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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)

**PLACING OF NEW SHARES
UNDER GENERAL MANDATE**

Placing agent



Gransing Securities Co., Limited

THE PLACING

On 21 September 2021 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has agreed to offer for subscription, and the Placing Agent has agreed to procure, on a best effort basis, to not less than six Placees to subscribe for up to 100,000,000 Placing Shares at a price of HK\$0.04 per Placing Share. The Placees and their ultimate beneficial owners shall be Independent Third Parties. The Placing Shares will be allotted and issued pursuant to the General Mandate.

The maximum number of 100,000,000 Placing Shares represent (i) 10% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.1% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming that there is no other change in the issued share capital of the Company from the date of this announcement and up to the date of completion of the Placing). The maximum aggregate nominal value of the Placing Shares will be approximately HK\$1,000,000.

Assuming the maximum number of the Placing Shares is placed, the gross proceeds from the Placing will be approximately HK\$4,000,000 and the net proceeds (after deduction of placing fee and other expenses of the Placing) will be approximately HK\$3,880,000. It is intended that the net proceeds from the Placing will be utilised for operating funds purposes and for future investment of the Group as and when opportunities arise but no specific investment targets have been identified yet as at the date of this announcement.

The Placing Price of HK\$0.04 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agent and represents (i) a discount of approximately 16.67% to the closing price of HK\$0.048 per Share as quoted on the Stock Exchange on 21 September 2021, being the date of the Placing Agreement; and (ii) a discount of approximately 20.63% to the average closing price of HK\$ 0.0504 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Placing Agreement.

The Placing Shares will be allotted and issue pursuant to the General Mandate granted to the Directors at the AGM. The allotment and issue of the Placing Shares are not subject to any additional Shareholder's approval.

Since completion of the Placing is subject to fulfilment of the conditions as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

On 21 September 2021 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, the principal terms of which are summarised below.

THE PLACING AGREEMENT

Date : 21 September 2021

Issuer : The Company

Placing Agent : Gransing Securities Co., Limited

The Placing Agent has agreed to procure, as placing agent of the Company and on a best effort basis, currently expected to be not less than six Placees to subscribe for up to 100,000,000 Placing Shares. The Placing Agent will receive a placing commission of 3% of the aggregate Placing Price for the Placing Shares placed by the Placing Agent pursuant to its obligations under the Placing Agreement. Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees

The Placing Shares are to be placed on a best effort basis to not less than six Placees, who and whose ultimate beneficial owners shall be Independent Third Parties. The Placing Agent has also warranted and undertaken to the Company it will use its reasonable endeavours to ensure that none of the Placees would, immediately upon completion of the Placing, become a substantial shareholder (within the meaning ascribed to it under the GEM Listing Rules) of the Company.

Placing Price

The Placing Price of HK\$0.04 per Placing Share represents:

- (i) a discount of approximately 16.67% to the closing price of HK\$0.048 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 20.63% to the average closing price of approximately HK\$0.0504 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to, among other matters, the prevailing market prices of the Shares and the capital requirement for the future development of the Group. The Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Placing Shares

The maximum number of 100,000,000 Placing Shares represent (i) 10% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.1% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming that there is no other change in the issued share capital

of the Company from the date of this announcement and up to the date of completion of the Placing). The maximum aggregate nominal value of the Placing Shares will be HK\$1,000,000.

Ranking

The Placing Shares will rank, upon issue, *pari passu* in all respects with the Shares in issue as at the date of allotment and issue of the Placing Shares.

Conditions of the Placing

Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, all of the Placing Shares.

If the above condition is not fulfilled by the Long Stop Date, all obligations of the Placing Agent and the Company under the Placing Agreement shall cease and terminate and none of the parties under the Placing Agreement shall have any claim against the other in relation to the Placing, save in respect of any antecedent breach of any obligation under the Placing Agreement.

Completion

Completion of the Placing shall take place on the Completion Date (or such other date as the Company and the Placing Agent may agree in writing).

Termination

The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate this Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Completion Date if:

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

Upon termination of the Placing Agreement pursuant to the terms and conditions mentioned under this section headed “Termination” of this announcement, all liabilities of the parties to the Placing Agreement thereunder shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of any antecedent breach of any obligation under the Placing Agreement.

