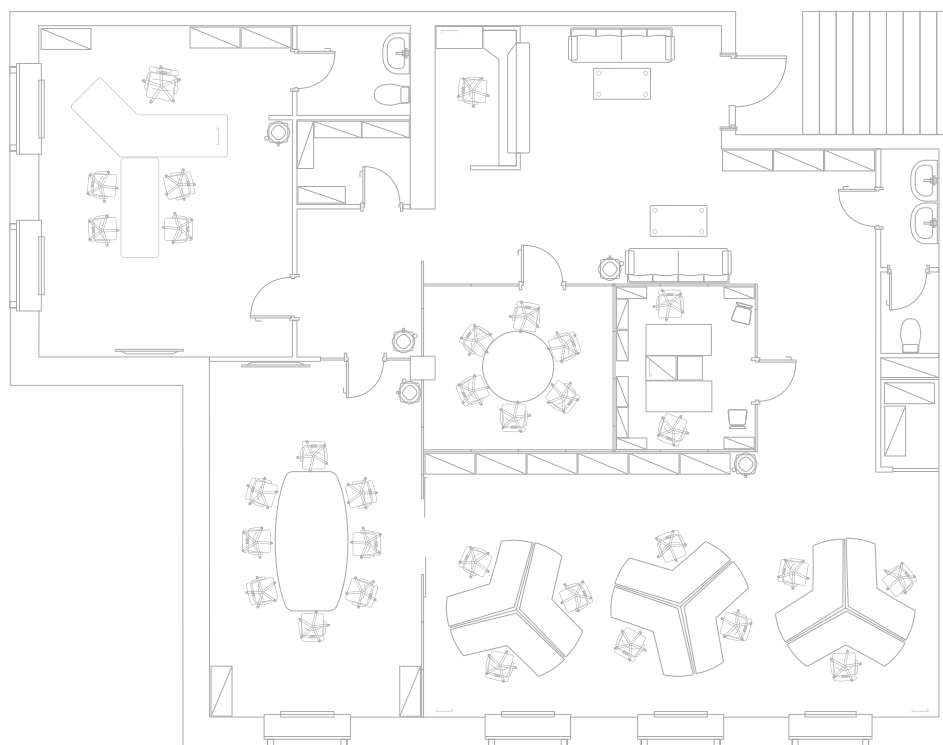




FIRST QUARTERLY REPORT 2019 2019年第一季度報告

www.sanbase.com.hk



**SANBASE
CORPORATION
LIMITED**

莊皇集團公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock code 股份代號: 8501

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this quarterly report, 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 quarterly report.

*This quarterly report, for which the directors (the “**Directors**”) of Sanbase Corporation Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 quarterly report 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 quarterly report misleading.*

香港聯合交易所有限公司(「聯交所」) GEM的特色

GEM乃為較於聯交所上市的其他公司帶有更高投資風險的中小型公司提供一個上市的市場。有意投資者應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方可作出投資決定。

由於**GEM**上市公司普遍為中小型公司，在**GEM**買賣的證券可能會較於主板買賣之證券承受較大的市場波動風險，同時無法保證在**GEM**買賣的證券會有高流通量的市場。

香港交易及結算所有限公司及聯交所對本季度報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本季度報告全部或任何部分內容而產生或因依賴該等內容而引致之任何損失承擔任何責任。

本季度報告乃遵照聯交所**GEM**證券上市規則(「**GEM**上市規則」)而刊載，旨在提供有關莊皇集團公司(「**本公司**」)的資料，本公司的董事(「**董事**」)願就此共同及個別地承擔全部責任。各董事在作出一切合理查詢後，確認就彼等所知及所信，本季度報告所載資料在各重大方面均屬準確及完備，無誤導或欺詐成份，且並無遺漏任何事項，足以令致本季度報告或其所載任何陳述產生誤導。

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BOARD OF DIRECTORS

Executive Directors

Mr. Wong Sai Chuen

(Chairman and Chief Executive Officer)

Mr. Wong Kin Kei *(Chief Operating Officer)*

Ms. Hui Man Yee, Maggie

Non-executive Director

Mr. Cheung Ting Pong

Independent Non-executive Directors

Mr. Fan Chun Wah, Andrew, *J.P.*

Mr. Wu Kam On, Keith

Mr. Pang Chung Fai, Benny

AUDIT COMMITTEE

Mr. Wu Kam On, Keith *(Chairman)*

Mr. Fan Chun Wah, Andrew, *J.P.*

Mr. Pang Chung Fai, Benny

REMUNERATION COMMITTEE

Mr. Pang Chung Fai, Benny *(Chairman)*

Mr. Fan Chun Wah, Andrew, *J.P.*

Mr. Wu Kam On, Keith

NOMINATION COMMITTEE

Mr. Fan Chun Wah, Andrew, *J.P. (Chairman)*

Mr. Wu Kam On, Keith

Mr. Pang Chung Fai, Benny

COMPLIANCE OFFICER

Mr. Wong Sai Chuen

COMPANY SECRETARY

Ms. Li Tsz Man (FCPA)

AUTHORISED REPRESENTATIVES

Mr. Wong Sai Chuen

Ms. Li Tsz Man

董事會

執行董事

王世存先生

(主席兼行政總裁)

黃健基先生 *(營運總監)*

許曼怡女士

非執行董事

張霆邦先生

獨立非執行董事

范駿華先生，*太平紳士*

鄔錦安先生

彭中輝先生

審核委員會

鄔錦安先生 *(主席)*

范駿華先生，*太平紳士*

彭中輝先生

薪酬委員會

彭中輝先生 *(主席)*

范駿華先生，*太平紳士*

鄔錦安先生

提名委員會

范駿華先生，*太平紳士 (主席)*

鄔錦安先生

彭中輝先生

合規主任

王世存先生

公司秘書

李子敏女士 *(FCPA)*

授權代表

王世存先生

李子敏女士

AUDITOR

PricewaterhouseCoopers
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LEGAL ADVISER

as to Hong Kong Law:
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Central
Hong Kong

COMPLIANCE ADVISER

Messis Capital Limited
Room 1606, 16/F
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Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited
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181 Queen's Road Central
Hong Kong

Bank of China (Hong Kong) Limited
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Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

核數師

羅兵咸永道會計師事務所
香港
中環
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法律顧問

關於香港法律：
Winston & Strawn
香港
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花園道1號
中銀大廈
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合規顧問

大有融資有限公司
香港
夏慤道18號
海富中心2座
16樓1606室

主要往來銀行

香港上海滙豐銀行有限公司

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皇后大道中181號
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香港
花園道1號

主要股份過戶登記處

Harneys Fiduciary (Cayman) Limited
4th Floor, Harbour Place
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Cayman Islands

香港股份過戶登記分處

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香港
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**PRINCIPAL PLACE OF BUSINESS AND
HEADQUARTER IN HONG KONG**

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

**REGISTERED OFFICE IN THE CAYMAN
ISLANDS**

4th Floor, Harbour Place
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Cayman Islands

**PRINCIPAL PLACE OF BUSINESS IN
HONG KONG UNDER PART 16 OF THE
COMPANIES ORDINANCE (CAP. 622)**

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Hong Kong

STOCK CODE

8501

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香港主要營業地點及總部

香港
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開曼群島註冊辦事處

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103 South Church Street, P.O. Box 10240
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Cayman Islands

**根據公司條例(第622章)第16部
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香港
德輔道中267-275號
龍記大廈16樓

股份代號

8501

網址

www.sanbase.com.hk

Dear shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Sanbase Corporation Limited (the “**Company**”), I present you the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 30 June 2019.

2019 marks the first anniversary of our successful listing on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Since the listing, the Company has committed to strengthen our leading position in the fit-out industry in Hong Kong in order to maintain a continuous and stable business growth. Thanks to the dedicated effort from our fellow directors and staff, we have efficiently expended the proceeds from listing and in return, securing more and larger contracts. Overall, there were 78 projects undertaken for the three months ended 30 June 2019, representing an increase of 16.4% as compared to 67 projects of the same period in 2018, as a result the revenue increased on year-on-year basis more than 81.0% to approximately HK\$179.5 million. Such achievements not only reflect our enhanced capabilities in project management, but more importantly, showcase our growing brand recognition and market share in the highly-competitive fit-out market.

In addition to organic growth, the Group has also kept a keen eye on acquisitions to further promote the Group's business development. Two acquisitions have been completed in Hong Kong and China respectively last year, enabling us to expand our business coverage to the previously untapped China market, while the newly-added design component also enabled us to enrich our service portfolio and deliver one-stop fit-out solutions to our clients, yielding higher customer loyalty and better financial performance. For the three months ended 30 June 2019, the two acquisitions in Hong Kong and China contributed, respectively, revenues of HK\$80.9 million and HK\$22.3 million, which represent year-on-year increases of 177.3% and 1,157.2% and account for 45.1% and 12.4% of the Group's total revenue. It reflects that the two acquisitions enlarged the Group's business coverage and, at the same time, created significant financial benefits so as to help us, in the longer term, grab bigger market share and establish desirable base for future development.

