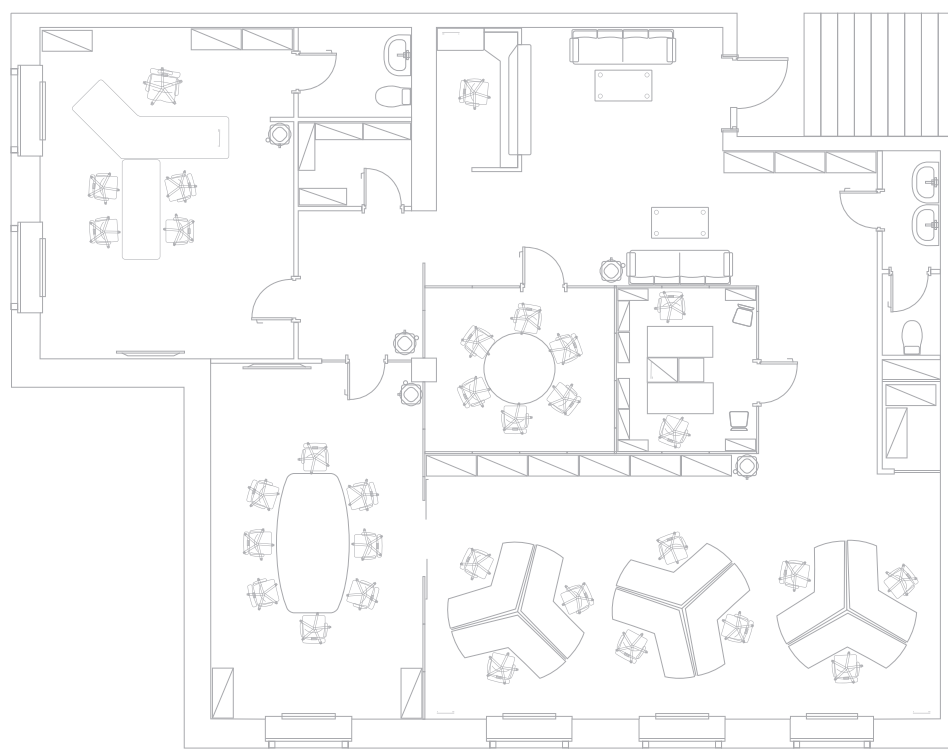


THIRD QUARTERLY REPORT 2019 2019年第三季度報告

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.

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*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。

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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 (*resigned on 22 October 2019*)

Independent Non-executive Directors

Mr. Cheung Chi Man, Dennis (*appointed on 21 January 2020*)

Mr. Chan Chi Kwong, Dickson (*appointed on 21 January 2020*)

Mr. Pang Chung Fai, Benny

Mr. Fan Chun Wah, Andrew, J.P. (*resigned on 1 January 2020*)

Mr. Wu Kam On, Keith (*resigned on 2 February 2020*)

AUDIT COMMITTEE

Mr. Cheung Chi Man, Dennis (*Chairman*)

(*appointed on 21 January 2020*)

Mr. Chan Chi Kwong, Dickson (*appointed on 21 January 2020*)

Mr. Pang Chung Fai, Benny

Mr. Fan Chun Wah, Andrew, J.P. (*resigned on 1 January 2020*)

Mr. Wu Kam On, Keith

(*re-designated as a member on 21 January 2020 and resigned on 2 February 2020*)

REMUNERATION COMMITTEE

Mr. Chan Chi Kwong, Dickson (*Chairman*)

(*appointed on 21 January 2020*)

Mr. Cheung Chi Man, Dennis (*appointed on 21 January 2020*)

Mr. Pang Chung Fai, Benny

(*re-designated as a member on 21 January 2020*)

Mr. Fan Chun Wah, Andrew, J.P. (*resigned on 1 January 2020*)

Mr. Wu Kam On, Keith (*resigned on 2 February 2020*)

NOMINATION COMMITTEE

Mr. Wong Sai Chuen (*Chairman*) (*appointed on 8 January 2020*)

Mr. Cheung Chi Man, Dennis (*appointed on 21 January 2020*)

Mr. Chan Chi Kwong, Dickson (*appointed on 21 January 2020*)

Mr. Pang Chung Fai, Benny

Mr. Fan Chun Wah, Andrew, J.P. (*resigned on 1 January 2020*)

Mr. Wu Kam On, Keith (*resigned on 2 February 2020*)

COMPLIANCE OFFICER

Mr. Wong Sai Chuen

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

張靈邦先生 (*於2019年10月22日辭任*)

獨立非執行董事

張志文先生 (*於2020年1月21日獲委任*)

陳智光先生 (*於2020年1月21日獲委任*)

彭中輝先生

范駿華先生，太平紳士 (*於2020年1月1日辭任*)

鄔錦安先生 (*於2020年2月2日辭任*)

審核委員會

張志文先生 (*主席*)

(*於2020年1月21日獲委任*)

陳智光先生 (*於2020年1月21日獲委任*)

彭中輝先生

范駿華先生，太平紳士 (*於2020年1月1日辭任*)

鄔錦安先生

(*於2020年1月21日調任為委員會之成員並
於2020年2月2日辭任*)

薪酬委員會

陳智光先生 (*主席*)

(*於2020年1月21日獲委任*)

張志文先生 (*於2020年1月21日獲委任*)

彭中輝先生

(*於2020年1月21日調任為委員會之成員*)

范駿華先生，太平紳士 (*於2020年1月1日辭任*)

鄔錦安先生 (*於2020年2月2日辭任*)

提名委員會

王世存先生 (*主席*) (*於2020年1月8日獲委任*)

張志文先生 (*於2020年1月21日獲委任*)

陳智光先生 (*於2020年1月21日獲委任*)

彭中輝先生

范駿華先生，太平紳士 (*於2020年1月1日辭任*)

