

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

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 of the Stock Exchange 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.*

FINAL RESULTS

The board of Directors (the “**Board**”) of the Company hereby announces the audited consolidated financial results of the Group for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	3	49,701	98,971
Cost of sales and service	5	(47,074)	(98,681)
Gross profit		2,627	290
Other income	3	675	3,732
Other gains/(losses), net	4	2,262	(11,442)
(Provision for)/reversal of expected credit losses, net	5	(296)	24,983
Selling and distribution costs		–	(2,214)
Administrative and other operating expenses	5	(13,116)	(17,548)
Operating loss		(7,848)	(2,199)
Finance costs		(493)	(1,364)
Loss before tax		(8,341)	(3,563)
Income tax expense	6	–	(665)
Loss for the year		(8,341)	(4,228)
Other comprehensive (expense)/income:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(139)	19
Other comprehensive (expense)/income for the year, net of tax		(139)	19
Total comprehensive expense for the year		(8,480)	(4,209)

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss attributable to:			
Owners of the Company		(6,413)	(4,270)
Non-controlling interests		(1,928)	42
		<u>(8,341)</u>	<u>(4,228)</u>
Total comprehensive expense attributable to:			
Owners of the Company		(6,510)	(4,247)
Non-controlling interests		(1,970)	38
		<u>(8,480)</u>	<u>(4,209)</u>
		2025	2024
Loss per share attributable to owners of the Company during the year			
Basic and diluted (<i>HK cent</i>)	7	<u>(2.89)</u>	<u>(2.48)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		5,202	11,161
Right-of-use assets		728	–
Payment for a life insurance policy		–	2,983
		<u>5,930</u>	<u>14,144</u>
Current assets			
Inventories		57,257	1,846
Trade and other receivables	9	8,253	72,194
Contract assets		7,562	3,598
Cash and bank balances		21,670	2,672
		<u>94,742</u>	<u>80,310</u>
Total assets		<u>100,672</u>	<u>94,454</u>
EQUITY			
Capital and reserves			
Share capital	10	26,561	22,134
Reserves		33,818	26,967
		<u>60,379</u>	<u>49,101</u>
Equity attributable to owners of the Company		60,379	49,101
Non-controlling interests		<u>(1,468)</u>	<u>502</u>
Total equity		<u>58,911</u>	<u>49,603</u>

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Borrowings		849	1,590
Lease liabilities		444	1,006
		<u>1,293</u>	<u>2,596</u>
Current liabilities			
Trade and other payables	<i>11</i>	38,535	34,934
Tax payable		12	22
Borrowings		627	5,969
Lease liabilities		1,294	1,330
		<u>40,468</u>	<u>42,255</u>
Total liabilities		<u>41,761</u>	<u>44,851</u>
Total equity and liabilities		<u>100,672</u>	<u>94,454</u>
Net current assets		<u>54,274</u>	<u>38,055</u>
Total assets less current liabilities		<u>60,204</u>	<u>52,199</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1 GENERAL INFORMATION AND BASIS OF PRESENTATION

Basetrophy Group Holdings Limited (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 of Hong Kong Limited (the “**Stock Exchange**”) on 27 June 2017.

In the opinion of the directors (the “**Directors**”) of the Company, the Company has no immediate and ultimate holding Company or ultimate controlling party.

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, 4th Floor, Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong. The Company is an investment holding company. The Company and its subsidiaries (the “**Group**”) are principally engaged in provision of foundation and related works in Hong Kong and trading of alcoholic beverages in the People’s Republic of China (the “**PRC**”).

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

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the 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 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 HKFRS Accounting Standards 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 HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
-----------------------	-------------------------

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

New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contract Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKFRS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19 (including the relevant amendments)	Subsidiaries without Public Accountability: Disclosures ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standards mentioned below, the Manager anticipates that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements, carrying forward many of the requirements in HKAS 1 unchanged and complementing them with new requirements. HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations, and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings Per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs will be effective for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's consolidated financial statements.

