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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

INTERIM REPORT
2022



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Zhi (*Chairman*)

Mr. Qiu Dong

Mr. Kung Ho Man (*Chief Executive Officer*)

Independent Non-Executive Directors

Mr. Chan Tsang Mo

Mr. Shen Zejing

Mr. So Wai Man

AUDIT COMMITTEE

Mr. Chan Tsang Mo (*Chairman*)

Mr. Shen Zejing

Mr. So Wai Man

REMUNERATION COMMITTEE

Mr. So Wai Man (*Chairman*)

Mr. Chan Tsang Mo

Mr. Chen Zhi

Mr. Shen Zejing

NOMINATION COMMITTEE

Mr. Chen Zhi (*Chairman*)

Mr. Chan Tsang Mo

Mr. Shen Zejing

Mr. So Wai Man

COMPANY SECRETARY

Mr. Lam Chi Wai (*Appointed on 17 June 2022*)

Mr. Ip Ying Hang (*Resigned on 17 June 2022*)

AUTHORISED REPRESENTATIVES

Mr. Chen Zhi

Mr. Lam Chi Wai (*Appointed on 17 June 2022*)

Mr. Ip Ying Hang (*Resigned on 17 June 2022*)

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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Cayman Islands

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Cayman Islands

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HONG KONG LEGAL ADVISOR

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PRINCIPAL BANKERS

Bank of Communications Co., Ltd. Hong Kong Branch

Shanghai Commercial Bank Limited

The Hongkong and Shanghai Banking Corporation Limited

STOCK CODE

1707

WEBSITE

www.geotech.hk

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (the “**Directors**”) of Geotech Holdings Ltd. (the “**Company**”) presents the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2022.

BUSINESS REVIEW

The Group was principally engaged in the provision of (i) construction and engineering services; and (ii) property-related services for the six months ended 30 June 2022.

Construction and Engineering Services

Geotech Engineering Limited (“**Geotech Engineering**”), an indirect wholly-owned subsidiary of the Company, is principally engaged in construction and engineering services and a leading slope works contractor in Hong Kong with over 20 years of experience in the civil engineering industry. It is an approved specialist contractor included in the List of Approved Specialist Contractors for Public Works maintained by the Development Bureau (the “**DB**”) under the categories of “Landslip preventive/remedial works to slopes/retaining walls” (the “**LPM**”) (confirmed status) and “Ground investigation field work” (Group I status) and also an approved contractor included in the List of Approved Contractors for Public Works under the category of “Site formation” (Group B probationary status). In addition, Geotech Engineering is also registered as a specialist contractor in the categories of site formation works and ground investigation field works with the Building Authority.

During the reporting period, certain registrations/licences of Geotech Engineering were suspended as a result of the fatal accident occurred in March 2020 as disclosed in note 17 to the condensed consolidated interim financial statements in the interim results announcement published by the Company on 25 August 2020. Geotech Engineering was under regulatory actions from (i) the Construction Industry Council to suspend its registration as a registered subcontractor under the category of general civil works with speciality in geotechnical works for a period of six months with effect from 6 July 2021; and (ii) the DB to voluntarily refrain from tendering for public works contracts under the LPM category for a period of eight months with effect from 4 August 2021 (together the “**Suspension**”). Further details of the Suspension were disclosed in the announcements published by the Company on 5 July 2021 and 30 July 2021. The Suspensions from the above authorities were released in January and April 2022 respectively.

Total revenue of construction and engineering services for the six months ended 30 June 2022 amounted to approximately HK\$165.4 million, representing a decrease of approximately 9.9% as compared with total revenue of approximately HK\$183.5 million for the six months ended 30 June 2021. Such decrease in revenue was mainly due to the reduction in new contracts being awarded to the Group since the second half of 2021. Revenue in this segment continued to be deriving principally from slope works, ground investigation field works and road and drainage works, with public sector projects including those from the Landslip Prevention and Mitigation Programme (the “**Programme**”)* commissioned by the Civil Engineering and Development Department of the Government of the Hong Kong Special Administrative Region (“**HKSAR**”), other government departments and statutory bodies, amounted to approximately 94.8% of total revenue in this segment (six months ended 30 June 2021: approximately 93.9%).

* The Programme had been implemented by the Government of HKSAR since 2010 on a rolling basis.



MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

During the six months ended 30 June 2022, the Group has continued its strategy for construction and engineering services in Hong Kong through a variety of operational initiatives:

- in response to keen market competition, the Group has continued with its competitive pricing strategy during the reporting period in order to maintain the Group's competitiveness in the slope works sector in particular and securing new contracts had been difficult during the reporting period;
- in order to undertake more construction projects given Geotech Engineering's capacity, it has continued its collaboration with subcontractors by focusing on project management role and subcontracting a substantial part of works required;
- whilst the Suspension may, to certain extent, affect our short-term ability to undertake LPM projects from public sector as main contractor, the Group has undertaken and tendered geotechnical works including slope works in private sector during the Suspension, and has resumed tendering for LPM projects as main contractor after the Suspension was released; and
- other than slope works, the Group has continued to seek opportunities to diversify into other types of civil engineering works by tendering projects jointly with partners for contracts which involve various work categories. The Directors consider that this strategy is beneficial to the Group's diversification in construction and engineering services in Hong Kong.

During the six months ended 30 June 2022, the outbreak of novel coronavirus (COVID-19) (the “**Outbreak**”) did not have significant adverse impact on the Group's construction and engineering operation in Hong Kong. The Group has taken strict preventive measures on both on-site and office levels throughout the period to mitigate the risks arising from the Outbreak.

As at 30 June 2022, the Group had 72 construction contracts on hand, including contracts in progress and contracts yet to commence (31 December 2021: 64 construction contracts) with a total outstanding contract sum of approximately HK\$186.0 million (31 December 2021: approximately HK\$262.3 million) and these contracts are expected to be completed during or before 2023.

Given the ongoing Outbreak situation, the Group's construction and decoration business in the Kingdom of Cambodia (“**Cambodia**”) remained difficult during the reporting period and our focus was to keep the operating costs down by minimising the staff costs.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Property-related Services

The market environment for the property-related services in Hong Kong was still challenging for the reporting period given the uncertainties in the external economic and business environment under the Outbreak. During the six months ended 30 June 2022, the Group recorded revenue of approximately HK\$3.9 million (six months ended 30 June 2021: approximately HK\$3.1 million) for the provision of property management consultancy services, of which, approximately HK\$2.2 million of property management consultancy services (six months ended 30 June 2021: approximately HK\$2.1 million) was generated from continuing connected transactions. Details of the continuing connected transactions are set out in the Company's announcement dated 27 December 2019.

OUTLOOK

Apart from focusing on construction and engineering services and property-related services, the Group will continue to explore other business expansion in order to enhance the future development and strengthen the revenue bases of the Group. The Board believes that the Group's strategy to diversify its business would provide a better return to the shareholders of the Company (the "Shareholders").

In line with the Board's strategy as stated above, the Group is taking a cautious approach for future development:

- having considered the industry conditions of the construction and engineering services in Hong Kong, the Group will closely monitor the market and respond to changes in market conditions. Going forward, in order to broaden the types of works in the construction and engineering sector other than slope works and ground investigation field works, Geotech Engineering strives to partner with potential partner(s) for tendering projects in various types of civil engineering works;
- taking into consideration the ongoing Outbreak situation in Cambodia, the Group will take a cautious approach in the development of our construction and decoration business in Cambodia in the second half of 2022;
- although our property-related services are expected to remain challenging in the coming years given the uncertainties in the external economic and business environment under the Outbreak, by leveraging our management experiences and knowledge gained in the industry, the Group will strive to seek various opportunities in property-related services; and
- having considered the above, the Group may also seek to diversify and explore other investment opportunities in the future.

