



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

2026

INTERIM REPORT



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*This report, for which the directors (the “**Directors**”) of Basetrophy Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) 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 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 report misleading.*

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CORPORATE INFORMATION

Board of Directors

Executive Directors:

Mr. Chan Kui Ming (*Co-chairman*)

Mr. Chen Ping (*Co-chairman*)

Mr. Lu Jun

Ms. Wu Yu

(appointed on 2 January 2026)

Mr. Zhong Guoke

(appointed on 2 January 2026)

Mr. Han Xu (resigned on 2 January 2026)

Mr. Li Aiming (resigned on 2 January 2026)

Ms. Fong Pui Yin Vivian

(retired on 4 June 2026)

Independent Non-executive Directors:

Mr. Lam Chee-yau Timothy

Mr. Li Dewen

Mr. Ng Ki Man

Audit Committee

Mr. Ng Ki Man (*Chairman*)

Mr. Lam Chee-yau Timothy

Mr. Li Dewen

Remuneration Committee

Mr. Ng Ki Man (*Chairman*)

Mr. Lam Chee-yau Timothy

Mr. Li Dewen

Nomination Committee

Mr. Lam Chee-yau Timothy (*Chairman*)

Mr. Li Dewen

Mr. Ng Ki Man

Ms. Wu Yu

(appointed on 4 June 2026)

Auditors

Infinity CPA Limited

Room 1501

15/F, Olympia Plaza

255 King's Road

North Point

Hong Kong

Company Secretary

Mr. Chan Kui Ming

Authorised Representatives

Mr. Chan Kui Ming

Mr. Chen Ping

Legal Advisors As To Hong Kong Laws

Khoo & Co.

15/F & 16/F

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251 Queen's Road Central

Hong Kong

Registered Office In The Cayman Islands

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Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

Head Office And Principal Place Of Business In Hong Kong

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Park Fook Industrial Building

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Cheung Sha Wan

Kowloon

Principal Share Registrar And Transfer Office In Cayman Islands

Ocorian Trust (Cayman) Limited

Windward 3,

Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

Branch Share Registrar And Transfer Office In Hong Kong

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

Principal Bankers

Dah Sing Bank, Limited

The Hongkong and Shanghai Banking

Corporation Limited

Standard Chartered Bank (Hong Kong) Limited

Company's Website

www.wbgroupfw.com.hk

Stock Code

8460

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

FOR THE SIX MONTHS ENDED 30 JUNE 2026

Unaudited interim results

The unaudited condensed consolidated results of the Group for the six months ended 30 June 2026, together with the unaudited comparative figures for the corresponding periods in 2025, are as follows:

		Unaudited	
		Six months ended 30 June	
	Note	2026 HK\$'000	2025 HK\$'000
Revenue	4	37,261	19,260
Cost of sales		(35,880)	(14,396)
Gross profit		1,381	4,864
Other income and other gain	4	10	197
Net reversal of impairment losses on financial assets and contract assets		–	–
Administrative and other operating expenses	5	(2,713)	(3,859)
Operating (loss)/profit		(1,322)	1,202
Finance costs	6	(119)	(309)
(Loss)/profit before tax		(1,441)	893
Income tax expense	7	–	(94)
(Loss)/profit for the period		(1,441)	799
Other comprehensive expense:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		–	(18)
Total comprehensive (expense)/income		(1,441)	781

Unaudited
Six months ended 30 June

	<i>Note</i>	2026 HK\$'000	2025 HK\$'000
(Loss)/profit attributable to:			
Equity holders of the Company		(1,441)	799
Non-controlling interests		—*	—*
		(1,441)	799
(Loss)/profit and total comprehensive (expense)/income for the period attributable to:			
Equity holders of the Company		(1,441)	778
Non-controlling interests		—	3
		(1,441)	781
(Loss)/earnings per share attributable to owners of the Company for the period – Basic and diluted (<i>expressed in HK cents per share</i>)	<i>8</i>	(0.54)	0.36