鄔錦安先生 (*於2020年2月2日辭任*)

合規主任

王世存先生

COMPANY SECRETARY

Ms. Choi Yin Ying

公司秘書

蔡燕瑛女士

AUTHORISED REPRESENTATIVES

Mr. Wong Sai Chuen

Ms. Choi Yin Ying

授權代表

王世存先生

蔡燕瑛女士

AUDITOR

PricewaterhouseCoopers

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Hong Kong

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香港

夏慤道18號

海富中心2座

16樓1606室

PRINCIPAL BANKERS

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181 Queen's Road Central

Hong Kong

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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Bank of China (Hong Kong) Limited

1 Garden Road

Hong Kong

中國銀行(香港)有限公司

香港

花園道1號

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

主要股份過戶及轉讓登記處

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
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Hong Kong

香港股份過戶及轉讓登記分處

卓佳證券登記有限公司
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皇后大道東183號
合和中心54樓

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HEADQUARTER IN HONG KONG**

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267-275 Des Voeux Road Central
Hong Kong

香港主要營業地點及總部

香港
德輔道中267-275號
龍記大廈16樓

**REGISTERED OFFICE IN THE CAYMAN
ISLANDS**

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

開曼群島註冊辦事處

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 UNDER PART 16 OF THE
COMPANIES ORDINANCE (CAP. 622)**

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

**根據公司條例(第622章)第16部註冊的
香港主要營業地點**

香港
德輔道中267-275號
龍記大廈16樓

STOCK CODE

08501

股份代號

08501

WEBSITE

www.sanbase.com.hk

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 and nine months ended 31 December 2019.

The Company has been committed to strengthening its leading position in the fit-out industry in Hong Kong, ever since the successful listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in 2018. Thanks to the dedicated effort from our management team and staff, we expended the proceeds from listing and in return, securing more and larger contracts. There were 205 projects undertaken for the nine months ended 31 December 2019, representing an increase of 4.6% as compared to 196 projects of the same period in 2018 and the revenue also increased by 19.2% to HK\$481.9 million. Such achievements not only reflect that our project management capabilities are highly recognised by customers, but also illustrated our growing brand recognition and market share in the highly-competitive fit-out market.

We also strive to achieve better financial performance through continuous integration and improvement of the daily operations of acquired companies. With the completion of two acquisitions in Hong Kong and China respectively in 2018, the Group's business has expanded to China market with great potential and opportunities, and is involved in design business that can enrich our portfolio, allowing us to provide customers with one-stop fit-out solutions, yielding higher customer loyalty and enhance the Group's competitive. For the nine months ended 31 December 2019, the two acquisitions in Hong Kong and China contributed, respectively, revenues of HK\$177.4 million and HK\$37.8 million, which represent year-on-year increases of 37.0% and 126.4% and account for 36.8% and 7.8% of the Group's total revenue. Such fruitful results showcase the Group's ability to identify, execute, integrate and improve acquisition targets, and take a solid foundation for us to explore new projects in overseas. The Group also had its first ever collaboration with subcontractor in a commercial and residential building project in Cambodia last year, the quality of construction being well recognised by the market. The accomplishments both in China and Cambodia demonstrated that the Group has the ability to replicate Hong Kong's business model to new markets and further expand our business footprint.

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12月31日止3個月及9個月之未經審核簡明綜合業績。

自本公司在2018年於香港聯合交易所有限公司(「**聯交所**」)GEM成功上市以來，我們一直致力鞏固本集團在香港裝潢行業的領先地位。全賴管理團隊及員工努力拼搏，本公司透過上市所得款項，從合作伙伴及新客戶手中，取得更多、更大的項目。截至2019年12月31日止9個月，項目數量由去年同期的196個增加4.6%至期內的205個，收入亦因而增加19.2%至約481.9百萬港元。此等成績不但反映我們項目管理能力備受客戶肯定，更說明了我們在競爭激烈的裝潢市場中，品牌知名度及市場份額與日俱增。

我們亦透過持續整合及完善收購公司的日常營運，以追求更卓越的財務表現。憑藉於2018年分別在香港及中國完成的兩宗收購，本集團的業務已擴展至潛力巨大、機遇處處的中國市場，並涉足於能豐富服務組合的設計業務，讓我們可向客戶提供一站式裝潢解決方案，從而提高客戶粘性及集團競爭力。截至2019年12月31日止9個月，香港及中國的兩項收購分別貢獻177.4百萬港元及37.8百萬港元收入，同比增長37.0%及126.4%，佔本集團總收入的36.8%及7.8%。該等豐碩成果，印證本集團具備尋找、執行、整合及改善收購目標的能力，為我們在海外探索新項目踏出堅實的一步。去年，本集團亦首次聯同承判商，參與柬埔寨的商住樓宇項目，施工質量備受市場肯定。中國及柬埔寨的經驗均證明，本集團有能力把香港的業務模式複製至新市場，進一步擴大我們的業務版圖。

CHAIRMAN'S STATEMENT

主席報告

Looking forward to 2020, we remain positive in the commercial fit-out services market in both Hong Kong and China and believe the short-term uncertainties will gradually fade. Hong Kong continues to be the throne of global initial public offering fundraising in last year, with over 160 corporates elected to go listing in Hong Kong, this will stimulate demand for Grade A offices in central business districts and drive related fit-out service orders. In the longer term, favourable policies such as “Moving out of Central” and “Green Office” in Hong Kong, as well as the blueprints of developing new central business districts in the Guangdong-Hong Kong-Macau Greater Bay Area, should provide further impetus to the market. As it continues its rapid urban development in China, we see unprecedented opportunities to work hand-in-hand with quality subcontractors and real estate developers in regional markets. Such bright prospect, along with the fact that we were able to maintain a double-digit revenue growth and a strong project pipeline despite challenging circumstances, give us encouragement and comfort.

