CT Vision (International) Holdings Limited
中天宏信(國際)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 994)

FURTHER ANNOUNCEMENT OF AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

References are made to (i) an announcement of CT Vision (International) Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 31 March 2020 (the "**Unaudited Results Announcement**") in relation to, among other things, the unaudited annual results of the Group for the year ended 31 December 2019; and (ii) an announcement dated 23 June 2020 (the "**Delay Announcement**") in relation to, among other things, the update on delay in publication of the annual results of the Group for the year ended 31 December 2019 (the "**2019 Audited Annual Results**") and despatch of the annual report of the Company for the year ended 31 December 2019 (the "**2019 Annual Report**"). Unless otherwise stated herein, the capitalised terms used herein shall have the same meanings as that ascribed to them in the Unaudited Results Announcement and the Delay Announcement.

AUDITOR'S AGREEMENT ON THE 2019 AUDITED ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to announce that the Company's auditor, Messrs. Deloitte Touche Tohmatsu, has completed its audit of the consolidated financial statements of the Group for the year ended 31 December 2019 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The 2019 Audited Annual Results were reviewed by the audit committee of the Company and were approved by the Board both on 13 July 2020, details of which are set out below. Certain disclosures and figures have been revised in this further announcement.

AUDITED ANNUAL RESULTS

The audited annual results of the Group for the year ended 31 December 2019, together with the comparative figures for the previous financial year ended 31 December 2018, are set out as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Notes	**2019** *HK$'000*	2018 *HK$'000*
Revenue	*3*	**246,880**	610,761
Cost of Sales		**(222,891)**	(531,164)
Gross profit		**23,989**	79,597
Other income	*4*	**5,712**	741
Other gains and losses		**(397)**	1,548
Impairment losses under expected credit loss model, net of reversal		**(88,297)**	(1,193)
General and administrative expenses		**(40,572)**	(49,372)
Selling expenses		**(4,998)**	(5,631)
Finance costs		**(4,805)**	(3,821)
(Loss) profit before tax		**(109,368)**	21,869
Income tax credit (expense)	*5*	**1,230**	(4,475)
(Loss) profit for the year		**(108,138)**	17,394
Other comprehensive expense for the year			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(228)**	(1,084)
Total comprehensive (expense) income for the year		**(108,366)**	16,310
(Loss) earnings per share (HK cents)	*7*		
Basic		**(17.67)**	3.07

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2019

	Notes	2019 HK$'000	2018 HK$'000
Non-current assets			
Property, plant and equipment		**2,413**	8,122
Right-of-use assets		**15,857**	–
Other non-current assets		**24,409**	–
Goodwill		**21,670**	21,670
Non-current deposits		**1,970**	545
Deferred tax assets		**2,044**	313
		68,363	30,650
Current assets			
Trade and other receivables	*8*	**169,027**	145,127
Contract assets		**239,009**	356,568
Pledged bank deposits		**40,060**	50,005
Cash and bank balances		**1,283**	2,515
		449,379	554,215
Current liabilities			
Trade and other payables	*9*	**137,701**	119,955
Contract liabilities		**17,000**	5,238
Amount due to immediate holding company		**17,847**	–
Lease liabilities/obligations under finance leases		**7,647**	3,005
Bank loans		**68,629**	67,618
Bank overdrafts		**17,023**	13,272
Tax payable		**8,227**	7,448
		274,074	216,536

	2019	2018
	HK$'000	*HK$'000*
Net current assets	**175,305**	337,679
Total assets less current liabilities	**243,668**	368,329
Non-current liabilities		
Loans from directors	**–**	20,888
Lease liabilities/obligations under finance leases	**9,439**	4,555
	9,439	25,443
Net assets	**234,229**	342,886
Capital and reserves		
Share capital	**6,120**	6,120
Reserves	**228,109**	336,766
Total equity	**234,229**	342,886

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its immediate holding company and ultimate holding company was Condover Assets Limited, a private company incorporated in the British Virgin Islands ("**BVI**"). During the year ended 31 December 2019, CT Vision Investment Limited, a private company incorporated in the BVI, became the immediate holding company and ultimate holding company of the Company.

Pursuant to a special resolution passed on 14 June 2019, the name of the Company has been changed from "Win Win Way Construction Holdings Ltd." (恆誠建築控股有限公司) to "CT Vision (International) Holdings Limited" (中天宏信(國際)控股有限公司) with effect from 14 June 2019.