* Less than HK\$1,000

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

		Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
	Note		
ASSETS			
Non-current assets			
Right-of-use assets		578	728
Property, plant and equipment	10	3,364	5,202
		3,942	5,930
Current assets			
Inventories		61,187	57,257
Trade and other receivables	11	28,727	8,253
Contract assets		4,587	7,562
Cash and bank balances		1,445	21,670
		95,946	94,742
Total assets		99,888	100,672
EQUITY			
Capital and reserves			
Share capital	12	26,561	26,561
Reserves		32,377	33,818
Equity attributable to owners of the Company		58,938	60,379
Non-controlling interests		(1,468)	(1,468)
Total equity		57,470	58,911

		Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
	<i>Note</i>		
LIABILITIES			
Non-current liabilities			
Borrowings	13	543	849
Lease liabilities		317	444
		860	1,293
Current liabilities			
Trade and other payables	14	39,644	38,535
Tax payable		12	12
Borrowings	13	602	627
Lease liabilities		1,300	1,294
		41,558	40,468
Total liabilities		42,418	41,761
Total equity and liabilities		99,888	100,672
Net current assets		54,388	54,274
Total assets less current liabilities		58,330	60,204

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Attributable to owners of the Company					Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000 (Note 12)	Share premium HK\$'000	Other reserve HK\$'000 (Note i)	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	
At 1 January 2026 (Audited)	26,561	62,819	1	(59)	(28,943)	60,379	58,911
Loss for the period	-	-	-	-	(1,441)	(1,441)	(1,441)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-
Total comprehensive expense	-	-	-	-	(1,441)	(1,441)	(1,441)
At 30 June 2026 (Unaudited)	26,561	62,819	1	(59)	(30,384)	58,938	57,470

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributable to owners of the Company					Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000 (Note 12)	Share premium HK\$'000	Other reserve HK\$'000 (Note i)	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	
At 1 January 2025 (Audited)	22,134	49,458	1	38	(22,530)	49,101	49,603
Profit for the period	-	-	-	-	799	799	799
Exchange differences arising on translation of foreign operations	-	-	-	(21)	-	(21)	(18)
Total comprehensive income	-	-	-	(21)	799	778	781
At 30 June 2025 (Unaudited)	22,134	49,458	1	17	(21,731)	49,879	50,384

Note:

- i) Other reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the reorganisation.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
Cash flows from operating activities		
Net cash (used in)/generated from operating activities	(20,496)	3,853
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	740	330
Interest received	1	204
Net cash generated from investing activities	741	534
Cash flows from financing activities		
Repayment of bank borrowings	–	(2,500)
Repayment of other borrowings	(230)	(2,541)
Repayment of lease liabilities	(121)	(490)
Interest paid on bank borrowings	–	(57)
Interest paid on other borrowings	(105)	(190)
Interest paid on lease liabilities	(14)	(62)
Net cash used in financing activities	(470)	(5,840)
Net decrease in cash and cash equivalents	(20,225)	(1,453)
Effects of foreign exchange rate changes	–*	–*
Cash and cash equivalents at the beginning of period	21,670	2,672
Cash and cash equivalents at end of period	1,445	1,219

* Less than HK\$1,000

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 General Information

The Company was incorporated in the Cayman Islands on 4 January 2016 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares were listed on GEM of the Stock Exchange on 27 June 2017. In the opinion of the Directors, the Company has no immediate and ultimate holding Company or ultimate controlling party.

The address of the Company's registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and the Company's principal place of business is Flat B-31, 4/F, Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong. The Company is an investment holding company. The Group is principally engaged in provision of foundation and related works in Hong Kong and trading of food and beverages in the People Republic of China (the "**PRC**").

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("**HK\$**"), unless otherwise stated.

2 Basis of preparation

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standards ("**HKAS**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). In addition, the unaudited condensed consolidated financial statements include the applicable disclosure provisions of the GEM Listing Rules and the Companies Ordinance (Chapter 622 of the laws of Hong Kong). The unaudited condensed consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2025, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA, except for the new and revised HKFRSs and interpretations issued by HKICPA that are first effective for the current accounting period of the Company. There has been no significant change to the accounting policy applied in these unaudited condensed consolidated financial statements for the period presented as a result of adoption of these amendments. The unaudited condensed consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

3 Estimates

The preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2025.

4 Revenue, other income and other gain and segment information

The management has determined the operating segments based on the reports reviewed by the directors of the Company, which are used to assess performance and allocate resources.