While continuing to expand our business, we will continue to strengthen cost and efficiency management. In addition to striving for better deals in contract renewal with existing subcontractors, we will also expand our subcontractor portfolio in order to enable us more flexibility in cost control. However, we believe the cost pressure will be brief, and it will become more stable as the market slowly reaches its equilibrium once our subcontractor portfolio is improved. Boosted by the strong revenue growth, we believe that the Group's financial performance is likely to improve further when the market sentiment recovers.

Difficult times call for dedication and unity. Without your unequivocal support, we will never become who we are. I wish to take this opportunity to thank my colleagues and all staff for your valuable suggestion 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, 6 February 2020

展望2020年，我們仍然對香港及中國的商業裝潢服務市場感到樂觀，並相信短期的不確定因素會逐漸減退。香港去年蟬聯全球新股上市集資額榜首，逾160間企業選擇到香港上市，這將刺激對中央商務區甲級寫字樓的需求，帶動相關的裝潢服務訂單；長遠而言，香港的「遷出中環」及「綠色辦公」，以及粵港澳大灣區發展新中央商務區的倡議，都會為市場帶來更多機遇。隨著中國城市高速發展，我們將放眼這前所未有的機會，尋求與優質次承判商及房地產發展商在區域市場攜手合作。面向這美好前景，加上公司在充滿挑戰的環境下，仍能維持收入雙位數增長及充足的手頭項目，我們均為此感到鼓舞。

持續拓展業務的同時，我們會繼續加強成本與效益管理。除了與現有次承判商在續約時爭取更有利的條件，我們亦會擴大次承判商組合，令公司在成本控制上有更大彈性。然而，我們相信成本壓力只屬短暫，隨著次承判商組合得到完善，加上市場逐漸回復平衡，成本將變得更穩定。在強勁的收入增長推動下，我們深信當市場氣氛回復時，集團的財務表現會進一步改善。

困難時期往往更能體現堅毅及團結的可貴。如今的成就，亦離不開閣下的鼎力支持。我想藉此機會感謝我的同事和全體員工的寶貴意見和奉獻，並感謝我們的業務合作夥伴，股東及持份者的信任與耐性。本集團將努力克服未來的挑戰，並致力於為行業提供高質量的裝潢服務，同時為我們的股東提供更大及可持續的回報。

董事會主席

王世存

香港，2020年2月6日

		Unaudited 未經審核		Change in percentage 百分比變動
		Nine months ended 31 December 截至12月31日止9個月		
		2019 2019年 <i>HK\$'000</i> 千港元	2018 2018年 <i>HK\$'000</i> 千港元	
Revenue	收入	481,905	404,370	+19.2%
Gross profit	毛利	45,703	41,258	+10.8%
<i>Gross profit margin</i>	<i>毛利率</i>	9.5%	10.2%	
Profit before income tax	除稅前溢利	19,599	21,914	-10.6%
Profit attributable to owners of the Company	本公司擁有人應佔溢利	10,225	15,985	-36.0%
		<i>HK cents</i> 港仙	<i>HK cents</i> 港仙	
Basic and diluted earnings per share	每股基本及攤薄盈利	5.17	7.99	

2019 THIRD QUARTERLY RESULTS

2019年第三季度業績

The Board of the Company is pleased to present the unaudited condensed consolidated results of the Group for the three months and nine months ended 31 December 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12月31日止3個月及9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 AND NINE MONTHS ENDED 31 DECEMBER 2019

截至2019年12月31日止3個月及9個月

		Unaudited 未經審核				
		Three months ended 31 December 截至12月31日止3個月		Nine months ended 31 December 截至12月31日止9個月		
		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	
		Note 附註				
Revenue	收入	4	134,511	183,649	481,905	404,370
Cost of sales	銷售成本	5	(117,853)	(167,478)	(436,202)	(363,112)
Gross Profit	毛利		16,658	16,171	45,703	41,258
Administrative expenses	行政開支	5	(9,621)	(7,416)	(24,063)	(19,334)
Impairment losses on financial assets	金融資產虧損		—	—	(1,931)	—
Operating profit	經營溢利		7,037	8,755	19,709	21,924
Finance income	財務收入		137	7	168	57
Finance costs	財務成本		(83)	(67)	(278)	(67)
Finance income/(costs) — net	財務收入／(成本) — 淨額	6	54	(60)	(110)	(10)
Profit before income tax	除稅前溢利		7,091	8,695	19,599	21,914
Income tax expense	所得稅開支	8	(1,545)	(2,081)	(4,495)	(4,831)
Profit for the period	期內溢利		5,546	6,614	15,104	17,083
Other comprehensive income/ (loss), net of income tax	其他全面收益／(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		219	65	35	(70)
Total comprehensive income for the period	期內全面收益總額		5,765	6,679	15,139	17,013

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 AND NINE MONTHS ENDED 31 DECEMBER 2019

截至2019年12月31日止3個月及9個月

		Unaudited 未經審核			
		Three months ended 31 December 截至12月31日止3個月		Nine months ended 31 December 截至12月31日止9個月	
		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
		Note 附註			
Profit/(loss) for the period attributable to:	應佔期內溢利／ (虧損)：				
Owners of the Company	本公司擁有人	5,634	8,208	10,225	15,985
Non-controlling interests	非控股權益	(88)	(1,594)	4,879	1,098
		<u>5,546</u>	<u>6,614</u>	<u>15,104</u>	<u>17,083</u>
Total comprehensive income/(loss) for the period attributable to:	應佔期內全面收益／ (虧損)總額：				
Owners of the Company	本公司擁有人	5,617	8,256	10,090	15,940
Non-controlling interests	非控股權益	148	(1,577)	5,049	1,073
		<u>5,765</u>	<u>6,679</u>	<u>15,139</u>	<u>17,013</u>
		<i>HK Cents</i> 港仙	<i>HK Cents</i> 港仙	<i>HK Cents</i> 港仙	<i>HK Cents</i> 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	2.85	4.10	5.17	7.99
			9		

