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BASETROPHY GROUP HOLDINGS LIMITED

基地錦標集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8460)

**(1) PROPOSED SHARE CONSOLIDATION;
AND
(2) SUBSCRIPTION OF NEW CONSOLIDATED SHARES
UNDER GENERAL MANDATE**

Financial adviser to the Company



**瓏盛資本有限公司
Draco Capital Limited**

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of par value HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of par value HK\$0.10 each in the share capital of the Company.

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 31 May 2022 (after trading hours), the Company and the Subscribers entered into the Subscription Agreements pursuant to which the Company has conditionally agreed to issue and allot, and Subscriber 1 and Subscriber 2 have agreed to subscribe for 5,000,000 and 5,000,000 Subscription Shares, respectively, at the Subscription Price of HK\$0.40 per Subscription Share.

Taking account into the effect of the Share Consolidation, the Subscription Price of HK\$0.40 per Subscription Share represents: (i) a premium of approximately 8.11% to the theoretical closing price of HK\$0.37 per Share as quoted on the Stock Exchange on 31 May 2022, being the date of the Subscription Agreement; and (ii) a premium of approximately 3.09% to the theoretical average closing price of approximately HK\$0.388 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately prior to the date of the Subscription Agreement.

Upon the Share Consolidation becoming effective and assuming that no Existing Shares are issued or bought back from the date of this announcement until the effective date of the Share Consolidation, not more than 110,000,000 Consolidated Shares will be in issue. Assuming that the Company has a total of 110,000,000 issued Consolidated Shares upon the Share Consolidation becoming effective, the 10,000,000 Subscription Shares represent approximately 9.09% of the issued Consolidated Shares upon the Share Consolidation becoming effective, and approximately 8.33% of the issued Consolidated Shares upon the Share Consolidation becoming effective and as enlarged by the issue of the Subscription Shares immediately upon Completion (assuming no other changes to the issued share capital of the Company between the date of this announcement and completion of the Subscription, save for the Share Consolidation and the issue and allotment of the Subscription Shares).

The gross and net proceeds from the Subscription are expected to be approximately HK\$4,000,000 and HK\$3,600,000, respectively. It is intended that the net proceeds from the Subscription will be used for general working capital of the Group.

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the necessary resolution(s) in respect of the Share Consolidation. The Circular containing, among other matters, further information regarding the Share Consolidation, together with a notice of the EGM will be despatched to the Shareholders on or before Tuesday, 14 June 2022.

Shareholders and potential investors should note that the Share Consolidation and the Completion are conditional upon satisfaction of the conditions as set out in the paragraphs headed “Conditions of the Share Consolidation” and “Conditions Precedent for the Subscriptions” respectively above in the announcement. Accordingly, the Share Consolidation and the Subscription may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board proposes that every ten (10) Existing Shares of par value of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of par value of HK\$0.10 each in the share capital of the Company.

Effect of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$30,000,000 divided into 3,000,000,000 Existing Shares of par value of HK\$0.01 each, of which 1,100,000,000 Existing Shares have been issued and are fully paid or credited as fully paid.

Immediately upon the Share Consolidation becoming effective and assuming no further Existing Shares will be issued or repurchased from the date of this announcement up to and including the effective date of the Share Consolidation, the authorised share capital of the Company shall be HK\$30,000,000 divided into 300,000,000 Consolidated Shares of par value of HK\$0.10 each, of which 110,000,000 Consolidated Shares have been issued and are fully paid or credited as fully paid without taking into account of the Subscription.

Upon the Share Consolidation becoming effective, all the Consolidated Shares will rank pari passu in all respects with each other.

The implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Company and the interests and rights of the Shareholders, save for any fractional Consolidated Shares which may arise.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

1. the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM;
2. the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
3. the compliance with the relevant procedures and requirements under the Cayman Islands laws (if applicable) and the GEM Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Monday, 4 July 2022, being the second Business Day immediately after the date of the EGM.

As at the date of this announcement, none of the above conditions have been fulfilled.

Application for listing

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealing in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares or debt securities of the Company are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, which is currently expected to be on Monday, 4 July 2022, being the second Business Day immediately after the date of the EGM, Shareholders may between 9:00 a.m. and 4:30 p.m. on any Business Day during the period from Monday, 4 July 2022 to Tuesday, 9 August 2022 (both days inclusive), submit share certificates for the Existing Shares (in yellow colour) to the Registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong to exchange for new share certificates for the Consolidated Shares (in blue colour) at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 each (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Registrar for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates involved is higher.