In view of the ongoing Outbreak situation, it is expected to continue to present challenges to our businesses in the second half of 2022. The Group will continue to monitor the situation and assess the risks and uncertainties arising from the Outbreak and strive to take strict measures to mitigate the potential adverse impact on the Group.



MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

FINANCIAL REVIEW

Revenue

The Group's total revenue decreased by approximately HK\$17.3 million or approximately 9.3% from approximately HK\$186.6 million for the six months ended 30 June 2021 to approximately HK\$169.3 million for the six months ended 30 June 2022. The Group's total revenue for the period was contributed by the construction and engineering services and property-related services.

(a) Construction and Engineering Services

The Group's revenue generated from the construction and engineering services decreased by approximately HK\$18.1 million or approximately 9.9% from approximately HK\$183.5 million for the six months ended 30 June 2021 to approximately HK\$165.4 million for the six months ended 30 June 2022. Such decrease in revenue was mainly due to the reduction in new contracts being awarded to the Group since the second half of 2021.

(b) Property-related Services

The Group's revenue from property-related services increased by approximately HK\$0.8 million from approximately HK\$3.1 million for the six months ended 30 June 2021 to approximately HK\$3.9 million for the six months ended 30 June 2022. Such increase was mainly due to the increase in consultancy fee from renewals of agreements for provision of property management consultancy services in the second half of 2021. Included in the revenue was continuing connected transactions amounting to approximately HK\$2.2 million (six months ended 30 June 2021: approximately HK\$2.1 million).

Gross Profit and Gross Profit Margin

The Group's total gross profit for the six months ended 30 June 2022 amounted to approximately HK\$2.0 million, representing an increase of approximately 122.2% compared with approximately HK\$0.9 million for the six months ended 30 June 2021. The Group's total gross profit margin for the six months ended 30 June 2022 was approximately 1.2%, as compared with approximately 0.5% for the six months ended 30 June 2021.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

(a) Construction and Engineering Services

The gross profit from construction and engineering services for the six months ended 30 June 2022 amounted to approximately HK\$0.6 million, representing an increase of approximately 200.0% as compared with approximately HK\$0.2 million for the six months ended 30 June 2021. The gross profit margin from construction and engineering services for the six months ended 30 June 2022 was approximately 0.3%, as compared with approximately 0.1% for the six months ended 30 June 2021. The increase in gross profit and gross profit margin from construction and engineering services was mainly due to an overall smaller losses and lower revenue deriving from the two ongoing loss making construction and engineering contracts as compared with the six months ended 30 June 2021. These two loss making contracts were in relation to (i) extra construction costs employed for a slope and site formation works project in public sector in dealing with ongoing geological difficulties which were first identified in the financial year ended 31 December 2020; and (ii) variation works concerning a public sector project under the roads and drainage works category, although such issue is still under negotiation between the Group and the customer.

(b) Property-related Services

The gross profit from property-related services for the six months ended 30 June 2022 amounted to approximately HK\$1.4 million, representing an increase of approximately HK\$0.7 million as compared with approximately HK\$0.7 million for the six months ended 30 June 2021. The gross profit margin for the six months ended 30 June 2022 was approximately 35.8%, as compared with approximately 22.6% for the six months ended 30 June 2021. The increase in gross profit and gross profit margin was mainly due to cost optimisation as a result of manpower restructuring during the period.

Other Income

Other income mainly included rental income from lease of machinery, bank interest income, safety consultancy income, net gain on disposal of plant and equipment, labour charges income and sundry income. For the six months ended 30 June 2022, other income amounted to approximately HK\$2.3 million (six months ended 30 June 2021: approximately HK\$2.8 million). The decrease in other income was mainly due to the decreases in net gain on disposal of plant and equipment of approximately HK\$0.5 million and handling charges income of approximately HK\$0.5 million, which were offset by the additional labour charges income of approximately HK\$0.7 million. Further details are set out in note 6 to the condensed consolidated interim financial statements in this report.

Administrative Expenses

Administrative expenses primarily comprise staff costs, depreciation and legal and professional fees. The administrative expenses of the Group for the six months ended 30 June 2022 amounted to approximately HK\$9.6 million, representing a decrease of approximately 29.4% compared with approximately HK\$13.6 million for the six months ended 30 June 2021. The decrease in administrative expenses was largely resulting from the reduction in (i) staff costs from the construction and decoration operation in Cambodia and property-related services in Hong Kong in order to keep the operating costs down; and (ii) legal and professional fees as additional legal fees were incurred in the first half of 2021 in relation to certain legal proceedings of the Group which are still ongoing but with little progress during the reporting period.



MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Impairment Loss on Trade and Other Receivables

In accordance with HKFRS 9, the Group makes allowances on items subject to expected credit losses (“ECL”) (including trade and other receivables) based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation. An ECL assessment is performed at each reporting date using a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment. The Group also performs ECL assessment of whether a financial instrument’s credit risk has increased significantly since initial recognition.

An impairment loss on other receivables (including material costs, subcontracting charges and expenses paid on behalf of a joint operator) of approximately HK\$13.9 million was recognised during the six months ended 30 June 2022 (six months ended 30 June 2021: nil) due to the significant increase in credit risk arising from such joint operator which has financial difficulties. The Group holds on-going discussions with the said joint operator, and may pursue legal actions (if necessary) for recovery of payment. Further details of the impairment loss are set out in note 14 to the condensed consolidated financial statements in this report.

Finance Costs

Finance costs mainly represent finance charge on lease liabilities. Finance costs remained stable for the six months ended 30 June 2022 and 2021.

Income Tax Expense

Income tax expense of approximately HK\$0.1 million was recognised for the six months ended 30 June 2022 as compared with approximately HK\$0.7 million for the six months ended 30 June 2021. The decrease in income tax expense was due to the absence of deferred tax expense during the six months ended 30 June 2022.

Net Loss

Net loss for the six months ended 30 June 2022 amounted to approximately HK\$19.3 million, as compared to the net loss of approximately HK\$10.6 million for the six months ended 30 June 2021. The increase in net loss was mainly due to the recognition of impairment loss on other receivables (including material costs, subcontracting charges and expenses paid on behalf of a joint operator) of approximately HK\$13.9 million, offsetting by the overall decrease in administrative expenses (especially for staff costs and legal and professional fees) of approximately HK\$4.0 million as discussed above. As a result, the Group’s net loss margin for the six months ended 30 June 2022 was approximately 11.4% (six months ended 30 June 2021: approximately 5.7%).

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Interim Dividend

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

Liquidity, Financial Resources and Capital Structure

As at 30 June 2022, the Company's issued share capital was HK\$16.8 million and the number of issued ordinary shares of the Company (the "Shares") was 1,680 million with par value of HK\$0.01 each.

As at 30 June 2022, the Group had total cash and bank balances of approximately HK\$185.3 million (31 December 2021: approximately HK\$186.3 million). The Group had no bank borrowing as at 30 June 2022 (31 December 2021: nil). Other borrowings of the Group as at 30 June 2022 were lease liabilities of approximately HK\$0.9 million (31 December 2021: approximately HK\$1.4 million). Details of lease liabilities are set out in note 18 to the condensed consolidated interim financial statements in this report. All borrowings were denominated in Hong Kong dollars ("HK\$"). The interest rates on lease liabilities were charged at fixed rates with effective rates arranging from 4.23% to 5.29% for the six months ended 30 June 2022 (six months ended 30 June 2021: from 4.13% to 5.29%). The Group did not carry out any interest rate hedging policy.

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

Gearing Ratio

Gearing ratio is calculated by dividing total borrowings by total equity as at the period-end date and multiplied by 100%. As at 30 June 2022, the total borrowings of the Group were lease liabilities of approximately HK\$0.9 million (31 December 2021: approximately HK\$1.4 million). The gearing ratio of the Group as at 30 June 2022 was approximately 0.4% (31 December 2021: approximately 0.6%). The decrease in gearing ratio was mainly due to a lower total indebtedness level from repayment of lease liabilities of the Group.