3 REVENUE, OTHER INCOME AND OTHER GAIN AND SEGMENT INFORMATION

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue		
Foundation and related works	49,418	96,410
Sales of alcoholic beverages	283	2,561
	<u>49,701</u>	<u>98,971</u>
Other income		
Bank interest income	1	1
Fair value gain on assets at fair value through profit or loss	–	80
Machine rental income	323	2,701
Scrap income	79	612
Others	272	338
	<u>675</u>	<u>3,732</u>

Disaggregation of revenue from contracts with customers

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Represented by:		
Timing of revenue recognition		
At a point in time	283	2,561
Over time	49,418	96,410
	<u>49,701</u>	<u>98,971</u>
Types of goods or service		
Foundation and related works	49,418	96,410
Sales of alcoholic beverages	283	2,561
	<u>49,701</u>	<u>98,971</u>

Performance obligations for contracts with customers

- i) 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 of the Company consider that output method would faithfully depict the Group's performance towards complete satisfaction of these performance obligations in these contracts under HKFRS 15.
- ii) Revenue from alcoholic beverages trading is recognised when the control of goods is transferred, being when the goods are delivered to the customer's specific location and the customers obtain physical possession of the goods and accept the significant risks and rewards of ownership of the goods. A receivable is recognised by the Group when the goods are delivered to the customers as this represents the Group's right to consideration becomes unconditional, as only the passage of time is required before payment is due. The contracts signed with the customers are fixed price contracts.

Transaction price allocated to the remaining performance obligations from contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 and 2024 and the expected timing of recognising revenue are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Foundation and related works		
Within 1 year	<u>40,872</u>	<u>43,115</u>

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 |

The segment revenue and results for the year ended 31 December 2025 are as follows:

	Foundation and related works HK\$'000	Alcoholic beverages trading HK\$'000	Unallocated HK\$'000	Total HK\$'000
Revenue from external customers	49,418	283	–	49,701
Segment results	<u>(1,158)</u>	<u>(4,017)</u>	<u>(2,673)</u>	<u>(7,848)</u>
Finance costs				(493)
Loss before tax				(8,341)
Income tax expense				<u>–</u>
Loss for the year				<u>(8,341)</u>
Other segment items included in the consolidated statement of profit or loss are as follows:				
Depreciation of property, plant and equipment	2,991	–	68	3,059
Depreciation of right-of-use assets	176	–	–	176
Gain on disposal of property, plant and equipment	(3,851)	–	–	(3,851)
Impairment losses on inventories	–	1,770	–	1,770
Provision for expected credit losses on trade receivables	1,704	–	–	1,704
Reversal of expected credit losses on contract assets	(1,408)	–	–	(1,408)
Gain on termination of other borrowings	(7)	–	–	(7)

The segment revenue and results for the year ended 31 December 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>
Revenue from external customers	<u>96,410</u>	<u>2,561</u>	<u>–</u>	<u>98,971</u>
Segment results	<u>5,560</u>	<u>(1,075)</u>	<u>(6,684)</u>	<u>(2,199)</u>
Finance costs				(1,364)
Loss before tax				(3,563)
Income tax expense				<u>(665)</u>
Loss for the year				<u>(4,228)</u>
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	–	–	(80)	(80)
Depreciation of property, plant and equipment	4,365	22	69	4,456
Depreciation of right-of-use assets	1,837	–	–	1,837
Loss on disposal of property, plant and equipment	1,123	–	–	1,123
Written off of retention receivables	507	–	–	507
Impairment losses on inventories	–	2,000	–	2,000
Impairment losses on property, plant and equipment	6,000	–	–	6,000
Impairment losses on right-of-use assets	2,319	–	–	2,319
Reversal of expected credit losses on trade receivables	(1,350)	–	–	(1,350)
Reversal of expected credit losses on contract assets	<u>(24,140)</u>	<u>–</u>	<u>–</u>	<u>(24,140)</u>

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Segment assets		
Foundation and related works	22,088	85,997
Alcoholic beverages trading	1,453	3,143
Total reportable segment assets	23,541	89,140
Unallocated corporate assets	77,131	5,314
Consolidated assets	100,672	94,454

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Segment liabilities		
Foundation and related works	27,624	38,170
Alcoholic beverages trading	7,183	6,321
	<hr/>	<hr/>
Total reportable segment liabilities	34,807	44,491
Unallocated corporate liabilities	6,954	360
	<hr/>	<hr/>
Consolidated liabilities	41,761	44,851
	<hr/> <hr/>	<hr/> <hr/>