The Company is an investment holding company and the principal activities of its subsidiaries are (i) building construction business which mainly includes foundation works and ancillary services and general building works, (ii) sales of piles, and (iii) renewable energy business.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time in the current year:

HKFRS 16	Leases
HK(IFRIC) - Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 - 2017 Cycle

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 16 "Leases"

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 "Leases" ("**HKAS 17**"), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) - Int 4 "Determining whether an arrangement contains a lease" and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. relied on the assessment of whether leases are onerous by applying HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" as an alternative of impairment review; and

ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

For leases previously classified as finance leases, the carrying amount of the right-of-use assets and the lease liabilities at the date of initial application is the carrying amount of the lease asset and lease liability immediately before that date measured applying HKAS 17. For those leases, the Group accounted for the right-of-use assets and the lease liabilities by applying HKFRS 16 from the date of initial application.

For leases previously classified as operating leases, the Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets as at the date of initial application, at the carrying amounts as if HKFRS 16 had been applied since commencement dates, but discounted using the incremental borrowing rates of the relevant group entities by applying HKFRS 16.C8(b)(i) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The lessee's incremental borrowing rates applied by relevant group entities range from 4.00% to 6.43% per annum.

	At 1 January 2019
	HK$'000
Operating lease commitments as at 31 December 2018	4,793
Lease liabilities discounted at relevant incremental borrowing rate relating to operating leases recognised at 31 December 2018	4,578
Add: Obligations under finance leases recognised as at 31 December 2018 *(note)*	7,560
Lease liabilities as at 1 January 2019	12,138
Analysed as	
Current	5,953
Non-current	6,185
	12,138

The carrying amount of right-of-use assets for own use as at 1 January 2019 comprises the following:

	Right-of-use assets
	HK$'000
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	4,287
Assets previously under finance leases included in property, plant and equipment as at 31 December 2018 *(note)*	5,199
	9,486
By class:	
Properties	4,287
Solar power system	5,010
Motor vehicles	189
	9,486

Before application of HKFRS 16, refundable rental deposits paid were considered as rights and obligations under leases to which HKAS 17 applied under trade and other receivables. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right-of-use assets and were adjusted to reflect the discounting effect at transition. The discounting effect has no material impact on the consolidation financial statements of the Group for the current year.

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

Before application of HKFRS 16, refundable rental deposits received were considered as obligations under leases to which HKAS 17 applied. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right-of-use assets.

There is no material impact of applying HKFRS 16 as a lessor on the Group's consolidated statement of financial position as at 1 January 2019 and 31 December 2019 and its consolidated statement of profit or loss and other comprehensive income and cash flows for the year ended 31 December 2019.

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 December 2018	**Adjustments**	**Carrying amounts under HKFRS 16 at 1 January 2019**
	HK$'000	*HK$'000*	*HK$'000*
Non-current assets			
Property, plant and equipment *(note)*	8,122	(5,199)	2,923
Right-of-use assets	–	9,486	9,486
Current liabilities			
Lease liabilities	–	5,953	5,953
Obligations under finance leases *(note)*	3,005	(3,005)	–
Non-current liabilities			
Lease liabilities	–	6,185	6,185
Obligations under finance leases *(note)*	4,555	(4,555)	–
Capital and reserves			
Retained profits	128,521	(291)	128,230

Note: In relation to assets previously under finance leases, the Group recategorised the carrying amounts of the relevant assets which were still under finance lease as at 1 January 2019 amounting to HK$5,199,000 as right-of-use assets. In addition, the Group reclassified the obligations under finance leases of HK$3,005,000 and HK$4,555,000 to lease liabilities as current and non-current liabilities respectively at 1 January 2019.

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts[1]
Amendment to HKFRS 16	Covid-19 – Related Rent Concessions[6]
Amendments to HKFRS 3	Definition of a Business[2]
Amendments to HKFRS 3	Reference to Conceptual Framework[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1 and HKAS 8	Definition of Material[4]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[5]
Amendments to HKAS 37	Onerous Contract – Cost of Fulfilling a Contract[5]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020[5]

1 Effective for annual periods beginning on or after 1 January 2021.

2 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

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

4 Effective for annual periods beginning on or after 1 January 2020.

5 Effective for annual periods beginning on or after 1 January 2022.

6 Effective for annual periods beginning on or after 1 June 2020.

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Revenue represents revenue from construction contracts, sales of piles and rental income from lease of solar power system during the year.

