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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)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024**

#### **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 of the Stock Exchange (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.*

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**  
*FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2024*

**Unaudited interim results**

The unaudited condensed consolidated results of the Group for the six months ended 30 June 2024, together with the unaudited comparative figures for the corresponding periods in 2023, are as follows:

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
	<i>Note</i>	<b>2024</b>	2023
		<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue	4	<b>58,631</b>	43,419
Cost of sales		<u>(53,876)</u>	<u>(37,327)</u>
<b>Gross profit</b>		<b>4,755</b>	6,092
Other income and other gain	4	<b>1,864</b>	207
Net reversal of impairment losses on financial assets and contract assets		<b>118</b>	58
Administrative and other operating expenses	5	<u>(8,865)</u>	<u>(5,405)</u>
<b>Operating (loss)/profit</b>		<b>(2,128)</b>	952
Finance costs	6	<u>(795)</u>	<u>(625)</u>
<b>(Loss)/profit before tax</b>		<b>(2,923)</b>	327
Income tax expense	7	<u>(5)</u>	<u>(222)</u>
<b>(Loss)/profit for the period</b>		<b>(2,928)</b>	105
Other comprehensive income/(expense):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		<u>37</u>	<u>(88)</u>
<b>Total comprehensive (expense)/income</b>		<u><b>(2,891)</b></u>	<u>17</u>

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
		<b>2024</b>	2023
<i>Note</i>		<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>(Loss)/profit attributable to:</b>			
	Equity holders of the Company	(2,784)	(46)
	Non-controlling interests	(144)	151
		<u>(2,928)</u>	<u>105</u>
<b>(Loss)/profit and total comprehensive</b>			
<b>(expense)/income for the period attributable to:</b>			
	Equity holders of the Company	(2,746)	(91)
	Non-controlling interests	(145)	108
		<u>(2,891)</u>	<u>17</u>
Loss per share attributable to owners of			
the Company for the period			
	– Basic and diluted ( <i>expressed in HK cents per share</i> )	8 <u>(2.42)</u>	<u>(0.04)</u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 30 JUNE 2024*

		<b>Unaudited</b>	Audited
		<b>30 June</b>	31 December
		<b>2024</b>	2023
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Right-of-use assets		1,980	2,858
Payment for a life insurance policy		2,951	2,903
Property, plant and equipment	10	22,428	24,107
		<u>27,359</u>	<u>29,868</u>
<b>Current assets</b>			
Inventories		3,872	4,083
Trade and other receivables	12	32,503	28,818
Contract assets		35,149	35,235
Tax recoverable		1,464	1,464
Cash and bank balances		2,019	4,837
		<u>75,007</u>	<u>74,437</u>
<b>Total assets</b>		<u><b>102,366</b></u>	<u><b>104,305</b></u>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	13	11,500	11,500
Reserves		27,266	30,012
<b>Equity attributable to owners of the Company</b>		<u><b>38,766</b></u>	<u>41,512</u>
Non-controlling interests		319	464
<b>Total equity</b>		<u><b>39,085</b></u>	<u><b>41,976</b></u>

		<b>Unaudited</b>	Audited
		<b>30 June</b>	31 December
		<b>2024</b>	2023
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	14	3,028	4,840
Lease liabilities		658	1,107
		<u>3,686</u>	<u>5,947</u>
<b>Current liabilities</b>			
Trade and other payables	15	45,197	36,264
Tax payable		5	5
Borrowings	14	12,497	17,753
Lease liabilities		1,396	1,860
Contract liabilities		500	500
		<u>59,595</u>	<u>56,382</u>
<b>Total liabilities</b>		<u><b>63,281</b></u>	<u><b>62,329</b></u>
<b>Total equity and liabilities</b>		<u><b>102,366</b></u>	<u><b>104,305</b></u>
<b>Net current assets</b>		<u><b>15,412</b></u>	<u><b>18,055</b></u>
<b>Total assets less current liabilities</b>		<u><b>42,771</b></u>	<u><b>47,923</b></u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