Note: All liabilities are allocated to operating segments other than certain other payables and accruals 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[^]	
	For the year ended		As at 31 December	
	2025	2024	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
The PRC	283	2,561	–	–
Hong Kong	49,418	96,410	5,930	11,161
	<hr/>	<hr/>	<hr/>	<hr/>
	49,701	98,971	5,930	11,161
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A [^]	29,873	28,483
Customer B [^]	–	19,516
Customer C [^]	–	13,551
Customer D [^]	–	9,765
	<hr/> <hr/>	<hr/> <hr/>

[^] The foundation and related works segment.

4 OTHER GAINS/(LOSSES), NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Gain/(loss) on disposal of property, plant and equipment	3,851	(1,123)
Gain on termination of other borrowing	7	–
Gain on termination of right-of-use assets	174	–
Impairment losses on inventories	(1,770)	(2,000)
Impairment losses on property, plant and equipment	–	(6,000)
Impairment losses on right-of-use assets	–	(2,319)
	<u>2,262</u>	<u>(11,442)</u>

5 EXPENSES BY NATURE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost of sales and service		
Staff costs	2,773	33,302
Depreciation of property, plant and equipment	1,415	3,850
Depreciation of right-of-use assets	176	560
Cost of alcoholic beverages expensed	162	513
Other construction contract costs (<i>Note</i>)	42,548	60,456
	<u>47,074</u>	<u>98,681</u>
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Administrative and other operating expenses		
Auditors' remuneration	715	650
Depreciation of property, plant and equipment	1,644	606
Depreciation of right-of-use assets	–	1,277
Insurance	112	216
Leasing expenses	71	171
Motor vehicle expenses	1,118	2,808
Legal and professional fee	3,331	1,103
Staff costs	3,308	3,111
Other expenses	2,817	7,606
	<u>13,116</u>	<u>17,548</u>
(Provision for)/reversal of expected credit losses, net		
– Trade receivables	(1,704)	1,350
– Contract assets	1,408	24,140
– Written off contract assets	–	(507)
	<u>(296)</u>	<u>24,983</u>

Note: Other construction contract costs included but are not limited to construction materials, subcontracting charges and repair and maintenance.

6 INCOME TAX EXPENSE

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 did not generate any assessable profits during the years ended 31 December 2025 and 2024.

PRC Enterprise Income Tax of the subsidiaries of the Company in the PRC has been provided at applicable rates on the estimated assessable profits for the years ended 31 December 2025 and 2024. The applicable rates which may be lower than the standard rate of corporate tax at 25% represent the tax concessionary rates available to the small and medium-size enterprises in the PRC and are shown as follows:

Band of profits	Applicable rates	
Within Renminbi (“RMB”) 1 million		2.5%
Between RMB1 to RMB3 million		5%
Over RMB3 million		25%

	2025	2024
	HK\$’000	HK\$’000
Current Tax:		
– PRC Enterprise Income Tax	–	5
Under-provision in prior years		
– Hong Kong Profits Tax	–	660
Income tax expenses	<u>–</u>	<u>665</u>

7 LOSS PER SHARE

	2025	2024
Loss attributable to owners of the Company (HK\$’000)	<u>(6,413)</u>	<u>(4,270)</u>
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share (in thousand)	<u>221,582</u>	<u>171,846</u>
Basic loss per share (HK cent)	<u>(2.89)</u>	<u>(2.48)</u>

The weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share of the years ended 31 December 2024 had been adjusted to take into effect of the rights issue as if it had been effective on 1 January 2024. Diluted loss per share is equal to the basic loss per share as there was no dilutive potential shares for the year ended 31 December 2025 and 2024.

8 DIVIDENDS

No final dividend was proposed by the Board for the year ended 31 December 2025 (2024: Nil).