Pledge of Assets

As at 30 June 2022, the carrying amount of the Group's motor vehicles of approximately HK\$0.2 million was pledged under leases (31 December 2021: approximately HK\$0.4 million).



MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Foreign Exchange Risk

The Group mainly operates in Hong Kong. Most of the operating transactions and revenue are settled in HK\$ and the assets and liabilities are primarily denominated in HK\$. The Group's exposures to foreign exchange mainly arise from its cash and bank deposits denominated in the United States Dollars ("US\$") amounting to approximately HK\$37.1 million as at 30 June 2022 (31 December 2021: approximately HK\$37.0 million). Most of the operating transactions from the Group's operation in Cambodia are settled in US\$.

However, HK\$ is pegged to US\$ under the Linked Exchange Rate System, the Group is not exposed to any significant foreign exchange risk against US\$ and therefore has not entered into any derivatives agreement nor committed to any financial instrument to hedge its foreign exchange exposure during the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

Significant Investment Held, Material Acquisitions and Disposals of Subsidiaries, Associated Companies and Joint Ventures

During the six months ended 30 June 2022, the Group did not have any significant investments held, material acquisitions and disposals of subsidiaries, associated companies and joint ventures.

Employees and Remuneration Policies

As at 30 June 2022, the Group's payroll included 79 full-time employees (31 December 2021: 91 full-time employees). For the six months ended 30 June 2022, total staff costs (including Directors' remuneration) amounted to approximately HK\$12.9 million (six months ended 30 June 2021: approximately HK\$16.6 million). Total staff costs comprised salaries, wages, Directors' fees and allowances, discretionary bonuses and retirement scheme contributions. In order to attract and retain high quality staff and to enable smooth operation within the Group, the remuneration policy of the Group's employees is being reviewed periodically to ensure that the salary and benefit levels of the employees of the Group are competitive (with reference to market conditions, individual qualifications, position, performance and experience). The Group continues to provide adequate job training to the employees to equip them with practical knowledge and skills. Apart from the defined contribution retirement plan in Hong Kong and job training programs, salary increments and discretionary bonuses are being awarded to employees according to the assessment of individual performance and market situation.

Future Plans for Material Investments or Capital Assets

Save as disclosed under the section headed "Use of Net Proceeds from the listing of shares of the Company on 12 October 2017" in this report, the Group did not have other future plans for material investments or capital assets as at 30 June 2022.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Capital Commitments

As at 30 June 2022, the Group had no capital commitments (31 December 2021: nil).

Contingent Liabilities

As at 30 June 2022 and 31 December 2021, the Group has been involved in a number of claims, litigations and potential claims against the Group regarding the employees' compensation and common law personal injury. Based on the information available, the Board considered that the Group has sufficient insurance coverage on any liability arising from those claims, litigations and potential claims.

As at 30 June 2022 and 31 December 2021, Geotech Engineering has been a defendant in four legal proceedings commenced by two subcontractors. Up to the date of approval of the condensed consolidated interim financial statements, such legal proceedings were still in process. Based on the information available and advice from the Company's legal counsel, the Board considered that there are reasonable merits to the defence in the proceedings.

As such, the Board is of the view that such claims, litigations and potential claims would not cause any material adverse impact on the operation and financial position of the Group and no provision is required to be made in the condensed consolidated interim financial statements.

Use of Net Proceeds from the listing of shares of the Company on 12 October 2017 (the "Listing")

Net proceeds from the Listing ("Net Proceeds") amounted to approximately HK\$72.8 million. As at 1 January 2022 and 30 June 2022, a total amount of approximately HK\$63.2 million out of the Net Proceeds had been used by the Group and approximately HK\$9.6 million remained unused. As at 30 June 2022, the unused amount of Net Proceeds was placed in interest-bearing deposits with licensed banks in Hong Kong. The Group will gradually apply the remaining Net Proceeds in the manner in accordance with actual business needs and use up the remaining Net Proceeds by the end of 2022 as previously disclosed in the section headed "Future Plans and Use of Proceeds" to the prospectus of the Company dated 28 September 2017 and the adjusted timeline as disclosed in the 2019 annual report of the Company and the details are as follows:

| | Planned use of Net Proceeds remained unused as at 1 January 2022 HK\$'000 | Actual use of Net Proceeds during the six months ended 30 June 2022 HK\$'000 | Unused amount of Net Proceeds as at 30 June 2022 HK\$'000 |
|--|--|---|---|
| Acquisition of the site facilities and equipment | 9,649 | – | 9,649 |

INDEPENDENT REVIEW REPORT



To the board of directors of Geotech Holdings Ltd.
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated interim financial statements of Geotech Holdings Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages 14 to 41 which comprise the condensed consolidated statement of financial position as at 30 June 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of condensed consolidated interim financial statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with HKAS 34.

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

INDEPENDENT REVIEW REPORT (Continued)

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Grant Thornton Hong Kong Limited

Certified Public Accountants

11th Floor, Lee Garden Two

28 Yan Ping Road

Causeway Bay

Hong Kong SAR

29 August 2022

Chan Tze Kit

Practising Certificate No.: P05707

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2022

| | Notes | Six months ended 30 June | |
|---|--------|---------------------------------|---------------------------------|
| | | 2022 HK\$'000 (unaudited) | 2021 HK\$'000 (unaudited) |
| Revenue | 5 | 169,251 | 186,588 |
| Direct costs | | (167,280) | (185,707) |
| Gross profit | | 1,971 | 881 |
| Other income | 6 | 2,285 | 2,816 |
| Administrative expenses | | (9,614) | (13,584) |
| Impairment loss on amount due from joint operator | 14(ii) | (13,855) | - |
| Finance costs | 7 | (26) | (31) |
| Loss before income tax | 8 | (19,239) | (9,918) |
| Income tax expense | 9 | (105) | (702) |
| Loss for the period | | (19,344) | (10,620) |
| Other comprehensive (expenses)/income, net of tax <i>Items that will not be reclassified subsequently to profit or loss</i> | | | |
| Fair value (loss)/ gain on financial assets at fair value through other comprehensive income | | (204) | 29 |
| Total comprehensive expense for the period attributable to equity holders of the Company | | (19,548) | (10,591) |
| | | HK cents | HK cents |
| Loss per share | | | |
| Basic and diluted | 11 | (1.15) | (0.63) |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

| | Notes | As at 30 June 2022 HK\$'000 (unaudited) | As at 31 December 2021 HK\$'000 (audited) |
|---|-------|---|---|
| ASSETS AND LIABILITIES | | | |
| Non-current assets | | | |
| Property, plant and equipment | 12 | 589 | 858 |
| Financial assets at fair value through other comprehensive income ("FVOCI") | 13 | 1,082 | 1,286 |
| | | 1,671 | 2,144 |
| Current assets | | | |
| Trade and other receivables | 14 | 60,700 | 94,927 |
| Contract assets | 15 | 10,151 | 16,645 |
| Tax recoverable | | - | 35 |
| Cash and bank balances | 16 | 185,258 | 186,272 |
| | | 256,109 | 297,879 |
| Current liabilities | | | |
| Trade and other payables | 17 | 47,686 | 71,579 |
| Lease liabilities | 18 | 792 | 924 |
| Tax payable | | 309 | 239 |
| Contract liabilities | 15 | 2,635 | 988 |
| | | 51,422 | 73,730 |
| Net current assets | | 204,687 | 224,149 |
| Total assets less current liabilities | | 206,358 | 226,293 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
As at 30 June 2022