各位股東：

本人謹代表莊皇集團公司(「**本公司**」)董事(「**董事**」)會(「**董事會**」)，提呈本公司及其附屬公司(統稱「**本集團**」)截至2019年6月30日止3個月之未經審核簡明綜合業績。

2019年是我們在香港聯合交易所有限公司(「**聯交所**」)GEM成功上市的一周年。上市以來，本公司一直致力鞏固本集團在香港裝潢行業的領先地位，從而確保業務持續穩健增長。透過我們董事全人及員工的不懈努力，我們妥善利用上市所得款項，取得了更多、更大的項目。整體而言，截至2019年6月30日止3個月，項目數量78個，較2018年同期的67個，增加了16.4%，收入亦因而同比增長超過81.0%至約179.5百萬港元。該等成就不但反映我們項目管理能力有所提升，更印證了我們在競爭激烈的裝潢市場中，品牌知名度及市場份額的日益增長。

除自然增長外，本集團亦一直密切留意收購項目，進一步推動集團業務發展。去年分別在香港及中國完成的兩項收購，使我們的業務覆蓋擴展至先前未開發的中國市場，新增的設計業務亦完善了我們的服務組合，使我們能向客戶提供一站式裝潢解決方案，從而增強客戶粘性並取得更好的財務表現。其中，香港及中國兩項收購於截至2019年6月30日止3個月分別貢獻收入80.9百萬港元及22.3百萬港元，同比增長177.3%及1,157.2%，佔本集團總收入之45.1%及12.4%。這反映了兩項收購在補足集團業務覆蓋的同時，在財務上亦帶來莫大裨益，長遠將可協助我們爭取更大的市場份額，為未來發展莫下良好基礎。

CHAIRMAN'S STATEMENT

主席報告

Looking forward to 2019, we remain optimistic in the demand of commercial fit-out services in Hong Kong despite a perceived weakness in the commercial property market. Inelastic by nature, clients would require fit-out services even if financial circumstances are not favorable. However, we have noted customers' higher price sensitivity in contract negotiation. Therefore, the Group has taken actions, first of which involves securing better deal in renewed contracts with existing subcontractors and engaging with new ones, to further improve its subcontractor portfolio with maintained project quality and cost in order to reduce its cost pressure in a downward business circle.

In the longer term, we will continue to ride on favorable policies such as "Moving out of Central" and "Green Office" in Hong Kong, and will strive to increase our market share by focusing on Grade A offices. We will also pay specific attention to the Guangdong-Hong Kong-Macau Greater Bay Area, as cities including Guangzhou and Shenzhen all have blueprints to develop new CBDs, which is expected to create new office supply of 4.75 million square metres by 2022. Supported by its good reputation and high quality services, we believe the Company is well-prepared to seize business opportunities.

Following our recent success in the two acquisitions, we will also explore other project opportunities in Hong Kong, China, and potentially Asia in the future, in order to further expand our business coverage, geographical coverage and client base. Meanwhile, we will also continue to consolidate and invest in the two completed acquisitions to give full effect of their synergies.

Echoing its corporate values of "Strive for Betterment", the Company has been stepping forward since its establishment, yet it will not reach such height without your unequivocal support. I wish to take this opportunity to thank my fellow directors and all staff for your insight and dedication, and to thank our business partners, shareholders and stakeholders for your trust and patience. The Group will strive to overcome future challenges and commit to offer high-quality fit-out services to the industry as well as deliver greater and sustainable returns to our shareholders.

Chairman of the Board
Wong Sai Chuen

Hong Kong, 9 August 2019

展望2019年，雖然商業物業市場看似疲軟，我們仍對香港商業裝潢服務需求持樂觀態度。對客戶而言，裝潢服務屬剛性需求，因此即使在市場不景氣的情況下，客戶仍需要裝潢服務。然而，我們留意到客戶在洽談合同時對價格的敏感度相應提高。有見及此，本集團已由分判商著手，除了與現有分判商在續約時爭取更有利的條件，亦正在與新的分判商接洽，期望在保持施工質素及成本的情況下，進一步優化其分判商組合，減低本集團在下行周期時的成本壓力。

長遠來看，我們會繼續把握利好政策，例如香港的「遷出中環」及「綠色辦公」，並專注於甲級寫字樓，積極提高我們的市場份額。鑒於廣州及深圳等城市均已制定新中央商務區的發展藍圖，預計於2022年前產生4.75百萬平方米的新寫字樓供應，我們亦會重點關注粵港澳大灣區的發展。憑藉其良好聲譽及優質服務，我們相信本公司已作好準備，把握當中機遇。

隨著成功完成兩項收購後，我們亦會在香港、中國，甚或是亞洲物色其他項目，以進一步擴大我們的業務覆蓋、地域覆蓋及客戶群。同時，我們將繼續整合及投入該兩項收購，以全面發揮其協同效應。

為響應「做得更好」的企業價值觀，本公司自成立以來一直邁步向前，如今的成就離不開閣下的鼎力支持。本人謹藉此機會向董事全人及全體員工的深謀遠慮及不懈努力，以及業務合作夥伴、股東及持份者的信任及耐心表示感謝。本集團定必迎難而上，為業界帶來更優質的裝潢服務，同時為股東帶來更大的可持續回報。

董事會主席
王世存

香港，2019年8月9日

FINANCIAL HIGHLIGHTS

財務摘要

		Unaudited 未經審核		Change in percentage 百分比變動
		Three months ended 30 June 截至6月30日止3個月		
		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	
Revenue	收入	179,538	99,174	+81.0%
Gross profit	毛利	14,815	14,168	+4.6%
<i>Gross profit margin</i>	<i>毛利率</i>	8.3%	14.3%	
Profit before income tax	除稅前溢利	8,045	8,534	-5.7%
Profit attributable to owners of the Company	本公司擁有人應佔溢利	3,513	4,916	-28.5%
		HK cents 港仙	HK cents 港仙	
Basic and diluted earnings per share	每股基本及攤薄盈利	1.77	2.46	

2019 FIRST QUARTERLY RESULTS

2019年第一季業績

The Board of the Company is pleased to present the unaudited condensed consolidated results of the Group for the three months ended 30 June 2019, together with the comparative figures for the corresponding period in 2018, are as follows:

本公司董事會欣然提呈本集團截至2019年6月30日止3個月的未經審核簡明綜合業績，連同2018年同期的比較數字如下：

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

未經審核簡明綜合損益及其他全面收益表

FOR THE THREE MONTHS ENDED 30 JUNE 2019

截至2019年6月30日止3個月

Unaudited
未經審核
Three months ended 30 June
截至6月30日止3個月

		Note 附註	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Revenue	收入	4	179,538	99,174
Cost of sales	銷售成本	5	(164,723)	(85,006)
Gross profit	毛利		14,815	14,168
Administrative expenses	行政開支	5	(6,663)	(5,639)
Operating profit	經營溢利		8,152	8,529
Finance income	財務收入		8	5
Finance costs	財務成本		(115)	—
Finance (costs)/income — net	財務(成本)/收入 — 淨額	6	(107)	5
Profit before income tax	除稅前溢利		8,045	8,534
Income tax expense	所得稅開支	8	(1,810)	(1,835)
Profit for the period	期內溢利		6,235	6,699
Other comprehensive loss, net of income tax	其他全面虧損， 扣除所得稅			
<i>Item that may be subsequently reclassified to profit or loss:</i>	<i>其後可能重新分類 至損益的項目：</i>			
— Exchange differences arising on translation of foreign operation	— 換算海外業務產生的匯兌差額		(61)	(114)
Total comprehensive income for the period	期內全面收益總額		6,174	6,585

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

未經審核簡明綜合損益及其他全面收益表

FOR THE THREE MONTHS ENDED 30 JUNE 2019

截至2019年6月30日止3個月

Unaudited
未經審核
Three months ended 30 June
截至6月30日止3個月

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
	<i>Note</i> 附註		
Profit for the period attributable to:	應佔期內溢利：		
Owners of the Company	本公司擁有人	3,513	4,916
Non-controlling interests	非控股權益	2,722	1,783
		6,235	6,699
Total comprehensive income for the period attributable to:	應佔期內全面收益總額：		
Owners of the Company	本公司擁有人	3,459	4,837
Non-controlling interests	非控股權益	2,715	1,748
		6,174	6,585
		HK Cents 港仙	HK Cents 港仙
Earnings per share attributable to owners of the Company	本公司擁有人應佔每股盈利		
Basic and diluted	基本及攤薄	1.77	2.46
	9		

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

未經審核簡明綜合權益變動表

FOR THE THREE MONTHS ENDED 30 JUNE 2019

截至2019年6月30日止3個月

		Unaudited 未經審核 Attributable to owners of the Company 本公司擁有人應佔					Unaudited 未經審核	Unaudited 未經審核	
		Share capital	Share premium	Shares held under share award scheme	Exchange reserve	Retained earnings	Subtotal	Non- controlling interests	Total equity
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	股份獎勵 計劃下 所持股份 HK\$'000 千港元	匯兌儲備 HK\$'000 千港元	保留盈利 HK\$'000 千港元	小計 HK\$'000 千港元	非控股 權益 HK\$'000 千港元	權益總額 HK\$'000 千港元
At 31 March 2018	於2018年3月31日	1,553	68,632	—	—	41,660	111,845	—	111,845
Impact of adopting HKFRS 9	應用香港財務報告 準則第9號之影響	—	—	—	—	(252)	(252)	—	(252)
At 1 April 2018 (restated)	於2018年4月1日 (經重列)	1,553	68,632	—	—	41,408	111,593	—	111,593
Profit for the period	期內溢利	—	—	—	—	4,916	4,916	1,783	6,699
Other comprehensive loss for the period:	期內其他全面虧損：								
Exchange differences arising on translation of foreign operation	換算海外業務產 生的匯兌差額	—	—	—	(79)	—	(79)	(35)	(114)
Total comprehensive (loss)/income for the period	期內全面(虧損)/ 收益總額	—	—	—	(79)	4,916	4,837	1,748	6,585
Non-controlling interests on acquisition of subsidiaries	收購附屬公司的非 控股權益	—	—	—	—	—	—	2,942	2,942
At 30 June 2018	於2018年6月30日	1,553	68,632	—	(79)	46,324	116,430	4,690	121,120
At 1 April 2019	於2019年4月1日	1,553	63,832	(2,998)	(53)	69,524	131,858	4,946	136,804
Profit for the period	期內溢利	—	—	—	—	3,513	3,513	2,722	6,235
Other comprehensive loss for the period:	期內其他全面虧損：								
Exchange differences arising on translation of foreign operation	換算海外業務產 生的匯兌差額	—	—	—	(54)	—	(54)	(7)	(61)
Total comprehensive (loss)/income for the period	期內全面(虧損)/ 收益總額	—	—	—	(54)	3,513	3,459	2,715	6,174
At 30 June 2019	於2019年6月30日	1,553	63,832	(2,998)	(107)	73,037	135,317	7,661	142,978