	Attributable to owners of the Company						Non- controlling interests	Total equity
	Share capital <i>HK\$'000</i> <i>(Note 13)</i>	Share premium <i>HK\$'000</i>	Other reserve <i>HK\$'000</i> <i>(Note i)</i>	Translation reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>		
At 1 January 2024 (Audited)	11,500	48,256	1	15	(18,260)	41,512	464	41,976
Loss for the period	-	-	-	-	(2,784)	(2,784)	(144)	(2,928)
Exchange differences arising on translation of foreign operations	-	-	-	38	-	38	(1)	37
Total comprehensive expense	-	-	-	38	(2,784)	(2,746)	(145)	(2,891)
At 30 June 2024 (Unaudited)	<u>11,500</u>	<u>48,256</u>	<u>1</u>	<u>53</u>	<u>(21,044)</u>	<u>38,766</u>	<u>319</u>	<u>39,085</u>

**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

	Attributable to owners of the Company						Non- controlling interests	Total equity
	Share capital <i>HK\$'000</i> <i>(Note 13)</i>	Share premium <i>HK\$'000</i>	Other reserve <i>HK\$'000</i> <i>(Note i)</i>	Translation reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>		
At 1 January 2023 (Audited)	11,500	48,256	1	14	1,513	61,284	323	61,607
Profit for the period	-	-	-	-	(46)	(46)	151	105
Exchange differences arising on translation of foreign operations	-	-	-	(45)	-	(45)	(43)	(88)
Total comprehensive income	-	-	-	(45)	(46)	(91)	108	17
At 30 June 2023 (Unaudited)	<u>11,500</u>	<u>48,256</u>	<u>1</u>	<u>(31)</u>	<u>1,467</u>	<u>61,193</u>	<u>431</u>	<u>61,624</u>

*Note:*

- i) Other reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the reorganisation.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Cash flows from operating activities</b>		
Net cash generated from operations	<b>6,573</b>	1,254
Overseas income tax paid	<b>(5)</b>	(366)
	<hr/>	<hr/>
Net cash generated from operating activities	<b>6,568</b>	888
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	<b>(612)</b>	(10,410)
Interest received	<b>1</b>	–
	<hr/>	<hr/>
Net cash used in investing activities	<b>(611)</b>	(10,410)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Cash flows from financing activities</b>		
Drawdown of bank borrowings	<b>26,235</b>	31,172
Drawdown of other borrowings	<b>550</b>	10,338
Repayment of bank borrowings	<b>(30,273)</b>	(29,905)
Repayment of other borrowings	<b>(3,579)</b>	(2,434)
Repayment of lease liabilities	<b>(913)</b>	(538)
Interest paid on bank borrowings	<b>(253)</b>	(570)
Interest paid on other borrowings	<b>(450)</b>	–
Interest paid on lease liabilities	<b>(92)</b>	(55)
	<hr/>	<hr/>
Net cash (used in)/generated from financing activities	<b>(8,775)</b>	8,008
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,818)</b>	(1,514)
Effects of foreign exchange rate changes	<b>–</b>	105
Cash and cash equivalents at the beginning of period	<b>4,837</b>	4,147
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of period</b>	<b>2,019</b>	2,738
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# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 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 (“**Brightly Ahead**”), 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 Flat B-31, 4/F, Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong. The Company is an investment holding company. The Group is principally engaged in provision of foundation and related works in Hong Kong and trading of alcoholic beverages in the People Republic of China (the “**PRC**”).

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

## 2 BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standards (“**HKAS**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the unaudited condensed consolidated financial statements include the applicable disclosure provisions of the GEM Listing Rules and the Companies Ordinance (Chapter 622 of the laws of Hong Kong). The unaudited condensed consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA, except for the new and revised HKFRSs and interpretations issued by HKICPA that are first effective for the current accounting period of the Company. There has been no significant change to the accounting policy applied in these unaudited condensed consolidated financial statements for the period presented as a result of adoption of these amendments. The unaudited condensed consolidated financial statements have been prepared under the historical cost convention.