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

未經審核簡明綜合權益變動表

FOR THE NINE MONTHS ENDED 31 DECEMBER 2019

截至2019年12月31日止9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 Non- controlling interests	Unaudited 未經審核 Total equity	
		Share capital	Share premium	Shares held under share award scheme 股份獎勵 計劃下 所持股份	Exchange reserve	Retained earnings	Subtotal		
		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	總權益 HK\$'000 千港元
At 1 April 2018	於2018年4月1日	1,553	68,632	—	—	41,408	111,593	—	111,593
Profit for the period	期內溢利	—	—	—	—	15,985	15,985	1,098	17,083
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	—	—	—	(45)	—	(45)	(25)	(70)
Total comprehensive (loss)/income for the period	期內全面(虧損)/ 收益總額	—	—	—	(45)	15,985	15,940	1,073	17,013
Non-controlling interests on acquisition of subsidiaries	收購附屬公司的 非控股權益	—	—	—	—	—	—	2,942	2,942
Dividends declared	已宣派股息	—	(4,800)	—	—	—	(4,800)	—	(4,800)
At 31 December 2018	於2018年12月31日	1,553	63,832	—	(45)	57,393	122,733	4,015	126,748
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	—	—	—	—	10,225	10,225	4,879	15,104
Other comprehensive (loss)/income for the period:	期內其他全面 (虧損)/收益：								
Exchange differences arising on translation of foreign operation	換算海外業務 產生的 匯兌差額	—	—	—	(135)	—	(135)	170	35
Total comprehensive (loss)/income for the period	期內全面(虧損)/ 收益總額	—	—	—	(135)	10,225	10,090	5,049	15,139
Dividends declared	已宣派股息	—	(6,200)	—	—	—	(6,200)	—	(6,200)
At 31 December 2019	於2019年12月31日	1,553	57,632	(2,998)	(188)	79,749	135,748	9,995	145,743

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 the People's Republic of China (the "PRC"). 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") have been listed on GEM of the Stock Exchange since 4 January 2018.

The unaudited condensed consolidated financial information for the three months and nine months ended 31 December 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 and nine months ended 31 December 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》(1963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華人民共和國(「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12月31日止3個月及9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12月31日止3個月及9個月之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未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 and nine months ended 31 December 2019 have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value, as appropriate.

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

The accounting policies adopted for this unaudited condensed consolidated financial information are consistent with those of the previous financial year, except for the adoption of new and amended standards as set out below.

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.

2. 編製基準(續)

截至2019年12月31日止3個月及9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。

本未經審核簡明綜合財務資料所採用之會計政策與上一財政年度所採用的會計政策一致，除採納下列新訂及經修訂準則外。

本集團採納的新訂及經修訂準則

若干新訂及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. 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.

(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”. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate at 4.3% per annum as at 1 April 2019.

The measurement principles of HKFRS 16 are only applied after that date. The lease liabilities as at 1 April 2019 reconciled to the operating lease commitments as at 31 March 2019 are as follows:

	HK\$'000 千港元
Operating lease commitments disclosed as at 31 March 2019	於2019年3月31日披露的經營租賃承擔 5,573
Discounted using the lessee’s incremental borrowing rate of at the date of initial application	於初始應用日期採用承租人之增量借款利率進行貼現 4,353
Less: short-term leases recognised on a straight-line basis as expense	減：以直線法確認為費用之短期租賃 (57)
Add: adjustments as a result of a different treatment of extension options	加：因延期選擇權而進行不同處理的調整 2,869
Lease liabilities recognised as at 1 April 2019	於2019年4月1日確認之租賃負債 7,165
of which are:	其中：
Current lease liabilities	流動租賃負債 2,295
Non-current lease liabilities	非流動租賃負債 4,870
	7,165

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。

(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，並採用承租人於2019年4月1日的增量借款年利率4.3%進行貼現。

香港財務報告準則第16號的計量原則僅在該日期之後應用。於2019年4月1日的租賃負債與於2019年3月31日的經營租賃承擔對賬如下：

3. CHANGES IN ACCOUNTING POLICIES

(Continued)

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

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.

The recognised right-of-use assets relate to the following types of assets:

Properties	物業
Equipment	設備
Total right-of-use-assets	總使用權資產

Except for the above lease liabilities and right-of-use assets recognised in the consolidated statement of financial position as at 1 April 2019, there are no impact to other items of the consolidated statement of financial position and retained earnings of the Group as at 1 April 2019.

The carrying amounts of the Group’s right-of-use assets and lease liabilities and the movements during the nine months ended 31 December 2019 are as follows:

At 1 April 2019	於2019年4月1日
Depreciation (Note 5)	折舊(附註5)
Interest expense	利息開支
Lease payments	租賃付款
Exchange difference	匯兌差額
At 31 December 2019	於2019年12月31日

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)

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。

已確認的使用權資產與以下資產類別相關：

At 1 April 2019
於2019年4月1日
HK\$'000
千港元

	6,948
	217
	<u>7,165</u>

除上述於2019年4月1日在綜合財務狀況表中確認的租賃負債及使用權資產外，概無對本集團於2019年4月1日在綜合財務狀況表中其他項目及保留盈利有影響。

本集團之使用權資產及租賃負債的賬面值與其截至2019年12月31日止9個月內之變動如下：

Right-of-use assets 使用權資產 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元
7,165	7,165
(1,929)	—
—	229
—	(2,086)
(36)	(36)
<u>5,200</u>	<u>5,272</u>

3. CHANGES IN ACCOUNTING POLICIES

(Continued)

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

The Group recognised rental expenses from short-term leases of HK\$70,000 during the nine months ended 31 December 2019.

