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SANBASE CORPORATION LIMITED

莊皇集團公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8501)

GRANT OF AWARDS PURSUANT TO THE SHARE AWARD SCHEME

Reference is made to the announcement of Sanbase Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) dated 16 October 2018 (the “**Announcement**”) in relation to the share award scheme adopted by the Company (the “**Share Award Scheme**”). Unless otherwise defined, capitalised terms used in this announcement have the same meanings of those as defined in the Announcement.

GRANT OF AWARD SHARES PURSUANT TO THE SHARE AWARD SCHEME

On 22 September 2023, the Board resolved to grant a total of 2,056,000 Award Shares, which are existing Shares held by the Trustee through acquisition from the open market by utilising the Company’s internal resources provided to the Trustee, to 38 share award grantees (the “**Grantee(s)**”) who are not Directors, chief executives or substantial shareholders of the Company or an associate of any of them (as defined under the GEM Listing Rules) pursuant to the Share Award Scheme, subject to the acceptances by the Grantees (the “**Grant**”).

Details of the Grant are as follows:

Date of Grant:	22 September 2023
Number of Award Shares granted:	2,056,000 Award Shares
Number of Grantees:	38
Consideration for the Award Shares:	Nil

Market price of the Shares on the date of the grant: HK\$0.43 per Share

Vesting of the Award Shares: All of the Award Shares shall vest in the Grantees on the date of Grant, subject to the acceptances by the Grantees.

Under the Share Award Scheme, which was adopted before the effective date of the new Chapter 23 of the GEM Listing Rules (being 1 January 2023), there are no restrictions prohibiting a vesting period of less than 12 months. The Board is of the view that a vesting period of less than 12 months is appropriate considering that the grants of Award Shares serve as a recognition of the Grantees' past contribution to the Group, in particular the Grantees' outstanding performance since the first quarter in the preceding financial year which contributed to a significant improvement in the Group's financial performance despite the lingering adverse impact of COVID-19 in the previous years, and can motivate and incentivise the Grantees to continuously contribute to the operation, development and long-term growth of the Group.

The Board is of the view that the grants of Award Shares to the Grantees with no vesting period aligns with the purpose of the Share Award Scheme.

Financial assistance: The Group has not provided any financial assistance to the Grantees to facilitate the purchase of Award Shares under the Share Award Scheme.

Performance target: There is no performance target attached to the Award Shares.

Clawback mechanism The rules of the Share Award Scheme provide that any outstanding Award Shares not yet vested shall be immediately forfeited (i) in the event of any failure of the Grantees

to remain as eligible persons under the Share Award Scheme prior to the vesting date of the Award Shares, or (ii) in the event of the death of a Grantee, unless the Board or its delegate(s) determines otherwise at their absolute discretion.

The 2,056,000 Award Shares granted to the Grantees represent approximately 1.03% of the issued share capital of the Company as at the date of this announcement. The 2,056,000 Award Shares represent the value of approximately HK\$884,000, taking into account the closing price of HK\$0.43 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the date of Grant.

The Grant would not result in the options and awards granted and to be granted to each individual Grantee in the 12-month period up to and including the date of such grant in aggregate to exceed 1% of the Shares in issue.

Save for one Grantee who is a director and substantial shareholder (as defined under the GEM Listing Rules) of a subsidiary of the Company and is therefore a connected person (as defined under the GEM Listing Rules) of the Company at the subsidiary level, all Grantees are employees of the Group (not including directors and senior management of the Group). The grant of Award Shares to the said director and substantial shareholder of a subsidiary of the Company is a de minimis transaction and is fully exempt from shareholders' approval, annual review and all disclosure requirements under Chapter 20 of the GEM Listing Rules.

REASONS FOR AND BENEFIT OF THE GRANT OF AWARD SHARES

The objectives of the Share Award Scheme are to recognise the contributions by certain Eligible Persons and to give incentives thereto to them in order to encourage and retain them for the continual operation and development of the Group, aligning the interest of the Grantees with those of the Group through ownership of the Shares, dividends and other distributions paid on the Shares and/or the increase in the value of the Shares.

The purpose of the grant of the Award Shares to the Grantees, comprising the employees of the Group (including the one director and substantial shareholder of a subsidiary of the Company), is to (i) recognise the Grantees' contribution to the business performance and development of the Group; and (ii) encourage and retain the Grantees to make continual contributions to the long-term growth and profits of the Group.

The Directors are of the view that the grant of the Award Shares to the Grantees, the respective terms and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

NUMBER OF SHARES AVAILABLE FOR FUTURE GRANT

After the grant of the 2,056,000 Award Shares, a total of 13,944,000 Shares will be available

for future grant pursuant to the Share Award Scheme. Except for the 2,056,000 Award Shares, the Trustee does not hold any more Shares on trust for the Share Award Scheme as at the date of this announcement which will be available for future grant pursuant to the Share Award Scheme.

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

Hong Kong, 22 September 2023

As at the date of this announcement, the Board comprises Mr. Wong Sai Chuen (Chairman and Chief Executive Officer) and Ms. Hui Man Yee, Maggie being the executive Directors; and Mr. Cheung Chi Man, Dennis and Mr. Law Chun Yat being the independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the date of its publication. This announcement will also be published on the Company’s website at www.sclhk.com.