| | Notes | As at 30 June 2022 HK\$'000 (unaudited) | As at 31 December 2021 HK\$'000 (audited) |
|--------------------------------|-------|---|---|
| Non-current liabilities | | | |
| Lease liabilities | 18 | 129 | 516 |
| Deferred tax liabilities | | 89 | 89 |
| | | 218 | 605 |
| Net assets | | 206,140 | 225,688 |
| CAPITAL AND RESERVES | | | |
| Share capital | 19 | 16,800 | 16,800 |
| Reserves | | 189,340 | 208,888 |
| Total equity | | 206,140 | 225,688 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

| | Share capital | Share premium | Capital reserve | Financial assets fair value reserve | Retained earnings | Total |
|---|------------------|------------------|--------------------|--|----------------------|----------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| At 1 January 2021 (audited) | 16,800 | 167,266 | 10,011 | 176 | 45,726 | 239,979 |
| Loss for the period | - | - | - | - | (10,620) | (10,620) |
| Other comprehensive income, net of tax: | | | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | | | |
| - Fair value gain on financial assets at FVOCI | - | - | - | 29 | - | 29 |
| Total comprehensive income/(expense) for the period | - | - | - | 29 | (10,620) | (10,591) |
| At 30 June 2021 (unaudited) | 16,800 | 167,266 | 10,011 | 205 | 35,106 | 229,388 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)
For the six months ended 30 June 2022

| | Share capital HK\$'000 | Share premium* HK\$'000 | Capital reserve* HK\$'000 | Financial assets fair value reserve* HK\$'000 | Retained earnings* HK\$'000 | Total HK\$'000 |
|---|------------------------------|-------------------------------|---------------------------------|---|-----------------------------------|-------------------|
| At 1 January 2022 (audited) | 16,800 | 167,266 | 10,011 | 165 | 31,446 | 225,688 |
| Loss for the period | – | – | – | – | (19,344) | (19,344) |
| Other comprehensive expenses, net of tax: | | | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | | | |
| – Fair value loss on financial assets at FVOCI | – | – | – | (204) | – | (204) |
| Total comprehensive expense for the period | – | – | – | (204) | (19,344) | (19,548) |
| At 30 June 2022 (unaudited) | 16,800 | 167,266 | 10,011 | (39) | 12,102 | 206,140 |

* The reserves accounts comprise the Group's reserves of HK\$189,340,000 as at 30 June 2022 (31 December 2021 (audited): HK\$208,888,000) in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

| | Six months ended 30 June | |
|--|---------------------------------|---------------------------------|
| | 2022 HK\$'000 (unaudited) | 2021 HK\$'000 (unaudited) |
| Cash flow from operating activities | | |
| Cash generated from operations | 1,022 | 29,201 |
| Interest paid | (26) | (48) |
| Income tax paid | – | (14) |
| <i>Net cash generated from operating activities</i> | 996 | 29,139 |
| Cash flow from investing activities | | |
| Interest received | 97 | 229 |
| Purchase of property, plant and equipment | (11) | (36) |
| Proceeds from disposal of plant and equipment | 35 | 735 |
| Increase in amount due from joint operator | (1,550) | (6,566) |
| <i>Net cash used in investing activities</i> | (1,429) | (5,638) |
| Cash flow from financing activity | | |
| Payment for lease liabilities | (581) | (1,817) |
| <i>Cash used in financing activity</i> | (581) | (1,817) |
| Net (decrease)/increase in cash and cash equivalents | (1,014) | 21,684 |
| Cash and cash equivalents at the beginning of period | 186,272 | 156,335 |
| Cash and cash equivalents at end of period, represented by cash and bank balances (note 16) | 185,258 | 178,019 |



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2022

1. GENERAL INFORMATION

Geotech Holdings Ltd. (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands, and its principal place of business is Unit 1920, 19/F, Cheung Kong Center, 2 Queen’s Road Central, Central, Hong Kong.

The Company is an investment holding company, and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in provision of construction and engineering services and property-related services.

The Company’s immediate and ultimate holding company is Star Merit Global Limited (“**Star Merit**”), a company incorporated in the British Virgin Islands (the “**BVI**”) and wholly owned by Mr. Chen Zhi (“**Mr. Chen**”). The ultimate controlling shareholder of the Company is Mr. Chen.

The condensed consolidated interim financial statements for the six months ended 30 June 2022 were approved for issue by the Board of directors (the “**Directors**”) on 29 August 2022.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and Hong Kong Accounting Standards (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The condensed consolidated interim financial statements do not include all the information and disclosures required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2021.

The condensed consolidated interim financial statements are unaudited, but have been reviewed by the Company’s independent auditor, Grant Thornton Hong Kong Limited.

The condensed consolidated interim financial statements are presented in thousands of units of Hong Kong dollars (“**HK\$’000**”), except when otherwise indicated.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six months ended 30 June 2022

3. ADOPTION OF NEW OR AMENDED HKFRSs

(a) Adoption of new and amended HKFRSs effective on 1 January 2022

| | |
|------------------------|--|
| Amendments to HKFRSs | Annual Improvements to HKFRSs 2018-2020 |
| Amendments to HKFRS 3 | Reference to the Conceptual Framework |
| Amendments to HKAS 16 | Property, Plant and Equipment – Proceeds before Intended Use |
| Amendments to HKFRS 16 | Covid-19-Related Rent Concessions beyond 30 June 2021 |
| Amendments to HKAS 37 | Onerous Contracts - Cost of Fulfilling a Contract |

The adoption of the amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

(b) Issued but not yet effective HKFRSs

At the date of authorisation of the Group's condensed consolidated interim financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

| | |
|---|--|
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹ |
| HKFRS 17 | Insurance Contracts and related amendments ¹ |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ² |
| Amendments to HKAS 1 and HKFRS Practice Statement 2 | Disclosure of Accounting Policies ¹ |
| Amendments to HKAS 8 | Definition of Accounting Estimates ¹ |
| Amendments to HKAS 12 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹ |

¹ Effective for annual periods beginning on or after 1 January 2023

² Effective date not yet determined

The directors are currently assessing the possible impact of these new and amended HKFRSs on the Group's results and financial position in the first year of application. The directors consider that these amendments are unlikely to have a material impact on the Group's condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six months ended 30 June 2022

4. ESTIMATES AND JUDGEMENTS

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

In preparing these condensed consolidated interim financial statements, those significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements of the Group for the year ended 31 December 2021.

5. REVENUE AND SEGMENT INFORMATION

(a) Revenue

The Group's principal activities are disclosed in note 1 to the condensed consolidated interim financial statements.

Revenue recognised for the six months ended 30 June 2022 and 2021 are as follows:

| | Six months ended 30 June | |
|---------------------------------------|---------------------------------|---------------------------------|
| | 2022 HK\$'000 (unaudited) | 2021 HK\$'000 (unaudited) |
| Construction and engineering services | 165,364 | 183,522 |
| Property-related services | 3,887 | 3,066 |
| | 169,251 | 186,588 |

All of the performance obligations are satisfied over time.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six months ended 30 June 2022

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information

The Group's operating activities are attributable to construction and engineering services and property-related services. The Group organised its business units based on its segment purposes and the internal management reports are prepared in accordance with accounting policies which conform to HKFRSs, which is regularly reviewed by the executive Directors, being the Chief Operating Decision Maker ("CODM"), for the purposes of resource allocation and assessment of segment performance. The CODM has identified construction and engineering services and property-related services as reportable segments.