9 TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables (<i>Note a</i>) (<i>Note b</i>)	6,868	7,785
Less: Provision for expected credit losses	<u>(2,574)</u>	<u>(870)</u>
	4,294	6,915
Amounts due from directors (<i>Note c</i>)	18	1,777
Amounts due from related companies (<i>Note c</i>)	712	608
Other receivables (<i>Note c</i>)	1,462	1,048
Rental and other deposits (<i>Note c</i>) (<i>Note d</i>)	565	58,937
Prepayments (<i>Note c</i>)	<u>1,202</u>	<u>2,909</u>
	<u><u>8,253</u></u>	<u><u>72,194</u></u>

Notes:

- (a) The Group's trading terms with customers are mainly on credit. The credit terms generally ranging from 30 days to 120 days. Some credit period of individual customer is considered on a case-by-case basis and stipulated in the project contract, as appropriate. Trade receivables are mainly 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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–30 days	–	1,421
31–60 days	2,155	835
61–90 days	–	1,205
Over 90 days	<u>4,713</u>	<u>4,324</u>
	<u><u>6,868</u></u>	<u><u>7,785</u></u>

As at 31 December 2025, trade receivables of approximately HK\$4,713,000 (2024: HK\$1,623,000) 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.
- (d) As at 31 December 2024, the deposits of approximately HK\$56,793,000 were paid to suppliers for supply chain of alcoholic beverages business.

10 SHARE CAPITAL

	<i>Notes</i>	Ordinary shares of HK\$0.1 each	Amount HK\$'000
Authorised:			
1 January 2024		300,000,000	30,000
Increase	<i>(i)</i>	<u>2,700,000,000</u>	<u>270,000</u>
At 31 December 2024, 1 January 2025 and 31 December 2025		<u><u>3,000,000,000</u></u>	<u><u>300,000</u></u>
Issued and fully paid:			
1 January 2024		115,000,000	11,500
Shares issued pursuant to rights issue	<i>(ii)</i>	<u>106,340,018</u>	<u>10,634</u>
At 31 December 2024 and 1 January 2025		221,340,018	22,134
Shares issued pursuant to placing	<i>(iii)</i>	<u>44,268,000</u>	<u>4,427</u>
At 31 December 2025		<u><u>265,608,018</u></u>	<u><u>26,561</u></u>

Notes:

- (i) On 6 June 2024, the authorised share capital was increased from HK\$30,000,000 divided into 300,000,000 ordinary shares to HK\$300,000,000 divided into 3,000,000,000 ordinary shares by the creation of an additional 2,700,000,000 new shares.
- (ii) On 11 July 2024, the Company completed a rights issue of 106,340,118 rights shares at the subscription price of HK\$0.12 per rights share on the basis of three rights shares for every one share of the Company (the “**Rights Issue**”). The net proceeds from rights issue were approximately HK\$11,836,000 after deducting directly attributable costs of approximately HK\$925,000. The results of the rights issue are set out in the Company’s announcement dated 11 July 2024.
- (iii) On 30 December 2025, the Company completed a placing of 44,268,000 ordinary shares were issued at a subscription price of HK\$0.437 per share for a total cash consideration under the general mandate, before share issuing expenses, of HK\$19,345,000 in which, as to HK\$13,361,000 was recognised as share premium during the year ended 31 December 2025. The related issuing expenses of approximately HK\$1,557,000 was reduced from the share premium.

11 TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables (<i>Note a</i>)	6,336	13,431
Accrued employee benefit expenses	1,174	53
Amounts due to directors (<i>Note b</i>)	11,451	5,576
Amounts due to related companies (<i>Note c</i>)	4,550	4,905
Amounts due to non-controlling interests (<i>Note d</i>)	236	278
Other accruals and payables	8,190	3,494
Provision for long services payment	1,315	1,740
Retention payables (<i>Note e</i>)	5,283	5,457
	<u>38,535</u>	<u>34,934</u>

Note:

- (a) The ageing analysis of trade payables as at the end of the reporting period, based on the invoice date is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–30 days	1,295	426
31–60 days	2,000	381
61–90 days	–	270
Over 90 days	3,041	12,354
	<u>6,336</u>	<u>13,431</u>

Trade payables generally have credit terms ranging from 30 days to 90 days.

The trade payables are non-interest-bearing and are normally settled within one year.