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

未經審核簡明綜合財務資料附註

1. CORPORATE INFORMATION

Sanbase Corporation Limited was incorporated in the Cayman Islands on 24 March 2017 as an exempted company with limited liability under the Companies Law Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands. The principal place of business is 16/F, Loon Kee Building, 267-275 Des Voeux Road Central, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in provision of interior fit-out solutions in Hong Kong and China. The ultimate holding company of the Company is Madison Square International Investment Limited. The ultimate controlling party of the Group is Mr. Wong Sai Chuen ("**Mr. Wong**" or the "**Controlling Shareholder**").

The shares of the Company (the "**Shares**") were listed on GEM of the Stock Exchange since 4 January 2018.

The unaudited condensed consolidated financial information for the three months ended 30 June 2019 have been reviewed by the audit committee of the Company ("**Audit Committee**") but have not been reviewed or audited by the Company's auditor.

2. BASIS OF PREPARATION

This unaudited condensed consolidated financial information for the three months ended 30 June 2019 has been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (the "**HKFRSs**"), which is a collective term for all individual HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**"). The unaudited condensed consolidated financial information does not include all information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual report for the year ended 31 March 2019.

1. 公司資料

莊皇集團公司於2017年3月24日根據開曼群島法例第22章《公司法》(1961年第3號法律，經綜合及修訂)，於開曼群島註冊成立為獲豁免有限公司。本公司註冊辦事處地址為4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands。主要營業地點為香港德輔道中267-275號龍記大廈16樓。

本公司為一家投資控股公司及其附屬公司的主要業務為於香港及中國提供室內裝潢解決方案。本公司的最終控股公司為世曼有限公司。本集團的最終控股方為王世存先生(「**王先生**」或「**控股股東**」)。

本公司的股份(「**股份**」)自2018年1月4日起於聯交所GEM上市。

截至2019年6月30日止3個月之未經審核簡明綜合財務資料已由本公司審核委員會(「**審核委員會**」)審閱，惟未經本公司核數師審閱或審核。

2. 編製基準

截至2019年6月30日止3個月之本未經審核簡明綜合財務資料乃按照香港會計師公會頒佈之所有適用香港財務報告準則(「**香港財務報告準則**」)(此詞涵蓋所有個別香港財務報告準則、香港會計準則(「**香港會計準則**」)及詮釋)以及香港公司條例及聯交所GEM證券上市規則(「**GEM上市規則**」)之適用披露規定編製。該等未經審核簡明綜合財務資料並不包括年度財務報表規定之所有資料及披露並須與本公司截至2019年3月31日止年度之年報一併閱讀。

2. BASIS OF PREPARATION (Continued)

The unaudited condensed consolidated financial information for the three months ended 30 June 2019 have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as appropriate.

All amounts are presented in Hong Kong dollar thousands (“HK\$’000”) in these unaudited condensed consolidated financial information unless otherwise stated.

New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period, and the Group had to change its accounting policies as a result of adopting HKFRS 16 “Leases”.

The impact of the adoption of the leasing standard and the new accounting policies are disclosed in note 3 below. The other standards did not have any impact on the Group’s accounting policies.

The Group has not applied any new and revised HKFRSs that are not yet effective for the current period. There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3. CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of HKFRS 16 “Leases” on the Group’s unaudited condensed consolidated financial information and discloses the new accounting policies that have been applied from 1 April 2019 in note 3(b) below.

The Group has adopted HKFRS 16 “Leases” from 1 April 2019, but has not restated comparatives for 31 March 2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening consolidated statement of financial position on 1 April 2019.

2. 編製基準(續)

截至2019年6月30日止3個月之未經審核簡明綜合財務資料乃按照歷史成本法編製，惟若干按公允值計量之金融工具除外(如適用)。

除另有說明外，於該等未經審核簡明綜合財務資料中所有金額均以千港元(「千港元」)呈列。

本集團採納的新訂及經修訂準則

若干新訂或經修訂準則於本報告期間變為適用，且本集團因採納香港財務報告準則第16號「租賃」而必須更改其會計政策。

採納租賃準則及新會計政策的影響於下文附註3披露。其他準則對本集團的會計政策並無任何影響。

本集團並無採納任何於本期間尚未生效的新訂及經修訂香港財務報告準則。概無其他尚未生效且預計將於目前或未來報告期間對本集團以及可預見未來之交易產生重大影響的其他準則。

3. 會計政策變更

本附註解釋採納香港財務報告準則第16號「租賃」對本集團未經審核簡明綜合財務資料的影響，並於下文附註3(b)披露自2019年4月1日起採納的新會計政策。

本集團自2019年4月1日起採納香港財務報告準則第16號「租賃」，惟並未重列2019年3月31日報告期間的比較數據，此乃獲準則之特定過渡性條文所允許。因此，因新租賃規則引起的重新分類及調整於2019年4月1日的期初綜合財務狀況表中確認。

3. CHANGES IN ACCOUNTING POLICIES

(Continued)

(a) Adjustments recognised on adoption of HKFRS 16 “Leases”

On adoption of HKFRS 16 “Leases”, the Group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of HKAS 17 “Leases”. Leases liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 April 2019.

The associated right-of-use assets for property leases were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position as at 31 March 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

In applying HKFRS 16 “Leases” for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

3. 會計政策變更(續)

(a) 採納香港財務報告準則第16號「租賃」時確認的調整

於採納香港財務報告準則第16號「租賃」時，本集團已就先前根據香港會計準則第17號「租賃」的原則分類為「經營租賃」的租賃確認租賃負債。該等租賃負債以剩餘租賃付款的現值計量，並採用承租人截至2019年4月1日的增量借款利率進行貼現。

物業租賃相關之使用權資產乃按相等於租賃負債的金額計量，並於2019年3月31日在綜合財務狀況表確認與租賃有關的任何預付或應計租賃付款的款項進行調整。於初始應用日期，概無虧損性租賃合約需要對使用權資產進行調整。

於首次應用香港財務報告準則第16號「租賃」時，本集團乃採用以下獲準則許可的實用權宜法：

- 對擁有合理相似特點的租賃組合採用單一貼現率；
- 依賴先前關於租賃是否虧損的評估；
- 於2019年4月1日剩餘租期少於12個月的經營租賃之會計處理為短期租賃；
- 在首次應用日期排除初始直接成本以計量使用權資產；及
- 當合約包含延長或終止租賃的選擇權時，以事後分析結果確定租期。

3. CHANGES IN ACCOUNTING POLICIES

(Continued)

(a) Adjustments recognised on adoption of HKFRS 16 “Leases” *(Continued)*

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 “Leases” and HK(IFRIC)-Int 4 “Determining whether an Arrangement contains a Lease”.

(b) The Group’s leasing activities and how these are accounted for

The Group leases various offices, warehouses, and equipment. Rental contracts are typically made for fixed periods of one to four years but some may have extension options as described in (i) below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

Until the year ended 31 March 2019, leases of property, plant and equipment were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the lease liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The right-of-use asset is depreciated over the asset’s lease period on a straight-line basis.

3. 會計政策變更(續)

(a) 採納香港財務報告準則第16號「租賃」時確認的調整(續)

本集團亦已選擇不重新評估合約在首次應用日期是否或包含租賃。相反，對於在過渡日期之前訂立的合約，本集團依據其應用香港會計準則第17號「租賃」及香港(國際財務報告詮釋委員會)一 詮釋第4號「釐定安排是否包括租賃」作出的評估。

(b) 本集團的租賃活動及其列賬方法

本集團租賃多個辦公室、倉庫及設備。租賃合約通常為1至4年的固定期限，惟部分擁有下文(i)所述的延期選擇權。租賃條款乃單獨協商達致，當中包含各種不同的條款及條件。租賃協議並不強加任何條款。

直至截至2019年3月31日止年度，物業、廠房及設備之租賃分類為經營租賃。經營租賃的付款(扣除已收出租人的任何優惠)以直線法於租期內自損益扣除。

自2019年4月1日起，租賃確認為使用權資產，並在租賃資產可供本集團使用之日確認相應租賃負債。每筆租賃付款乃分配至租賃負債及財務成本。財務成本於租期內自損益扣除，以計算出各期間租賃負債餘額的固定週期利率。使用權資產乃按資產租期以直線法折舊。

3. CHANGES IN ACCOUNTING POLICIES

(Continued)

(b) The Group's leasing activities and how these are accounted for (Continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

(i) Extension and termination options

Extension and termination options are included in a number of property leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

3. 會計政策變更(續)

(b) 本集團的租賃活動及其列賬方法(續)

租賃產生的資產及負債初始以現值基準進行計量。租賃負債包括固定租賃付款(包括實質固定付款)的淨現值減任何應收租賃優惠。

租賃付款採用承租人的增量借款利率予以貼現，即承租人在類似經濟環境中以類似條款及條件獲得類似價值資產所需借入資金而必須支付的利率。

使用權資產按成本(包括租賃負債的初始計量金額)計量。

與短期租賃相關的付款和低價值資產的租賃以直線法於損益中確認為開支。短期租賃指租賃期為12個月或少於12個月的租賃。

(i) 延期及終止選擇權

本集團的若干物業租賃包含延期及終止選擇權。該等條款乃用於在管理合約方面盡量提升經營靈活性。所持有的大部分延期及終止選擇權僅可由本集團行使，惟不得由有關出租人行使。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

未經審核簡明綜合財務資料附註

4. REVENUE AND SEGMENT INFORMATION

Bare shell fit-out	毛坯房裝潢
Restacking	重裝
Reinstatement	還原
Design	設計
Churn works	零碎工程
Maintenance and others	保養及其他

The Group's revenue mainly represents revenue from the provision of interior fit-out solutions for the three months ended 30 June 2019 and 2018.