After 4:10 p.m. on Friday, 5 August 2022, trading will only be in Consolidated Shares which share certificates will be issued in blue colour. Existing share certificates in yellow colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

Fractional entitlement to Consolidated Shares

No fractional Consolidated Shares will be issued by the Company. Any fractional entitlements of Consolidated Shares will be aggregated and sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

Arrangement on odd lot trading

In order to alleviate the difficulties arising from the existence of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company will appoint an agent to provide matching services, on a best efforts basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers. Further details of the odd lot arrangement will be set out in the Circular to be despatched to the Shareholders.

No change in board lot size

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in the board lot size of 10,000 Existing Shares. Upon the Share Consolidation becoming effective, the Consolidated Shares will continue to be traded in board lot size of 10,000 Consolidated Shares.

OPTIONS, WARRANTS AND CONVERSION RIGHTS

As at the date of this announcement, the Company does not have any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares.

REASONS FOR THE SHARE CONSOLIDATION

Pursuant to Rule 17.76 of GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities.

The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 has stated that market price of the Shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules.

The Share Consolidation will increase the nominal value of the Shares and will reduce the total number of Shares currently in issue. As such, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares per board lot of the Consolidated Shares on the Stock Exchange, which will reduce the overall transaction and handling costs of dealings in the Shares. The Board believes that the Share Consolidation may attract more investors and extend the shareholders’ base of the Company. Taking into account (i) the closing price of HK\$0.037 per Existing Share and the theoretical closing price of HK\$0.37 per Consolidated Share on 31 May 2022 (being the date of the announcement), the Share Consolidation would enable the Company to comply with the trading requirements under the Listing Rules. In addition, the Board also believes that with a higher trading price of the Consolidation Shares with theoretical trading price at a level over HK\$0.1 will show a more positive image of the Group and thus facilitate any proposed fund raising activities in the future.

By considering the closing price per share being under HK\$0.1 since 22 April 2020 and the board lot size of 10,000, the value per board lot were lower than HK\$1,000. Taking into account the basic transaction costs for a securities trade, the expected value per board lot should be greater than HK\$1,000.

As at the date of this announcement, the Company has no intention to carry out other corporate action or arrangement in the next 12 months which would have a contradictory effect to the Share Consolidation, and, except for the Subscription, had no concrete plan to conduct any other potential fund raising activity in the next 12 months. However, the Board does not rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the GEM Listing Rules as and when appropriate.

Given the above reasons, the Board considers that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation, is set out below. The expected timetable is subject to the results of the EGM and satisfaction of the conditions to the Share Consolidation, and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Despatch date of Circular with notice of the EGM in
relation to the Share Consolidation..... Tuesday, 14 June 2022

Latest date and time for lodging transfer documents in order
to qualify for attending and voting at the EGM 4:30 pm on Thursday,
23 June 2022

Closure of register of members for determining the
entitlement to attend and vote at the EGM
(both dates inclusive) Friday, 24 June 2022 to
Wednesday, 29 June 2022
(both days inclusive)

Latest date and time for lodging the proxy form for the EGM. 11:00 a.m. on Monday,
27 June 2022

Date and time of the EGM..... 11:00 a.m. on Wednesday,
29 June 2022

Announcement of results of the EGM Wednesday, 29 June 2022

The following events are conditional upon the results of the EGM and therefore the dates are tentative only.

Effective date of the Share Consolidation..... Monday, 4 July 2022

First day of free exchange of existing share certificates into
new share certificates for Consolidated Shares..... Monday, 4 July 2022

Dealing in Consolidated Shares..... 9:00 a.m. on Monday,
4 July 2022

Original counter for trading in Shares in board lots of
10,000 Existing Shares (in the form of existing share
certificates) temporarily closes 9:00 a.m. on Monday,
4 July 2022

Temporary counter for trading in Consolidated Shares in temporary board lot of 1,000 Consolidated Shares (in the form of existing share certificates) opens.....9:00 a.m. on Monday, 4 July 2022

Original counter for trading in Consolidated Shares in board lot of 10,000 Consolidated Shares (in the form of new share certificates for Consolidated Shares) re-opens9:00 a.m. on Monday, 18 July 2022

Parallel trading in Consolidated Shares (in the form of existing share certificates and new share certificates) commences9:00 a.m. on Monday, 18 July 2022