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.

## 3 ESTIMATES

The preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim condensed consolidated financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2023.



#### 4 REVENUE, OTHER INCOME AND OTHER GAIN AND SEGMENT INFORMATION

The management has determined the operating segments based on the reports reviewed by the directors of the Company, which are used to assess performance and allocate resources.

The management assesses the performance of the following operating segments as below:

- |      |                                       |   |
|------|---------------------------------------|---|
| (i)  | Foundation and related works business | Provides services of foundation and site formation works and other geotechnical engineering works to customers. |
| (ii) | Alcoholic beverages trading business  | Trading and distribution of alcoholic beverages.  |

Revenue and other income and other gain recognised during the respective periods are follows:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Revenue</b>		
Foundation and related works	<b>58,209</b>	42,394
Sales of alcoholic beverages	<b>422</b>	1,025
	<u><b>58,631</b></u>	<u>43,419</u>

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Timing of revenue recognition:</b>		
At a point in time	<b>422</b>	1,025
Over time	<b>58,209</b>	42,394
	<u><b>58,631</b></u>	<u>43,419</u>

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Other income and other gain</b>		
Fair value change on assets at fair value through profit or loss	<b>48</b>	65
Others	<b>1,816</b>	142
	<u><b>1,864</b></u>	<u>207</u>

The segment revenue and results for the six months ended 30 June 2024 are as follows:

	Foundation and related works <i>HK\$'000</i>	Alcoholic beverages trading <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Revenue from external customers</b>	<b>58,209</b>	<b>422</b>	<b>–</b>	<b>58,631</b>
Segment results	2,185	(1,113)	(3,200)	(2,128)
Finance costs				(795)
<b>Loss before tax</b>				<b>(2,923)</b>
Income tax expense				(5)
<b>Loss for the period</b>				<b>(2,928)</b>

Other segment items included in the consolidated statement of profit or loss are as follows:

Fair value gain on assets at fair value through profit or loss	–	–	48	48
Depreciation of property, plant and equipment	2,234	23	34	2,291
Depreciation of right-of-use assets	878	–	–	878
Provision for impairment of trade receivables	14	–	–	14
Reversal of impairment of contract assets	(132)	–	–	(132)

The segment revenue and results for the six months ended 30 June 2023 are as follows:

	Foundation and related works <i>HK\$'000</i>	Alcoholic beverages trading <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Revenue from external customers</b>	<b>42,394</b>	<b>1,025</b>	<b>–</b>	<b>43,419</b>
Segment results	2,116	314	(1,478)	952
Finance costs				(625)
<b>Profit before tax</b>				<b>327</b>
Income tax expense				(222)
<b>Profit for the period</b>				<b>105</b>

Other segment items included in the consolidated statement of profit or loss are as follows:

Fair value gain on assets at fair value through profit or loss	65	–	–	65
Depreciation of property, plant and equipment	1,271	–	34	1,305
Depreciation of right-of-use assets	560	–	–	560
Provision for impairment of trade receivables	(436)	–	–	(436)
Provision for impairment of contract assets	378	–	–	378

The following is an analysis of the Group's assets and liabilities by reportable segment:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Segment assets</b>		
Foundation and related works	93,872	115,968
Alcoholic beverages trading	5,139	4,990
	<hr/>	<hr/>
<b>Total reportable segment assets</b>	<b>99,011</b>	<b>120,958</b>
Unallocated corporate assets	3,355	4,574
	<hr/>	<hr/>
<b>Consolidated assets</b>	<b>102,366</b>	<b>125,532</b>
	<hr/> <hr/>	<hr/> <hr/>

*Note:* All assets are allocated to operating segments other than certain cash and bank balances and payment for a life insurance policy.