	2019	2018
	HK$'000	*HK$'000*
Types of goods and services		
Recognised over time:		
Revenue from construction contracts		
– foundation works and ancillary services	**143,548**	102,790
– general building works	**63,743**	441,355
– renewable energy systems	**36,086**	–
Sales of piles – recognised at a point in time	**2,857**	65,834
Revenue from contracts with customers	**246,234**	609,979
Rental income	**646**	782
	246,880	610,761

(b) Segment information

The Group manages its businesses by business lines in a manner consistent with the way in which information is reported internally to the Group's Chief Operating Decision Maker ("**CODM**") being the executive directors of the Company, for the purposes of resource allocation and performance assessment. The Group's reportable and operating segments are as follows:

– Building construction business: provision of foundation works and ancillary services and general building works to customers in Hong Kong and Saipan

– Sales of piles: sales of piles to customers in Hong Kong

– Renewable energy business: construction projects of renewable energy systems (e.g. solar power systems and wind power systems) and rental income from lease of solar power system in the People's Republic of China (the "**PRC**").

No operating segments have been aggregated to form the reportable segments.

Segment results

Segment results represent the (loss) profit before tax from each segment except for the unallocated corporate expenses, being central administrative costs.

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the year is set out below:

	For the year ended 31 December 2019				
	Building construction business	**Sales of piles**	**Renewable energy business**	**Unallocated**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Reportable segment revenue	**207,291**	**2,857**	**36,732**	**–**	**246,880**
Reportable segment (loss) profit before tax	**(91,413)**	**(820)**	**229**	**(17,364)**	**(109,368)**

	For the year ended 31 December 2018				
	Building construction business	Sales of piles	Renewable energy business	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment revenue	544,145	65,834	782	–	610,761
Reportable segment profit (loss) before tax	20,408	9,875	(709)	(7,705)	21,869

4. OTHER INCOME

	2019	2018
	HK$'000	*HK$'000*
Rental income from lease of machinery	**2,531**	375
Forfeited deposits *(note)*	**1,167**	–
Bank interest income	**637**	150
Write off of other payables	**363**	–
Government grants	**443**	–
Others	**571**	216
	5,712	741

Note: Amounts represent deposits forfeited due to the cancellation of construction of solar power systems by a customer.

5. INCOME TAX (CREDIT) EXPENSE AND DEFERRED TAX

	2019	2018
	HK$'000	*HK$'000*
Income tax (credit) expense comprises:		
Hong Kong Profits Tax:		
Provision for the year	**439**	3,663
Underprovision in prior years	**–**	76
The PRC Enterprise Income Tax:		
Provision for the year	**62**	–
	501	3,379
Deferred tax	**(1,731)**	736
	(1,230)	4,475

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

No provision for income tax expense outside Hong Kong and the PRC as the Group's subsidiaries outside Hong Kong and the PRC either did not have assessable profits or have tax credits in excess of assessable profits during the year in the relevant jurisdiction.

6. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during 2019 and 2018, nor has any dividend been proposed since the end of the reporting periods.

7. (LOSS) EARNINGS PER SHARE

(a) Basic (loss) earnings per share

For the year ended 31 December 2019, the calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of HK$108,138,000 and the weighted average of 612,000,000 ordinary shares.

For the year ended 31 December 2018, the calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK$17,394,000 and the weighted average of 566,794,521 ordinary shares.

	2019	2018
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	**612,000,000**	512,000,000
Effect of placing of new shares	**–**	54,794,521
Weighted average number of ordinary shares	**612,000,000**	566,794,521

(b) Diluted (loss) earnings per share

There were no potential dilutive shares in existence during the years ended 31 December 2019 and 2018 and, therefore, no diluted (loss) earnings per share were presented.

8. TRADE AND OTHER RECEIVABLES

	2019 *HK$'000*	2018 *HK$'000*
Trade receivables (note (i))	**214,073**	93,550
Less: Allowance for credit losses	**(66,134)**	(145)
	147,939	93,405
Deposits	**6,671**	4,544
Prepayments	**4,033**	2,025
Other receivables (notes (ii))	**12,354**	45,698
	170,997	145,672
Analysis for reporting purpose as		
Non-current assets	**1,970**	545
Current assets	**169,027**	145,127
	170,997	145,672

Notes:

(i) As at 1 January 2018, trade receivables from contracts with customers amounted to HK$59,987,000.

(ii) As at 31 December 2019, included in other receivables was an aggregate amount of HK$5,448,000 (2018: HK$39,784,000) representing the Group's payment on behalf of Customer A for certain expenses (2018: purchase of materials and certain expenses). As at the date of this results announcement, the balance was fully repaid.