The management assesses the performance of the following operating segments as below:

- | | | |
|------|---------------------------------------|---|
| (i) | Foundation and related works business | Provides services of foundation and site formation works and other geotechnical engineering works to customers. |
| (ii) | Food and beverages business | Trading and distribution of food and alcoholic beverages. |

Revenue and other income and other gain recognised during the respective periods are follows:

Unaudited Six months ended 30 June		
	2026 HK\$'000	2025 HK\$'000
Revenue		
Foundation and related works	26,291	19,238
Food and beverages business	10,970	22
	37,261	19,260

4 Revenue, other income and other gain and segment information (Continued)

	Unaudited Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Timing of revenue recognition:		
At a point in time	10,970	22
Over time	26,291	19,238
	37,261	19,260

	Unaudited Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Other income and other gain		
Others	10	197
	10	197

4 Revenue, other income and other gain and segment information (Continued)

The segment revenue and results for the six months ended 30 June 2026 are as follows:

	Foundation and related works HK\$'000	Food and beverages business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Revenue from external customers	26,291	10,970	-	37,261
Segment results	(2,787)	2,210	(745)	(1,322)
Finance costs				(119)
Loss before tax				(1,441)
Income tax expense				-
Loss for the period				(1,441)
Other segment items included in the consolidated statement of profit or loss are as follows:				
Depreciation of property, plant and equipment	1,076	-	34	1,110
Depreciation of right-of-use assets	151	-	-	151

The segment revenue and results for the six months ended 30 June 2025 are as follows:

	Foundation and related works HK\$'000	Food and beverages business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Revenue from external customers	19,238	22	-	19,260
Segment results	1,441	(239)	-	1,202
Finance costs				(309)
Profit before tax				893
Income tax expense				(94)
Profit for the period				799
Other segment items included in the consolidated statement of profit or loss are as follows:				
Depreciation of property, plant and equipment	1,810	-	-	1,810
Depreciation of right-of-use assets	12	-	-	12

4 Revenue, other income and other gain and segment information (Continued)

The following is an analysis of the Group's assets and liabilities by reportable segment:

Unaudited Six months ended 30 June		
	2026 HK\$'000	2025 HK\$'000
Segment assets		
Foundation and related works	26,784	79,909
Food and beverages business	71,770	3,345
Total reportable segment assets	98,554	83,254
Unallocated corporate assets	1,334	2,025
Consolidated assets	99,888	85,279

Note: All assets are allocated to operating segments other than certain cash and bank balances and payment for a life insurance policy.

Unaudited Six months ended 30 June		
	2026 HK\$'000	2025 HK\$'000
Segment liabilities		
Foundation and related works	33,011	28,168
Food and beverages business	7,513	6,356
Total reportable segment liabilities	40,524	34,524
Unallocated corporate liabilities	1,894	375
Consolidated liabilities	42,418	34,899

Note: All liabilities are allocated to operating segments other than certain other payables and accruals and deferred tax liabilities and tax payable.

4 Revenue, other income and other gain and segment information (Continued)

Information about the Group's revenue from external customers is presented based on the location of operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	Unaudited		As at 30 June	
	Six months ended 30 June		As at 30 June	
	2026 HK\$'000	2025 HK\$'000	2026 HK\$'000	2025 HK\$'000
The PRC	-	22	-	173
Hong Kong	37,261	19,238	3,942	8,965
	37,261	19,260	3,942	9,138

Note: Non-current assets excluded payment for a life insurance policy.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	Unaudited	
	Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Customer A	10,070	-
Customer B	12,418	-
Customer C	-	8,066
Customer D	-	3,476
Customer E	-	3,326
Customer F	-	2,013

5 Administrative and other operating expenses

	Unaudited Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Auditors' remuneration	358	300
Depreciation of property, plant and equipment	799	257
Depreciation of right-of-use assets	–	12
Short term lease expense	403	10
Staff costs, including directors' emoluments	223	1,516
Other expenses	930	1,764
	2,713	3,859

6 Finance costs

	Unaudited Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Interest on bank and other borrowings	105	247
Interest on lease liabilities	14	62
	119	309

7 Income tax expense

Hong Kong profits tax has been provided at the rate of 8.25% for the first HK\$2 million of assessable profits and 16.5% for the assessable profits above HK\$2 million for the last period.