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.

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”.

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)

截至2019年12月31日止9個月內，本集團確認短期租賃之租金開支為70,000港元。

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。

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)－詮釋第4號「釐定安排是否包括租賃」作出的評估。

3. CHANGES IN ACCOUNTING POLICIES

(Continued)

(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.

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 lease 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.

3. 會計政策變更(續)

(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。

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。

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

3. CHANGES IN ACCOUNTING POLICIES

(Continued)

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

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 options

Extension 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 options held are exercisable only by the Group and not by the respective lessor.

4. REVENUE AND SEGMENT INFORMATION

3. 會計政策變更(續)

(b) 本集團的租賃活動及其列賬方法(續)

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) 延期選擇權

本集團的若干物業租賃包含延期選擇權。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選擇權僅可由本集團行使，惟不得由有關出租人行使。

4. 收入及分部資料

Unaudited
未經審核

		Three months ended 31 December 截至12月31日止3個月		Nine months ended 31 December 截至12月31日止9個月	
		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Bare shell fit-out	毛坯房裝潢	112,143	136,479	407,099	330,764
Restacking	重裝	10,387	19,491	40,088	27,334
Reinstatement	還原	3,799	21,596	16,938	29,176
Design	設計	1,366	2,828	5,127	6,835
Churn works	零碎工程	6,566	2,334	11,387	7,744
Maintenance and others	保養及其他	250	921	1,266	2,517
		134,511	183,649	481,905	404,370

The Group's revenue mainly represents revenue from the provision of interior fit-out solutions for the three months and nine months ended 31 December 2019 and 2018.

本集團截至2019年及2018年12月31日止3個月及9個月的收入主要為提供室內裝潢解決方案所得的收入。

4. REVENUE AND SEGMENT INFORMATION (Continued)

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 PRC for the three months and nine months ended 31 December 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(續)

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12月31日止3個月及9個月，本集團專注於在香港及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。

		Unaudited 未經審核			
		Three months ended 31 December 截至12月31日止3個月		Nine months ended 31 December 截至12月31日止9個月	
		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Hong Kong	香港	125,801	178,533	444,106	387,674
The PRC	中國	8,710	5,116	37,799	16,696
		134,511	183,649	481,905	404,370

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)*

Information about major customers

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

4. 收入及分部資料(續)

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 31 December 截至12月31日止3個月		Nine months ended 31 December 截至12月31日止9個月	
		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Customer A	客戶A	N/A (Note) 不適用(附註)	N/A (Note) 不適用(附註)	57,463	N/A (Note) 不適用(附註)
Customer B	客戶B	24,700	N/A (Note) 不適用(附註)	N/A (Note) 不適用(附註)	N/A (Note) 不適用(附註)
Customer C	客戶C	19,806	N/A (Note) 不適用(附註)	N/A (Note) 不適用(附註)	N/A (Note) 不適用(附註)
Customer D	客戶D	19,723	28,512	N/A (Note) 不適用(附註)	57,523
Customer E	客戶E	18,745	N/A (Note) 不適用(附註)	N/A (Note) 不適用(附註)	N/A (Note) 不適用(附註)
Customer F	客戶F	17,431	N/A (Note) 不適用(附註)	N/A (Note) 不適用(附註)	N/A (Note) 不適用(附註)
Customer G	客戶G	14,351	N/A (Note) 不適用(附註)	N/A (Note) 不適用(附註)	N/A (Note) 不適用(附註)
Customer H	客戶H	N/A (Note) 不適用(附註)	28,770	N/A (Note) 不適用(附註)	40,119
Customer I	客戶I	N/A (Note) 不適用(附註)	18,461	N/A (Note) 不適用(附註)	40,661

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

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 profits for the three months and nine months ended 31 December 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12月31日止3個月及9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 31 December 截至12月31日止3個月		Nine months ended 31 December 截至12月31日止9個月	
		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Subcontracting charges	分包費用	107,314	156,189	406,383	335,120
Staff costs (Note 7)	員工成本(附註7)	11,977	10,171	31,298	26,910
Cleaning expenses	清潔費用	1,976	2,531	6,908	6,349
Insurance expenses	保險開支	1,282	1,566	2,863	2,497
Security expenses	保安開支	351	178	361	786
Operating lease payments	經營租賃付款	37	610	70	1,631
Auditor's remuneration	核數師薪酬	62	13	893	358
Depreciation on right-of-use assets (Note 3(a))	使用權資產之折舊(附註3(a))	646	—	1,929	—
Depreciation on property, plant and equipment	物業、廠房及設備之折舊	305	232	872	646
Amortisation of intangible assets	無形資產攤銷	48	631	169	1,856
Legal and professional fees	法律及專業費用	909	1,364	3,951	3,502
Other expenses	其他開支	2,567	1,409	4,568	2,791
Total cost of sales and administrative expenses	銷售成本及行政開支總額	127,474	174,894	460,265	382,446

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
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6. FINANCE INCOME/(COSTS) – NET

6. 財務收入／（成本）－淨額

		Unaudited 未經審核			
		Three months ended 31 December 截至12月31日止3個月		Nine months ended 31 December 截至12月31日止9個月	
		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Interest income from bank deposits	銀行存款利息收入	137	7	168	57
Bank interest expense on bank borrowings	銀行借款之銀行利息開支	(6)	(67)	(49)	(67)
Interest expense on lease liabilities	租賃負債之利息開支	(77)	—	(229)	—
		54	(60)	(110)	(10)

7. STAFF COSTS, INCLUDING DIRECTORS' EMOLUMENTS

7. 員工成本（包括董事酬金）

		Unaudited 未經審核			
		Three months ended 31 December 截至12月31日止3個月		Nine months ended 31 December 截至12月31日止9個月	
		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Salaries, bonuses and allowances	薪金、花紅及津貼	11,472	9,904	30,139	26,183
Retirement benefits contributions	退休福利供款	505	267	1,159	727
		11,977	10,171	31,298	26,910

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

未經審核簡明綜合財務資料附註

8. INCOME TAX EXPENSE

8. 所得稅開支

		Unaudited 未經審核			
		Three months ended 31 December 截至12月31日止3個月		Nine months ended 31 December 截至12月31日止9個月	
		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Current income tax	即期所得稅				
– Hong Kong profits tax	– 香港利得稅	951	2,451	3,451	5,076
– PRC enterprise income tax	– 中國企業 所得稅	516	(52)	1,429	73
Deferred tax	遞延稅項	78	(318)	(385)	(318)
		1,545	2,081	4,495	4,831

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.

