

TARGET

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SANBASE CORPORATION LTD: GOOD TIMES ARE APPEARING ON THE FINANCIAL HORIZON

The 2022 Annual Report of Sanbase Corporation Ltd (莊皇集團公司) (Code: 8501, The Growth Enterprise Market – The GEM – The Stock Exchange of Hongkong Ltd) was published and disseminated in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) on or about Thursday, June 30, 2022.

The Financials of the Company in respect of the Financial Year, ended March 31, 2022, could well be described as having been disastrous since, amongst other things, Management was forced to announce that the Company had incurred a Net Loss Attributable to Shareholders – for the first time, compared with the previous five Financial Years, going back to the 2018-Year when the Company's entire Issued Share Capital was listed on the secondary equity market of the HKSAR.

The Third Quarterly Report of Sanbase Corporation Ltd in respect of the nine months, ended December 31, 2022, was published and disseminated in the HKSAR on or about Tuesday, February 7, 2023.

The Financials of this Report, quite likely, brought more than a little joy to the shareholders of the Company since, inter alia, Management had recorded a whopping Net Profit Attributable to Shareholders with regard to the 2021-congenious period.

First, The 2022 Annual Report

The business of Sanbase Corporation Ltd was described at Page Nine of the 2022 Annual Report as follows:

'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 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 (“MEP”) consultancy services.’

Sanbase Corporation Ltd obtained the right to have its entire Issued Share Capital, listed on the GEM on or about December 18, 2017.

In a Global Offering of its Shares, the Share Price, having been struck at \$HK1.56, Management netted about \$HK56.90 million from this cash-raising exercise.

It was only during the 2022 Financial Year, ended March 31, that Management had not delivered profits to its shareholders.

At Page 118 of the 2022 Annual Report of the Company, the ‘**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**’ was presented to shareholders.

The following is an abstract, extricated from this Page of the 2022 Annual Report:

	For The Financial Year, Ended March 31		Percentage Increase/(Decrease)*
	2022	2021	
	All Figure Are Denominated In \$HK'000 (except where otherwise stipulated)		
Revenue	413,122	481,286	(14.16)
Gross Profit	22,737	25,847	(12.03)
Gross Profit Margin*	5.50 percent	5.37 percent	2.42
Operating Loss	(6,795)	(838)	710.86
Loss Before Income Tax	(6,833)	(953)	617.00
Profit/(Loss) For The Year	(7,246)	440	(1,746.82)
Profit/(Loss) Attributable To Shareholders Of The Company	(5,735)	397	(1,544.58)
Earnings/(Loss) Per Share Attributable To Shareholders Of The Company	(2.90) cents	0.20 cents	(1,550.00)
Total Equity (Shareholders' Funds)	142,149	149,205	(4.73)

* These are **TARGET**’s calculations.

The Chairman of the Board of Directors of Sanbase Corporation Ltd is Mr Wong Sai Chuen (王世存).

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