The executive Directors have been identified as the chief operating decision makers ("CODM") of the Group who review the Group's internal reporting in order to assess performance and allocate resources. The Group focuses on provision of interior fit-out solutions in Hong Kong and the People's Republic of China (the "PRC") for the three months ended 30 June 2019 and 2018. Information reported to the CODM, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Directors regard the Group's business as a single operating segment and review consolidated financial information accordingly. The Group primarily operates in Hong Kong and started its business in the PRC in May 2018. Revenue generated from customers in the PRC is also related to the provision of interior fit-out solutions and the reported geographical segment information is presented as below:

Geographical information

The geographical location of customers is based on the location at which the service provided. The Group's operations and workforce are mainly located in Hong Kong and the PRC. The following table provides an analysis of the Group's revenue from external customers.

4. 收入及分部資料

Unaudited
未經審核
Three months ended 30 June
截至6月30日止3個月

2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
153,565	69,633
15,559	7,357
5,114	14,567
2,374	1,987
2,165	2,750
761	2,880
179,538	99,174

本集團截至2019年及2018年6月30日止3個月的收入主要為提供室內裝潢解決方案所得的收入。

執行董事已被確認為本集團的主要經營決策者（「主要經營決策者」），負責審閱本集團的內部報告，以評估表現及分配資源。截至2019年及2018年6月30日止3個月，本集團專注於在香港及中華人民共和國（「中國」）提供室內裝潢解決方案。由於董事將本集團的業務視為單一經營分部並相應審閱綜合財務資料，故就資源分配及表現評估而言，向主要經營決策者呈報的資料側重於本集團的整體經營業績。本集團主要於香港經營業務並自2018年5月在中國開展業務。來自於中國客戶的收入亦與提供室內裝潢解決方案有關，及其呈報地理分部資料列示如下：

地理資料

客戶的地理位置乃基於提供服務的位置。本集團之經營及人力主要位於香港及中國。下表載列本集團來自外部客戶的收入分析。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL INFORMATION
未經審核簡明綜合財務資料附註

4. REVENUE AND SEGMENT
INFORMATION (Continued)

Geographical information (Continued)

Hong Kong	香港
The PRC	中國

Information about major customers

Revenue from customers contributing over 10% of the Group's total revenue are set out below.

Customer A	客戶A
Customer B	客戶B
Customer C	客戶C
Customer D	客戶D
Customer E	客戶E
Customer F	客戶F
Customer G	客戶G

Note: The corresponding revenue did not contribute over 10% of the Group's total revenue.

4. 收入及分部資料(續)

地理資料(續)

Unaudited
未經審核
Three months ended 30 June
截至6月30日止3個月

2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
157,213	97,398
22,325	1,776
179,538	99,174

主要客戶資料

來自佔本集團總收入超過10%的客戶的收入載列如下。

Unaudited
未經審核
Three months ended 30 June
截至6月30日止3個月

2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
34,905	N/A (Note) 不適用(附註)
30,462	N/A (Note) 不適用(附註)
18,745	N/A (Note) 不適用(附註)
N/A (Note) 不適用(附註)	20,413
N/A (Note) 不適用(附註)	15,524
N/A (Note) 不適用(附註)	13,102
N/A (Note) 不適用(附註)	11,805

附註：相應收入不超過本集團總收入之10%。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

未經審核簡明綜合財務資料附註

5. EXPENSES BY NATURE

The Group's profit for the three months ended 30 June 2019 and 2018 are stated after charging the following cost of sales and administrative expenses:

5. 按性質劃分的開支

本集團截至2019年及2018年6月30日止3個月的溢利經扣除以下銷售成本及行政開支後，載列如下：

		Unaudited 未經審核	
		Three months ended 30 June 截至6月30日止3個月	
		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Subcontracting charges	分包費用	154,206	77,344
Staff costs (Note 7)	員工成本(附註7)	9,547	8,242
Cleaning expenses	清潔費用	3,043	1,544
Insurance expenses	保險開支	967	71
Security expenses	保安開支	6	488
Operating lease payments	經營租賃付款	12	485
Auditor's remuneration	核數師薪酬	120	115
Depreciation on right-of-use assets	使用權資產之折舊	644	—
Depreciation on property, plant and equipment	物業、廠房及設備之折舊	287	194
Amortisation of intangible assets	無形資產攤銷	82	559
Legal and professional fees	法律及專業費用	1,614	1,463
Other expenses	其他開支	858	140
Total cost of sales and administrative expenses	銷售成本及行政開支總額	171,386	90,645

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6. FINANCE (COSTS)/INCOME – NET

Interest income from bank deposits	銀行存款利息收入
Bank interest expense on bank borrowings	銀行借款之銀行利息開支
Interest expense on lease liabilities	租賃負債之利息開支

6. 財務(成本)／收入 — 淨額

Unaudited
未經審核
Three months ended 30 June
截至6月30日止3個月

2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
8	5
(39)	—
(76)	—
(107)	5

7. STAFF COSTS, INCLUDING DIRECTORS' EMOLUMENTS

Salaries, bonuses and allowances	薪金、花紅及津貼
Retirement benefits contributions	退休福利供款

7. 員工成本(包括董事酬金)

Unaudited
未經審核
Three months ended 30 June
截至6月30日止3個月

2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
9,215	8,026
332	216
9,547	8,242

8. INCOME TAX EXPENSE

Current income tax	即期所得稅
— Hong Kong profits tax	— 香港利得稅
— PRC enterprise income tax	— 中國企業所得稅
Deferred tax	遞延稅項

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazette on the following day. Pursuant to the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of the qualifying group entity will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. The assessable profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong profits tax of Sanbase Interior Contracting Limited is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at the rate of 16.5% on the estimated assessable profits above HK\$2 million for the period.

Under the Law of the PRC on enterprise income tax (“**EIT**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% (2018: 25%).

No provision for income tax in other jurisdictions has been made as the Group had no assessable profit in other jurisdictions during the period.

8. 所得稅開支

Unaudited
未經審核
Three months ended 30 June
截至6月30日止3個月

2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
1,607	1,606
220	229
(17)	—
1,810	1,835

於2018年3月21日，香港立法會通過《2017年稅務(修訂)(第7號)條例草案》(「**條例草案**」)，引入兩級利得稅稅率制度。條例草案於2018年3月28日簽署成為法律，並於翌日刊登憲報。根據兩級利得稅稅率制度，合資格集團實體的首2百萬港元應課稅溢利將按8.25%的稅率徵稅，而超過2百萬港元的應課稅溢利則按16.5%的稅率徵稅。不符合兩級利得稅稅率制度資格的集團實體之應課稅溢利將繼續沿用16.5%的統一稅率徵稅。

故此，本期間誠和樂有限公司之香港利得稅乃按估計應課稅溢利的首2百萬港元以8.25%的稅率計算，超過2百萬港元的估計應課稅溢利按16.5%的稅率計算。

根據中國企業所得稅法(「**企業所得稅**」)及企業所得稅法實施條例，中國附屬公司之稅率為25%(2018年：25%)。

本集團於本期間在其他司法權區並無取得應課稅溢利，故無就其他司法權區的所得稅作出撥備。

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9. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue less the total number of shares held under share award scheme during the three months ended 30 June 2019 and 2018.

Profit attributable to owners of the Company	本公司擁有人應佔溢利
Weighted average number of ordinary shares in issue less shares held under share award scheme ('000)	已發行普通股的加權平均數減股份獎勵計劃下所持股份 (千股)
Basic earnings per ordinary share (HK cents)	每股普通股基本盈利 (港仙)

(b) Diluted

There were no outstanding share options as at 30 June 2019 and 2018 and have no potential dilutive ordinary share in issue. Accordingly, diluted earnings per share is equal to basic earnings per share.

10. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2019 and 2018.

9. 每股盈利

(a) 基本

每股基本盈利乃按截至2019年及2018年6月30日止3個月本公司擁有人應佔溢利除以已發行普通股的加權平均數減股份獎勵計劃下所持股份總數計算。

Unaudited
未經審核
Three months ended 30 June
截至6月30日止3個月

2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
3,513	4,916
197,944	200,000
1.77	2.46

(b) 攤薄

於2019年及2018年6月30日，概無尚未行使之購股權及並無已發行之潛在可攤薄普通股。因此，每股攤薄盈利與每股基本盈利相同。

10. 股息

董事不建議就截至2019年及2018年6月30日止3個月派付中期股息。

11. RELATED PARTIES TRANSACTIONS

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the three months ended 30 June 2019 and 2018.