For the six months ended 30 June 2022 (unaudited)

| | Construction and engineering services HK\$'000 | Property- related services HK\$'000 | Total HK\$'000 |
|--|---|---|-------------------|
| Reportable segment revenue | | | |
| – From external customers | 165,364 | 3,887 | 169,251 |
| Reportable segment results (<i>Note</i>) | (15,994) | 1,273 | (14,721) |
| Unallocated corporate income | | | 81 |
| Unallocated corporate expenses | | | (4,599) |
| Loss before income tax | | | (19,239) |

Note:

| | Construction and engineering services HK\$'000 | Property- related services HK\$'000 | Unallocated HK\$'000 | Total HK\$'000 |
|---|--|---|-------------------------|-------------------|
| Amounts included in the measure of segment results | | | | |
| – Bank interest income | 40 | – | 57 | 97 |
| – Depreciation of non-financial assets | (320) | (4) | (4) | (328) |
| – Impairment loss on amount due from joint operator | (13,855) | – | – | (13,855) |
| – Net gain on disposal of plant and equipment | 21 | – | – | 21 |
| – Finance costs | (26) | – | – | (26) |
| Other segment item | | | | |
| Additions to non-current segment assets | 73 | – | – | 73 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six months ended 30 June 2022

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

As at 30 June 2022 (unaudited)

| | Construction and engineering services HK\$'000 | Property- related services HK\$'000 | Unallocated HK\$'000 | Total HK\$'000 |
|--------------------------------|--|--|-------------------------|-------------------|
| Reportable segment assets | 146,118 | 4,268 | 107,394 | 257,780 |
| Reportable segment liabilities | 50,959 | 282 | 399 | 51,640 |

For the six months ended 30 June 2021 (unaudited)

| | Construction and engineering services HK\$'000 | Property- related services HK\$'000 | Total HK\$'000 |
|--|--|--|-------------------|
| Reportable segment revenue | | | |
| – From external customers | 183,522 | 3,066 | 186,588 |
| Reportable segment results (<i>Note</i>) | (5,342) | 177 | (5,165) |
| Unallocated corporate income | | | 128 |
| Unallocated corporate expenses | | | (4,881) |
| Loss before income tax | | | (9,918) |

Note:

| | Construction and engineering services HK\$'000 | Property- related services HK\$'000 | Unallocated HK\$'000 | Total HK\$'000 |
|--|--|---|-------------------------|-------------------|
| Amounts included in the measure of segment results | | | | |
| – Bank interest income | 91 | – | 128 | 219 |
| – Depreciation of non-financial assets | (894) | (3) | (4) | (901) |
| – Net gain on disposal of plant and equipment | 566 | – | – | 566 |
| – Finance costs | (31) | – | – | (31) |
| Other segment item | | | | |
| Additions to non-current segment assets | 36 | – | – | 36 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six months ended 30 June 2022

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

As at 31 December 2021 (audited)

| | Construction and engineering services HK\$'000 | Property- related services HK\$'000 | Unallocated HK\$'000 | Total HK\$'000 |
|--------------------------------|--|--|-------------------------|-------------------|
| Reportable segment assets | 203,743 | 2,996 | 93,284 | 300,023 |
| Reportable segment liabilities | 72,883 | 178 | 1,274 | 74,335 |

Geographical information

The Group's revenue from external customers based on the location of the operation is derived mainly in Hong Kong (place of domicile). Most non-current assets of the Group based on the location of the assets are located in Hong Kong. Accordingly, no segment analysis by geographical information is presented.

Information about major customers

Revenue from customers which individually contributed over 10% of the Group's revenue is as follows:

| | Six months ended 30 June | |
|--|---------------------------------|---------------------------------|
| | 2022 HK\$'000 (unaudited) | 2021 HK\$'000 (unaudited) |
| Construction and engineering services segment | | |
| Customer A | 21,485 | 109,657 |
| Customer B | 87,090 | 48,127 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
 For the six months ended 30 June 2022

5. REVENUE AND SEGMENT INFORMATION (Continued)

(c) Disaggregation of revenue from type of projects

For the six months ended 30 June 2022 (unaudited)

| | Construction and engineering services HK\$'000 | Property- related services HK\$'000 | Total HK\$'000 |
|------------------------|--|--|-------------------|
| Private sector project | 8,647 | 3,887 | 12,534 |
| Public sector project | 156,717 | - | 156,717 |

For the six months ended 30 June 2021 (unaudited)

| | Construction and engineering services HK\$'000 | Property- related services HK\$'000 | Total HK\$'000 |
|------------------------|--|--|-------------------|
| Private sector project | 11,114 | 3,066 | 14,180 |
| Public sector project | 172,408 | - | 172,408 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six months ended 30 June 2022

6. OTHER INCOME

| | Six months ended 30 June | |
|--|---------------------------------|---------------------------------|
| | 2022 HK\$'000 (unaudited) | 2021 HK\$'000 (unaudited) |
| Consultancy fee income | 157 | 124 |
| Rental income from lease of machinery | 20 | 60 |
| Safety consultancy income | 136 | 198 |
| Bank interest income | 97 | 219 |
| Interest income from finance lease receivables | – | 10 |
| Net gain on disposal of plant and equipment | 21 | 566 |
| Exchange gain | 122 | 29 |
| Government grant (<i>note (i)</i>) | 112 | – |
| Labour charges income | 655 | – |
| Surveying fee income | – | 315 |
| Sundry income (<i>note (ii)</i>) | 965 | 1,295 |
| | 2,285 | 2,816 |

Notes:

- (i) Government grant represented the Employment Support Scheme under the second round of the Anti-epidemic Fund launched by the Government of Hong Kong Special Administrative Region to provide time-limited financial support to employers to retain employees who may otherwise be made redundant.
- (ii) During the six months ended 30 June 2022, sundry income mainly represented handling charges of approximately HK\$738,000 (six months ended 30 June 2021: approximately HK\$1,287,000) paid by subcontractors requesting our assistance in the procurement of construction materials for our construction contracts.

7. FINANCE COSTS

| | Six months ended 30 June | |
|-------------------------------------|---------------------------------|---------------------------------|
| | 2022 HK\$'000 (unaudited) | 2021 HK\$'000 (unaudited) |
| Finance charge on lease liabilities | 26 | 31 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six months ended 30 June 2022

8. LOSS BEFORE INCOME TAX

| | Six months ended 30 June | |
|---|---------------------------------|---------------------------------|
| | 2022 HK\$'000 (unaudited) | 2021 HK\$'000 (unaudited) |
| Loss before income tax is stated after charging/(crediting): | | |
| (a) Staff costs (including Directors' remuneration) | | |
| Salaries, fees, wages and allowances | 12,470 | 16,049 |
| Retirement scheme contributions | 446 | 560 |
| Staff costs (including Directors' remuneration) <i>(note)</i> | 12,916 | 16,609 |
| (b) Other items | | |
| Depreciation, included in: | | |
| Direct costs | | |
| – Owned assets | 107 | 63 |
| – Right-of-use assets | – | 249 |
| Administrative expenses | | |
| – Owned assets | 147 | 158 |
| – Right-of-use assets | 74 | 431 |
| | 328 | 901 |
| Short term leases | 192 | 220 |
| Subcontracting charges (included in direct costs) | 157,772 | 175,953 |
| Net gain on disposal of plant and equipment | (21) | (566) |
| Auditors' remuneration | 190 | 180 |
| Exchange gain | (122) | (29) |

Note: Staff costs (including Directors' remuneration)

| | Six months ended 30 June | |
|-------------------------|---------------------------------|---------------------------------|
| | 2022 HK\$'000 (unaudited) | 2021 HK\$'000 (unaudited) |
| Direct costs | 5,628 | 7,967 |
| Administrative expenses | 7,288 | 8,642 |
| | 12,916 | 16,609 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six months ended 30 June 2022

9. INCOME TAX EXPENSE

| | Six months ended 30 June | |
|--|---------------------------------|---------------------------------|
| | 2022 HK\$'000 (unaudited) | 2021 HK\$'000 (unaudited) |
| Provision for Hong Kong Profits Tax | | |
| – Current tax | 105 | 63 |
| – Over provision in respect of prior years | – | (21) |
| Deferred tax expense | 105 | 42 |
| | – | 660 |
| Total income tax expense | 105 | 702 |

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in or derived from Hong Kong for the six months ended 30 June 2022 and 2021, except that the Group's qualified entity is calculated in accordance with the two-tiered profits tax rates regime and the profits tax of other group entities in Hong Kong which are not qualified for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%.