Under the law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rule of the PRC subsidiaries is 25% for the period.

The amount of income tax expense charged to the condensed consolidated statement of profit or loss and other comprehensive income represents:

	Unaudited Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Current income tax – Hong Kong profits tax	–	94
Income tax expense	–	94

8 (Loss)/earnings per share

	Unaudited Six months ended 30 June	
	2026	2025
(Loss)/profit for the period attributable to (HK\$'000):		
Equity holders of the Company	(1,441)	799
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share (in thousand)	265,608	221,340
Basic (loss)/earnings per share (HK cent)	(0.54)	0.36

Diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share as there was no dilutive potential shares.

9 Dividends

The board of Directors (the “**Board**”) of the Company does not recommend a payment of an interim dividend for the six months ended 30 June 2026 (2025: Nil).

10 Property, plant and equipment

During the six months ended 30 June 2026, the Group did not purchase property, plant and equipment (2025: Nil).

11 Trade and other receivables

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Trade receivables	26,826	6,868
Less: Provision for impairment losses	(2,574)	(2,574)
	24,252	4,294
Amount due from a director	18	18
Amounts due from related companies	712	712
Other receivables, deposits and prepayments	3,745	3,229
	28,727	8,253

11 Trade and other receivables (Continued)

Notes:

- (a) The Group does not have a standardised and universal credit period granted to its customers, and the credit period of individual customer is considered on a case-by-case basis and stipulated in the project contract, as appropriate. Trade receivables are denominated in HK\$.
- (b) The ageing analysis of the trade receivables based on date of payment certificates issued by customers is as follows:

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
0–30 days	11,585	–
31–60 days	6,961	2,155
61–90 days	1,771	–
Over 90 days	6,509	4,713
	26,826	6,868

As at 30 June 2026, trade receivables of approximately HK\$6,509,000 (31 December 2025: HK\$4,713,000) were past due. Based on past experience and forward-looking estimates, the amounts are considered as recoverable.

12 Share capital

	Ordinary shares of HK\$0.1 each	Amount HK\$'000
Authorised:		
At 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	3,000,000,000	300,000
Issued and fully paid:		
At 1 January 2025	221,340,018	22,134
Shares issued pursuant to placing (Note)	44,268,000	4,427
At 31 December 2025, 1 January 2026 and 30 June 2026	265,608,018	26,561

12 Share capital (Continued)

Note: On 30 December 2025, the Company completed a placing of 44,268,000 ordinary shares to independent third parties, which were issued at a subscription price of HK\$0.437 per share for a total cash consideration under the general mandate, before share issuing expenses, of HK\$19,345,000 in which, as to HK\$13,361,000 was recognised as share premium during the year ended 31 December 2025. The related issuing expenses of approximately HK\$1,557,000 was reduced from the share premium.

13 Borrowings

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Non-current		
Other borrowing (<i>Note</i>)	543	849
Current		
Other borrowing (<i>Note</i>)	602	627
Total borrowings	1,145	1,476

Note: The other borrowing is secured by the Group's certain property, plant and equipment with an aggregate net carrying amount of approximately HK\$1,236,000 (31 December 2025: HK\$4,969,000) as at 30 June 2026 and guaranteed by personal guarantee given by a director of the Company.

The interest rates per annum of other borrowing is 4% (31 December 2025: 7%) as at 30 June 2026.

14 Trade and other payables

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
Trade payables	11,516	6,336
Accrued employee benefit expenses	1,012	1,174
Other accruals and payables	21,833	25,742
Retention payables	5,283	5,283
	39,644	38,535

14 Trade and other payables (Continued)

Note:

- (a) The ageing analysis of trade payables based on the invoice date is as follows:

	Unaudited 30 June 2026 HK\$'000	Audited 31 December 2025 HK\$'000
0–30 days	2,788	1,295
31–60 days	4,403	2,000
61–90 days	1,102	–
Over 90 days	3,223	3,041
	11,516	6,336

