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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)

UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, 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 (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 in this announcement misleading.*

UNAUDITED ANNUAL RESULTS

The board of Directors (the “**Board**”) of the Company hereby presents the unaudited annual results of the Group for the year ended 31 December 2021, together with the audited comparative figures for the year ended 31 December 2020. For the reasons explained in the paragraph headed “Review of Unaudited Annual Results” in this announcement, the auditing process for the annual results of the Group for the year ended 31 December 2021 has not been completed.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	<i>Notes</i>	2021 HK\$’000 (Unaudited)	2020 <i>HK\$’000</i> <i>(Audited)</i>
Revenue	3	88,812	109,067
Cost of sales		<u>(77,899)</u>	<u>(101,769)</u>
Gross profit		10,913	7,298
Other income and other gain	3	4,509	3,290
Administrative and other operating expenses		(10,718)	(9,399)
Net impairment losses on financial and contract assets		<u>(2,742)</u>	<u>(1,244)</u>
Operating profit/(loss)		1,962	(55)
Finance costs		<u>(826)</u>	<u>(819)</u>
Profit/(loss) before income tax		1,136	(874)
Income tax (expense)/credit	4	<u>(550)</u>	<u>1,361</u>
Profit and total comprehensive income for the year attributable to owners of the Company		<u>586</u>	<u>487</u>
Basic and diluted earnings per share (<i>HK cent</i>)	5	<u>0.06</u>	<u>0.05</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	<i>Notes</i>	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		13,509	7,482
Right-of-use assets		347	14,098
Payment for a life insurance policy		2,745	2,650
		<u>16,601</u>	<u>24,230</u>
Current assets			
Trade and other receivables	7	17,642	20,469
Contract assets		64,562	63,273
Cash and bank balances		4,352	5,423
		<u>86,556</u>	<u>89,165</u>
Total assets		<u><u>103,157</u></u>	<u><u>113,395</u></u>
EQUITY			
Capital and reserves			
Share capital	8	11,000	10,000
Reserves		55,249	51,495
Total equity		<u>66,249</u>	<u>61,495</u>

	<i>Notes</i>	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings		–	949
Lease liabilities		136	767
Deferred tax liabilities		1,372	1,297
		<u>1,508</u>	<u>3,013</u>
Current liabilities			
Trade and other payables	9	23,764	30,807
Tax payable		475	–
Borrowings		10,947	12,894
Lease liabilities		214	5,186
		<u>35,400</u>	<u>48,887</u>
Total liabilities		<u>36,908</u>	<u>51,900</u>
Total equity and liabilities		<u>103,157</u>	<u>113,395</u>
Net current assets		<u>51,156</u>	<u>40,278</u>
Total assets less current liabilities		<u>67,757</u>	<u>64,508</u>

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

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. Its parent and ultimate holding company is Brightly Ahead Limited, a company incorporated in the British Virgin Islands (“**BVI**”) and wholly-owned by Mr. Lau Chung Ho (“**Mr. Lau**”), the controlling party of the Company.

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 Unit 18, 29th Floor, New Tech Plaza, 34 Tai Yau Street, San Po Kong, Hong Kong. The Company is an investment holding company. The Group is principally engaged in provision of foundation and related works.

The unaudited consolidated financial statements are presented in Hong Kong dollars (“**HKS**”), unless otherwise stated.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the unaudited consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and by the Hong Kong Companies Ordinance. The unaudited consolidated financial statements have been prepared under the historical cost convention, except for the financial assets at fair value through profit or loss.

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.

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time in the current year:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2

In addition, the Group has early applied the Amendment to HKFRS 16 *Covid-19-Related Rent Concession beyond 30 June 2021*.

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these unaudited consolidated financial statements.

Impacts on application of Amendment to HKFRS 16 Covid-19-Related Rent Concessions and early application of Amendment to HKFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021

The Group has applied the Amendment to HKFRS 16 *Covid-19-Related Rent Concessions* for the first time and early applied the Amendment to HKFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021* in the current year retrospectively. The amendments introduce a new practical expedient for lessees to elect not to assess whether a Covid-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions that occurred as a direct consequence of the Covid-19 pandemic that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 *Leases* (“**HKFRS 16**”) if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The application of these amendments has had no material impact on the Group's financial positions and performance in the current and prior years.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments ²
Amendments to HKFRS 3	Reference to the Conceptual Framework ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ²
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ¹
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 ¹

¹ Effective for annual periods beginning on or after 1 January 2022.