Ageing analysis

The following is an ageing analysis of trade receivables (net of allowance for credit losses) presented based on the certificate date whilst revenue relating to substantially all of these trade receivables are recognised over time:

	2019 *HK$'000*	2018 *HK$'000*
Within 1 month	**19,926**	27,342
1 to 2 months	**12,334**	3,658
2 to 3 months	**977**	4,872
Over 3 months	**114,702**	57,533
	147,939	93,405

9. TRADE AND OTHER PAYABLES

	2019 *HK$'000*	2018 *HK$'000*
Trade payables	**113,501**	79,703
Other payables and accruals	**24,200**	40,252
	137,701	119,955

The following is an aged analysis of trade payables presented based on the certificate date.

	2019	2018
	HK$'000	*HK$'000*
Not yet due or within 1 month	**64,788**	39,277
1 to 2 months	**8,165**	9,562
2 to 3 months	**3,449**	8,751
Over 3 months	**37,099**	22,113
	113,501	79,703

10. CONTINGENT LIABILITIES

(i) At 31 December 2019, the Group had contingent liabilities in respect of performance bonds to guarantee the due and proper performance of the obligations undertaken by the Group's subsidiaries for projects amounting to HK$14,771,500 (2018: HK$31,097,500).

(ii) In 2012, Win Win Way Construction Co. Ltd ("**WWWC**") set up an arrangement with a third party to jointly undertake a construction project with a contract sum of HK$270,000,000. Pursuant to the requirements of the construction contract (the "**Contract**"), WWWC and the third party entered into an agreement with the customer to jointly and severally guarantee the due and proper performance of the Contract and thus the Group had contingent liabilities in this respect as at 31 December 2019. Given the defect liability period for the Contract had expired in October 2015 and no claims were received from the customer up to the date of approval of these financial statements, the directors do not consider it is probable that a claim would be made against the Group and no provision has been made in the financial statements.

11. EVENTS AFTER THE REPORTING PERIOD

(i) On 22 January 2020, the Company entered into a subscription and placing agreement with the immediate holding company and a placing agent pursuant to which the Company has conditionally agreed to allot and issue and the immediate holding company and the placing agent has conditionally agreed to subscribe and place a maximum number of 77,000,000 and 73,000,000 new shares, respectively, at the price of HK$0.80 per share. Details of the transaction were disclosed in the Company's announcements and circular dated 22 January 2020 and 27 February 2020. These transactions have not been completed at the date of approval of these financial statements.

(ii) The outbreak of the 2019 Novel Coronavirus ("**COVID-19**") in the PRC and the subsequent quarantine measures imposed by the PRC government as well as the travel restrictions imposed by other countries in early 2020 have had a negative impact on the operations and finance performance of the Group since January 2020. The Group had to delay its construction activities in the PRC after the Chinese New Year holiday. Most of the Group's construction activities has resumed since April 2020. In addition, in June 2020, the Group has applied the Employment Support Scheme launched by the Hong Kong SAR Government.

The directors of the Company will continue to pay close attention and monitor the development of the outbreak of COVID-19 and government support, and continue to evaluate its impacts on the financial position and operating results of the Group.

MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED ANNUAL RESULTS

Since the financial information contained in the Unaudited Results Announcement was neither audited by nor agreed with Messrs. Deloitte Touche Tohmatsu as at the date of its publication and subsequent adjustments have been made to such information, shareholders and potential investors of the Company are advised to pay attention to certain differences between the financial information of the unaudited and audited annual results of the Group. Set forth below are details and reasons for the material differences in such financial information in accordance with Rule 13.49(3)(ii)(b) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Item for the year ended 31 December 2019	**Disclosure in this announcement**	**Disclosure in the Unaudited Results Announcement**	**Difference**	*Notes*
	HK$'000	***HK$'000***	***HK$'000***	
Consolidated Statement of Profit or Loss and Other Comprehensive Income				
Revenue	246,880	248,836	(1,956)	*1*
Cost of sales	(222,891)	(219,113)	(3,778)	*2,3*
Other gains and losses	(397)	726	(1,123)	*9*
Impairment losses under expected credit loss model, net of reversal	(88,297)	(4,741)	(83,556)	*4,6*
General and administrative expenses	(40,572)	(51,940)	11,368	*2,3,4,5*
Selling expenses	(4,998)	–	(4,998)	*5*
Income tax credit (expense)	1,230	(751)	1,981	*6*
Consolidated Statement of Financial Position				
Right-of-use assets	15,857	16,980	(1,123)	*9*
Non-current deposits	1,970	–	1,970	*7*
Deferred tax assets	2,044	63	1,981	*6*
Trade and other receivables	169,027	225,914	(56,887)	*1,4,6,7*
Contract assets	239,009	266,231	(27,222)	*1,4,6,8*
Trade and other payables	137,701	137,700	1	*3*
Contract liabilities	(17,000)	(16,220)	(780)	*1,8*
Reserves	228,109	310,171	(82,062)	*1,3,4,6,9*

