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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)

DISCLOSEABLE TRANSACTIONS IN RELATION TO PURCHASES OF MOTOR VEHICLES

PURCHASES OF VEHICLES

The Board would like to announce that the Purchaser, a wholly-owned subsidiary of the Company, as purchaser entered into the following Transactions:

- (1) on 20 April 2023, the Purchaser entered into Transaction-1 with Promise Luck, pursuant to which Promise Luck sold and the Purchaser purchased a total of three (3) tippers for a total consideration of HK\$2,090,000.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, each of Promise Luck and its ultimate beneficial owner are independent of and not connected with the Company and its connected persons as at the date of Transaction-1 and the date of this announcement;

- (2) on 25 May 2023, the Purchaser entered into Transaction-2 with Chi Yip, pursuant to which Chi Yip sold and the Purchaser purchased a total of four (4) tippers for a total consideration of HK\$2,690,000;
- (3) on 2 June 2023, the Purchaser entered into Transaction-3 with Chi Yip, pursuant to which Chi Yip sold and the Purchaser purchased a total of five (5) tippers for a total consideration of HK\$3,550,000; and
- (4) on 8 June 2023, the Purchaser entered into Transaction-4 with Chi Yip, pursuant to which Chi Yip sold and the Purchaser purchased a total of two (2) tippers for a total consideration of HK\$1,420,000.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, Chi Yip and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons as at the respective dates of Transaction-2, Transaction-3 and Transaction-4 and the date of this announcement.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios under Chapter 19 of the GEM Listing Rules in respect of each of the Transactions exceeds 5% but is less than 25%, each of the Transactions constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirement under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

The Board would like to announce that the Purchaser, a wholly-owned subsidiary of the Company, as purchaser entered into the following Transactions:

(1) Purchase of tippers on 20 April 2023 (“Transaction-1”)

The details of Transaction-1 are as follows:

Date: 20 April 2023

Vendor: Promise Luck Limited, a company incorporated in Hong Kong with limited liability

Purchaser: Workbase Engineering Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company

Subject Matter: Promise Luck sold and the Purchaser purchased a total of three (3) used tippers (a tipper is a truck which can tip its container).

The book value of the tippers purchased were HK\$880,000, HK\$480,000 and HK\$730,000 respectively.

Consideration: HK\$2,090,000

For each of the tippers purchased, the consideration was determined after arm’s length negotiation between the Purchaser and the Vendor with reference to the market prices for tippers of similar age, conditions, specifications and performances.

The consideration shall be paid by the Purchaser to the Vendor in cash within 60 days after the date of Transaction-1.

Completion: The tippers purchased have been delivered to the Purchaser on the date of Transaction-1.

(2) **Purchase of tippers on 25 May 2023 (“Transaction-2”)**

The details of Transaction-2 are as follows:

Date: 25 May 2023

Vendor: Chi Yip Eng. & (Trans.) Company Limited, a company incorporated in Hong Kong with limited liability

Purchaser: Workbase Engineering Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company

Subject Matter: Chi Yip sold and the Purchaser purchased a total of four (4) used tippers.

The book value of the tippers purchased were HK\$660,000, HK\$660,000, HK\$660,000 and HK\$710,000 respectively.

Consideration: HK\$2,690,000

For each of the tippers purchased, the consideration was determined after arm’s length negotiation between the Purchaser and the Vendor with reference to the market prices for tippers of similar age, conditions, specifications and performances.

The consideration shall be paid by the Purchaser to the Vendor in cash within 60 days after the date of Transaction-2.

Completion: The tippers purchased have been delivered to the Purchaser on the date of Transaction-2.

(3) Purchase of tippers on 2 June 2023 (“Transaction-3”)

The details of Transaction-3 are as follows:

Date: 2 June 2023

Vendor: Chi Yip

Purchaser: Workbase Engineering Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company

Subject Matter: Chi Yip sold and the Purchaser purchased a total of five (5) used tippers.

The book value of the tippers purchased were HK\$710,000, HK\$710,000, HK\$710,000, HK\$710,000 and HK\$710,000 respectively.

Consideration: HK\$3,550,000

For each of the tippers purchased, the consideration was determined after arm’s length negotiation between the Purchaser and the Vendor with reference to the market prices for tippers of similar age, conditions, specifications and performances.

The consideration shall be paid by the Purchaser to the Vendor in cash within 60 days after the date of Transaction-3.

Completion: The tippers purchased have been delivered to the Purchaser on the date of Transaction-3.

(4) Purchase of tippers on 8 June 2023 (“Transaction-4”)

The details of Transaction-4 are as follows:

Date: 8 June 2023

Vendor: Chi Yip

Purchaser: Workbase Engineering Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company

Subject Matter: Chi Yip sold and the Purchaser purchased a total of two (2) used tippers.