Designated broker starts to stand in the market to provide matching services for sale and purchase of odd lots of Consolidated Shares.....9:00 a.m. on Monday, 18 July 2022

Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of Consolidated Shares..... 4:00 p.m. on Friday, 5 August 2022

Temporary counter for trading in Consolidated Shares in temporary board lot of 1,000 Consolidated Shares (in the form of existing share certificates) closes..... 4:10 p.m. on Friday, 5 August 2022

Parallel trading in Consolidated Shares (in the form of new share certificates for Consolidated Shares and existing share certificates) ends..... 4:10 p.m. on Friday, 5 August 2022

Last day and time for free exchange of existing share certificates into new share certificates for Consolidated Shares..... Tuesday, 9 August 2022

All the above times and dates refer to Hong Kong local times and dates. The expected timetable set out above is indicative only and may be subject to amendment. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

SUBSCRIPTION AGREEMENTS

On 31 May 2022 (after trading hours), the Company entered into the Subscription Agreements with the Subscribers pursuant to which the Subscriber 1 and Subscriber 2 agreed to subscribe for, and the Company agreed to issue and allot 5,000,000 Consolidated Shares and 5,000,000 Consolidated Shares, respectively, at the Subscription Price. The principal terms of the Subscription Agreements are set out below.

Subscription Agreement 1

Date : 31 May 2022
Parties : (i) the Company
(ii) the Subscriber 1

Subscription Agreement 2

Date : 31 May 2022
Parties : (i) the Company
(ii) the Subscriber 2

Both Subscribers are merchants. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Subscribers are third parties independent of and not connected with the Company and its connected persons. Neither the Subscribers nor their associates will become a substantial shareholder of the Company as a result of the Completion.

Subscriptions

The Company has conditionally agreed to issue and allot, and the Subscriber 1 and Subscriber 2 have agreed to subscribe for 5,000,000 and 5,000,000 Subscription Shares, respectively, at the Subscription Price of HK\$0.4 per Subscription Share.

Number of Subscription Shares

Upon the Share Consolidation becoming effective and assuming that no Existing Shares are issued or bought back from the date of this announcement until the effective date of the Share Consolidation, not more than 110,000,000 Consolidated Shares will be in issue. Assuming that the Company has a total of 110,000,000 issued Consolidated Shares upon the Share Consolidation becoming effective, the 10,000,000 Subscription Shares represent approximately 9.09% of the issued Consolidated Shares upon the Share Consolidation becoming effective, and approximately 8.33% of the issued Consolidated Shares upon the Share Consolidation becoming effective and as enlarged by the issue of the Subscription Shares immediately upon Completion (assuming no other changes to the issued share

capital of the Company between the date of this announcement and completion of the Subscription, save for the Share Consolidation and the issue and allotment of the Subscription Shares).

Subscription Price

The Subscription Price of HK\$0.4 per Subscription Share represents:

- i. a premium of approximately 8.11% to the theoretical closing price of HK\$0.37 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK0.037 per Existing Share as quoted on the Stock Exchange on 31 May 2022, being the date of the Subscription Agreements; and
- ii. a premium of approximately 3.09% to the theoretical average closing price of approximately HK\$0.388 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing price of HK0.0388 per Existing Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements.

The Subscription Price was agreed after arm's length negotiations between the Company and the Subscriber, with reference to, among other things, the liquidity, recent trading prices of the Shares on the Stock Exchange, and future development prospect of the Company. The Board considers that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

Conditions Precedent for the Subscriptions

Completion of the Subscriptions is conditional upon (a) the Stock Exchange having granted listing of and permission to deal in the Subscription Shares; and (b) the obtaining of requisite approvals from governmental, monetary or other regulatory body in the Cayman Islands and Hong Kong on (i) the Company and (ii) the Subscribers for the issue and the allotment of the Subscription Shares; and (c) the Share Consolidation having become effective and the dealing in the Consolidated Shares having commenced.

If the Conditions Precedents are not fulfilled on or before 15 July 2022, or such other time and date as may be agreed by the Subscriber and the Company, the Subscription Agreements will terminate and the parties to the Subscription Agreements will be released from all of their respective obligations and liabilities hereunder, save and except for any liabilities of any party hereto in respect of any antecedent breaches hereof and such termination shall not affect or otherwise prejudice any party's rights or remedies in respect of such antecedent breaches.

