the AGM, the meeting will be adjourned. The Company will publish an announcement on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.sclhk.com to notify shareholders of the Company of the date, time and place of the rescheduled meeting.
8. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
9. Pursuant to Rule 17.47(4) of the Listing Rules, all resolutions set out in this notice will be decided by poll at the above meeting.