² Effective for annual periods beginning on or after 1 January 2023.

³ Effective for annual periods beginning on or after a date to be determined.

The Directors anticipate that the application of the above new and amendments to HKFRSs will have no material impact on the unaudited consolidated financial statements of the Group in the foreseeable future.

3 REVENUE, OTHER INCOME AND OTHER GAIN AND SEGMENT INFORMATION

Revenue and other income and other gain recognised during the year are as follows:

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
Revenue		
Foundation and related works (<i>Note a</i>)	<u>88,812</u>	<u>109,067</u>
Other income and other gain		
Fair value change on assets at fair value through profit or loss	95	79
Rental income	1,889	2,014
Gain on disposal of property, plant and equipment	2,511	–
Gain on early termination of lease	14	–
Government grants (<i>Note b</i>)	–	1,177
Others	–	20
	<u>4,509</u>	<u>3,290</u>

Notes:

- a Related works included site formation works and other geotechnical engineering works.
- b During the year ended 31 December 2020, the Group recognised the subsidies of approximately HK\$1,177,000 in relation to Construction Industry Anti-epidemic Fund launched by the Construction Industry Council, a subsidy for registered owners of goods vehicles provided by Transport Department and Employment Support Scheme for Regular Employees and Construction Sector (Casual Employees) under Anti-epidemic Fund provided by the Government of Hong Kong Special Administrative Region as part of the relief measures on Covid-19 pandemic.

Disaggregation of revenue from contracts with customers

	2021 HK\$'000 (Unaudited)	2020 <i>HK\$'000</i> (Audited)
Timing of revenue recognition		
Over time	<u>88,812</u>	<u>109,067</u>
Types of goods or service		
Foundation and related works	<u>88,812</u>	<u>109,067</u>

Performance obligations for contracts with customers

The Group provides services of foundation and site formation works and other geotechnical engineering works to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue for these works is therefore recognised over time using output method, i.e. based on surveys of the relevant services completed by the Group to date with reference to certificates issued by customers or payment applications confirmed by internal surveyor. The Directors consider that output method would faithfully depict the Group's performance towards complete satisfaction of these performance obligations in these contracts under HKFRS 15.

Segment information

The chief operating decision-maker has been identified as the Board. The Board regards the Group's business as a single operating segment and reviews financial statements accordingly. Also, the Group only engages its business in Hong Kong. Therefore, no segment information is presented.

4 INCOME TAX EXPENSE/(CREDIT)

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million. No provision for Hong Kong profits tax has been made as the Group has sufficient tax loss brought forward to set off against assessable profits for the year ended 31 December 2020.

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
Hong Kong Profits Tax:		
– Current income tax	475	–
– Over provision for prior year	–	(322)
Deferred income tax	<u>75</u>	<u>(1,039)</u>
Income tax expense/(credit)	<u><u>550</u></u>	<u><u>(1,361)</u></u>

5 EARNINGS PER SHARE

	2021 (Unaudited)	2020 (Audited)
Profit attributable to owners of the Company (<i>HK\$'000</i>)	<u><u>586</u></u>	<u><u>487</u></u>
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (<i>in thousand</i>)	<u><u>1,015,890</u></u>	<u><u>1,000,000</u></u>
Basic earnings per share (<i>HK cent</i>)	<u><u>0.06</u></u>	<u><u>0.05</u></u>

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

6 DIVIDENDS

No final dividend was proposed by the Board for the year ended 31 December 2021 (2020: Nil).

7 TRADE AND OTHER RECEIVABLES

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
Trade receivables	8,597	17,613
Less: Provision for impairment losses	<u>(820)</u>	<u>(1,071)</u>
	7,777	16,542
Other receivables, deposits and prepayments	<u>9,865</u>	<u>3,927</u>
	<u>17,642</u>	<u>20,469</u>

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 or invoice date is as follows:

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
0–30 days	3,505	8,915
31–60 days	723	880
61–90 days	–	6,976
Over 90 days	<u>4,369</u>	<u>842</u>
	<u>8,597</u>	<u>17,613</u>

As at 31 December 2021, trade receivables of approximately HK\$4,369,000 (2020: approximately HK\$7,629,000) were past due. Based on past experience and forward-looking estimates, the amounts are considered as recoverable.