- (b) The amounts due to directors are unsecured, interest free and repayable on demand.
- (c) The amounts due to related companies are unsecured, interest free and repayable on demand. The related companies are controlled by a close family member of a key management personnel of the Company.
- (d) The amounts due to non-controlling interests are unsecured, interest free and repayable on demand.
- (e) All of the retention payables are expected to be settled within one year.

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; (iii) trading of alcoholic beverages in the People's Republic of China (the "PRC"); and (iv) trading of high-quality agricultural products, particularly Xinhui Chenpi, in the PRC.

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 2025, the Group recorded a net loss of approximately HK\$8.3 million as compared to a net loss of approximately HK\$4.2 million for the year ended 31 December 2024.

OUTLOOK

Amid the evolving economic environment in 2025, characterised by moderating global inflation, persistent geopolitical complexities and a gradual recovery in cross-border trade, the global economic landscape continues to present both challenges and opportunities. Notwithstanding the foregoing, the Group remains cautiously optimistic regarding its future prospects. The Group expects a steady and orderly recovery of the global economy, whilst acknowledging that uncertainties may persist alongside emerging growth drivers.

Looking ahead to 2026, the Group remains cautiously optimistic about the potential of its Chenpi trading business. As public health awareness grows, the market demand for premium Chinese herbal medicines and health foods continues to expand. The Group plans to further strengthen strategic cooperation with suppliers in the core production areas of Xinhui, optimize supply chain management, and explore an integrated online-and-offline sales model to enhance brand premium. The Board believes that by further developing the Chenpi trading business, it will help optimize the Group's capital structure and operational resilience, thereby creating long-term value for the shareholders.

In addition, the Group will continue to closely monitor developments in the alcoholic beverage trading market in mainland China, which is characterised by a sizeable consumer base and evolving consumption patterns. Leveraging its existing experience and resources, the Group will adopt a prudent approach in assessing market conditions and refining its business strategies to align with evolving demand dynamics.

As the Group navigates the complexities of the global economic environment, it remains committed to a disciplined and proactive approach in addressing challenges. The Group will place emphasis on enhancing operational resilience and maintaining strategic flexibility, thereby ensuring that it is well-positioned to respond to economic fluctuations and capture potential opportunities in 2026 and beyond.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors believe that there are certain risks and uncertainties involved in the operations, some of which are beyond the Group's control. The Directors believe the relatively significant risks relating to the Group's business are as follows:

- A significant portion of the Group's revenue was generated from contracts which were not recurrent in nature and were awarded by a few customers, and there is no guarantee that such customers will provide the Group with new business;
- As the Group from time to time engages subcontractors in its projects, the Group may have to bear responsibilities for any non-performance, delayed performance, sub-standard performance or non-compliance of the subcontractors; and
- There may be discrepancies between the ground investigation findings and the actual geological conditions of the site which may cause the Group to incur additional cost or result in potential claims which are not insured and adversely affect the Group's profitability as the related contracts are usually of a fixed sum without price adjustment mechanism.

A detailed discussion of the risk factors is set forth in the section headed "Risk Factors" in the prospectus of the Company dated 14 June 2017 (the "**Prospectus**").

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year ended 31 December 2025, there was no material breach of or non-compliance of the applicable laws and regulations by the Group.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Board has overall responsibility for the Group's environmental, social and governance ("**ESG**") strategy and reporting. The Board is responsible for the Group's ESG risk management and internal control systems to ensure that the ESG strategies and reporting requirements are met.

RELATIONSHIP WITH CUSTOMERS, SUPPLIERS, SUBCONTRACTORS AND EMPLOYEES

The Group maintains a good relationship with its employees and certain policies have been implemented to ensure that its employees are provided with competitive remuneration, good welfare benefits and continuous professional training. The Group also maintains good relationships with its customers and suppliers, without whom success in the Group's business and operation would be at risk.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately HK\$49.3 million or 49.8% from approximately HK\$99.0 million for the year ended 31 December 2024 to approximately HK\$49.7 million for the year ended 31 December 2025, mainly due to a substantial reduction in contract works from major customers.