15 Related party transactions

Compensation of key management personnel of the Group

Key management includes directors (executive and non-executive) and the chief executive of the Group. The compensation paid or payable to key management for employee services is disclosed as follows:

	Unaudited Six months ended 30 June 2026 HK\$'000	2025 HK\$'000
Fee, discretionary bonuses, salaries, allowances and benefits in kind	–	600
Retirement scheme contributions	–	9
	–	609

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is (i) a contractor of foundation works in Hong Kong capable of foundation jobs which mainly include excavation and lateral support (ELS) works, sheet piling, pipe piling, pre-boring, pre-bored H-piling, mini-piling, and bored piling; (ii) a subcontractor for site formation works and other geotechnical engineering works such as slope works and other minor geotechnical works such as shotcreting; (iii) trading of alcoholic beverages in the PRC; and (iv) trading of high-quality agricultural products, particularly Xinhui Chenpi, in the PRC.

The shares of the Company were listed on GEM on 27 June 2017 by way of public offer.

For the six months ended 30 June 2026, the Group recorded a net loss of approximately HK\$1.4 million as compared to a net profit of approximately HK\$0.8 million for the same period in 2025.

Outlook

Looking ahead to 2026, the Group remains cautiously optimistic about the potential of its Chenpi trading business. As public health awareness grows, the market demand for premium Chinese herbal medicines and health foods continues to expand. The Group plans to further strengthen strategic cooperation with suppliers in the core production areas of Xinhui, optimize supply chain management, and explore an integrated online-and-offline sales model to enhance brand premium. The Board believes that by further developing the Chenpi trading business, it will help optimize the Group's capital structure and operational resilience, thereby creating long-term value for the shareholders.

In addition, the Group will continue to closely monitor developments in the alcoholic beverage trading market in mainland China, which is characterised by a sizeable consumer base and evolving consumption patterns. Leveraging its existing experience and resources, the Group will adopt a prudent approach in assessing market conditions and refining its business strategies to align with evolving demand dynamics.

As the Group navigates the complexities of the global economic environment, it remains committed to a disciplined and proactive approach in addressing challenges. The Group will place emphasis on enhancing operational resilience and maintaining strategic flexibility, thereby ensuring that it is well-positioned to respond to economic fluctuations and capture potential opportunities in 2026 and beyond.

Financial Review

Revenue

The Group's revenue increased by approximately 93.3% from approximately HK\$19.3 million for the six months ended 30 June 2025 to approximately HK\$37.3 million for the six months ended 30 June 2026, mainly due to a number of major projects in the six months ended 30 June 2026 are still in the early stage of construction.

Costs of Sales

The Group's cost of sales increased from approximately HK\$14.4 million for the six months ended 30 June 2025 to approximately HK\$35.9 million for the six months ended 30 June 2026, which was generally consistent with the increased revenue during the period.

Gross Profit and Gross Profit Margin

The Group's gross profit for the six months ended 30 June 2026 were approximately HK\$1.4 million, representing a decrease of approximately 71.4% from approximately HK\$4.9 million for the six months ended 30 June 2025. The Group's gross profit margin for the six months ended 30 June 2026 was approximately 3.7%, representing a decrease of approximately 21.6 percentage points as compared to approximately 25.3% for the six months ended 30 June 2025. Such decrease was mainly attributable to competitive project pricing arising from intense market competition.

Administrative and Other Operating Expenses

The Group's administrative and other operating expenses decreased from approximately HK\$3.9 million for the six months ended 30 June 2025 to approximately HK\$2.7 million for the six months ended 30 June 2026, which was generally consistent with the decrease in other expense during the period.

(Loss)/profit for the Period

For the six months ended 30 June 2026, the Group recorded loss of approximately HK\$1.4 million as compared to profit for the six months ended 30 June 2025 of approximately HK\$0.8 million.

Capital Structure, Liquidity and Financial Resources

The Shares were successfully listed on GEM of the Stock Exchange on 27 June 2017. On 17 May 2024, the authorised share capital of the Company increased from HK\$30,000,000 divided into 300,000,000 shares to HK\$300,000,000 divided into 3,000,000,000 Shares. The capital of the Group only comprises of ordinary shares.

The Group finances its liquidity and capital requirements primarily through cash generated from operations, bank borrowings and equity contribution from shareholders.

