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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)

CHANGE IN USE OF PROCEEDS

Reference is made to the prospectus of Basetrophy Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 14 June 2017 (the “**Prospectus**”) in relation to the listing of the shares of the Company on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) by way of public offer (the “**Public Offer**”), and the announcement of the Company dated 28 September 2018 in relation to the change in use of proceeds (the “**Announcement**”). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus and the Announcement.

CHANGE IN USE OF PROCEEDS

The net proceeds from the Public Offer were approximately HK\$39.4 million (the “**Net Proceeds**”). As at the date of this announcement, the Group has utilised approximately HK\$32.7 million of the Net Proceeds and the remaining balance of the Net Proceeds is approximately HK\$6.7 million. In order to cope with the business operations and project requirements of the Group, the Board proposes to adjust the use of the remaining balance of the Net Proceeds as follows:

	Planned use of Net Proceeds as stated in the Prospectus and the Announcement <i>HK\$' million</i>	Actual use of Net Proceeds up to the date of this announcement <i>HK\$' million</i>	Unutilised Net Proceeds as at the date of this announcement <i>HK\$' million</i>	Proposed application of the unutilised Net Proceeds <i>HK\$' million</i>
Strengthening the Group's machinery fleet	22.1	22.1	–	–
Expanding the Group's manpower	10.5	3.8	6.7	3.7
Purchase of steel materials	4.4	4.4	–	3.0
General working capital	2.4	2.4	–	–
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Total	39.4	32.7	6.7	6.7

REASONS FOR AND BENEFITS OF THE PROPOSED CHANGE IN THE USE OF NET PROCEEDS

The Directors originally allocated a portion of the Net Proceeds which amounted to approximately HK\$10.5 million for expansion of the Group's manpower to strengthen the Group's project management capabilities and project execution capacity. However, in view of (i) the shortage of candidates with right calibre available in the market; and (ii) the demand for steel materials of the latest projects on hand of the Group, the Board considers that it would be more beneficial for the Group to re-allocate a portion of the unutilised Net Proceeds of approximately HK\$3.0 million under the recruitment of additional staff to purchase steel materials for the purpose of fulfilling the increasing steel materials requirements in the Group's projects.

The Board considers that the above change will allow the Company to deploy its financial resources more effectively, and is fair and reasonable and in the interests of the Company and its shareholders as a whole.

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

Hong Kong, 18 June 2019

As at the date of this announcement, the Board comprises Mr. Lau Chung Ho and Ms. Deng Li as executive Directors; and Mr. Ng Ki Man, Mr. Iu Tak Meng Teddy and Mr. Chong Kam Fung as independent non-executive Directors.

This announcement, for which the Directors 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 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.