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Segment liabilities</b>		
Foundation and related works	51,704	57,639
Alcoholic beverages trading	6,617	4,106
	<hr/>	<hr/>
<b>Total reportable segment liabilities</b>	<b>58,321</b>	<b>61,745</b>
Unallocated corporate liabilities	4,960	2,163
	<hr/>	<hr/>
<b>Consolidated liabilities</b>	<b>63,281</b>	<b>63,908</b>
	<hr/> <hr/>	<hr/> <hr/>

*Note:* All liabilities are allocated to operating segments other than certain other payables and accruals and deferred tax liabilities and tax payable.

Information about the Group's revenue from external customers is presented based on the location of operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	Unaudited		As at 30 June	
	Six months ended 30 June			
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The PRC	422	1,025	–	–
Hong Kong	58,209	42,394	24,408	24,924
	<u>58,631</u>	<u>43,419</u>	<u>24,408</u>	<u>24,924</u>

*Note:* Non-current assets excluded payment for a life insurance policy.

#### Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	Unaudited	
	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Customer A	12,981	–
Customer B	6,598	5,666
Customer C	18,284	–
Customer D	N/A	4,874
Customer E	–	9,281
Customer F	N/A	14,605

*Note:* The corresponding revenue did not contribute over 10% of the total revenue of the Group during the corresponding periods.

## 5 ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	Unaudited	
	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Auditors' remuneration	300	340
Depreciation of property, plant and equipment	24	35
Depreciation of right-of-use assets	579	560
Short term lease expense	99	76
Staff costs, including directors' emoluments	1,830	1,293
Other expenses	6,033	3,101
	<u>8,865</u>	<u>5,405</u>

## 6 FINANCE COSTS

	Unaudited	
	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Interest on bank and other borrowings	703	570
Interest on lease liabilities	92	55
	<u>795</u>	<u>625</u>

## 7 INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group did not have assessable profit in Hong Kong for the current period.

Hong Kong profits tax has been provided at the rate of 8.25% for the first HK\$2 million of assessable profits and 16.5% for the assessable profits above HK\$2 million for the last period.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rule of the PRC subsidiaries is 25% for the period.

The amount of income tax expense charged to the condensed consolidated statement of profit or loss and other comprehensive income represents:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
PRC Enterprise Income Tax	5	5
Deferred income tax ( <i>Note 11</i> )	–	217
	<u>5</u>	<u>217</u>
Income tax expense	<u><b>5</b></u>	<u>222</u>

## 8 LOSS PER SHARE

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
Loss for the period attributable to ( <i>HK\$'000</i> ):		
Equity holders of the Company	<u>(2,784)</u>	<u>(46)</u>
Weighted average number of ordinary shares for the purpose of calculating basic loss per share ( <i>in thousand</i> )	<u>115,000</u>	<u>115,000</u>
Basic loss per share ( <i>HK cent</i> )	<u><b>(2.42)</b></u>	<u>(0.04)</u>

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

## 9 DIVIDENDS

The board of Directors (the “**Board**”) of the Company does not recommend a payment of an interim dividend for the six months ended 30 June 2024 (2023: Nil).

## 10 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group purchased property, plant and equipment of approximately HK\$0.6 million (2023: HK\$10.4 million).

## 11 DEFERRED TAX LIABILITIES

The components of deferred tax liabilities recognised in the condensed consolidated statement of financial position and the movements during the respective periods are as follows:

	<b>Tax depreciation allowances</b> <i>HK\$'000</i>	<b>Expected credit losses provision</b> <i>HK\$'000</i>	<b>Tax loss</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
<b>Deferred tax liabilities</b>				
At 1 January 2023	2,040	(314)	(929)	797
(Credited)/charged to profit or loss	<u>1,061</u>	<u>(244)</u>	<u>(1,614)</u>	<u>(797)</u>
At 31 December 2023 and 1 January 2024	3,101	(558)	(2,543)	–
(Credited)/charged to profit or loss	<u>(249)</u>	<u>20</u>	<u>229</u>	<u>–</u>
<b>At 30 June 2024</b>	<u><u>2,852</u></u>	<u><u>(538)</u></u>	<u><u>(2,314)</u></u>	<u><u>–</u></u>