Notes:

1. Reclassification of income amounted to HK$1,956,000 to contract liabilities and reclassification of HK$6,291,000 from contract assets to trade receivables for Customer A.

2. Reclassification of depreciation of right-of-use assets for construction sites amounted to HK$741,000 to cost of sales.

3. Reclassification of entertainment expenses amounted to HK$3,037,000 from general and administrative expenses to cost of sales and other payables.

4. Reclassification of impairment losses of retention receivables amounted to HK$2,593,000 from general and administrative expenses to impairment losses under expected credit loss model, net of reversal. Additional impairment losses under expected credit loss model of HK$1,916,000 recognised.

5. Reclassification of selling expenses amounted to HK$4,998,000 from general and administrative expenses to selling expenses.

6. Additional impairment losses under expected credit loss model for Customer A amounted to HK$79,047,000 and deferred tax assets of HK$1,981,000 recognised.

7. Reclassification of non-current portion's utilities deposits and rental deposits amounted to HK$1,970,000.

8. Reclassification of contract liabilities amounted to HK$1,176,000 to contract assets.

9. Impairment of right-of-use assets of HK$1,123,000 recognised.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The principal activities of the Group are (i) building construction business which mainly include foundation works and ancillary services and general building works, (ii) sales of piles, and (iii) renewable energy business.

In October 2014, the Group entered into a construction contract (the "**Contract**") as the main contractor, providing foundation works and ancillary services and general building works ("**Project**"), which is a construction project of a resort hotel. The foundation works lasted from May 2015 to October 2015. The general building works commenced in May 2016 and was preliminary expected to complete in or around February 2018. However, due to (i) the inclement weather; (ii) change of policy on worker visa application, such that a substantial amount of workers could not obtain the necessary work permit carry out the work at the site; and (iii) change in design as instructed by the customer ("**Customer A**"), and permit for this work not having been obtained, the progress of the Project was hindered. On 19 March 2018, Customer A has issued a letter to us indicating its agreement to our application for extension of time and the completion date of the Project was extended to February 2019. During the year ended 31 December 2019 and up to the date of this results announcement, the aforementioned factors are still affecting the progress of the Project.

The management has been in active discussion with Customer A to recover the overdue trade receivables due to the Group. On 10 March 2020, the Group and Customer A entered into an amendment agreement (the "**Amendment**") for the settlement of the overdue trade receivables. According to the Amendment, the overdue trade receivables will be settled in stages by 31 March 2021. Subsequent settlement of HK$103,952,000 was received as at the date of this results announcement. Furthermore, Customer A agreed that it had no claim of liquidated or ascertained damages of any type under the Contract against the Group up to the date of the Amendment.

The Project is now expected to be completed in 18 months upon the recommencement of construction work, which depends on the resumption of Visa approval process by the local authorities.

Customer A agrees to grant an extension of time of 18 months upon the recommencement of construction work. The Board will continue to monitor the progress of the Project closely.

Building construction business

As at 31 December 2019, the Group had a total of 10 contracts (2018: 8 contracts) on hand (including contracts in progress and contracts yet to be commenced). The amount of contact sum yet to be recognised as at 31 December 2019 amounted to approximately HK$506.3 million (2018: HK$386.0 million).

Foundation Works and Ancillary Services

Foundation works mainly include mini-piling, percussive piling, rock socketed in steel H-pile and bored pile, together with construction of pile caps. Ancillary services mainly include site formation and demolition works, for example, clearance of the site, excavation, demolition of a building or any substantial part of a building.

During the year ended 31 December 2019, there were 18 (2018: 16) foundation works and ancillary services projects contributing revenue of approximately HK$143.5 million (2018: HK$102.7 million) to this business stream.

General Buildings Works

General building works mainly include structural alteration and additional works, development of superstructures such as entire dwelling, office buildings, stores, public utility buildings, farm buildings, etc.