- (c) The other classes within trade and other receivables do not contain impaired assets. The Group does not hold any collateral as security.

8 SHARE CAPITAL

	Number of shares	Share capital <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 January 2020, 31 December 2020 (Audited), 1 January 2021 and 31 December 2021 (Unaudited)	<u>3,000,000,000</u>	<u>30,000</u>
Issued and fully paid:		
At 1 January 2020, 31 December 2020 (Audited) and 1 January 2021	1,000,000,000	10,000
Issue of shares by placing (<i>Note</i>)	<u>100,000,000</u>	<u>1,000</u>
At 31 December 2021 (Unaudited)	<u>1,100,000,000</u>	<u>11,000</u>

Note: On 4 November 2021, the Company allotted and issued 100,000,000 ordinary shares of HK\$0.01 each in the capital of the Company by way of placing at a placing price of HK\$0.043 per share. The Company raised approximately HK\$4,168,000 (net of expenses).

9 TRADE AND OTHER PAYABLES

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
Trade payables	11,578	20,095
Accrued employee benefit expenses	1,805	1,244
Other accruals and payables	2,893	2,594
Retention payables	<u>7,488</u>	<u>6,874</u>
	<u>23,764</u>	<u>30,807</u>

Notes:

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

	2021 HK\$'000 (Unaudited)	2020 <i>HK\$'000</i> (Audited)
0–30 days	2,347	631
31–60 days	3,895	5,642
61–90 days	707	3,747
Over 90 days	<u>4,629</u>	<u>10,075</u>
	<u>11,578</u>	<u>20,095</u>

All of the retention payables are expected to be settled within one year.

(b) All trade and other payables are denominated in HK\$.

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; 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.

The shares of the Company were listed on GEM of the Stock Exchange on 27 June 2017 (the “**Listing Date**”) by way of public offer.

For the year ended 31 December 2021, the Group recorded a net profit of approximately HK\$0.6 million as compared to a net profit of approximately HK\$0.5 million for the year ended 31 December 2020.

OUTLOOK

The Directors are of the view that the general outlook of the industry and the business environment in which the Group operates remain difficult and challenging. Since January 2020, the outbreak of COVID-19 has had a drastic effect on the Hong Kong economy and imposed negative impacts to the construction industry, including supply chain disruptions, workforce shortages due to illness and preventative quarantines and work stoppages due to measures imposed by the Government of the Hong Kong Special Administrative Region. The Group has not encountered or experienced any material difficulty and/or delay in completion of the projects to the customers and from the subcontractors and any material supply chain disruptions of the suppliers due to the outbreak of COVID-19. The Group will also closely monitor the projects’ progress and communicate with suppliers and subcontractors, maintain close communication with customers on the latest project works schedules and arrangements, proactively follow up with potential customers on the tenders and quotations submitted, and actively respond to any business enquiries, tender and quotation invitations to maintain market competitiveness. The Group will continue to strive to improve its operational efficiency and business profitability and will also proactively seek for potential business opportunities that can broaden the sources of income of the Group and enhance value to the shareholders of the Company.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately HK\$20.3 million or 18.6% from approximately HK\$109.1 million for the year ended 31 December 2020 to approximately HK\$88.8 million for the year ended 31 December 2021, mainly due to sizeable projects with large contract value had been completed and reflected in the revenue recorded in the year ended 31 December 2020.

Costs of sales

The Group's cost of sales decreased from approximately HK\$101.8 million for the year ended 31 December 2020 to approximately HK\$77.9 million for the year ended 31 December 2021, representing a decrease of approximately HK\$23.9 million or 23.5%. Such decrease was generally in line with the decrease in revenue.

Gross profit and gross profit margin

The Group's gross profit for the year ended 31 December 2021 were approximately HK\$10.9 million, representing an increase of approximately 49.3% from approximately HK\$7.3 million for the year ended 31 December 2020. Such increase was mainly due to the increase in gross profit margin. The Group's gross profit margin for the year ended 31 December 2021 was approximately 12.3%, representing an increase of approximately 5.6 percentage points as compared to approximately 6.7% for the year ended 31 December 2020. Such increase was primarily due to the effects of decisive cost control initiatives which have been taken by the management of the Group.