Compensation of key management

Key management includes executives of the Group. The compensation paid or payable to key management for employee services is shown below:

Salaries, bonuses and allowances	薪金、花紅及津貼
Retirement benefits contributions	退休福利供款

11. 關聯方交易

下文概述本集團與其關聯方截至2019年及2018年6月30日止3個月在正常業務過程中進行的重大交易。

主要管理人員薪酬

主要管理人員包括本集團行政人員。就僱員服務已付或應付主要管理人員的薪酬如下所示：

Unaudited
未經審核
Three months ended 30 June
截至6月30日止3個月

2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
1,397	2,241
14	16
1,411	2,257

12. CONTINGENT LIABILITIES

The Group had the following contingent liabilities not provided:

Surety bonds	履約保證
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As at 30 June 2019, the Group provided guarantees of surety bonds in respect of 3 (31 March 2019: 3) construction contracts of the Group in its ordinary course of business. No deposit was made in relation to the guarantees of surety bonds in respect of the construction contracts as at 30 June 2019 and 31 March 2019. The surety bonds are expected to be released in accordance with the terms of the respective construction contracts.

12. 或有負債

本集團未作出撥備的或有負債如下：

Unaudited
未經審核
As at 30 June
於6月30日

2019 2019年 HK\$'000 千港元	Audited 經審核 As at 31 March 於3月31日 2019 2019年 HK\$'000 千港元
8,809	8,809

於2019年6月30日，本集團已就本集團日常業務過程中的三份(2019年3月31日：三份)建築合約提供履約保證擔保。於2019年6月30日及2019年3月31日，概無按金與就建築合約作出的履約保證擔保有關。該等履約保證預計將根據各建築合約的條款解除。

BUSINESS REVIEW

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 labor, providing expertise such as controlling the quality aspects of the projects and carrying out 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 involve upgrading and re-planning and providing modification work to the existing interior structure of the premise; (iii) reinstatement which involve demolishing any additional moveable structure that were installed by the existing tenant; (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 service, project management services and mechanical, electrical and plumbing (“MEP”) consultancy services.

During the three months ended 30 June 2019 (the “**Current Period**”), the Group achieved an increase in revenue of approximately 81.0% to approximately HK\$179.5 million from approximately HK\$99.2 million for the three months ended 30 June 2018 (the “**Previous Period**”). The growth was mainly attributable to the increase in revenue from the business of bare shell fit-out and restacking. The Group's gross profit increased to approximately HK\$14.8 million for the Current Period from the approximately HK\$14.2 million for the Previous Period, representing an increase of approximately 4.6%.

The Group's profit attributable to owners of the Company decreased by approximately 28.5% to approximately HK\$3.5 million for the Current Period from approximately HK\$4.9 million for the Previous Period.

業務回顧

本集團為室內裝潢解決方案供應商，專注為辦公室主要位於香港及中國甲級寫字樓的客戶提供服務。我們在該等裝潢項目中的角色涉及通過聘用不同行業的分判商提供服務及勞動力對裝潢項目進行整體項目管理、協調及實施，並提供項目品質控制以及相應的項目管理等方面的專業知識。

我們的項目大致可分為以下幾類：(i) 毛坯房裝潢，該等項目在舖有地板及牆壁已批灰的空置物業室內空間進行；(ii) 重裝，涉及物業現有內部結構的升級、重新規劃及提供改裝工程；(iii) 還原，涉及拆除現有租戶安裝的任何額外可移除結構；(iv) 設計；(v) 零碎工程；及 (vi) 保養及其他，涉及提供小型維修及對租戶的辦公設施進行一般建築工人保養工作、害蟲防治及緊急呼叫服務、項目管理服務以及機械、電力及管道（「**機械、電力及管道**」）諮詢服務。

本集團的收入由截至2018年6月30日止3個月（「**去年同期**」）的約99.2百萬港元增加約81.0%至截至2019年6月30日止3個月（「**本期間**」）的約179.5百萬港元。該增加主要是由於毛坯房裝潢及重裝業務的收入增加。本集團的毛利由去年同期的約14.2百萬港元增加約4.6%至本期間的約14.8百萬港元。

本公司擁有人應佔本集團溢利由去年同期的約4.9百萬港元減少約28.5%至本期間的約3.5百萬港元。

OUTLOOK

Looking forward, the Group is positive about the prospects of the interior fit-out market and will continue to focus on our core business. In order to maximize the long term returns of shareholders of the Company (the “Shareholders”), the Group will devote more resources towards the development of our interior fit-out business for commercial premises and pursue strategic partnerships with or investment in peer interior fit-out solution providers or other industry players to enhance our market share.

FINANCIAL REVIEW

Revenue

The Group’s revenue is principally generated from (i) bare shell fit-out; (ii) restacking; (iii) reinstatement; (iv) design; (v) churn works; and (vi) maintenance and others. During the Current Period, the Group’s revenue increased by approximately 81.0% to approximately HK\$179.5 million (Previous Period: HK\$99.2 million). The increase is mainly attributable to the increase in revenue from the provisions of bare shell fit-out and restacking services.

The following table sets forth a breakdown of the Group’s revenue by project types for the three months ended 30 June 2019 and 2018:

Project type	項目類型
Bare shell fit-out	毛坯房裝潢
Restacking	重裝
Reinstatement	還原
Design	設計
Churn works	零碎工程
Maintenance and others	保養及其他
Total	總計

展望

展望未來，本集團對室內裝潢市場的前景充滿信心，並將繼續專注於發展我們的核心業務。為使本公司股東（「股東」）的長期回報最大化，本集團將投入更多資源發展商用物業的室內裝潢業務，並尋求與同行室內裝潢解決方案供應商或其他行業參與者開展戰略性合作或投資，以提高市場份額。

財務回顧

收入

本集團的收入主要來自(i)毛坯房裝潢；(ii)重裝；(iii)還原；(iv)設計；(v)零碎工程；及(vi)保養及其他。於本期間，本集團的收入增加約81.0%至約179.5百萬港元（去年同期：99.2百萬港元）。該增加主要是由於提供毛坯房裝潢及還原服務的收入增加。

下表載列本集團截至2019年及2018年6月30日止3個月按項目類型劃分的收入明細：

Unaudited 未經審核			
Three months ended 30 June 截至6月30日止3個月			
2019 2019年		2018 2018年	
HK\$'000 千港元	%	HK\$'000 千港元	%
153,565	85.5	69,633	70.2
15,559	8.7	7,357	7.4
5,114	2.8	14,567	14.7
2,374	1.4	1,987	2.0
2,165	1.2	2,750	2.8
761	0.4	2,880	2.9
179,538	100.0	99,174	100.0

As shown in above table, our bare shell fit-out contributed to approximately 85.5% and 70.2% of the Group's total revenue for the three months ended 30 June 2019 and 2018 respectively. Revenue from bare shell fit-out increased to approximately HK\$153.6 million for the Current Period from approximately HK\$69.6 million for the Previous Period, representing an increase of approximately 120.5%. The increase in revenue from bare shell fit-out was mainly driven by 6 major bare-shell fit-out, each accounted for revenue over HK\$10.0 million, for the Current Period.

From 1 April 2019 and up to the date of this quarterly report, we were newly awarded a total of 13 bare shell fit-out projects with a total project sum of approximately HK\$114.9 million.

Cost of sales and Direct margin

The Group's cost of sales mainly comprised subcontracting charges and staff costs. The increase in cost of sales from HK\$85.0 million for the Previous Period to HK\$164.7 million for the Current Period, representing an increase of approximately 93.8%.

Defined as revenue less subcontracting costs, cleaning expenses, insurance expenses and security expenses, direct margin of the Group indicates the overall project profitability before taking into account of other fixed costs. The following table sets forth the breakdown of the Group's direct margin by project types for the three months ended 30 June 2019 and 2018:

Project type	項目類型
Bare shell fit-out	毛坯房裝潢
Restacking	重裝
Reinstatement	還原
Design	設計
Churn works	零碎工程
Maintenance and others	保養及其他
Total	總計

如上表所示，截至2019年及2018年6月30日止3個月，我們的毛坯房裝潢產生的收入分別佔本集團總收入的約85.5%及70.2%。毛坯房裝潢產生的收入由去年同期的約69.6百萬港元增加約120.5%至本期間的約153.6百萬港元。於本期間，毛坯房裝潢產生的收入增加主要歸功於6個重大毛坯房裝潢，每個項目產生的收入超過10.0百萬港元。

自2019年4月1日起直至本季度報告日期，我們共獲得13個新的毛坯房裝潢項目，項目總額約為114.9百萬港元。

銷售成本及直接利潤

本集團的銷售成本主要包括分包費用及員工成本。銷售成本由去年同期的85.0百萬港元增加約93.8%至本期間的164.7百萬港元。

本集團直接利潤定義為收入減分包成本、清潔費用、保險開支及保安開支，乃未計及其他固定成本的整體項目盈利情況。下表載列本集團截至2019年及2018年6月30日止3個月按項目類型劃分的直接利潤明細：

		Unaudited 未經審核	
		Three months ended 30 June 截至6月30日止3個月	
	2019	2018	
	2019年	2018年	
	HK\$'000	HK\$'000	% of
	千港元	千港元	佔收入%
	% of		% of
	revenue		revenue
	佔收入%		佔收入%
	14,630	11,828	17.0
	1,821	1,078	14.7
	600	2,405	16.5
	2,353	1,806	90.9
	1,478	291	10.6
	528	2,363	82.1
Total	21,410	19,771	19.9

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

The Group's overall direct margin increased to approximately HK\$21.4 million for the Current Period from approximately HK\$19.8 million for the Previous Period. Such increase in the direct margin was primarily attributable to the increase of direct margin for bare shell fit-out to approximately HK\$14.6 million for the Current Period (Previous Period: HK\$11.8 million). The increase in direct margin for bare shell fit-out was mainly driven by the larger scale of projects awarded during the Current Period.