Completion of the Subscriptions

Completion shall take place at 5:00 p.m. on the Completion Date.

Ranking of Subscription Shares

The Subscription Shares, when issued and fully paid, will rank pari passu among themselves and with Shares in issue at the time of issue and allotment of the Subscription Shares.

Application for listing

Application will be made to the Stock Exchange for the approval for the listing of, and permission to deal in, the Subscription Shares.

General Mandate

The Subscription is not subject to the Shareholders' approval as the Subscription Shares will be issued and allotted pursuant to the general mandate granted to the Directors at the Company's annual general meeting on 7 May 2021. The maximum number of Shares that can be issued and allotted by the Directors under the general mandate are 200,000,000 Shares (which are equal to 20,000,000 Consolidated Shares after taking account into the effect of the Share Consolidation). As at the date of this announcement, 100,000,000 Shares (which are equal to 10,000,000 Consolidated Shares after taking account into the effect of the Share Consolidation) have been utilised for placing of new shares on 4 November 2021 pursuant to the said general mandate, and therefore the Subscription Shares represent approximately 50% of the said general mandate.

INFORMATION OF THE GROUP AND THE SUBSCRIBERS

The Group is (i) a contractor of foundation works in Hong Kong capable of foundation jobs which mainly include excavation and lateral support works, sheet piling, pipe piling, pre-boring, pre-bored H-piling, mini-piling, and bored piling; and (ii) a subcontractor for site formation works and other geotechnical engineering works such as slope works and other minor geotechnical works such as shotcreting.

According to the information provided by the Subscribers, the Subscriber 1 currently holds a senior position at a financial advisory firm in Hong Kong with years of experience in investing in securities, funds and other investments and the Subscriber 2 currently holds a senior position at a CPA firm with years of experience in investing in securities and other investments.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Subscribers are third parties independent of and not connected with the Company and its connected persons. Neither the Subscribers nor their associates will become a substantial shareholder of the Company as a result of the completion of the Subscription.

REASONS FOR ENTERING INTO THE SUBSCRIPTION AGREEMENTS

The gross and net proceeds from the Subscription will be approximately HK\$4,000,000 and HK\$3,600,000, respectively. It is intended that the net proceeds from the Subscription will be used for general working capital purpose.

The Board considers that the Subscription will offer an opportunity for the Company to raise funds to facilitate its business operations, strengthen the capital base and the financial position of the Company and provide working capital for development of the Group.

The terms of the Subscription Agreement (including the Subscription Price) were determined after arm's length negotiations between the Company and the Subscribers. The Directors (including the independent non-executive Directors) consider that the Subscription is on normal commercial terms, and the terms of the Subscription are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE

Assuming there will be no other changes to the issued Shares between the date of this announcement and the completion of the Subscription, the shareholding structures of the Company (i) as at the date of this announcement; (ii) immediately after the Share Consolidation becoming effective and (iii) immediately after the Share Consolidation becoming effective and the allotment and issue of the Subscription Shares, are as follow:

| Shareholders | As at the date of this announcement | | Immediately after the Share Consolidation becoming effective | | Immediately after the Share Consolidation becoming effective and the allotment and issue of the Subscription Shares | |
|------------------------------|-------------------------------------|------------|--|------------|---|------------|
| | Number of Shares | % | Number of Shares | % | Number of Shares | % |
| Brightly Head Limited (Note) | 510,000,000 | 46.36 | 51,000,000 | 46.36 | 51,000,000 | 42.50 |
| The Subscriber 1 | — | — | — | — | 5,000,000 | 4.17 |
| The Subscriber 2 | — | — | — | — | 5,000,000 | 4.17 |
| Other Public Shareholders | 590,000,000 | 53.64 | 59,000,000 | 53.64 | 59,000,000 | 49.16 |
| Total | 1,100,000,000 | 100 | 110,000,000 | 100 | 120,000,000 | 100 |

Note:

The entire issued share capital of Brightly Ahead Limited is legal and beneficially owned by Mr. Lau, who is the executive Director and deemed to be interest in all the Shares held by Brightly Ahead Limited by virtue of the SFO.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any other equity fund raising activity during the 12 months immediately preceding the date of this announcement.

| Date of announcements/circular | Fund raising activity | Proposed use of the net proceeds | Actual use of net proceeds |
|---------------------------------------|--|---|-----------------------------------|
| 21 September 2021 | Placing of 100,000,000 new Shares at the placing price of HK\$0.04 per Share under general mandate | Provide working capital to the Group to meet any future development and obligations | Fully utilized as intended |

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the necessary resolution(s) in respect of the Share Consolidation further. The Circular containing, among other matters, information regarding the Share Consolidation with a notice of the EGM will be despatched to the Shareholders on or before Tuesday, 14 June 2022.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Share Consolidation and no Shareholders are required to abstain from voting at the EGM.

