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CTR Holdings Limited

(Incorporated in the Cayman Islands with members' limited liability)

(Stock Code: 1416)

PROPOSED CHANGE OF AUDITORS

The Board announces that, subject to the passing of the relevant resolutions at the EGM, EY be removed as the auditors of the Company and HLB be appointed as the new auditors of the Company to fill the vacancy arising from the removal of EY and hold office until the conclusion of the next annual general meeting of the Company.

A circular containing information on the removal of EY and the appointment of HLB as the new auditors of the Company together with a notice convening the EGM will be despatched to the shareholders of the Company on or before 18 June 2021.

This announcement is made by CTR Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that, subject to the passing of the relevant resolutions at the extraordinary general meeting of the Company (the “**EGM**”) to be convened and held, Ernst & Young (“**EY**”) shall be removed as the auditors of the Company (the “**Proposed Removal**”) and HLB Hodgson Impey Cheng (“**HLB**”) shall be appointed as the new auditors of the Company (the “**Proposed Appointment**”) to fill the vacancy arising from the removal of EY and hold office until the conclusion of the next annual general meeting of the Company.

EY was re-appointed as the auditors of the Company at the last annual general meeting of the Company held on 12 August 2020 to hold office until the conclusion of the next annual general meeting of the Company.

The reasons for the Board’s decision with respect to the Proposed Removal and the Proposed Appointment are that (i) trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 June 2021 due to the delay of the publication of the audited consolidated annual results of the Group for the year ended 28 February 2021 (the “**2021 Audited Annual Results**”); and (ii) as at the date of this announcement, the Board and EY have been unable to reach a consensus on the outstanding audit procedures, including but not limited to interviewing the relevant third parties relating to the business of distribution of foam cement products in Africa and to obtain sufficient appropriate audit evidence about the expenses paid to a third-party service provider. In the circumstances, the Board considers that it is in the best interest of the Company and its shareholders as a whole to replace EY with other auditors. As set out in the announcement of the Company dated 31 May 2021, the Company will endeavour to publish the 2021 Audited Annual Results as soon as practicable. Hence, the Board proposes to remove EY as the auditors of the Company, subject to the passing of a special resolution at the EGM.

The Board further proposes to appoint HLB as the auditors of the Company to fill the vacancy arising from the removal of EY and hold office until the conclusion of the next annual general meeting of the Company, subject to the passing of an ordinary resolution at the EGM.

As at the date of this announcement, the Company has not yet received a letter of termination from EY in relation to the proposed termination of its appointment as the auditors of the Company. In this regard, the Company will make an announcement for any update on the letter of termination. The Board and the audit committee of the Company confirm that, save for the reasons disclosed above, there are no other matters in connection with the Proposed Removal and the Proposed Appointment that need to be brought to the attention of the shareholders of the Company.

Pursuant to article 152(2) of the articles of association of the Company (the “**Articles**”), shareholders may, at any general meeting convened and held in accordance with the Articles, by special resolution remove the auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another auditor in his stead for the remainder of his term. In compliance with the Articles, the Proposed Removal will be proposed as a special resolution and the Proposed Appointment will be proposed as an ordinary resolution at the EGM. None of the shareholders of the Company is required to abstain from voting at the EGM.

Pursuant to Rule 13.88 of the Listing Rules, (a) the Company must not remove its auditor before the end of the auditor's term of office without first obtaining shareholders' approval at a general meeting; (b) the Company must send a circular proposing the removal of the auditor to its shareholders with any written representations from the auditor not less than 10 business days before the general meeting; and (c) the Company must allow the auditor to attend the general meeting and make written and/or verbal representations to the shareholders of the Company at the general meeting. In compliance with the Listing Rules, a circular (the "**Circular**") containing information on the Proposed Removal and the Proposed Appointment together with a notice convening the EGM will be despatched to the shareholders of the Company on or before 18 June 2021. A copy of the Circular will also be despatched to EY to invite it to attend the EGM and make written or verbal representations (if any) to the shareholders of the Company at the EGM.

By Order of the Board
CTR Holdings Limited
Xu Xuping

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 11 June 2021

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Xu Xuping and Mr. Xu Tiancheng; and three independent non-executive Directors, namely Mr. Kung Wai Chiu Marco, Mr. Tang Chi Wang and Ms. Wang Yao.