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Geotech Holdings Ltd.

致浩達控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1707)

ANNOUNCEMENT ON REGULATING ACTIONS FROM THE DEVELOPMENT BUREAU

The announcement is made by Geotech Holdings Ltd. (the “**Company**”) pursuant to the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) concerning disclosure of inside information and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

References are made to (i) note 17 to the condensed consolidated interim financial statements in the interim results announcement published by the Company on 25 August 2020; (ii) the announcements published by the Company on 22 September, 20 October, 22 December, 28 December 2020 and 5 July 2021 respectively; and (iii) the section headed “Litigation” under the Directors’ Report in the annual report of the Company for the year ended 31 December 2020 published on 27 April 2021 in relation to the Accident (collectively the “**Previous Disclosures**”). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Previous Disclosures.

REGULATING ACTIONS FROM THE PANEL OF ENQUIRY

Pursuant to a letter from DB dated 28 July 2021, having considered Geotech Engineering’s conduct in and contribution to the Accident following the panel of enquiry conducted by the DB on 30 June 2021, the DB has recommended, and the Group will accept, the following regulating actions (together, the “**DB Regulating Actions**”) against Geotech Engineering: -

- (i) request Geotech Engineering to voluntarily refrain from tendering for public works contracts under the “Landslip preventive/remedial works to slopes/retaining walls” (the “**LPM**”) category for a period of eight months with effect from and including 4 August 2021 (the “**DB Suspension**”); and
- (ii) require Geotech Engineering to conduct, at its own expense, an independent safety

audit at site level so as to demonstrate proper execution of works at height.

The DB Suspension from tendering would be lifted after the expiry of the said eight-month period, or until DB is satisfied with the outcome of the independent safety audit and the improvement made by Geotech Engineering, whichever is the later.

FINANCIAL AND OPERATIONAL IMPACT TO THE GROUP

Whilst the DB Suspension may, to certain extent, affect our short-term ability to undertake LPM projects from the public sector as a main contractor which represents one of the Group's major revenue segments. The Board is of the view that the Group can manage to keep the negative impact from the DB Suspension minimal due to the following reasons:

- (i) the DB Suspension would not affect the operation of the Group's current projects;
- (ii) the Group is able to undertake slope work in private sector;
- (iii) the Group would still be able to undertake LPM projects as a subcontractor by another subsidiary within the Group; and
- (iv) the Group will continue to seek opportunities to diversify into other types of engineering works other than LPM works and explore other business opportunities.

Further disclosure on material development of the DB Regulating Actions will be announced as and when appropriate.

Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

By order of the Board
Geotech Holdings Ltd.

Chen Zhi

Chairman and executive Director

Hong Kong, 30 July 2021

As at the date of this announcement, the Board comprises Mr. Chen Zhi as chairman and executive Director, Mr. Qiu Dong as executive Director, Mr. Kung Ho Man as executive Director and chief executive officer, and Mr. Chan Tsang Mo, Mr. Shen Zejing and Mr. So Wai Man as independent non-executive Directors.