Other income and other gain

The other income and other gain increased by approximately HK\$1.2 million from approximately HK\$3.3 million for the year ended 31 December 2020 to approximately HK\$4.5 million for the year ended 31 December 2021, primarily due to one-off gain of approximately HK\$2.5 million related to disposal of property, plant and equipment for the year ended 31 December 2021, partially offset by the decrease in government grants mainly received under the "Anti-epidemic Fund" due to the outbreak of the COVID-19.

Administrative and other operating expenses

The Group's administrative and other operating expenses for the year ended 31 December 2021 were approximately HK\$10.7 million, representing an increase of approximately HK\$1.3 million or 13.8% from approximately HK\$9.4 million for the year ended 31 December 2020, primarily due to increase in staff costs.

Finance costs

Finance costs of the Group were approximately HK\$0.8 million for both years ended 31 December 2021 and 2020. Finance costs consist of interests on bank borrowings and lease liabilities.

Income tax (expense)/credit

For the years ended 31 December 2020 and 2021, the Group recorded income tax credit of approximately HK\$1.4 million and income tax expense of approximately HK\$0.6 million, respectively.

Profit for the year

For the year ended 31 December 2021, the Group recorded a profit attributable to owners of the Company of approximately HK\$0.6 million as compared to approximately HK\$0.5 million for the year ended 31 December 2020. The profit during the year was mainly attribute to (i) cost effective control; (ii) engagement with well-trained workers and well-managed subcontractors; and (iii) the increase in other income and other gain due to one-off gain of approximately HK\$2.5 million related to disposal of property, plant and equipment for the year ended 31 December 2021.

LIQUIDITY AND FINANCIAL RESOURCES

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

As at 31 December 2021, the Group had cash and bank balances of approximately HK\$4.4 million (2020: approximately HK\$5.4 million).

As at 31 December 2021, the Group's total equity attributable to owners of the Company amounted to approximately HK\$66.2 million (2020: approximately HK\$61.5 million). As of the same date, the Group's total debt, comprising borrowings and lease liabilities, amounted to approximately HK\$11.3 million (2020: approximately HK\$19.8 million).

On the Listing Date, the Company was listed on GEM by way of public offer and completed the public offer of 250,000,000 shares at the offer price of HK\$0.24 per share. The net proceeds from the Listing amounted to approximately HK\$39.4 million. The Directors believe that with the new capital from the public offer, the Group is in a healthy financial position to expand its business and achieve its business objectives.

BORROWINGS AND GEARING RATIO

As at 31 December 2021, the Group had borrowings and lease liabilities of approximately HK\$11.3 million which was denominated in Hong Kong dollars (2020: approximately HK\$19.8 million). The Group's borrowings were primarily used in financing the working capital requirement of its operations.

As at 31 December 2021, the gearing ratio of the Group, calculated as the total interest-bearing liabilities divided by the total equity, was approximately 17.1% (2020: approximately 32.2%).

TREASURY POLICY

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 31 December 2021, the Group has pledged its machinery and equipment with an aggregate net book value of approximately HK\$0.6 million (2020: approximately HK\$11.9 million) and did not pledge its motor vehicles (2020: approximately HK\$0.8 million).

As at 31 December 2021, the Group pledged the payment for a life insurance policy of a bank with the carrying amount of approximately HK\$2.7 million to secure the bank borrowings of the Group (2020: approximately HK\$2.7 million).

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery leases. These legal transfer does not satisfy the requirements of HKFRS 15 to be accounted for as a sale of the machinery. During the year ended 31 December 2021, the Group had raised approximately HK\$0.9 million borrowings in respect of such sale and leaseback arrangements (2020: approximately HK\$1.9 million).

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.

CAPITAL STRUCTURE

The shares of the Company were successfully listed on GEM of the Stock Exchange on 27 June 2017. There has been no change in the capital structure of the Group since then. The share capital of the Group only comprises of ordinary shares.

As at 31 December 2021, the Company's issued share capital was HK\$11.0 million and the number of its issued ordinary shares was 1,100,000,000 of HK\$0.01 each.