During the year ended 31 December 2019, there were 8 (2018: 11) general building works projects contributing revenue of approximately HK$63.7 million (2018: HK$441.4 million) to this business stream.

Sales of Piles

The piles are manufactured and supplied by 廣州羊城管樁有限公司 ("**GZYC**"), the related party of the Company. Win Win Way Materials Supply Limited, the indirect wholly owned subsidiary of the Company, has been granted the exclusive distribution right by GZYC for its pile products in Hong Kong from August 2010 to July 2020. The piles sourced from GZYC are "YANGCHENG" precast prestressed concrete piles.

During the year ended 31 December 2019, sales of piles contributed approximately HK$2.9 million (2018: HK$65.8 million) revenue to the Group. The decrement is mainly due to decrease in the demand of concrete piles used for certain geological areas with different soil type.

Renewable energy business

In the current year, the Group reorganised its internal reporting structure which resulting in changes to the composition of its reporting segments. The segment of construction of solar power plants and sales of electricity has grouped into renewable energy business, which covers construction of renewable energy systems (e.g. solar power systems and wind power systems) and rental income of contract on sales of electricity in the People's Republic of China (the "**PRC**").

During the year ended 31 December 2019, renewable energy business contributed approximately HK$36.7 million revenue (2018: HK$0.8 million) of the Group. As at the date of this results announcement, the Group had a total of 3 contracts (2018: 5 contracts) on hand (including contracts in progress and contracts yet to be commenced) and the relevant awarded contract sum of these contracts on hand amounted to approximately RMB192.2 million (2018: RMB201.0 million).

FINANCIAL REVIEW

During the year ended 31 December 2019, we completed 11 projects involving foundation works and ancillary services, and 7 projects involving general building works.

For the year ended 31 December 2019, the Group's revenue amounted to approximately HK$246.9 million (2018: HK$610.8 million). The decrease was mainly attributable to the combined effect of, among others, (i) the decrease in revenue recognised from general building work projects because most of the general building work projects of the Group on hands were at their ending phase with revenue already recognised in previous years; (ii) no new contract for general building work projects was awarded during the year ended 31 December 2019; (iii) the commencement of social unrest and the deteriorating economic conditions in Hong Kong in the second half of 2019 which have severely affected the construction industry and caused the decrease in the number of projects which are available for tender; (iv) only seven new contracts for the foundation works and ancillary services were awarded during the year ended 31 December 2019; and (v) the decrease in the demand of concrete piles used for certain geological areas with different soil type which have resulted in decrease in the revenue recognised therefrom.

Due to the aforementioned factors and reasons, the Group's gross profit decreased from approximately HK$79.6 million during the year ended 31 December 2018 to approximately HK$24.0 million during the year ended 31 December 2019. The Group's gross profit margin slightly decreased from approximately 13.0% during the year ended 31 December 2018 to approximately 9.7% during the year ended 31 December 2019. The Directors consider that the overall gross profit margin has been maintained at a healthy position throughout the year.

General and administrative expenses (the "**G&A Expenses**") primarily comprise staff costs, business development expenses, transportation expenses, depreciation, bank charges, office expenses and professional charges. The G&A Expenses for the year decreased by HK$8.8 million to approximately HK$40.6 million, compared with approximately HK$49.4 million in last year, which was mainly due to legal and professional fees incurred in last year.

As a result, the Group recorded a loss for the year of approximately HK$108.1 million as compared with the profit of approximately HK$17.4 million in 2018.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	As at 31 December 2019	As at 31 December 2018
Current ratio[1]	**1.6**	2.6
Gearing ratio (%)[2]	**51.5**	31.9
Net debt to equity ratio (%)[3]	**33.8**	16.6
Interest coverage ratio[4]	**(21.8)**	6.7

Notes:

1. Current ratio based on the total current assets divided by the total current liabilities.

2. Gearing ratio based on the total debt (which includes bank loans, bank overdrafts, lease liabilities/obligations under finance leases, amount due to immediate holding company and loans from directors) divided by total equity and multiplied by 100%.

3. Net debt to equity ratios based on net debts (which include bank loans, bank overdrafts, lease liabilities/obligations under finance leases, amount due to immediate holding company and loans from directors less pledged bank deposits and cash and bank balances) divided by total equity and multiplied by 100%.

4. Interest coverage based on the (loss) profit before tax and interest divided by the total interest expenses incurred.

USE OF NET PROCEEDS

Net proceeds from the placing under general mandate

On 23 May 2018, the Company and the placing agent entered into the placing agreement, pursuant to which the Company has appointed the placing agent to procure, on a best effort basis, the placees to subscribe for the placing shares at a price of HK$0.84 per share.