Administrative Expenses

The Group's administrative expenses amounted to approximately HK\$6.7 million for the Current Period, representing an increase of HK\$1.1 million or 19.6% as compared to that of approximately HK\$5.6 million for the Previous Period. Such increase was primarily attributable to (i) an increase of HK\$0.3 million in staff costs due to the general pay rise; and (ii) an increase of HK\$0.7 million in total for travelling, entertainment and IT expenses, etc.

Income tax expense

Income tax expense of the Group for the Current Period was approximately HK\$1.8 million, remaining stable as compared to HK\$1.8 million for the Previous Period.

Profit for the period

Profit for the Group slightly decreased to approximately HK\$6.2 million for the Current Period from approximately HK\$6.7 million for the Previous Period.

Profit attributable to owners of the Company

Profit attributable to owners of the Company amounted to approximately HK\$3.5 million for the Current Period, representing a decrease of approximately HK\$1.4 million, as compared with approximately HK\$4.9 million for the Previous Period.

LIQUIDITY, FINANCIAL RESOURCES, GEARING RATIO AND CAPITAL STRUCTURE

During the Current Period, the Group financed its operation by its internal resources and granted bank facility. As at 30 June 2019, the Group had net current assets of approximately HK\$121.1 million (31 March 2019: HK\$114.4 million), including cash and cash equivalents balances of approximately HK\$125.8 million (31 March 2019: HK\$106.0 million) mainly denominated in Hong Kong dollars. As at 30 June 2019, the Group had an unutilised bank facility of HK\$58.0 million (31 March 2019: HK\$48.4 million). The granted bank facility was secured by corporate guarantee of the Group.

本集團的整體直接利潤由去年同期的約19.8百萬港元增加至本期間的約21.4百萬港元。直接利潤之增加主要是由於毛坯房裝潢於本期間產生的直接利潤增加至約14.6百萬港元(去年同期:11.8百萬港元)。毛坯房裝潢產生的直接利潤增加主要歸功於本期間獲得的項目規模增加。

行政開支

本集團於本期間的行政開支為約6.7百萬港元，較去年同期約5.6百萬港元相比增加1.1百萬港元或19.6%。該增加主要是由於(i)工資普遍上升致使員工成本增加0.3百萬港元；及(ii)差旅、應酬及資訊科技等開支合共增加0.7百萬港元。

所得稅開支

本集團於本期間的所得稅開支約為1.8百萬港元，與去年同期的1.8百萬港元相比維持穩定。

本期間溢利

本集團的溢利由去年同期的約6.7百萬港元輕微減少至本期間的約6.2百萬港元。

本公司擁有人應佔溢利

本公司本期間擁有人應佔溢利約為3.5百萬港元，較去年同期約4.9百萬港元減少約1.4百萬港元。

流動資金、財務資源、資產負債比率及資本結構

於本期間，本集團以內部資源及所授銀行融資撥付營運所需資金。於2019年6月30日，本集團的流動資產淨值約為121.1百萬港元(2019年3月31日:114.4百萬港元)，包括現金及現金等價物結餘約125.8百萬港元(2019年3月31日:106.0百萬港元)，主要以港元計值。於2019年6月30日，本集團有未動用銀行融資58.0百萬港元(2019年3月31日:48.4百萬港元)。所授銀行融資由本集團提供公司擔保作為抵押。

The current ratio, being the ratio of current assets to current liabilities, was approximately 1.5 times as at 30 June 2019 (31 March 2019: 1.5 times). The gearing ratio of the Group as at 30 June 2019 was 2.2% (31 March 2019: 9.4%) as the Group utilised the granted bank facility to finance the cost of projects. The gearing ratio is calculated as total debt divided by total equity as at the respective period end.

There has been no change in capital structure of the Company as at 30 June 2019. The equity attributable to owners of the Company amounted to approximately HK\$135.3 million as at 30 June 2019 (31 March 2019: HK\$131.9 million).

The Group does not have any exposure to fluctuations in exchange rates and any related hedges.

PLEDGE OF ASSETS

As at 30 June 2019 and 31 March 2019, the Group had not pledged any assets to secure bank facilities or finance lease obligation.

CAPITAL COMMITMENTS

As at 30 June 2019 and 31 March 2019, the Group had no capital commitment.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the three months ended 30 June 2019, the Group did not have any significant investment, material acquisition or disposal.

CONTINGENT LIABILITIES

As at 30 June 2019, the Group provided guarantees of surety bonds of approximately HK\$8.8 million (31 March 2019: HK\$8.8 million) in respect of three construction contracts of the Group in its ordinary course of business. The surety bonds are expected to be released in accordance with the terms of the respective construction contracts.

HUMAN RESOURCES MANAGEMENT

As at 30 June 2019, the Group had a total of 80 (31 March 2019: 80) employees. To ensure that the Group is able to attract and retain staff capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis. In addition, discretionary bonus is offered to eligible employees by reference to the Group's results and individual performance.

於2019年6月30日，流動比率（即流動資產與流動負債之比）約為1.5倍（2019年3月31日：1.5倍）。本集團於2019年6月30日的資產負債比率為2.2%（2019年3月31日：9.4%），乃由於本集團動用獲授的銀行融資以應對項目成本。資產負債比率按各期末的負債總額除以權益總額計算。

本公司於2019年6月30日的資本結構並無發生變化。於2019年6月30日，本公司擁有人應佔權益約為135.3百萬港元（2019年3月31日：131.9百萬港元）。

本集團並無任何匯率波動風險及任何相關對沖。

資產抵押

於2019年6月30日及2019年3月31日，本集團並無抵押任何資產以獲取銀行融資或融資租賃承擔。

資本承擔

於2019年6月30日及2019年3月31日，本集團並無資本承擔。

重大投資、重大收購及出售附屬公司及聯屬公司

截至2019年6月30日止3個月內，本集團並無任何重大投資、重大收購或出售事項。

或有負債

於2019年6月30日，本集團就本集團日常業務過程中的三份建築合約提供約8.8百萬港元（2019年3月31日：8.8百萬港元）的履約保證擔保。該等履約保證預計將根據各建築合約的條款解除。

人力資源管理

於2019年6月30日，本集團共有80名員工（2019年3月31日：80名）。為確保本集團有能力吸引及挽留表現優秀的員工，我們定期檢討薪酬待遇。此外，我們亦參考本集團的業績及個人表現向合資格僱員發放酌情花紅。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2019, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they are taken or deemed to have under such provisions of the SFO) or which were required to be recorded in the register maintained by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.68 of the GEM Listing Rules relating to the securities transactions by the directors.

董事及最高行政人員於本公司或任何相聯法團股份、相關股份及債券的權益及淡倉

於2019年6月30日，本公司董事及最高行政人員於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例的有關條文彼等被視為或當作擁有的權益或淡倉)，或根據證券及期貨條例第352條須登記由本公司存置之登記冊內的權益及淡倉或根據有關董事進行證券交易的GEM上市規則第5.46條至第5.68條規定須另行知會本公司及聯交所的權益及淡倉。

(A) Long Position in the Company's Shares

Name of Directors/ chief executive	Capacity/ nature of interest
董事／最高行政人員姓名	身份／權益性質
Ms. Hui Man Yee, Maggie 許曼怡女士	Interest of spouse 配偶權益
Mr. Wong Kin Kei 黃健基先生	Interest in a controlled corporation 受控法團權益
Mr. Wong Sai Chuen 王世存先生	Interest in a controlled corporation 受控法團權益

Notes:

- 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 the SFO.
- Shares in which Mr. Wong Kin Kei is interested in consist of 37,500,000 Shares held by J&J Partner Investment Group Limited, a company wholly owned by him, in which Mr. Wong Kin Kei is deemed to be interested under the SFO.
- Shares in which Mr. Wong Sai Chuen is interested in consist of 112,500,000 Shares held by Madison Square International Investment Limited, a company wholly owned by him, in which Mr. Wong Sai Chuen is deemed to be interested under the SFO.

