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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**”). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

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\$20.6 million of the Net Proceeds and the remaining balance of the Net Proceeds is approximately HK\$18.8 million. In order to cope with the business operations and project requirements of the Group, the board (the “**Board**”) of directors (the “**Directors**”) of the Company 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 <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				
– Acquiring crawler cranes	10.2	4.9	5.3	10.1
– Acquiring hydraulic crawler drills	5.4	0.6	4.8	–
– Acquiring air compressors	2.2	2.2	–	–
– Acquiring supporting tools and equipment	2.9	2.9	–	–
– Reserve for maintenance for additional machinery and equipment acquired	1.4	1.3	0.1	0.1
Expanding the Group's manpower	10.5	1.9	8.6	8.6
Investment in steel materials	4.4	4.4	–	–
General working capital	2.4	2.4	–	–
Total	<u>39.4</u>	<u>20.6</u>	<u>18.8</u>	<u>18.8</u>

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\$10.2 million and HK\$5.4 million to acquire three crawler cranes and three hydraulic crawler drills, respectively. As supported by the latest projects on hand of the Group, as well as to increase the Group's capability to undertake sizeable foundation projects, the Directors consider that it would be more beneficial for the Group to acquire one large size crawler crane which could lift heavier construction materials and be used to carry out large diameter bored piling works, rather than two smaller crawler cranes and one hydraulic crawler drills which are more suitable for smaller scale construction projects, to implement the expansion plans of the Company.

The Directors consider that the above change is in line with the Company's primary business objective to strengthen the position of the Group to take up more sizeable foundation projects in order to expand our scale of operations and achieve sustainable business growth of the Group. The Directors are also of the view that the above change 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
Executive Director

Hong Kong, 28 September 2018

As at the date of this announcement, the Board comprises Ms. Yuen Suk Har and Mr. Lau Chung Ho 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 of the Company 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 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.