No provision for overseas profits tax has been made as the Group had no assessable profits generated in overseas operation during the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

10. DIVIDENDS

No dividend was paid or declared by the Company during the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six months ended 30 June 2022

11. LOSS PER SHARE

The calculation of basic loss per share attributable to equity holders of the Company is based on the following:

| | Six months ended 30 June | |
|---|---------------------------------|---------------------------------|
| | 2022 HK\$'000 (unaudited) | 2021 HK\$'000 (unaudited) |
| Loss | | |
| Loss for the period attributable to equity holders of the Company | (19,344) | (10,620) |
| | '000 | '000 |
| Number of shares | | |
| Weighted average number of ordinary shares | 1,680,000 | 1,680,000 |

The calculation of the basic loss per share for the six months ended 30 June 2022 is based on the loss for the period attributable to equity holders of the Company of HK\$19,344,000 (six months ended 30 June 2021: HK\$10,620,000) and the weighted average number of ordinary shares of 1,680,000,000 in issue during the period (six months ended 30 June 2021: 1,680,000,000).

There were no dilutive potential ordinary shares during the six months ended 30 June 2022 and 2021 and therefore, diluted loss per share equals to basic loss per share.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six months ended 30 June 2022

12. PROPERTY, PLANT AND EQUIPMENT

| | Premises held under lease (note) HK\$'000 | Plant and machinery HK\$'000 | Motor vehicles (note) HK\$'000 | Furniture and fixtures HK\$'000 | Leasehold improvement HK\$'000 | Computer and software HK\$'000 | Total HK\$'000 |
|---|---|------------------------------------|---|---------------------------------------|--------------------------------------|--------------------------------------|-------------------|
| Cost | | | | | | | |
| As at 1 January 2022 (audited) | 1,814 | 1,118 | 3,323 | 1,193 | 308 | 510 | 8,266 |
| Additions | 62 | - | - | 11 | - | - | 73 |
| Disposals/written off | (455) | (270) | (491) | (358) | - | (267) | (1,841) |
| As at 30 June 2022 (unaudited) | 1,421 | 848 | 2,832 | 846 | 308 | 243 | 6,498 |
| Accumulated depreciation | | | | | | | |
| As at 1 January 2022 (audited) | (1,802) | (1,092) | (2,941) | (1,044) | (94) | (435) | (7,408) |
| Charge for the period | (74) | (10) | (138) | (23) | (64) | (19) | (328) |
| Depreciation written back upon disposals/written off | 455 | 270 | 491 | 344 | - | 267 | 1,827 |
| As at 30 June 2022 (unaudited) | (1,421) | (832) | (2,588) | (723) | (158) | (187) | (5,909) |
| Net book value | | | | | | | |
| As at 30 June 2022 (unaudited) | - | 16 | 244 | 123 | 150 | 56 | 589 |
| As at 31 December 2021 (audited) | 12 | 26 | 382 | 149 | 214 | 75 | 858 |

Note: As at 30 June 2022, the carrying amounts of the Group's right-of-use assets in relation to premises and motor vehicles are HK\$nil and HK\$244,000 respectively (31 December 2021 (audited): HK\$12,000 and HK\$382,000 respectively). The depreciation charge for the six months ended 30 June 2022 of the Group's right-of-use assets in relation to premises and motor vehicles are HK\$74,000 and HK\$138,000 respectively (six months ended 30 June 2021: HK\$476,000 and HK\$203,000 respectively). As at 30 June 2022, the carrying amount of the Group's motor vehicles of HK\$244,000 are pledged under leases (31 December 2021 (audited): HK\$382,000).

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | As at 30 June 2022 HK\$'000 (unaudited) | As at 31 December 2021 HK\$'000 (audited) |
|---------------------------------------|---|---|
| Unlisted securities – Unit Trust Fund | 1,082 | 1,286 |

The fair value of the Group's financial assets at FVOCI has been measured as described in note 23.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six months ended 30 June 2022

14. TRADE AND OTHER RECEIVABLES

| | As at 30 June 2022 HK\$'000 (unaudited) | As at 31 December 2021 HK\$'000 (audited) |
|--|---|---|
| Trade receivables | 18,986 | 37,011 |
| Less: impairment loss | (697) | (697) |
| | 18,289 | 36,314 |
| Retention receivables | 13,401 | 11,601 |
| Other receivables (<i>note (i)</i>) | 26,668 | 28,125 |
| Prepayment | 10,231 | 14,177 |
| Utility and other deposits | 1,198 | 1,492 |
| Less: impairment loss | (9,087) | (9,087) |
| | 42,411 | 46,308 |
| Amount due from joint operator | 14,006 | 12,456 |
| Less: impairment loss (<i>note (ii)</i>) | (14,006) | (151) |
| | – | 12,305 |
| | 60,700 | 94,927 |

The Directors considered the fair values of trade and other receivables are not materially different from their carrying amounts, because their balances have short maturity periods on their inception.

Notes:

- (i) Other receivables include materials and expenses of slope work contracts paid on behalf of subcontractors, for which expenses are recharged to subcontractors.
- (ii) During the period ended 30 June 2022, a company winding up petition was filed against a joint operator of the Group. As a result, the joint bank account with the joint operator of approximately HK\$547,000 attributable to the Group as at 30 June 2022 is still being frozen. The financial status of the joint operator has remained an uncertain position for the coming future, the management of the Group conducted an impairment assessment on amount due from joint operator, and recognised an impairment loss on amount due from joint operator of approximately HK\$13,855,000 for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six months ended 30 June 2022

14. TRADE AND OTHER RECEIVABLES (Continued)

Trade receivables

Based on the invoice dates, the ageing analysis of the trade receivables, net of impairment loss, is as follows:

| | As at 30 June 2022 HK\$'000 (unaudited) | As at 31 December 2021 HK\$'000 (audited) |
|--------------|---|---|
| 0 – 30 days | 17,437 | 28,588 |
| 31 – 60 days | 519 | 6,289 |
| 61 – 90 days | 333 | 739 |
| Over 90 days | – | 698 |
| | 18,289 | 36,314 |

Retention receivables

Retention receivables represent certified contract payments in respect of works performed, for which payments are withheld by customers for retention purposes, and the amount retained is withheld on each payment up to a maximum amount calculated on a prescribed percentage of the contract sum.

The retention receivables were expected to be recovered/settled as follows:

| | As at 30 June 2022 HK\$'000 (unaudited) | As at 31 December 2021 HK\$'000 (audited) |
|---------------------|---|---|
| Due within one year | 2,208 | 1,469 |
| Due after one year | 11,193 | 10,132 |
| | 13,401 | 11,601 |

Retention receivables are interest-free and repayable approximately one year after the expiry of the maintenance period of construction projects.

At the end of the reporting date, apart from the amount due from joint operator as disclosed in note 14(ii), the Group also reviewed trade receivables, retention receivables and other receivables for evidence of impairment on collective basis. Based on assessment of expected credit losses, no additional impairment loss has been recognised as at 30 June 2022 (six months ended 30 June 2021: nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six months ended 30 June 2022

15. CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract assets

| | As at 30 June 2022 HK\$'000 (unaudited) | As at 31 December 2021 HK\$'000 (audited) |
|---|---|---|
| Contract assets arising from construction contracts | 10,406 | 16,900 |
| Less: impairment loss | (255) | (255) |
| | 10,151 | 16,645 |

The amount of contract assets is expected to be recovered/settled within one year.

The decrease in contract assets during the six months ended 30 June 2022 is mainly due to the decrease in ongoing construction projects at the end of the reporting period.

Contract liabilities

| | As at 30 June 2022 HK\$'000 (unaudited) | As at 31 December 2021 HK\$'000 (audited) |
|--|---|---|
| Contract liabilities arising from construction contracts from billings in advance of performance | 2,635 | 988 |

All of the contract liabilities is expected to be recovered/settled within one year.