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。

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

未經審核簡明綜合財務資料附註

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 and nine months ended 31 December 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)

9. 每股盈利

(a) 基本

每股基本盈利乃按截至2019年及2018年12月31日止3個月及9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 31 December 截至12月31日止3個月		Nine months ended 31 December 截至12月31日止9個月	
2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
5,634	8,208	10,225	15,985
197,944	200,000	197,944	200,000
2.85	4.10	5.17	7.99

(b) Diluted

There were no outstanding share options as at 31 December 2019 and 2018 and have no potential dilutive ordinary share in issue. Accordingly, diluted earnings per share is equal to basic earnings per share.

(b) 攤薄

於2019年及2018年12月31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. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the three months and nine months ended 31 December 2019 and 2018.

10. 股息

董事不建議就截至2019年及2018年12月31日止3個月及9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 and nine months ended 31 December 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:

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12月31日止3個月及9個月在日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 31 December 截至12月31日止3個月		Nine months ended 31 December 截至12月31日止9個月	
		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Salaries, bonuses and allowances	薪金、花紅及津貼	1,410	2,073	4,230	6,351
Retirement benefits contributions	退休福利供款	14	13	41	43
		1,424	2,086	4,271	6,394

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 labour, 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 involves 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 services, project management services and mechanical, electrical and plumbing consultancy services.

During the nine months ended 31 December 2019 (the "**Current Period**"), the Group achieved an increase in revenue of 19.2% to HK\$481.9 million from HK\$404.4 million for the nine months ended 31 December 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 HK\$45.7 million for the Current Period from HK\$41.3 million for the Previous Period, representing an increase of 10.8%.

The Group's profit attributable to owners of the Company decreased by 36.0% to HK\$10.2 million for the Current Period from HK\$16.0 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，該等項目在鋪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、電力及管道諮詢服務。

本集團的收入由截至2018年12月31日止9個月（「**去年同期**」）的約404.4百萬港元增加19.2%至截至2019年12月31日止9個月（「**本期間**」）的481.9百萬港元。該增加主要是由於毛坯房裝潢及重裝的收入增加。本集團的毛利由去年同期的41.3百萬港元增加10.8%至本期間的45.7百萬港元。

本公司擁有人應佔本集團溢利由去年同期的16.0百萬港元減少36.0%至本期間的10.2百萬港元。

OUTLOOK

In 2019, the management has made its efforts to maintain a relatively stable business performance. Looking forward to 2020, the Group will continue to encounter challenges from many external uncertainties, including China-US trade frictions, fluctuation on financial market and shrinking market demands.

Nevertheless, the Directors remain positive about the prospects of the interior fit-out market and will continue to focus on our core business. In order to maximise 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 partnership with or investment in peer interior fit-out solution providers or other industry players to enhance our market share.

FINANCE 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 19.2% to HK\$481.9 million (Previous Period: HK\$404.4 million). The increase was mainly attributable to the increase in revenue from the provisions of bare shell fit-out and restacking services.

展望

於2019年，管理層已努力維持相對穩定的業務表現。展望2020年，本集團將繼續面對外圍諸多不確定因素的挑戰，包括中美貿易摩擦，金融市場波動以及市場需求萎縮。

儘管如此，董事仍對室內裝潢市場的前景保持樂觀，並將繼續專注於我們的核心業務。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19.2%至481.9百萬港元（去年同期：404.4百萬港元）。該增加主要是由於提供毛坯房裝潢及重裝服務的收入增加。

FINANCE REVIEW (Continued)

Revenue (Continued)

The following table sets forth a breakdown of the Group's revenue by project types for the nine months ended 31 December 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

As shown in above table, our bare shell fit-out contributed to 84.5% and 81.8% of the Group's total revenue for the nine months ended 31 December 2019 and 2018 respectively. Revenue from bare shell fit-out increased to HK\$407.1 million for the Current Period from HK\$330.8 million for the Previous Period, representing an increase of 23.1%. The increase in revenue from bare shell fit-out was mainly driven by 14 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 48 bare shell fit-out projects with a total project sum of HK\$433.3 million.

財務回顧(續)

收入(續)

下表載列本集團截至2019年及2018年12月31日止9個月按項目類型劃分的收入明細：

Unaudited 未經審核			
Nine months ended 30 September 截至12月31日止9個月			
2019 2019年		2018 2018年	
HK\$'000	%	HK\$'000	%
千港元	%	千港元	%
407,099	84.5	330,764	81.8
40,088	8.3	27,334	6.8
16,938	3.5	29,176	7.2
5,127	1.1	6,835	1.7
11,387	2.4	7,744	1.9
1,266	0.2	2,517	0.6
481,905	100.0	404,370	100.0

如上表所示，截至2019年及2018年12月31日止9個月，我們的毛坯房裝潢貢獻的收入分別佔本集團總收入的84.5%及81.8%。毛坯房裝潢產生的收入由去年同期的330.8百萬港元增加23.1%至本期間的407.1百萬港元。於本期間，毛坯房裝潢產生的收入增加主要歸功於14個重大毛坯房裝潢，每個項目產生的收入皆超過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48個新的毛坯房裝潢項目，項目總額為433.3百萬港元。

FINANCE REVIEW (Continued)

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\$363.1 million for the Previous Period to HK\$436.2 million for the Current Period, representing an increase of 20.1%.