## 12 TRADE AND OTHER RECEIVABLES

	<b>Unaudited 30 June 2024</b> <i>HK\$'000</i>	<b>Audited 31 December 2023</b> <i>HK\$'000</i>
Trade receivables	<b>22,962</b>	22,777
Less: Provision for impairment losses	<u><b>(2,234)</b></u>	<u>(2,220)</u>
	<b>20,728</b>	20,557
Amount due from a director	–	18
Amounts due from related companies	<b>545</b>	543
Other receivables, deposits and prepayments	<u><b>11,230</b></u>	<u>7,700</u>
	<u><u><b>32,503</b></u></u>	<u><u>28,818</u></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 is as follows:

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>HK\$'000</b>	<b>HK\$'000</b>
0–30 days	15,602	5,449
31–60 days	3,633	6,045
61–90 days	–	3,225
Over 90 days	3,727	8,058
	<u>22,962</u>	<u>22,777</u>

As at 30 June 2024, trade receivables of approximately HK\$3,727,000 (31 December 2023: HK\$6,491,000) were past due. Based on past experience and forward-looking estimates, the amounts are considered as recoverable.

### 13 SHARE CAPITAL

	<b>Ordinary shares of HK\$0.1 each</b>	<b>Amount HK\$'000</b>
<b>Authorised:</b>		
At 1 January 2023, 31 December 2023 and 1 January 2024	300,000,000	30,000
Increase in authorised share capital ( <i>Note</i> )	2,700,000,000	270,000
	<u>3,000,000,000</u>	<u>300,000</u>
<b>At 30 June 2024</b>		
<b>Issued and fully paid:</b>		
At 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024	115,000,000	11,500

*Note:* On 17 May 2024, the authorised share capital of the Company increased from HK\$30,000,000 divided into 300,000,000 shares to HK\$300,000,000 divided into 3,000,000,000 Shares.



## 14 BORROWINGS

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Non-current</b>		
Other borrowing ( <i>Note b</i> )	<b>3,028</b>	4,840
<b>Current</b>		
Bank borrowings ( <i>Note a</i> )	<b>6,278</b>	10,316
Other borrowing ( <i>Note b</i> )	<b>6,219</b>	7,437
	<u><b>12,497</b></u>	<u>17,753</u>
<b>Total borrowings</b>	<u><b>15,525</b></u>	<u>22,593</u>

*Note:*

- a. These facilities:
- (i) are secured by a payment of a life insurance policy as at 30 June 2024 and 31 December 2023.
  - (ii) are subject to the fulfilment of certain covenants as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Company regularly monitors its compliance with these covenants. As at 30 June 2024 and 31 December 2023, none of the covenants relating to drawn down facilities had been breached.
- b. The other borrowing is secured by the Group's certain property, plant and equipment with an aggregate net carrying amount of approximately HK\$20,800,000 (31 December 2023: HK\$22,620,000) as at 30 June 2024 and guaranteed by personal guarantee given by a director of the Company.

The interest rates per annum of bank borrowings ranged from 4.9% to 5.6% (31 December 2023: from 5.2% to 5.9%) as at 30 June 2024. The interest rates per annum of other borrowing ranged from 6.3% to 9.3% (31 December 2023: from 6.3% to 9.3%) as at 30 June 2023.

## 15 TRADE AND OTHER PAYABLES

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>HK\$'000</b>	<b>HK\$'000</b>
Trade payables	<b>15,615</b>	15,192
Accrued employee benefit expenses	<b>4,531</b>	2,763
Other accruals and payables	<b>19,927</b>	13,128
Retention payables	<b>5,124</b>	5,181
	<u><b>45,197</b></u>	<u>36,264</u>

Note:

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

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>HK\$'000</b>	<b>HK\$'000</b>
0–30 days	1,308	2,145
31–60 days	904	1,584
61–90 days	1,645	1,142
Over 90 days	11,758	10,321
	<u>15,615</u>	<u>15,192</u>

## 16 RELATED PARTY TRANSACTIONS

### Compensation of key management personnel of the Group

Key management includes directors (executive and non-executive) and the chief executive of the Group. The compensation paid or payable to key management for employee services is disclosed as follows:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	<b>HK\$'000</b>
Fee, discretionary bonuses, salaries, allowances and benefits in kind	66	708
Retirement scheme contributions	–	9
	<u>66</u>	<u>717</u>

## 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; (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.

The shares of the Company were listed on GEM on 27 June 2017 by way of public offer.