The increase in contract liabilities during the six months ended 30 June 2022 is mainly due to the increase in obligation to perform construction work services to certain customers for which the Group has received considerations from those customers at the end of the reporting period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six months ended 30 June 2022

16. CASH AND BANK BALANCES

| | As at 30 June 2022 HK\$'000 (unaudited) | As at 31 December 2021 HK\$'000 (audited) |
|------------------------------------|---|---|
| Cash at bank (<i>note 21(b)</i>) | 185,197 | 186,232 |
| Cash on hand | 61 | 40 |
| | 185,258 | 186,272 |

Cash at bank earns interest at floating rates based on daily bank deposit rates.

The Directors consider that the fair values of cash at bank are not materially different from their carrying amounts, because their balances have short maturity periods on their inception.

17. TRADE AND OTHER PAYABLES

| | As at 30 June 2022 HK\$'000 (unaudited) | As at 31 December 2021 HK\$'000 (audited) |
|---|---|---|
| Trade payables (<i>note (i)</i>) | 22,867 | 41,962 |
| Retention payables (<i>note (ii)</i>) | 22,325 | 24,360 |
| Accruals and other payables | 2,494 | 5,257 |
| | 47,686 | 71,579 |

All amounts are short-term and hence, the carrying values of the Group's trade payables, retention payables and accruals and other payables are considered to be a reasonable approximation of fair value.

Notes:

- (i) Payment terms granted by subcontractors and suppliers are 14 days and 30 to 60 days respectively from the invoice date of the relevant purchases.
- (ii) Retention payables are interest-free and settled in accordance with the terms of the respective contracts.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six months ended 30 June 2022

17. TRADE AND OTHER PAYABLES (Continued)

Trade payables

Ageing analysis of trade payables based on the invoice dates is as follows:

| | As at 30 June 2022 HK\$'000 (unaudited) | As at 31 December 2021 HK\$'000 (audited) |
|--------------|---|---|
| 0 – 30 days | 16,633 | 34,287 |
| 31 – 60 days | 1,681 | 1,740 |
| 61 – 90 days | 1,450 | 463 |
| Over 90 days | 3,103 | 5,472 |
| | 22,867 | 41,962 |

18. LEASE LIABILITIES

The analysis of the Group's lease liabilities is as follows:

| | As at 30 June 2022 HK\$'000 (unaudited) | As at 31 December 2021 HK\$'000 (audited) |
|--|---|---|
| Total minimum lease payments: | | |
| Within one year | 816 | 966 |
| After one year but within two years | 130 | 525 |
| Future finance charges | 946 (25) | 1,491 (51) |
| Present value of lease obligation | 921 | 1,440 |
| Present value of minimum lease payments: | | |
| Within one year | 792 | 924 |
| After one year but within two years | 129 | 516 |
| Less: portion due within one year included under current liabilities | 921 (792) | 1,440 (924) |
| Portion due after one year included under non-current liabilities | 129 | 516 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six months ended 30 June 2022

18. LEASE LIABILITIES (Continued)

As at 30 June 2022 and 31 December 2021, the Group had lease arrangements for motor vehicles. These lease periods are for 2 to 3 years. At the end of the lease term, the Group has the option to purchase the leased motor vehicles at a price that is expected to be sufficiently lower than the fair value of the leased asset at the end of the lease. None of the leases includes contingent rentals.

As at 30 June 2022, leases of motor vehicles amounted to HK\$nil (31 December 2021 (audited): HK\$110,000) are held by the Group in trust but used by and belong to subcontractors or their nominators.

As at 30 June 2022, 2 (31 December 2021 (audited): 2) of the leases of office or workshop premises are for own use for 1.5 to 2 years. The Group makes fixed payments during the contract periods.

The leases are effectively secured by the underlying assets as the rights to the leased assets would be converted to the lessor in the event of default by repayment by the Group.

During the six months ended 30 June 2022, the total cash outflows for the leases are HK\$799,000 (six months ended 30 June 2021: HK\$1,952,000).

19. SHARE CAPITAL

| | As at 30 June 2022 | | As at 31 December 2021 | |
|---|--------------------|----------|------------------------|----------|
| | Number of shares | HK\$'000 | Number of shares | HK\$'000 |
| Authorised: | | | | |
| As at 1 January 2021, 31 December 2021, 1 January 2022 (audited) and 30 June 2022 (unaudited) | 4,000,000,000 | 40,000 | 4,000,000,000 | 40,000 |
| Issued and fully paid: | | | | |
| As at 1 January 2021, 31 December 2021, 1 January 2022 (audited) and 30 June 2022 (unaudited) | 1,680,000,000 | 16,800 | 1,680,000,000 | 16,800 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six months ended 30 June 2022

20. LEASE COMMITMENTS

As lessee

As at 30 June 2022 and 31 December 2021, the lease commitments for short term leases are as follows:

| | As at 30 June 2022 HK\$'000 (unaudited) | As at 31 December 2021 HK\$'000 (audited) |
|-----------------|---|---|
| Within one year | 267 | 103 |

21. RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

The emoluments of the Directors and senior management of the Company, who represent the key management personnel during the six months ended 30 June 2022 and 2021 are as follows:

| | Six months ended 30 June | |
|--------------------------------------|---------------------------------|---------------------------------|
| | 2022 HK\$'000 (unaudited) | 2021 HK\$'000 (unaudited) |
| Salaries, fees, wages and allowances | 2,604 | 2,206 |
| Retirement scheme contributions | 37 | 38 |
| | 2,641 | 2,244 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six months ended 30 June 2022

21. RELATED PARTY TRANSACTIONS (Continued)

(b) Related party transactions

Summary of the related party transactions carried out by the Group during the six months ended 30 June 2022 and 2021 are as follows:

| | Six months ended 30 June | |
|--|---------------------------------|---------------------------------|
| | 2022 HK\$'000 (unaudited) | 2021 HK\$'000 (unaudited) |
| Property management consultancy services income from Cheer Capital Limited (<i>note (i)</i>) | 2,249 | 2,142 |

Summary of balance with related parties as at 30 June 2022 and 31 December 2021 are as follows:

| | At as 30 June 2022 HK\$'000 (unaudited) | As as 31 December 2021 HK\$'000 (audited) |
|--|--|---|
| | Bank deposits to Prince Bank Plc. (<i>note (ii)</i>) | |
| – balance | 153 | 158 |
| – maximum balance during the six months ended 30 June 2022 (unaudited) and the year ended 31 December 2021 (audited) | 255 | 711 |

Notes:

- (i) A company indirectly and wholly-owned by Mr. Chen, an executive Director and the controlling shareholder of the Company.
- (ii) A company directly controlled by Mr. Chen, an executive Director and the controlling shareholder of the Company.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six months ended 30 June 2022

22. CONTINGENT LIABILITIES

As at 30 June 2022 and 31 December 2021, the Group has been involved in a number of claims, litigations and potential claims against the Group regarding the employees' compensation and common law personal injury. Based on the information available, the Board considered that the Group has sufficient insurance coverage on any liability arising from those claims, litigations and potential claims.

As at 30 June 2022 and 31 December 2021, Geotech Engineering has been a defendant in four legal proceedings commenced by two subcontractors. Up to the date of approval of the condensed consolidated interim financial statements, such legal proceedings were still in process. Based on the information available and advice from the Company's legal counsel, the Board considered that there are reasonable merits to the defence in the proceedings.

As such, the Board is of the view that such claims, litigations and potential claims would not cause any material adverse impact on the operation and financial position of the Group and no provision is required to be made in the condensed consolidated interim financial statements.