As at 30 June 2026, the Group had cash and bank balances of approximately HK\$1.4 million (31 December 2025: approximately HK\$21.7 million).

As at 30 June 2026, the Group's total equity attributable to owners of the Company amounted to approximately HK\$58.9 million (31 December 2025: approximately HK\$60.4 million). As of the same date, the Group's total debt, comprising borrowings and lease liabilities, amounted to approximately HK\$2.8 million (31 December 2025: approximately HK\$3.2 million).

As at 30 June 2026, the Group's net assets were approximately HK\$57.5 million (31 December 2025: HK\$58.9 million). The Group remained at a net cash position as at 30 June 2026 and 2025 respectively. Based on the above, the Directors believe that the Group is in a healthy financial position to expand its business and achieve its business objectives.

On 30 December 2025, the Company completed a placing of 44,268,000 ordinary shares of the Company (the "**Placing**") to independent third parties, which were issued at a subscription price of HK\$0.437 per share for a total cash consideration under general mandate. The net proceeds from the Placing amounted to approximately HK\$18.6 million. For details of the Placing, please refer to the Company's announcements dated 9 and 30 December 2025.

The actual use of net proceeds of the Placing is set out below:

Use of Net Proceeds	Net proceeds as at 31 December 2025 HK\$'000	Unutilised Net proceeds as at 31 December 2025 HK\$'000	Net proceeds during the six months ended 30 June 2026 HK\$'000	Unutilised Net proceeds as at 30 June 2026 HK\$'000	Expected Timeline for Utilisation
Working capital and general operating funds of the Group	5,580	5,580	5,580	–	–
Investment in the alcoholic beverages trading business in the PRC	9,300	9,300	9,000	300	Before December 2026
Future opportunistic investments aligned with the Group	3,720	3,720	3,000	720	Before December 2026
Total	18,600	18,600	17,580	1,020	–

Borrowings and Gearing Ratio

As at 30 June 2026, the Group had borrowings and lease liabilities of approximately HK\$2.8 million which was denominated in Hong Kong dollars (31 December 2025: approximately HK\$3.2 million). The Group's bank borrowings were primarily used in financing the working capital requirement of its operations.

As at 30 June 2026, the gearing ratio of the Group, calculated as the total debt divided by the total equity, was approximately 4.8% (31 December 2025: approximately 5.3%).

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies, and Future Plans for Material Investments or Capital Assets

There was no significant investment, material acquisition and disposal of subsidiaries and associated companies by the Company during the six months ended 30 June 2026. There was no future plan for material investments or capital assets as at 30 June 2026.

Foreign Exchange Exposure

All of the revenue-generating operations and borrowings of the Group were mainly transacted in Hong Kong Dollars which is the presentation currency of the Group, except for certain bank balances and payment for life insurance policy which are denominated in US\$. Since HK\$ is pegged to US\$, the Directors are of the view that the Group has limited exposure to foreign exchange risk. The Group currently does not have a foreign currency hedging policy.

Treasury Policies

The Directors will continue to follow a prudent policy in managing the Group's cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to capture future growth opportunities.

Charge on Group Assets

As at 30 June 2026, the Group has pledged its certain property, plant and equipment with an aggregate net book value of approximately HK\$1.2 million (31 December 2025: approximately HK\$5.0 million).

Contingent Liabilities

As at 30 June 2026, the Group did not have any material contingent liabilities (31 December 2025: Nil).

Capital Commitments

As at 30 June 2026, the Group did not have any capital commitments (31 December 2025: Nil) contracted but not provided for property, plant and equipment.

Segment Information

The Group is principally engaged in the provision of foundation and related works, including site formation works and other geotechnical engineering works which are carried out in Hong Kong and the trading of alcoholic beverages in the PRC.

Information on Employees

As at 30 June 2026, the Group had 7 full-time employees working in Hong Kong (As at 31 December 2025: 14). The total staff cost (including Director's emoluments and mandatory provident funds contributions) for the six months ended 30 June 2026 amounted to approximately HK\$1.1 million (2025: approximately HK\$6.3 million).

Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonus. Various types of trainings were provided to the employees.

Interim Dividend

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2026 (2025: Nil).