On 13 June 2018, all the conditions set out in the placing agreement have been fulfilled and the placing has become unconditional. On 15 June 2018, 100,000,000 shares were issued at subscription price of HK$0.84 each and the Company received net proceeds of approximately HK$81.3 million (after deducting issuing expenses). The table below sets out the proposed applications of the net proceeds and actual usage up to 31 December 2019:

	Proposed application *HK$'million*	**Actual usage up to 31 December 2019** *HK$'million*	**Remaining balance** *HK$'million*
Settlement of consideration of the potential acquisition	20.0	20.0	–
General working capital	61.3	61.3	–
	81.3	81.3	–

EMPLOYEES

The Group had 130 employees as at 31 December 2019. The Group offers competitive remuneration package that is based on overall market rates and employee performance, as well as performance of the Group. Remuneration package is comprised of salary, performance-based bonus, and other benefits including training and provident funds.

CAPITAL COMMITMENTS

The Group had no capital commitments as at 31 December 2019.

CHARGES ON GROUP ASSETS

As at 31 December 2018, the Group had obligations under finance leases of HK$7.6 million, which were secured by the lessors' charge over the leased assets with net book values of HK$5.2 million as at 31 December 2018.

In addition, as at 31 December 2019, bank deposits of HK$40.1 million (31 December 2018: HK$50.0 million) and a life insurance contract were pledged to secure the banking facilities granted to the Group. As at 31 December 2019, the lease liability (31 December 2018: obligation under finance lease) of a solar power system granted to the Group was secured by the trade receivables of HK$88,000 (31 December 2018: HK$141,000) and registered capital of a wholly-owned subsidiary amounted to RMB10 million (31 December 2018: RMB10 million).

CONTINGENT LIABILITIES

Save as disclosed in note 10 to this results announcement, the Group had no other contingent liabilities as at 31 December 2019.

FOREIGN EXCHANGE EXPOSURE

The Group has no significant exposure to foreign currency risk as substantially all of the Group's transactions are denominated in Hong Kong dollars, United States dollars ("**USD**") and Renminbi ("**RMB**"). In this respect, the only risk it is faced arose from exposure mainly to RMB and USD. These risks were mitigated as the Group held Hong Kong dollars, USD and RMB bank accounts to finance transactions denominated in these currencies respectively.

As at 31 December 2019, the Group does not have a foreign currency hedging policy in respect of its foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate.

SHARE OPTIONS

Written resolutions of the sole shareholder were passed on 23 June 2017 to adopt the share option scheme (the "**Scheme**"). No share options have been granted, exercised or cancelled under the Scheme since its adoption date and up to the date of this results announcement. The Scheme will remain in force for a period of 10 years after the date of adoption.

PROSPECTS

The slowdown in global economy due to the Sino-U.S. trade disputes, coupled with the social unrest in Hong Kong starting in the second half of the year and the outbreak of novel coronavirus, have severely affected the investment climate of construction industry, resulting in a sharp decline in the number of projects for tender as well as a significant reduction in profit margin of construction projects. Accordingly, the Group is expected to mainly focus on completing the projects on hand in the coming financial year.

As for the renewable energy business, it is anticipated the postponed resumption of work will affect the related results of the Company in the first half of 2020, yet its impact on the overall revenue of projects is insignificant. Furthermore, benefited from the introduction of various policies and measures by official authorities of the PRC to support the development of renewable energy industry in 2019, the outlook of the industry remains optimistic. It is expected that the renewable energy business will become the driving force for the Group's revenue in the future.

SIGNIFICANT EVENTS

Change of Controlling Shareholder

On 25 January 2019, Condover Assets (as vendor) and Dr. Kan Hou Sek, Jim ("**Dr. Kan**"), Mr. Lee Sai Man ("**Mr. SM Lee**") and Mr. Wong Siu Kwai ("**Mr. Wong**") (as guarantors of Condover Assets) entered into an agreement (the "**Sale and Purchase Agreement**") with CT Vision Investment Limited ("**CT Vision Investment**") (as purchaser), pursuant to which CT Vision Investment acquired 312,120,000 Shares (representing 51% of the entire issued share capital of the Company at the relevant time) at a consideration of HK$262,180,800, equivalent to HK$0.84 per share.