Shareholders and potential investors should note that the Share Consolidation and the Completion are conditional upon satisfaction of the conditions as set out in the paragraphs headed "Conditions of the Share Consolidation" and "Conditions Precedent for the Subscriptions" respectively above in the announcement. Accordingly, the Share Consolidation and the Subscription may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

| | |
|--------------------------------|--|
| “associate(s)” | has the meaning ascribed thereto under the GEM Listing Rules |
| “Board” | the board of Directors |
| “Business Day(s)” | day(s) (excluding Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong |
| “CCASS” | Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system |
| “CCASS Operational Procedures” | the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time |
| “Circular” | the circular to be despatched to the Shareholders containing, among other things, details of the Share Consolidation and the notice of the EGM |
| “Company” | Basetrophy Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the GEM (stock code: 8460) |
| “Completion” | Completion of the Subscription in accordance with the terms and conditions set out in the Subscription Agreements |
| “Completion Date” | within five Business Day following the date on which the conditions precedent of the Subscription Agreements are fulfilled |
| “connected person(s)” | has the meaning ascribed thereto under the GEM Listing Rules |
| “Consolidated Share(s)” | the ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company upon the Share Consolidation becoming effective |
| “Directors” | the directors of the Company |
| “EGM” | the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, to approve the Share Consolidation |

| | |
|--------------------------------|---|
| “Existing Share(s)” | the ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company prior to the Share Consolidation becoming effective |
| “GEM” | GEM operated by the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM of the Stock Exchange |
| “General Rules of CCASS” | the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures |
| “Group” | the Company and its subsidiaries |
| “HKSCC” | Hong Kong Securities Clearing Company Limited |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Independent Third Party(ies)” | a party who is not a connected person (as defined in the GEM Listing Rules) of the Company and is independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules) |
| “PRC” | the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan |
| “Registrar” | Tricor Investor Services Limited, the branch share registrar and transfer office of the Company in Hong Kong, Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the capital of the Company |
| “Share Consolidation” | the proposed consolidation of every ten (10) Existing Shares of par value of HK\$0.01 each in the share capital of the Company into one (1) Consolidated Share of par value of HK\$0.10 each |
| “Shareholder(s)” | holder(s) of the issued Share(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscribers” | Subscriber 1 and Subscriber 2 |

| | |
|------------------------------|---|
| “Subscriber 1” | Mr. Zhao Changsheng |
| “Subscriber 2” | Ms. Wu Siying |
| “Subscription” | the subscription for 5,000,000 Subscription Shares by the Subscriber 1 pursuant to the Subscription Agreement 1 and the subscription for 5,000,000 Subscription Shares by the Subscriber 2 pursuant to the Subscription Agreement 2 |
| “Subscription Agreements” | Subscription Agreement 1 and Subscription Agreement 2 |
| “Subscription Agreement 1” | the conditional agreement entered into between the Company and the Subscriber 1 dated 31 May 2022 in relation to the Subscription |
| “Subscription Agreement 2” | the conditional agreement entered into between the Company and the Subscriber 2 dated 31 May 2022 in relation to the Subscription |
| “Subscription Price” | HK\$0.40 per Subscription Share |
| “Subscription Shares” | 10,000,000 new consolidated Shares to be subscribed by the Subscribers pursuant to the terms and conditions of the Subscription Agreements |
| “substantial shareholder(s)” | having the meaning ascribed thereto under the GEM Listing Rules |
| “%” | per cent. |

By order of the Board
Basetrophy Group Holdings Limited
Lau Chung Ho
Executive Director

Hong Kong, 31 May 2022

As at the date of this announcement, the Board comprises Mr. Lau Chung Ho, Mr. Leung Yat Fai Frankie Keith, Ms Fong Pui Yin Vivian, Ms Du Wanfen and Mr. Li Aiming as executive Directors; and Mr. Ng Ki Man, Mr. Lam Chee-yau Timothy and Mr. Ngok Ho Wai as independent non-executive Directors.

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, 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 website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.wbgroupfw.com.hk.