Costs of sales

The Group's cost of sales decreased from approximately HK\$98.7 million for the year ended 31 December 2024 to approximately HK\$47.1 million for the year ended 31 December 2025, representing a decrease of approximately HK\$51.6 million or 52.3%. 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 2025 were approximately HK\$2.6 million, representing an increase of approximately 766.7% from approximately HK\$0.3 million for the year ended 31 December 2024. Such increase was mainly due to the increase in gross profit margin. The Group's gross profit margin for the year ended 31 December 2025 was approximately 5.3%, representing an increase of approximately 5.0 percentage points as compared to approximately 0.3% for the year ended 31 December 2024. Such increase was primarily due to some previously completed projects recognizing revenue during the year. The construction project process typically requires one to three years for the client to confirm the final account after the project is completed.

Other income

The other income decreased by approximately HK\$3 million from approximately HK\$3.7 million for the year ended 31 December 2024 to approximately HK\$0.7 million for the year ended 31 December 2025, primarily due to the decrease in income from machine rental.

Other gains and losses

The other gains and losses increased by approximately HK\$13.7 million from a loss of approximately HK\$11.4 million for the year ended 31 December 2024 to a gain of approximately HK\$2.3 million for the year ended 31 December 2025, primarily due to gain on disposal of property, plant and equipment and no impairment losses on property, plant and equipment in the current financial year.

Administrative and other operating expenses

The Group's administrative and other operating expenses for the year ended 31 December 2025 were approximately HK\$13.1 million, representing a decrease of approximately HK\$4.4 million or 25.3% from approximately HK\$17.5 million for the year ended 31 December 2024, primarily due to decrease in staff costs and motor vehicle expense.

Finance costs

Finance costs of the Group decreased by approximately HK\$0.9 million from approximately HK\$1.4 million for the year ended 31 December 2024 to approximately HK\$0.5 million for the year ended 31 December 2025. Finance costs consist of interest on bank and other borrowings and lease liabilities.

Income tax expenses

For the years ended 31 December 2025, the Group did not record income tax expenses and recorded approximately HK\$0.7 million income tax expenses for the year ended 31 December 2024.

Loss for the year

For the year ended 31 December 2025, the Group recorded a loss attributable to owners of the Company of approximately HK\$6.4 million as compared to a loss attributable to owners of the Company of approximately HK\$4.2 million for the year ended 31 December 2024. The loss during the year was mainly attributed to (i) legal and professional fee; (ii) impairment losses on inventories; and (iii) depreciation on property, plant and equipment.

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 2025, the Group had cash and bank balances of approximately HK\$21.7 million (2024: approximately HK\$2.7 million).

As at 31 December 2025, the Group's total equity attributable to owners of the Company amounted to approximately HK\$60.4 million (2024: approximately HK\$49.1 million). As of the same date, the Group's total debt, comprising borrowings and lease liabilities, amounted to approximately HK\$3.2 million (2024: approximately HK\$9.9 million).

BORROWINGS AND GEARING RATIO

As at 31 December 2025, the Group had borrowings and lease liabilities of approximately HK\$3.2 million which was denominated in Hong Kong dollars (2024: approximately HK\$9.9 million). The Group's borrowings were primarily used in financing the working capital requirement of its operations.

As at 31 December 2025, the gearing ratio of the Group, calculated as the total interest-bearing liabilities divided by the total equity, was approximately 5.3% (2024: approximately 19.9%).

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 2025, the Group has pledged its certain property, plant and equipment with an aggregate net book value of approximately HK\$5.0 million (2024: approximately HK\$16.5 million).

As at 31 December 2024, the Group has pledged the payment for a life insurance policy of a bank with the carrying amount of approximately HK\$3 million. The life insurance was terminated during the year ended 31 December 2025 to secure the bank borrowings of the Group.

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 2025, the Group had raised approximately HK\$Nil million borrowings in respect of such sale and leaseback arrangements (2024: approximately HK\$0.5 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 functional 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.

MATERIAL EVENT

Discloseable Transaction – Disposal of Machinery

On 2 April 2025, Workbase Engineering Limited, a wholly-owned subsidiary of the Company, entered into a sale contract with Kin Pang Construction and Engineering Company Limited (the “**Purchaser**”) for the disposal of a machinery item (the “**Machinery**”) at a total consideration of HK\$6,120,000. The Machinery was used in the Group's existing foundation works business. The Group has received the full consideration from the Purchaser. For details of this disposal, please refer to the Company's announcement dated 2 April 2025.