Following the completion of the Sale and Purchase Agreement on 19 February 2019, CT Vision Investment made an unconditional mandatory cash offer (the "**Offer**") to acquire all the issued Shares of the Company not already owned and/or agreed to be acquired by it or parties acting in concert with it at a price of HK$0.84 per Share. Immediately after the close of the Offer on 24 April 2019, CT Vision Investment was interested in additional 40,000 Shares, representing approximately 0.0065% of the entire issued share capital of the Company.

Please also refer to the joint announcement issued by the Company and CT Vision Investment dated 14 February 2019, the composite document issued by the Company and CT Vision Investment on 3 April 2019, and the joint announcement issued by the Company and CT Vision Investment dated 24 April 2019.

Change of Directors

(1) Due to a change in control of the Company, after the close of the Offer on 24 April 2019, Mr. SM Lee, Mr. Wong and Mr. Kwong Po Lam (the "**Resigned Directors**") resigned as executive Directors with effect from 26 April 2019.

Following the resignation of the Resigned Directors,

(a) Mr. Wu Rui was appointed as an executive Director of the Company and the vice chairman of the Board;

(b) Dr. Ho Chun Kit Gregory ("**Dr. Ho**") was appointed as an executive Director of the Company and the chief executive officer;

(c) Ms. Du Yi was appointed as a non-executive Director of the Company and the chairlady of the Board;

(d) Ms. Yip Man Shan was appointed as a non-executive Director of the Company; and

(e) Dr. Kan resigned as one of the authorised representatives of the Company and Dr. Ho was appointed as one of the authorised representatives of the Company.

(2) With effect from 16 July 2019,

(a) Mr. Fan Siu Kay resigned as an independent non-executive Director of the Company;

(b) Mr. Leung William Wai Kai resigned as an independent non-executive Director of the Company;

(c) Mr. Lo Chi Leung resigned as an independent non-executive Director of the Company;

(d) Ms. Ng Yi Kum, Estella was appointed as an independent non-executive Director of the Company;

(e) Mr. Wong Wing Cheong Philip was appointed as an independent non-executive Director of the Company; and

(f) Dr. Tang Dajie was appointed as an independent non-executive Director of the Company.

(3) With effect from 24 July 2019, Dr. Kan resigned as executive Director of the Company.

Change of Company Name and Stock Short Name

On 14 June 2019, the special resolution approving the change of the English name of the Company from "Win Win Way Construction Holdings Ltd." to "CT Vision (International) Holdings Limited" and the adoption of "中天宏信(國際)控股有限公司" as the dual foreign name in Chinese of the Company was duly passed by the Shareholders at the EGM held on 14 June 2019.

Accordingly, the English stock short name of the Company was changed from "WIN WIN WAY" to "CT VISION" and the Chinese stock short name of the Company was changed from "恆誠建築" to "中天宏信" for trading in the shares of the Company on the Stock Exchange, with effect from 5 August 2019.

DIVIDEND

The Directors do not propose the payment of a final dividend for the year ended 31 December 2019.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2019.

CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 2019, the Company has complied with all the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules upon the Listing. All the Directors confirmed that they had complied with the required standard set out in the Model Code during the year ended 31 December 2019 and up to the date of this results announcement in response to the specific enquiry made by the Company.

The Board has established written guidelines no less exacting than the Model Code for relevant employees in respect of their dealings in the securities of the company as required under the CG Code. No incident of non-compliance of such guidelines by the relevant employees was noted by the Company during the year ended 31 December 2019 and up to the date of this results announcement.

AUDIT COMMITTEE REVIEW

The Audit Committee consists of three independent non-executive Directors and has reviewed the Group's consolidated financial statements for the year ended 31 December 2019.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2019 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2019 as approved by the Board on 13 July 2020. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the Unaudited Results Announcement or this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the Company's website at www.ctvision994.com and the Stock Exchange's website at www.hkexnews.hk. The 2019 Annual Report will be despatched to shareholders and will also be published on the websites of both the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business associates and other professional parties for their support throughout the year.

By order of the Board
CT Vision (International) Holdings Limited
Ho Chun Kit Gregory
Chief executive officer and executive Director

Hong Kong, 13 July 2020

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Wu Rui, Dr. Ho Chun Kit Gregory, Mr. Lee Kai Lun and Mr. Guo Jianfeng, two non-executive Directors, namely Ms. Du Yi and Ms. Yip Man Shan and three independent non-executive Directors, namely Ms. Ng Yi Kum, Estella, Mr. Wong Wing Cheong Philip and Dr. Tang Dajie.