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 nine months ended 31 December 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

The Group's overall direct margin increased to HK\$65.2 million for the Current Period from HK\$59.9 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 HK\$49.4 million for the Current Period (Previous Period: HK\$40.2 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.

財務回顧(續)

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363.1百萬港元增加20.1%至本期間的436.2百萬港元。

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12月31日止9個月按項目類型劃分的直接利潤明細：

Unaudited
未經審核
Nine months ended 31 December
截至12月31日止9個月

2019		2018	
2019年		2018年	
HK\$'000	% of revenue	HK\$'000	% of revenue
千港元	佔收入%	千港元	佔收入%
49,350	12.1	40,173	12.1
5,328	13.3	6,960	25.5
981	5.8	4,110	14.1
3,480	67.9	6,122	89.6
5,125	45.0	1,319	17.0
967	76.4	1,189	47.2
65,231	13.5	59,873	14.8

本集團的整體直接利潤由去年同期的59.9百萬港元增加至本期間的65.2百萬港元。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49.4百萬港元(去年同期:40.2百萬港元)。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。

FINANCE REVIEW (Continued)

Administrative Expenses

The Group's administrative expenses amounted to HK\$24.1 million for the Current Period, representing an increase of HK\$4.8 million or 24.5% as compared to that of HK\$19.3 million for the Previous Period. Such increase was primarily attributable to (i) an increase of HK\$3.2 million in staff costs due to the general pay rise and increase of headcount; and (ii) an increase of HK\$0.9 million in total for staff welfare and travelling expenses.

Income tax expense

Income tax expense of the Group for the Current Period was HK\$4.5 million, representing a decrease of HK\$0.3 million, as compared to HK\$4.8 million for the Previous Period.

Profit for the period

Profit for the Group decreased to HK\$15.1 million for the Current Period from HK\$17.1 million for the Previous Period.

Profit attributable to owners of the Company

Profit attributable to owners of the Company amounted to HK\$10.2 million for the Current Period, representing a decrease of HK\$5.8 million, as compared with HK\$16.0 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 31 December 2019, the Group had net current assets of HK\$123.7 million (31 March 2019: HK\$114.4 million), including cash and cash equivalents balances of HK\$134.8 million (31 March 2019: HK\$106.0 million) mainly denominated in Hong Kong dollars. As at 31 December 2019, the Group had an unutilised bank facility of HK\$64.8 million (31 March 2019: HK\$48.4 million). The granted bank facility was secured by corporate guarantee of the Group.

The current ratio, being the ratio of current assets to current liabilities, was 1.6 times as at 31 December 2019 (31 March 2019: 1.5 times). The gearing ratio of the Group as at 31 December 2019 was nil (31 March 2019: 9.4%). The gearing ratio is calculated as total debt divided by total equity as at the respective period end.

財務回顧(續)

行政開支

本集團於本期間的行政開支為24.1百萬港元，較去年同期19.3百萬港元相比增加4.8百萬港元或24.5%。該增加主要由於(i)工資普遍上升及人數增加致使員工成本增加3.2百萬港元；及(ii)員工福利和交通費用合共增加0.9百萬港元。

所得稅開支

本集團於本期間的所得稅開支為4.5百萬港元，較去年同期的4.8百萬港元減少了0.3百萬港元。

本期間溢利

本集團的溢利由去年同期的17.1百萬港元減少至本期間的15.1百萬港元。

本公司擁有人應佔溢利

本公司本期間擁有人應佔溢利為10.2百萬港元，較去年同期的16.0百萬港元減少了5.8百萬港元。

流動資金、財務資源、資產負債比率及資本結構

於本期間內，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12月31日，本集團的流動資產淨值為123.7百萬港元(2019年3月31日：114.4百萬港元)，包括現金及現金等價物結餘134.8百萬港元(2019年3月31日：106.0百萬港元)，主要以港元計值。於2019年12月31日，本集團有未動用銀行融資64.8百萬港元(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。

於2019年12月31日，流動比率(即流動資產與流動負債之比)為1.6倍(2019年3月31日：1.5倍)。本集團於2019年12月31日的資產負債比率為零(2019年3月31日：9.4%)。資產負債比率按各期末的負債總額除以權益總額計算。

LIQUIDITY, FINANCIAL RESOURCES, GEARING RATIO AND CAPITAL STRUCTURE *(Continued)*

There has been no change in capital structure of the Company as at 31 December 2019. The equity attributable to owners of the Company amounted to HK\$135.7 million as at 31 December 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 31 December 2019 and 31 March 2019, the Group had not pledged any assets to secure bank facilities or finance lease obligation.

CAPITAL COMMITMENTS

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

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

During the nine months ended 31 December 2019, the Group did not have any significant investment, material acquisition or disposal.

CONTINGENT LIABILITIES

As at 31 December 2019, the Group provided guarantees of surety bonds of HK\$5.2 million (31 March 2019: HK\$8.8 million) in respect of 3 (31 March 2019: 3) 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 31 December 2019, the Group had a total of 94 (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.

流動資金、財務資源、資產負債比率及資本結構 *(續)*

本公司於2019年12月31日的資本結構並無發生變化。於2019年12月31日，本公司擁有人應佔權益為135.7百萬港元(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12月31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12月31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12月31日止9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12月31日，本集團就本集團日常業務過程中的三(2019年3月31日：三)份建築合約提供5.2百萬港元(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12月31日，本集團共有94(2019年3月31日：80)名員工。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 31 December 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.