CAPITAL STRUCTURE

As at 31 December 2025, the Company's issued share capital was approximately HK\$26.6 million and the number of its issued ordinary shares was 265,608,018 of HK\$0.10 each.

On 9 December 2025, the Company entered into a placing agreement (the “**Placing Agreement**”) with China Demeter Securities Limited (the “**Placing Agent**”). Pursuant to the Placing Agreement, the Company agreed to place, through the Placing Agent on a best effort basis, up to 44,268,000 shares of the Company (the “**Placing Shares**”) to not less than six placees, who together with their respective ultimate beneficial owners, were third parties independent of, and not connected with, the Company and its connected persons or their respective associates at a price of HK\$0.437 (the “**Placing Price**”) per Placing Share. Completion of the placing of 44,268,000 Placing Shares at the Placing Price took place on 30 December 2025. For further details of the above placing, please refer to the announcements of the Company dated 9 December 2025 and 30 December 2025.

CAPITAL COMMITMENTS

As at 31 December 2025, the Group had no material capital commitments (2024: Nil) contracted but not provided for property, plant and equipment.

SEGMENT INFORMATION

Segmental information of the Group is disclosed in Note 3 to the consolidated financial statements.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have other plans for material investments or capital assets as of 31 December 2025.

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

During the year ended 31 December 2025, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associates or joint ventures.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any material contingent liabilities (2024: Nil).

FINAL DIVIDENDS

The Board does not recommend the payment of final dividend for the year ended 31 December 2025 (2024: Nil).

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 C1 of the GEM Listing Rules. During the year ended 31 December 2025, to the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the CG Code.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY OR SALE OF TREASURY SHARES

During the year ended 31 December 2025, 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 2025 (including sale of treasury shares (as defined under the GEM Listing Rules)).

As at 31 December 2025, there were no treasury shares (as defined under the GEM Listing Rules) held by the Company.

AUDIT COMMITTEE

The Audit Committee was established on 7 June 2017. The chairman of the Audit Committee is Mr. Ng Ki Man, the independent non-executive Director, and other members included Mr. Lam Chee-yau Timothy and Mr. Li Dewen, the 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 Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

During the year ended 31 December 2025, the Audit Committee held two meetings to review and comment on the Company's 2024 annual results and 2025 interim results as well as the Company's internal control procedures and risk management system.

The Group's consolidated financial statements for the year ended 31 December 2025 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 December 2025 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcement of the Company dated 20 March 2026, in which the Board proposes to change the board lot size for trading in the shares of the Company on GEM of the Stock Exchange from 20,000 shares per board lot to 5,000 shares per board lot. Dealings in the Shares in board lots of 5,000 shares of the Company each are expected to commence at 9:00 a.m. on Thursday, 16 April 2026. For details of the timetable for the change in board lot size, please refer to the announcement of the Company dated 20 March 2026.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group's auditor, Infinity CPA Limited (the "Infinity"), to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2025. The work performed by Infinity in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by HKICPA and consequently no assurance has been expressed by Infinity on this announcement.

The Group's consolidated financial statements for the year ended 31 December 2025 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 December 2025 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

APPRECIATION

The Company would like to thank the Group's customers, suppliers, business partners for their support. Also, the Company would like to offer its highest gratitude to its shareholders for their devotion and to the Group's employees for their loyalty and contributions made during the year.

By order of the Board
Basetrophy Group Holdings Limited
Chen Ping
Co-chairman and Executive Director

Hong Kong, 31 March 2026

As at the date of this announcement, the Board comprises Mr. Chan Kui Ming, Mr. Chen Ping, Ms. Fong Pui Yin Vivian, Mr. Lu Jun, Ms. Wu Yu, and Mr. Zhong Guoke as executive Directors; and Mr. Lam Chee-yau Timothy, Mr. Li Dewen, and Mr. Ng Ki Man as independent non-executive Directors.

This announcement will remain on the website of The Stock Exchange of Hong Kong Limited 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.