For the six months ended 30 June 2024, the Group recorded a net loss of approximately HK\$2.9 million as compared to a net profit of approximately HK\$0.1 million for the same period in 2023.

### Outlook

Looking ahead to the global economy in 2024, there are numerous uncertainties, including trade disputes, geopolitical instability, and the lingering effects of the Covid-19 pandemic, all of which pose significant challenges to the global economy. However, the Group maintains a cautiously optimistic attitude toward future prospects. The Group believes that the global economy will gradually recover and achieve long-term, stable growth. Despite the current difficulties, we also believe that these challenges will bring forth new opportunities. The Group will continue to remain vigilant and work diligently to address these challenges, ensuring our business can adapt to economic changes.

In terms of our foundation works in Hong Kong, it has always been a crucial industry in the region, and we believe that this market will continue to expand as Hong Kong progresses and further develops. The Group is dedicated to providing top-notch foundation engineering services, and we will continue to invest in technological innovation and talent development to maintain our competitive edge.

Additionally, The Group is closely monitoring the alcoholic beverage trading market in mainland China, as it is a substantial market with growing consumer demand. With our wealth of experience and resources in this market, The Group will continue to closely observe its development and adjust its business strategy according to market demands.

## **Financial Review**

### ***Revenue***

The Group's revenue increased by approximately 35.0% from approximately HK\$43.4 million for the six months ended 30 June 2023 to approximately HK\$58.6 million for the six months ended 30 June 2024, mainly due to enhanced efficiency.

### ***Costs of Sales***

The Group's cost of sales increased from approximately HK\$37.3 million for the six months ended 30 June 2023 to approximately HK\$53.9 million for the six months ended 30 June 2024, which was generally consistent with the increased revenue during the period.

### ***Gross Profit and Gross Profit Margin***

The Group's gross profit for the six months ended 30 June 2024 were approximately HK\$4.8 million, representing a decrease of approximately 21.9% from approximately HK\$6.1 million for the six months ended 30 June 2023. The Group's gross profit margin for the six months ended 30 June 2024 was approximately 8.1%, representing a decrease of approximately 5.9 percentage points as compared to approximately 14% for the six months ended 30 June 2023. Such decrease was mainly attributable to the competitive project pricing arising from intense market competition.

### ***Administrative and Other Operating Expenses***

The Group's administrative and other operating expenses increased from approximately HK\$5.4 million for the six months ended 30 June 2023 to approximately HK\$8.9 million for the six months ended 30 June 2024, which was generally consistent with the increase in other expense during the period.

### ***Loss for the Period***

For the six months ended 30 June 2024, the Group recorded loss of approximately HK\$2.9 million as compared to profit for the six months ended 30 June 2023 of approximately HK\$0.1 million.

## **Capital Structure, Liquidity and Financial Resources**

The Shares were successfully listed on GEM of the Stock Exchange on 27 June 2017. On 17 May 2024, the authorised share capital of the Company increased from HK\$30,000,000 divided into 300,000,000 shares to HK\$300,000,000 divided into 3,000,000,000 Shares. The capital of the Group only comprises of ordinary shares.

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

As at 30 June 2024, the Group had cash and bank balances of approximately HK\$2.0 million (31 December 2023: HK\$4.8 million).

As at 30 June 2024, the Group's total equity attributable to owners of the Company amounted to approximately HK\$38.8 million (31 December 2023: HK\$41.5 million). As of the same date, the Group's total debt, comprising borrowings and lease liabilities, amounted to approximately HK\$17.6 million (31 December 2023: HK\$25.6 million).