23. FAIR VALUE MEASUREMENT

Financial assets and liabilities measured at fair value in the condensed consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability and significance of inputs to the measurements, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.
- Level 3: significant unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
For the six months ended 30 June 2022

23. FAIR VALUE MEASUREMENT (Continued)

| | Fair value at 30 June 2022 HK\$'000 (unaudited) | Fair value measurement using Level 2 HK\$'000 (unaudited) |
|---|---|---|
| Recurring fair value measurement | | |
| <i>Financial assets</i> | | |
| Financial assets at FVOCI: | | |
| – Unlisted securities | 1,082 | 1,082 |
| <hr/> | | |
| | Fair value at 31 December 2021 HK\$'000 (audited) | Fair value measurement using Level 2 HK\$'000 (audited) |
| Recurring fair value measurement | | |
| <i>Financial assets</i> | | |
| Financial assets at FVOCI: | | |
| – Unlisted securities | 1,286 | 1,286 |

There were no transfers between categories during the reporting period.

The methods and valuation techniques used for the purpose of measuring fair values categorised in Level 2 are unchanged compared to the previous reporting periods and are described below:

The financial assets at FVOCI are unlisted securities denominated in US\$. Fair values have been determined by reference to their quoted prices as stated in the bank statements at each of the reporting date and have been translated using the spot foreign currency rates at the end of the reporting periods where appropriate. The effects of non-observable inputs are not significant for the unlisted securities.

Fair value change on unlisted securities is recognised in other comprehensive income and included under “Financial assets fair value reserve”.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2022, the interests and short positions of the Directors and chief executives 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 have been (i) notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) which, pursuant to Section 352 of the SFO, have been entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as a code of conduct of the Company for Directors' securities transaction, notified to the Company and the Stock Exchange were as follows:

Long position in the Shares

| Name of Director | Capacity/ Nature of interest | No. of Shares held/ interested in | Approximate percentage of shareholding |
|------------------|--|---|--|
| Mr. Chen Zhi | Interests in controlled corporation (<i>note</i>) | 920,480,000 | 54.79% |

Note: 920,480,000 Shares are held by Star Merit Global Limited ("Star Merit"), representing approximately 54.79% of the entire issued share capital of the Company. Star Merit is wholly and beneficially owned by Mr. Chen Zhi. Therefore, Mr. Chen Zhi is deemed to be interested in all the Shares held by Star Merit by virtue of Part XV of the SFO.

Save as disclosed above and so far as is known to the Directors, as at 30 June 2022, none of the Directors nor chief executives of the Company had or was deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange under the Model Code.

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

Substantial Shareholders' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2022, so far as is known to the Directors, the following entity (other than a Director or chief executive of the Company) had, or was deemed to have, interests or short positions (directly or indirectly) in the shares or underlying shares or debentures which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long position in the Shares

| Name of Shareholder | Capacity/ Nature of interest | No. of Shares held/ interested in | Approximate percentage of shareholding |
|---------------------|---------------------------------|---|--|
| Star Merit | Beneficial owner | 920,480,000 | 54.79% |

Save as disclosed above and so far as is known to the Directors, as at 30 June 2022, the Directors were not aware of any other entity which or person other than a Director or chief executive of the Company who had, or was deemed to have an interest or a short position in the shares or the underlying shares or debentures of the Company which would be required to be disclosed to the Company and the Stock Exchange 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.

Share Option Scheme

The share option scheme was adopted by the Company on 21 September 2017 (the "Share Option Scheme") and effective for a period of ten years to 20 September 2027. It is a share incentive scheme established to recognise and acknowledge the contributions that the eligible participants have or may have made to the Group. Pursuant to the Share Option Scheme, the Board may, as its discretion, offer to grant an option to any director, employee (full-time and part-time), advisor, consultant, supplier, customer, distributor, contractor, agent, business partner or service providers of the Group and to promote the success of the business of the Group.

Pursuant to the terms of the Share Option Scheme and in compliance with the provisions in Chapter 17 of the Listing Rules, the maximum number of Shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and all share option schemes of the Company shall not exceed 140,000,000 Shares, being 10% of the 1,400,000,000 Shares in issue as at 12 October 2017, being the date the Shares were listed on the Stock Exchange. The Company may issue a circular to the Shareholders and seek approval from the Shareholders in general meeting for refreshing the 10% limit such that the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes shall not exceed 10% of the total number of Shares in issue as at the date of the approval from the Shareholders.



CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme to eligible participants in any 12 months period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant, any further grant of options in excess of this 1% limit shall be subject to the approval of Shareholders in a general meeting.

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall not be less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a trading day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading dates immediately preceding the date of grant; or (iii) the nominal value of a Share.

A share option may be exercised in accordance with the terms of the Share Option Scheme at any time during the period to be determined and notified by the Board to the participant at the time of making an offer for the grant of share option.

The total number of securities available for issue under the Share Option Scheme, and all other share option schemes of the Company must not exceed 140,000,000 Shares, representing 8.33% of the total number of Shares as at the date of this report.

No share options have been granted under the Share Option Scheme since 21 September 2017. An offer of the grant of a share option shall be accepted by the eligible participants within a period of twenty-one days from the date of offer of grant of share option. The consideration paid by each grantee for the acceptance and grant of each share option is HK\$1.00, which has to be paid within twenty-one days.

There were no options outstanding as at 30 June 2022 (31 December 2021: nil) and no share options were granted, exercised, cancelled or lapsed during the six months ended 30 June 2022. For further details of the Share Option Scheme, please refer to the paragraph headed "D. Share Option Scheme" in Appendix IV to the prospectus of the Company dated 28 September 2017.

Changes in Information of Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in information of Directors subsequent to the date of the 2021 annual report of the Company is set out below:

Mr. Chan Tsang Mo was appointed as the company secretary of Yues International Holdings Group Limited (stock code: 1529), the shares of which are listed on the Main Board of the Stock Exchange, with effect from 2 June 2022.

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

Compliance with the Corporate Governance Code

The Company has applied the principles and adopted all the code provisions of the corporate governance code (the “**CG Code**”) as set out in Part 2 of Appendix 14 to the Listing Rules as its own code on corporate governance practices. During the six months ended 30 June 2022, the Company has complied with the code provisions in the CG Code. The Directors will periodically review the Company’s corporate governance policies and will propose any amendment if necessary, to ensure compliance with the CG Code from time to time.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as a code of conduct of the Company for Directors’ securities transactions. Having made specific enquiries of the Directors, all Directors have confirmed that they have complied with the requirements of the Model Code during the six months ended 30 June 2022.

Purchase, Sale and Redemption of the Company’s Listed Securities

No purchase, sale or redemption of the Company’s listed securities was made by the Company or any of its subsidiaries during the six months ended 30 June 2022.

Competing Interests

None of the Directors, controlling shareholders of the Company nor their respective associates (as defined in the Listing Rules) had interests in any business which competes or is likely to compete, directly or indirectly, with the Group’s businesses during the six months ended 30 June 2022.

Events After the Reporting Period

The Group does not have any material subsequent event after the reporting period and up to the date of this report.

Audit Committee

The Company established the audit committee (the “**Audit Committee**”) on 21 September 2017 in accordance with Rule 3.21 of the Listing Rules with terms of reference aligned with the provision of the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Audit Committee are, among other things, to make recommendation to the Board on the appointment, reappointment and removal of external auditor; review the financial information; and oversee the financial reporting system and internal control procedures of our Group. As at the date of this report, the Audit Committee comprises three members, namely Mr. Chan Tsang Mo, Mr. Shen Zejing and Mr. So Wai Man. Mr. Chan Tsang Mo is the chairman of the Audit Committee.



CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

Review of Interim Results

The interim results of the Group for the six months ended 30 June 2022 are unaudited but have been reviewed and approved by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

The unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2022 have been reviewed by our auditor, Grant Thornton Hong Kong Limited, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

By order of the Board
Geotech Holdings Ltd.
Chen Zhi

Chairman and executive Director

Hong Kong, 29 August 2022