(A) Long Position in the Company's Shares

Name of Directors/ chief executive	Capacity/ nature of interest	Number of issued shares held/ interested in	Percentage of the issued share capital
董事／最高行政人員姓名	身份／權益性質	所持／擁有權益的 已發行股份數目	佔已發行 股本百分比
Ms. Hui Man Yee, Maggie 許曼怡女士	Interest of spouse 配偶權益	112,500,000 (Note 1) 112,500,000 (附註1)	56.25%
Mr. Wong Kin Kei 黃健基先生	Interest in a controlled corporation 受控法團權益	37,500,000 (Note 2) 37,500,000 (附註2)	18.75%
Mr. Wong Sai Chuen 王世存先生	Interest in a controlled corporation 受控法團權益	112,500,000 (Note 3) 112,500,000 (附註3)	56.25%

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 incorporation, 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.

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12月31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及淡倉)，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至5.68條規定須另行知會本公司及聯交所的權益及淡倉。

(A) 於本公司股份的好倉

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(一家由黃健基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
董事／最高行政人員姓名	相聯法團名稱	身份／權益性質		持股百分比
Ms. Hui Man Yee, Maggie ^(Note 1) 許曼怡女士 ^(附註1)	Madison Square International Investment Limited ^(Note 2) 世曼有限公司 ^(附註2)	Interest of spouse 配偶權益	37,500	100%
Mr. Wong Kin Kei 黃健基先生	J&J Partner Investment Group Limited ^(Note 3) 旭傑有限公司 ^(附註3)	Beneficial owner 實益擁有人	12,500	100%
Mr. Wong Sai Chuen ^(Note 1) 王世存先生 ^(附註1)	Madison Square International Investment Limited ^(Note 2) 世曼有限公司 ^(附註2)	Beneficial owner 實益擁有人	37,500	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 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 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 31 December 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12月31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 SHAREHOLDINGS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 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:

Long Position in the Company's Shares

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12月31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：

於本公司股份的好倉

Name of Shareholders	Capacity/ nature of interest	Number of issued shares held/ interested in	Percentage of shareholding
股東姓名	身份／權益性質	所持／擁有權益的 已發行股份數目	持股百分比
Madison Square International Investment Limited <i>(Note 1)</i> 世曼有限公司 <i>(附註1)</i>	Beneficial owner 實益擁有人	112,500,000	56.25%
Mr. Wong Sai Chuen <i>(Note 1)</i> 王世存先生 <i>(附註1)</i>	Interest in a controlled corporation 受控法團權益	112,500,000	56.25%
Ms. Hui Man Yee, Maggie <i>(Note 2)</i> 許曼怡女士 <i>(附註2)</i>	Interest of spouse 配偶權益	112,500,000	56.25%
J&J Partner Investment Group Limited <i>(Note 3)</i> 旭傑有限公司 <i>(附註3)</i>	Beneficial owner 實益擁有人	37,500,000	18.75%
Mr. Wong Kin Kei <i>(Note 3)</i> 黃健基先生 <i>(附註3)</i>	Interest in a controlled corporation 受控法團權益	37,500,000	18.75%
Ms. Ho Sin Ying <i>(Note 4)</i> 何倩瑩女士 <i>(附註4)</i>	Interest of spouse 配偶權益	37,500,000	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 31 December 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 nine months ended 31 December 2019 was the Company, its holding company or any of its subsidiaries or fellow subsidiaries a party to an arrangement that would enable the Directors or their close associates to acquire benefits by means of the acquisition of shares 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(一家由黃健基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)被視為於黃健基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12月31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12月31日止9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 with the Group 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.

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可能或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。

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.

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.

購股權計劃將於2017年12月8日起計十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。

購股權計劃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日的招股書附錄四「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日之公告內。

自股份獎勵計劃被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 TRANSACTION 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 nine months ended 31 December 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 nine months ended 31 December 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.

DIVIDEND

The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2019 and 2018.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any events after the reporting period that requires disclosure.

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12月31日止9個月整個期間內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12月31日止9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，主席及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。

股息

董事不建議就截至2019年及2018年12月31日止9個月派付中期股息。

報告期後事項

董事會不知悉於報告期後任何需要披露的事項。

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 31 December 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. Cheung Chi Man, Dennis, Mr. Chan Chi Kwong, Dickson and Mr. Pang Chun Fai, Benny, and chaired by Mr. Cheung Chi Man, Dennis, 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 nine months ended 31 December 2019, which is of the opinion that such information have been prepared in accordance with all applicable accounting standards, the requirements under the Hong Kong Companies Ordinance and the GEM Listing Rules.

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12月31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，即張志文先生、陳智光先生及彭中輝先生，並由張志文先生擔任主席，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12月31日止9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上市規則規定編製。

PUBLICATION OF 2019 THIRD QUARTERLY REPORT

The 2019 third quarterly report of the Company containing all the information required by GEM Listing Rules will be dispatched to Shareholders and will also be published on the websites of HKEXnews (www.hkexnews.hk) as well as the website of the Company (www.sanbase.com.hk).

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

Hong Kong, 6 February 2020

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 Chi Man Dennis, Mr. Chan Chi Kwong Dickson and Mr. Pang Chung Fai Benny being the independent non-executive Directors.

刊發2019年第三季度報告

本公司2019年第三季度報告載有GEM上市規則所規定的全部資料，將寄發予股東，亦將刊載於披露易網站(www.hkexnews.hk)及本公司網站(www.sanbase.com.hk)。

承董事會命
莊皇集團公司
王世存先生
主席、行政總裁兼執行董事

香港，2020年2月6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；及獨立非執行董事張志文先生、陳智光先生及彭中輝先生。



**SANBASE
CORPORATION
LIMITED**
莊皇集團公司

Stock code 股份代號: 8501