CAPITAL COMMITMENTS

As at 31 December 2021, the Group had no material capital commitments (2020: Nil) contracted but not provided for property, plant and equipment.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the prospectus of the Company dated 14 June 2017 (the “**Prospectus**”) and in this announcement, the Group did not have other plans for material investments or capital assets as of 31 December 2021.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year ended 31 December 2021, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associates or joint ventures.

CONTINGENT LIABILITIES

As at 31 December 2021, the Group did not have any material contingent liabilities (2020: Nil).

FINAL DIVIDENDS

The Board does not recommend the payment of final dividend for the year ended 31 December 2021 (2020: Nil).

EVENTS AFTER THE REPORTING PERIOD

Mr. Ngok Ho Wai (“**Mr. Ngok**”), the independent non-executive Director, was appointed on 19 January 2022. Mr. Iu Tak Meng Teddy has resigned as an independent non-executive Director, the chairman of the remuneration committee of the Company (the “**Remuneration Committee**”) and a member of each of the audit committee of the Company (the “**Audit Committee**”) and nomination committee of the Company (the “**Nomination Committee**”) with effect from 12 February 2022.

Mr. Ngok has been appointed as the chairman of the Remuneration Committee and a member of each of the Audit Committee and Nomination Committee in replacement of Mr. Iu Tak Meng Teddy with effect from 12 February 2022.

CORPORATE GOVERNANCE PRACTICE

The Company acknowledges the need and importance of corporate governance as one of the key elements in creating shareholders’ value. The Company is also committed to achieving high standard of corporate governance that can protect and promote the interests of all shareholders and to enhance corporate value and accountability of the Company. For corporate governance purpose, the Company has adopted the Corporate Governance

Code (the “CG Code”) set out in Appendix 15 of the GEM Listing Rules. During the year ended 31 December 2021, to the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the CG Code.

UNAUDITED ANNUAL RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2021 are set out in the unaudited consolidated statement of profit or loss and other comprehensive income of this announcement. The state of affairs of the Group as at 31 December 2021 are set out in the unaudited consolidated statement of financial position. The Directors do not recommend the payment of a final dividend for the year ended 31 December 2021.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s shares during the year ended 31 December 2021.

AUDIT COMMITTEE

The Audit Committee was established on 7 June 2017. The chairman of the Audit Committee is Mr. Ng Ki Man, an independent non-executive Director, and other members include Mr. Lam Chee-yau Timothy and Mr. Ngok, which are also independent non-executive Directors. The written terms of reference of the Audit Committee are posted on the website of the Stock Exchange and on the Company’s website.

The Company has complied with Rule 5.28 of the GEM Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The primary duties of the Audit Committee are to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Group to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Group.

REVIEW OF UNAUDITED ANNUAL RESULTS

The auditing process for the annual results for the year ended 31 December 2021 has not been completed due to the epidemic prevention measures implemented by Hong Kong Government to combat the COVID-19 outbreak. The unaudited annual results contained herein have not been agreed with HLB Hodgson Impey Cheng Limited, the Company’s auditors. An announcement relating to the audited results will be made when the auditing process has been completed in accordance with Hong Kong Standards on Auditing issued by Hong Kong Institute of Certified Public Accountants.

The unaudited annual results of the Group for the year ended 31 December 2021 had been reviewed by the Audit Committee.

FURTHER ANNOUNCEMENT

Following the completion of the auditing process, the Company will issue further announcement in relation to the audited results for the year ended 31 December 2021 as agreed by the Company's auditors and the material differences (if any) as compared with the unaudited annual results contained herein. In addition, the Company will issue further announcement as and when necessary if there are other material development in the completion of the auditing process.

DELAY OF PUBLICATION OF AUDITED ANNUAL RESULTS AND ANNUAL REPORT

This unaudited annual results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.wbgroupfw.com.hk. The preliminary audited annual results and annual report of the Company are expected to be published on the above websites and despatched to the shareholders of the Company by the end of April 2022.

The financial information contained herein in respect of the annual results of the Group has not been audited and has not been agreed with the auditors. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 31 March 2022

As at the date of this announcement, the Board comprises Mr. Lau Chung Ho, Mr. Leung Yat Fai Frankie Keith and Ms. Fong Pui Yin Vivian 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 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.