(A) 於本公司股份的好倉

Number of issued shares held/ interested in	Approximate percentage of the issued share capital
所持／擁有權益的 已發行股份數目	佔已發行股本 概約百分比

112,500,000 ^(Note 1) 112,500,000股 ^(附註1)	56.25%
37,500,000 ^(Note 2) 37,500,000股 ^(附註2)	18.75%
112,500,000 ^(Note 3) 112,500,000股 ^(附註3)	56.25%

附註：

- 根據證券及期貨條例，許曼怡女士(王世存先生的配偶)被視為於王先生透過其受控法團世曼有限公司持有的112,500,000股股份中擁有權益。
- 黃健基先生擁有權益的股份包括旭傑有限公司(一家由黃先生全資擁有的公司，根據證券及期貨條例，黃健基先生被視為於其中擁有權益)持有的37,500,000股股份。
- 王世存先生擁有權益的股份包括世曼有限公司(一家由王先生全資擁有的公司，根據證券及期貨條例，王世存先生被視為於其中擁有權益)持有的112,500,000股股份。

(B) Long Position in the Shares of associated corporations

(B) 於相聯法團股份的好倉

Name of Directors/ chief executive	Name of associated corporation	Capacity/ nature of interest	Number of issued shares held/ interested in 所持/ 擁有權益的 已發行 股份數目	Percentage of shareholding 持股百分比
董事／最高行政人員姓名	相聯法團名稱	身份／權益性質		
Ms. Hui Man Yee, Maggie ^(Note 1)	Madison Square International Investment Limited ^(Note 2)	Interest of spouse	37,500	100%
許曼怡女士 ^(附註1)	世曼有限公司 ^(附註2)	配偶權益	37,500股	100%
Mr. Wong Kin Kei	J&J Partner Investment Group Limited ^(Note 3)	Beneficial owner	12,500	100%
黃健基先生	旭傑有限公司 ^(附註3)	實益擁有人	12,500股	100%
Mr. Wong Sai Chuen ^(Note 1)	Madison Square International Investment Limited ^(Note 2)	Beneficial owner	37,500	100%
王世存先生 ^(附註1)	世曼有限公司 ^(附註2)	實益擁有人	37,500股	100%

Notes:

附註：

- Ms. Hui Man Yee, Maggie, the spouse of Mr. Wong Sai Chuen, is deemed to be interested in Mr. Wong Sai Chuen's interest in Madison Square International Investment Limited, pursuant to the SFO.
- Under the SFO, a holding company of the listed corporation is regarded as an "associated corporation." Madison Square International Investment Limited held 56.25% of our issued share capital and thus was our associated corporation.
- Under the SFO, a holding company of the listed corporation is regarded as an "associated corporation." J&J Partner Investment Group Limited held 18.75% of our issued share capital and thus was our associated corporation.

- 許曼怡女士乃王世存先生的配偶，根據證券及期貨條例，被視為於王世存先生於世曼有限公司的權益中擁有權益。
- 根據證券及期貨條例，上市法團的控股公司被視作「相聯法團」。世曼有限公司持有本公司已發行股本的56.25%，故為本公司的相聯法團。
- 根據證券及期貨條例，上市法團的控股公司被視作「相聯法團」。旭傑有限公司持有本公司已發行股本的18.75%，故為本公司的相聯法團。

Save as disclosed above, as at 30 June 2019, none of the Directors and chief executive of the Company nor their close associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations as defined in the SFO.

除上文所披露者外，於2019年6月30日，概無本公司董事及最高行政人員或彼等之緊密聯繫人於本公司或其任何相聯法團(定義見證券及期貨條例)的任何股份、相關股份及債券中擁有任何權益或淡倉。

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2019, so far as known to the Directors, the particulars of the corporate or persons (other than a Director or the chief executive of the Company) which had 5% or more interests and short positions in the shares and the underlying shares of the Company as recorded in the register kept pursuant to section 336 of the SFO were as follows:

主要股東及其他人士於本公司股份及相關股份的權益及淡倉

於2019年6月30日，據董事所知，根據證券及期貨條例第336條存置的登記冊所記錄擁有本公司股份及相關股份5%或以上權益及淡倉的法團或人士（本公司董事或最高行政人員除外）詳情如下：

Long Position in the Company's Shares

於本公司股份的好倉

Name of Shareholders	Capacity/ nature of interest	Number of issued shares held/ interested in 所持／擁有權益的 已發行股份數目	Percentage of shareholding 持股百分比
股東名稱／姓名	身份／權益性質		
Madison Square International Investment Limited ^(Note 1) 世曼有限公司 ^(附註1)	Beneficial owner 實益擁有人	112,500,000 112,500,000股	56.25%
Mr. Wong Sai Chuen ^(Note 1) 王世存先生 ^(附註1)	Interest in a controlled corporation 受控法團權益	112,500,000 112,500,000股	56.25%
Ms. Hui Man Yee, Maggie ^(Note 2) 許曼怡女士 ^(附註2)	Interest of spouse 配偶權益	112,500,000 112,500,000股	56.25%
J&J Partner Investment Group Limited ^(Note 3) 旭傑有限公司 ^(附註3)	Beneficial owner 實益擁有人	37,500,000 37,500,000股	18.75%
Mr. Wong Kin Kei ^(Note 3) 黃健基先生 ^(附註3)	Interest in a controlled corporation 受控法團權益	37,500,000 37,500,000股	18.75%
Ms. Ho Sin Ying ^(Note 4) 何倩瑩女士 ^(附註4)	Interest of spouse 配偶權益	37,500,000 37,500,000股	18.75%

Notes:

1. Shares in which Mr. Wong Sai Chuen is interested in consist of 112,500,000 Shares held by Madison Square International Investment Limited, a company wholly owned by him, in which Mr. Wong Sai Chuen is deemed to be interested under the SFO.
2. 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 the SFO.
3. Shares in which Mr. Wong Kin Kei is interested in consist of 37,500,000 Shares held by J&J Partner Investment Group Limited, a company wholly owned by him, in which Mr. Wong Kin Kei is deemed to be interested under the SFO.
4. 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 the SFO.

Save as disclosed above, as at 30 June 2019, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who has interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this quarterly report, at no time during the three months ended 30 June 2019 was the Company, its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangement that would enable the Directors or their close associates to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save for the purchase of Shares by the trustee through on-market transactions at prevailing market price as stipulated under the Share Award Scheme (as defined hereinafter), neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Current Period.

附註：

1. 王世存先生擁有權益的股份包括世曼有限公司(一家由王先生全資擁有的公司，根據證券及期貨條例，王世存先生被視為於其中擁有權益)持有的112,500,000股股份。
2. 根據證券及期貨條例，許曼怡女士(王世存先生的配偶)被視為於王先生透過其受控法團世曼有限公司持有的112,500,000股股份中擁有權益。
3. 黃健基先生擁有權益的股份包括旭傑有限公司(一家由黃先生全資擁有的公司，根據證券及期貨條例，黃健基先生被視為於其中擁有權益)持有的37,500,000股股份。
4. 根據證券及期貨條例，何倩瑩女士(黃健基先生的配偶)被視為於黃先生透過其受控法團旭傑有限公司持有的37,500,000股股份中擁有權益。

除上文所披露者外，於2019年6月30日，概無任何人士(本公司董事或最高行政人員除外)曾知會本公司，其於本公司股份或相關股份中擁有根據證券及期貨條例第336條規定須記錄在本公司存置的登記冊內的權益或淡倉。

董事購買股份或債券的權利

除本季度報告所披露者外，截至2019年6月30日止3個月內，本公司、其控股公司或其任何附屬公司或同系附屬公司概無訂立任何安排致使董事或彼等緊密聯繫人藉收購本公司或任何其他法團的股份或債券而獲益。

購買、出售或贖回本公司的上市證券

除受託人透過根據股份獎勵計劃(定義見下文)所訂明之現行市價而進行的場內交易購買股份外，於本期間內，本公司或其任何附屬公司並無購買、出售或贖回任何本公司的上市證券。

INTEREST IN COMPETING BUSINESS

None of the Directors and Controlling Shareholders or any of their respective close associates (as defined in the GEM Listing Rules) are engaged in any business that competes or may compete, directly or indirectly, with the business of the Group or have any other conflicts of interest with the Group nor are they aware of any other conflicts of interest which any such person has or may have with the Group during the Current Period.

SHARE OPTION SCHEME

On 8 December 2017, the Company adopted the share option scheme (the “**Share Option Scheme**”), which falls within the ambit of, and is subject to, the regulations under Chapter 23 of the GEM Listing Rules. The purpose of the Share Option Scheme is to attract, retain and motivate employees, Directors and other participants, and to provide a means of compensating them through the grant of options for their contribution to the growth and profits of the Group, and to allow such employees, Directors and other persons to participate in the growth and profitability of the Group.

Qualified participants of the Share Option Scheme include directors (including executive, non-executive and independent non-executive Directors) and employees (whether full-time or part-time) of the Company or any of its subsidiaries or any other person who in the absolute discretion of the Board has contributed or will contribute to the Group.

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme is 20,000,000 Shares, representing approximately 10% of the total issued share capital of the Company as at the date of this quarterly report.

The total number of Shares issued and to be issued upon the exercise of the options granted to or to be granted to each eligible person under the Share Option Scheme (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue.

The offer of a grant of share options under the Share Option Scheme may be accepted upon payment of a consideration of HK\$1 by the grantee.

The Share Option Scheme will remain in force for a period of 10 years commencing on 8 December 2017 and the options granted have a 10-year exercise period. Options may be vested over such period(s) as determined by the Board in its absolute discretion subject to compliance with the requirements under any applicable laws, regulations or rules.

於競爭業務中的權益

於本期間內，概無董事及控股股東或任何彼等各自之緊密聯繫人（定義見GEM上市規則）從事與本集團業務直接或間接構成競爭或可能構成競爭或與本集團有任何其他利益衝突的任何業務，亦不知悉任何該等人士與或可能與本集團具有任何其他利益衝突。

購股權計劃

於2017年12月8日，本公司採納的購股權計劃（「**購股權計劃**」）符合GEM上市規則第23章項下規定的範圍，並須遵守該等規定。購股權計劃旨在吸引、挽留及鼓勵僱員、董事及其他參與者，並透過授出購股權酬謝彼等對本集團增長及溢利作出貢獻，以及讓該等僱員、董事及其他人士分享本集團的增長及盈利。

購股權計劃的合資格參與者包括本公司或其任何附屬公司的董事（包括執行董事、非執行董事及獨立非執行董事）及僱員（不論全職或兼職）或董事會全權酌情考慮對本集團已作出或將作出貢獻的任何其他人士。

根據購股權計劃將予授出的所有購股權獲行使而可發行的股份總數為20,000,000股，佔於本季度報告日期本公司全部已發行股本約10%。

於任何12個月期間，根據購股權計劃行使授予或將授予各合資格人士的購股權（包括已行使、已註銷及未行使的購股權）而發行及將予發行的股份總數不得超過已發行股份的1%。

根據購股權計劃授出購股權的要約在承授人支付1港元代價後被接納。

購股權計劃將於2017年12月8日起計10年內有效且已授出之購股權行使期為十年。購股權可於董事會全權酌情釐定的期間歸屬，惟須遵守任何適用法律、規例或法規的規定。

The exercise price of share options under the Share Option Scheme is determined by the Board, but shall not be less than the higher of (i) the closing price of the Shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

A summary of the terms of the Share Option Scheme has been set out in the section headed “E. Share Option Scheme” in Appendix IV of the prospectus of the Company dated 18 December 2017.