As at 30 June 2024, the Group's net assets were approximately HK\$39.0 million (31 December 2023: HK\$42.0 million). The Group remained at a net cash position as at 30 June 2024 and 2023 respectively. Based on the above, the Directors believe that the Group is in a healthy financial position to expand its business and achieve its business objectives.

### **Borrowings and Gearing Ratio**

As at 30 June 2024, the Group had borrowings and lease liabilities of approximately HK\$17.6 million which was denominated in Hong Kong dollars (31 December 2023: HK\$25.6 million). The Group's bank borrowings were primarily used in financing the working capital requirement of its operations.

As at 30 June 2024, the gearing ratio of the Group, calculated as the total debt divided by the total equity, was approximately 45.0% (31 December 2023: 60.9%).

### **Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies, and Future Plans for Material Investments or Capital Assets**

There was no significant investment, material acquisition and disposal of subsidiaries and associated companies by the Company during the six months ended 30 June 2024. There was no future plan for material investments or capital assets as at 30 June 2024.

### **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.

### **Treasury Policies**

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 30 June 2024, the Group has pledged its certain property, plant and equipment with an aggregate net book value of approximately HK\$20.8 million (31 December 2023: approximately HK\$22.6 million).

As at 30 June 2024, the Group pledged the payment for a life insurance policy of a bank with the carrying amount of approximately HK\$3.0 million to secure the bank borrowings of the Group (31 December 2023: approximately HK\$2.9 million).

### **Contingent Liabilities**

As at 30 June 2024, the Group did not have any material contingent liabilities (31 December 2023: Nil).

### **Capital Commitments**

As at 30 June 2024, the Group did not have any capital commitments (31 December 2023: Nil) contracted but not provided for property, plant and equipment.

### **Segment Information**

The Group is principally engaged in the provision of foundation and related works, including site formation works and other geotechnical engineering works which are carried out in Hong Kong and the trading of alcoholic beverages in the PRC.

### **Information on Employees**

As at 30 June 2024, the Group had 125 full-time employees working in Hong Kong (As at 31 December 2023: 80). The total staff cost (including Director's emoluments and mandatory provident funds contributions) for the six months ended 30 June 2024 amounted to approximately HK\$19.4 million (2023: HK\$11.7 million).

Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonus. Various types of trainings were provided to the employees.

### **Interim Dividend**

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2024 (2023: Nil).

## Events After the Reporting Period

Pursuant to an ordinary resolutions passed by the shareholders of the Company at the extraordinary general meeting of the Company (the “**EGM**”) held on 17 May 2024, the increase in authorised share capital of the Company (the “**Authorised Share Capital**”) has been approved at the EGM, pursuant to which the Authorised Share Capital will be increased to HK\$300,000,000 divided into 3,000,000,000 Shares. The increase in Authorised Share Capital has become effective on Friday, 17 May 2024.

On 21 June 2024, the Company completed a rights issue (the “**Rights Issue**”) on the basis of three rights share for every one share held at the subscription price of HK\$0.12 per rights share and allotted and issued 30,740,018 shares. The Company completed a subsequent placing of 75,600,000 unsubscribed rights shares at the price of HK\$0.12 per share through a placing agent on 8 July 2024. The gross and net proceeds raised from the Rights Issue and the compensatory arrangement thereunder are approximately HK\$12.8 million and HK\$10.4 million, respectively.

For further details, please refer to the announcements of the Company dated 24 April 2024, 6 June 2024, 26 June 2024 and 11 July 2024.

Unless otherwise disclosed herein, there has been no other important event affecting the Group since 30 June 2024 and up to the date of this announcement.