The book value of the tippers purchased were HK\$710,000 and HK\$710,000 respectively.

Consideration: HK\$1,420,000

For each of the tippers purchased, the consideration was determined after arm’s length negotiation between the Purchaser and the Vendor with reference to the market prices for tippers of similar age, conditions, specifications and performances.

The consideration shall be paid by the Purchaser to the Vendor in cash within 60 days after the date of Transaction-4.

Completion: The tippers purchased have been delivered to the Purchaser on the date of Transaction-4.

INFORMATION OF THE PARTIES

The Purchaser

The Purchaser is a company incorporated in Hong Kong with limited liability and is a wholly owned subsidiary of the Company. The Purchaser is the primary operating subsidiary of the Group in Hong Kong.

The Group

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; (ii) a subcontractor for site formation works and other geotechnical engineering works such as slope works and other minor geotechnical works such as shotcreting; and (iii) a trader of alcoholic beverages in the PRC.

Promise Luck

Promise Luck is a company incorporated in Hong Kong with limited liability and is principally engaged in engineering transportation business in Hong Kong.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, Promise Luck and YAU Kan Kan (丘根根), an individual who resides in Hong Kong and Promise Luck's sole shareholder and ultimate beneficial owner, are independent of and not connected with the Company and its connected persons as at the date of Transaction-1 and the date of this announcement.

Chi Yip

Chi Yip is a company incorporated in Hong Kong with limited liability and is principally engaged in engineering transportation business in Hong Kong.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, Chi Yip and Man Chi Kwan (文志坤) and Wong Lai Ching (黃麗清), individuals who reside in Hong Kong and Chi Yip's only shareholders and ultimate beneficial owners, are independent of and not connected with the Company and its connected persons as at the respective dates of Transaction-2, Transaction-3 and Transaction-4 and the date of this announcement.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Company purchased the tippers under each of the Transactions for daily operational use in the Group's foundation works projects in various construction sites in Hong Kong.

The Board is of the view that each of the Transactions was entered into in the ordinary and usual course of business of the Company, on normal commercial terms and on arm's length basis, and the terms of each of the Transactions were fair and reasonable and in the interests of the Shareholders and the Group as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios under Chapter 19 of the GEM Listing Rules in respect of each of the Transactions exceeds 5% but less than 25%, each of the Transactions constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

NON-COMPLIANCE OF CHAPTER 19 OF THE GEM LISTING RULES

As stated in the section "Implications under the GEM Listing Rules" above, each of the Transactions constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules. The Company has omitted to comply with such requirements and failed to announce each of the Transactions on their respective dates in accordance with Chapter 19 of the GEM Listing Rules.

REASONS FOR THE NON-COMPLIANCE WITH THE GEM LISTING RULES

The Company's failure to comply with Chapter 19 of the GEM Listing Rules in respect of the Transactions was caused by the misunderstanding on the part of a member of the management of the Company and the members of the finance department of the Company (collectively the "Relevant Personnel"), who were in charge of determining whether the Transactions were required to be disclosed under the GEM Listing Rules, and mistakenly believed the Transactions fell outside the definition of "transaction" by virtue of Rule 19.04(1)(g) of the GEM Listing Rules since they were entered into in the ordinary and usual course of the Group's business, while in fact the Transactions, being capital in nature, were not covered by Rule 19.04(1)(g) and hence remained subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

REMEDIAL MEASURES

The Company takes such incidents of non-compliance seriously. The Board has resolved to require and arrange the Relevant Personnel to attend training courses to enhance their understanding of the GEM Listing Rules to avoid having any same or similar incident of non-compliance in the future.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

"Board"	the board of Directors
"Chi Yip"	Chi Yip Eng. & (Trans.) Company Limited 志業工程 (運輸) 有限公司, a private company incorporated in Hong Kong with limited liability and the vendor in Transaction-2, Transaction-3 and Transaction-4
"Company"	Basetrophy Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM (stock code: 8460)
"connected person(s)"	has the meaning ascribed thereto under the GEM Listing Rules
"Director(s)"	director(s) of the Company
"GEM"	GEM operated by the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Promise Luck”	Promise Luck Limited 達一有限公司, a private company incorporated in Hong Kong with limited liability and the vendor in Transaction-1
“Purchaser”	Workbase Engineering Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	collectively Transaction-1, Transaction-2, Transaction-3 and Transaction-4
“%”	per cent

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

Hong Kong, 2 November 2023

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. Lam Chee-yau Timothy, Mr. Ngok Ho Wai and Mr. Tao Ming Lee Martin as 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 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 Stock Exchange website at www.hkexnews.hk for at least 7 days from the date of its publication and on the Company’s website at www.wbgroupfw.com.hk.