Since completion of the Placing is subject to the fulfilment of the conditions as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

GENERAL MANDATE TO ALLOT AND ISSUE THE PLACING SHARES

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM. Under the General Mandate, the Company is authorised to allot and issue up to 100,000,000 Shares until the revocation, variation or expiration of the General Mandate. The Company has not exercised the power to allot and issue any new Shares pursuant to the General Mandate as at the date of this announcement. The allotment and issue of the Placing Shares are not subject to any additional Shareholders’ approval.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company, and its subsidiaries are principally engaged in the provision of foundation and site formation works and other geotechnical engineering works as a substructure subcontractor.

The Directors are of the view that the Placing can strengthen the financial position of the Group and provide working capital to the Group to meet any future development and obligations. The placing also represents a good opportunity to broaden the shareholders’ base and the capital base of the Company. As such, the Directors consider that the Placing is in the interests of the Company and the Shareholders as a whole.

Assuming the maximum number of the Placing Shares is placed, the gross proceeds from the Placing will be approximately HK\$4,000,000 and the net proceeds (after deduction of placing fee and other expenses of the Placing) will be approximately HK\$3,880,000. It is intended that the net proceeds from the Placing will be utilised for operating funds purposes and for future investment of the Group as and when opportunities arise but no specific investment targets have been identified yet as at the date of this announcement.

The Directors consider that the Placing will also provide an opportunity to raise further capital for the Company whilst broadening the shareholder base and the capital base of the Company.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

The Company has not conducted any fund raising activities involving issue of its securities in the past 12 months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Placing (assuming the maximum number of the Placing Shares is placed and there is no other change in the issued share capital of the Company before the completion of the Placing) are set out below:

	As at the date of this announcement		Immediately after completion of the Placing (assuming the maximum number of the Placing Shares is placed and there is no other change in the issued share capital of the Company before the completion of the Placing)	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Substantial Shareholders:				
Mr. Lau Chung Ho ("Mr. Lau")	510,000,000	51%	510,000,000	46.4%
Brightly Ahead Limited (<i>Note</i>)	510,000,000	51%	510,000,000	46.4%
Public Shareholders:				
The Placee(s)	—	—	100,000,000	9.1%
Other Shareholders	490,000,000	49%	490,000,000	44.5%
Total	1,000,000,000	100%	1,100,000,000	100%

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

DEFINITIONS

Unless the context otherwise requires, the following terms have the following meanings in this announcement:

“AGM”	the annual general meeting of the Company held on 7 May 2021 at which, among other things, the General Mandate was granted to the Directors;
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Board”	the board of Directors;
“Business Day”	any day (not being a Saturday, Sunday or public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours;
“Company”	Basetrophy Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM (stock code: 8460);
“Completion Date”	the date of completion, which shall take place on the five business days after the fulfillment of the conditions of the Placing;
“connected person(s)”	has the same meaning as ascribed to it under the GEM Listing Rules;
“Director(s)”	the director(s) of the Company;
“GEM”	GEM operated by the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM made by the Stock Exchange from time to time;
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue and otherwise deal with Shares up to 20% of the total number of the issued Shares of the Company as at 7 May 2021;

“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;
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons or their respective associates;
“Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules;
“Long Stop Date”	20 October 2021;
“Placees”	any independent institutional, professional and/or other investors to be procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement;
“Placing”	the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agent to the Placee(s), on a best effort basis, on the terms and subject to the condition set out in the Placing Agreement;
“Placing Agent”	Gransing Securities Co., Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising in corporate finance) and type 9 (asset management) regulated activities under the SFO;
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 21 September 2021 in relation to the Placing;
“Placing Price”	HK\$0.04 per Placing Share;
“Placing Shares”	up to 100,000,000 Shares to be allotted and issued pursuant to the terms and conditions of the Placing Agreement which will rank <i>pari passu</i> in all respects with the placed pursuant to the Placing Agreement, and each, a “Placing Share”;
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

“Share(s)”	share(s) of nominal price of HK\$0.01 each in the share capital of the Company;
“Shareholders”	the holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the same meaning as ascribed to it under the GEM Listing Rules;
“trading day(s)”	means days on which the Stock Exchange is open for trading; and
“%”	per cent.

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

Hong Kong, 21 September 2021

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. Iu Tak Meng Teddy and Mr. Lam Chee-yau Timothy 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 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.