## OTHER INFORMATION

### Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 30 June 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to Rules 5.48 to 5.67 of the GEM Listing Rules, were as follows:

#### *Long position in the shares*

Name	Capacity/Nature	Number of shares held/ interested	Percentage of shareholding <sup>#</sup>
Mr. Lau ( <i>Note</i> )	Interested in a controlled corporation	51,000,000	44.35%
Mr. Lau	Beneficial owner	750,000	0.65%

*Note:*

Mr. Lau beneficially own the entire issued share capital of Brightly Ahead. Therefore, Mr. Lau is deemed, or taken to be, interested in all the shares held by Brightly Ahead for the purpose of the SFO. Mr. Lau is the sole director of Brightly Ahead.

# The percentage of interest in the Company is calculated by reference to the number of ordinary shares in issue as at 30 June 2024, that is 115,000,000 ordinary shares of the Company.

Save as disclosed above, as at 30 June 2024, none of the Directors and chief executive of the Company has any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to Rules 5.48 to 5.67 of the GEM Listing Rules.

### **Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares**

As at 30 June 2024, the following person/entity (other than the Directors and chief executives of the Company) had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

#### ***Long position in the shares***

<b>Name</b>	<b>Capacity/Nature</b>	<b>Number of shares held/ interested</b>	<b>Percentage of shareholding<sup>#</sup></b>
Brightly Ahead	Beneficial owner	51,000,000	44.35%

# The percentage of interest in the Company is calculated by reference to the number of ordinary shares in issue as at 30 June 2024, that is 115,000,000 ordinary shares of the Company.

Save as disclosed above, as at 30 June 2024, none of the substantial or significant shareholders or other persons, other than the Directors and chief executives of the Company whose interests are set out in the section "Other information – Directors' and chief executives' interests and short positions in Shares, underlying Shares and debentures" above, had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section



336 of the SFO, or who were directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

### **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 six months ended 30 June 2024.

### **Competition and Conflict of Interests**

None of the Directors, the controlling shareholders or substantial Shareholders or any of its respective close associate as defined in the GEM Listing Rules has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or has any other conflict of interests with Group during the six months ended 30 June 2024.

### **Directors' Securities Transactions**

The Company has adopted the required standard of dealing, as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the shares of the Company. Having made specific enquiry with all Directors, all Directors have confirmed that they have complied with the required standard of dealing and the code of conduct for securities transactions by the Directors during the six months ended 30 June 2024.

### **Share Option Scheme**

The Company's share option scheme (the "**Scheme**") was adopted pursuant to a resolution passed on 7 June 2017 to attract and retain the best available personnel, to provide additional incentive to the eligible participants and to promote the success of the business of the Group under the Scheme.

For the six months ended 30 June 2024, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Scheme.

### **Corporate Governance Practice**

The Directors are committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders' value. The corporate governance principles of the Company emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders. The Company has adopted the Corporate Governance Code (the "**CG Code**") set out in Appendix 15 of the GEM Listing Rules. During the six months ended 30 June 2024, to the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the CG Code.

## **Audit Committee**

Pursuant to Rule 5.28 and 5.29 of the GEM Listing Rules and code provision D.3.3 and D.3.7 of the CG Code, the Company established an audit committee (the “**Audit Committee**”) with written terms of reference aligned with the provision of the code provisions set out in Appendix 15 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this announcement, the Audit Committee comprises Mr. Ngok Ho Wai (the chairman of the Audit Committee), Mr. Lam Chee-yau Timothy and Mr. Li Dewen, all of whom are independent non-executive Directors. The written terms of reference of the Audit Committee on posted on the Stock Exchange’s website and on the Company’s website.

The Audit Committee has reviewed with management of the Company on the accounting principles and practices adopted by the Group, the interim report and the interim results announcement of the Group for the six months ended 30 June 2024. The condensed consolidated financial results for the six months ended 30 June 2024 are unaudited, but have been reviewed by the Audit Committee. Such results comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board  
**Basetrophy Group Holdings Limited**  
**Chan Kui Ming**  
*Company Secretary*

Hong Kong, 30 August 2024

*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. Chee-yau Timothy, Mr. Ngok Ho Wai and Mr. Li Dewen as independent non-executive Directors.*