No share options have been granted under the Share Option Scheme since its adoption and up to the date of this quarterly report.

SHARE AWARD SCHEME

On 16 October 2018, the Board approved the adoption of the share award scheme (the “**Share Award Scheme**”) with immediate effect, pursuant to which all eligible persons will be entitled to participate. The purpose of the Share Award Scheme is to recognise the contributions by certain eligible persons and provided them with incentives in order to retain them for the continuing operation and development of the Group, and to attract suitable personnel for further development of the Group.

The total number of shares which may be granted under the Share Award Scheme is 2,056,000, representing approximately 1.03% of the total issued share capital of the Company as at the date of this quarterly report.

A summary of the terms of the Share Award Scheme has been set out in the announcement of the Company dated 16 October 2018.

No shares have been granted under the Share Award Scheme since its adoption and up to the date of this quarterly report.

購股權計劃項下購股權的行使價由董事會釐定，但不得低於以下最高者(i)股份於授出日期(必須為營業日)在聯交所每日報價表所示的股份收市價；(ii)於緊接授出日期前五個營業日在聯交所每日報價表所示的股份平均收市價；及(iii)股份面值。

購股權計劃之條款概要載於本公司日期為2017年12月18日的招股章程附錄四「E. 購股權計劃」一節。

自購股權計劃被採納起至本季度報告日期，概無根據購股權計劃授出任何購股權。

股份獎勵計劃

於2018年10月16日，董事會批准採納股份獎勵計劃(「**股份獎勵計劃**」)，即時生效，據此，所有合資格人士將有權參與。股份獎勵計劃之目的乃嘉許若干合資格人士的貢獻並向彼等提供獎勵，以挽留彼等服務於本集團的持續營運及發展，並為本集團的進一步發展吸引合適人員。

根據股份獎勵計劃可能授出的股份總數為2,056,000股，佔於本季度報告日期本公司全部已發行股本約1.03%。

股份獎勵計劃之條款概要載列於本公司日期為2018年10月16日的公告內。

自股份獎勵計劃採納起至本季度報告日期，概無根據股份獎勵計劃授出任何股份。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct for securities transactions by Directors on terms equivalent to the Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Model Code**”). Having made specific enquiry, all Directors have confirmed that they have fully complied with the required standards set out in the Model Code throughout the three months ended 30 June 2019.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to adopting a high standard of corporate governance practices and procedures throughout the Group. The Directors firmly believe that sound and reasonable corporate governance practices are essential for the steady growth of the Group and for safeguarding the interests of Shareholders.

The Company has complied throughout the three months ended 30 June 2019 with all the code provisions in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 15 of the GEM Listing Rules, except the following deviation:

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Wong, holds both positions. Mr. Wong has been primarily responsible for overseeing the Group’s management and business development and formulating business strategies and policies of the Group since 2009. As the Board meets regularly to consider matters relating to business operations of the Group, the Board is of the view that the above arrangement will not impair the balance of power and authority of the Board and the executive management. The effectiveness of corporate planning and implementation of corporate strategies and decisions will generally not be undermined.

董事進行證券交易的標準守則

本公司已採納條款相等於GEM上市規則第5.48至5.67條的董事進行證券交易的行為守則(「**標準守則**」)。於作出具體查詢後，全體董事均已確認彼等於截至2019年6月30日止3個月整個期間內已遵守標準守則所載的標準規定。

遵守企業管治守則

本公司致力於在整個集團採納高水準的企業管治常規及程序。董事深信完善及合理的企業管治常規對於本集團的穩健增長及保障股東權益至關重要。

惟以下偏離除外，本公司於截至2019年6月30日止3個月整個期間內已遵守GEM上市規則附錄十五所載之企業管治守則(「**企業管治守則**」)的全部守則條文：

根據企業管治守則守則條文A.2.1，主席與最高行政人員的角色應有所區分，且不應由同一人同時兼任。王先生兼任該兩個職位。自2009年起，王先生一直主要負責監督本集團管理及業務發展，並制定本集團業務策略及政策。由於董事會定期舉行會議討論有關本集團業務營運的事項，故董事會認為上述安排將不會削弱董事會與執行管理層之間之權責平衡。公司的規劃、公司策略的執行及決策的效率大致上將不會受到影響。

DIVIDEND

The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2019 and 2018.

INTEREST OF COMPLIANCE ADVISER

With effect from 1 May 2019, the Company and TC Capital International Limited (“**TC Capital**”) have mutually agreed to terminate the compliance adviser agreement entered into between the Company and TC Capital dated 6 July 2017 (the “**TC Capital Agreement**”). The Company has appointed Messis Capital Limited (“**Messis Capital**”) as the new compliance adviser of the Company and signed a compliance adviser agreement with Messis Capital (the “**Messis Capital Agreement**”) with effect from 1 May 2019.

As notified by TC Capital and Messis Capital respectively, save for the TC Capital Agreement and Messis Capital Agreement, neither TC Capital nor Messis Capital, as the compliance adviser of the Company during the respective periods, nor any of their directors, employees or close associates (as defined under the GEM Listing Rules) had any interest in the Group or in the share capital of the Company or any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules as at 30 June 2019.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference which are no less exacting terms than those set out in the CG Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules. Currently, the Audit Committee comprises three independent non-executive Directors namely Mr. Wu Kam On, Keith, Mr. Fan Chun Wah, Andrew, *J.P.* and Mr. Pang Chung Fai, Benny, and chaired by Mr. Wu Kam On, Keith, who has appropriate professional qualifications and experience as required by the GEM Listing Rules.

The Audit Committee has reviewed the unaudited condensed consolidated financial information for the three months ended 30 June 2019, which is of the opinion that such information have been prepared in accordance with all applicable accounting standards, the Hong Kong Companies Ordinance and the GEM Listing Rules.

股息

董事不建議就截至2019年及2018年6月30日止3個月派付中期股息。

合規顧問的權益

本公司與天財資本國際有限公司(「**天財資本**」)雙方同意終止由本公司與天財資本於2017年7月6日所訂立的合規顧問協議(「**天財資本協議**」)，自2019年5月1日起生效。本公司已委任大有融資有限公司(「**大有融資**」)為本公司之新合規顧問，並與大有融資簽訂了合規顧問協議(「**大有融資協議**」)，自2019年5月1日起生效。

誠如天財資本及大有融資分別告知，除天財資本協議及大有融資協議外，於2019年6月30日，天財資本、大有融資(作為本公司於各期間之合規顧問)、其任何董事、僱員或緊密聯繫人(定義見GEM上市規則)概無於本集團或本公司或本集團任何成員公司的股本中擁有任何根據GEM上市規則第6A.32條須知會本公司之權益。

審核委員會

本公司已設立審核委員會，並已制定其書面職權範圍，職權範圍不比GEM上市規則附錄十五中之《企業管治守則》及《企業管治報告》所載者寬鬆。目前，審核委員會包括三名獨立非執行董事，即鄔錦安先生、范駿華先生、太平紳士及彭中輝先生，並由鄔錦安先生擔任主席，彼具備GEM上市規則規定的合適專業資格及經驗。

審核委員會已審閱截至2019年6月30日止3個月的未經審核簡明綜合財務資料，並認為該等資料乃根據所有適用之會計準則、香港公司條例及GEM上市規則編製。

PUBLICATION OF THE FIRST QUARTERLY REPORT

The 2019 first quarterly report of the Company containing all the information required by GEM Listing Rules will be despatched to the Shareholders and will also be published on the website of the Company at www.sanbase.com.hk and the “HKEXnews” website of the Stock Exchange at www.hkexnews.hk.

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

Hong Kong, 9 August 2019

As at the date of this quarterly report, the Board comprises Mr. Wong Sai Chuen (Chairman and Chief Executive Officer), Mr. Wong Kin Kei (Chief Operating Officer) and Ms. Hui Man Yee Maggie being the executive Directors; and Mr. Cheung Ting Pong being the non-executive Director; and Mr. Fan Chun Wah Andrew, J.P., Mr. Wu Kam On Keith and Mr. Pang Chung Fai Benny being the independent non-executive Directors.

刊發第一季度報告

本公司2019年第一季度報告載有GEM上市規則所規定的全部資料，將寄發予股東，亦將刊載於本公司網站www.sanbase.com.hk及聯交所「披露易」網站www.hkexnews.hk。

承董事會命
莊皇集團公司
王世存
主席、行政總裁兼執行董事

香港，2019年8月9日

於本季度報告日期，董事會包括執行董事王世存先生（主席兼行政總裁）、黃健基先生（營運總監）及許曼怡女士；及非執行董事張靈邦先生；及獨立非執行董事范駿華先生，太平紳士、鄔錦安先生及彭中輝先生。



**SANBASE
CORPORATION
LIMITED**

莊皇集團公司

Stock code 股份代號: 8501