Events After the Reporting Period

There has been no important event affecting the Group since 30 June 2026 and up to the date of this report.

OTHER INFORMATION

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 30 June 2026, 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 were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to Rules 5.48 to 5.67 of the GEM Listing Rules, were as follows:

Long position in the shares

Name	Capacity/Nature	Number of shares held/ interested	Percentage of shareholding
Mr. Chan Kui Ming	Beneficial owner	585,000	0.22%
Mr. Chen Ping	Beneficial owner	5,260,000	1.98%
Mr. Lu Jun	Beneficial owner	5,400,000	2.03%

Save as disclosed above, as at 30 June 2026, none of the Directors and chief executive of the Company has any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to Rules 5.48 to 5.67 of the GEM Listing Rules.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2026, the following person/entity (other than the Directors and chief executives of the Company) had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Long position in the shares

Name	Capacity/Nature	Number of shares held/ interested	Percentage of shareholding
Li Shaohui	Beneficial owner	51,000,000	19.20%

Save as disclosed above, as at 30 June 2026, none of the substantial or significant shareholders or other persons, other than the Directors and chief executives of the Company whose interests are set out in the section "Other information – Directors' and chief executives' interests and short positions in Shares, underlying Shares and debentures" above, had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

Purchase, Sale or Redemption of Listed Securities of the Company

During the six months ended 30 June 2026, the Company did not redeem any of its listed securities, and neither did the Company nor any of its subsidiaries purchase or sell any of the Company's listed securities (including sale of treasury shares (as defined under the GEM Listing Rules)).

As at 30 June 2026, there were no treasury shares (as defined under the GEM Listing Rules) held by the Company.

Competition and Conflict of Interests

None of the Directors, the controlling shareholders or substantial Shareholders or any of its respective close associates as defined in the GEM Listing Rules has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or has any other conflict of interests with the Group during the six months ended 30 June 2026.

Directors' Securities Transactions

The Company has adopted the required standard of dealing, as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the shares of the Company. Having made specific enquiry with all Directors, all Directors have confirmed that they have complied with the required standard of dealing and the code of conduct for securities transactions by the Directors during the six months ended 30 June 2026.

Share Option Scheme

The Company's share option scheme (the "**Scheme**") was adopted pursuant to a resolution passed on 7 June 2017 to attract and retain the best available personnel, to provide additional incentive to the eligible participants and to promote the success of the business of the Group under the Scheme.

For the six months ended 30 June 2026, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Scheme. As at 1 January 2026 and 30 June 2026, the number of share options available for grant under the scheme mandate was 10,000,000 on each date. No service provider sublimit was set under the Share Option Scheme.

As at the date of this interim report, the total number of Shares available for issue under the Scheme was 10,000,000 Shares, representing approximately 3.76% of the issued shares of the Company (i.e. 265,608,018).

There were no outstanding share options under the Scheme as at 1 January 2026 and 30 June 2026.

Corporate Governance Practice

The Directors are committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders' value. The corporate governance principles of the Company emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders. The Company has adopted the Corporate Governance Code (the “**CG Code**”) set out in Appendix C1 to the GEM Listing Rules. During the six months ended 30 June 2026, to the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the CG Code.

Audit Committee

Pursuant to Rule 5.28 and 5.29 of the GEM Listing Rules and code provision D.3.3 and D.3.7 of the CG Code, the Company established an audit committee (the “**Audit Committee**”) with written terms of reference aligned with the provision of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this report, the Audit Committee comprises Mr. Ng Ki Man (the chairman of the Audit Committee), Mr. Lam Chee-yau Timothy and Mr. Li Dewen, all of whom are independent non-executive Directors. The written terms of reference of the Audit Committee are posted on the Stock Exchange's website and on the Company's website.

The Audit Committee has reviewed with management of the Company on the accounting principles and practices adopted by the Group, the interim report and the interim results announcement of the Group for the six months ended 30 June 2026. The condensed consolidated financial results for the six months ended 30 June 2026 are unaudited, but have been reviewed by the Audit Committee. Such results comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board
Basetrophy Group Holdings Limited
Chen Ping
Co-chairman and Executive Director

Hong Kong, 31 August 2026