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CT Vision S.L. (International) Holdings Limited

中天順聯(國際)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 994)

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021
AND
CONTINUED SUSPENSION OF TRADING**

INTERIM RESULTS

The Board (the “**Board**”) of directors (the “**Directors**”) of CT Vision S.L. (International) Holdings Limited (the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2021, together with comparative figures of the corresponding period in 2020.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the six months ended 30 June 2021

		Six months ended 30 June	
		(Unaudited)	
		2021	2020
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	135,747	76,708
Cost of sales		<u>(133,142)</u>	<u>(110,441)</u>
Gross profit (loss)		2,605	(33,733)
Other income	4	557	2,040
Other gains and losses		(3,243)	755
General and administrative expenses		(33,483)	(17,497)
Selling expenses		(8,619)	(1,257)
Finance costs		<u>(1,664)</u>	<u>(2,552)</u>
Loss before income tax	5	(43,847)	(52,244)
Income tax credit	6	<u>100</u>	<u>131</u>
Loss for the period		<u>(43,747)</u>	<u>(52,113)</u>
Other comprehensive income (expense) for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translating foreign operations		<u>1,392</u>	<u>(833)</u>
Total comprehensive expense for the period		<u>(42,355)</u>	<u>(52,946)</u>

		Six months ended 30 June	
		(Unaudited)	
		2021	2020
<i>Note</i>		HK\$'000	HK\$'000
Loss for the period attributable to:			
	Owners of the Company	(42,039)	(51,983)
	Non-controlling interests	<u>(1,708)</u>	<u>(130)</u>
		<u>(43,747)</u>	<u>(52,113)</u>
Total comprehensive expense			
for the period attributable to:			
	Owners of the Company	(40,634)	(52,817)
	Non-controlling interests	<u>(1,721)</u>	<u>(129)</u>
		<u>(42,355)</u>	<u>(52,946)</u>
Loss per share (<i>Hong Kong cents</i>)			
	Basic	7 <u>(5.53)</u>	<u>(8.49)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

		At 30 June 2021 (Unaudited) <i>HK\$'000</i>	At 31 December 2020 (Unaudited) <i>HK\$'000</i>
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		2,361	2,276
Right-of-use assets		11,224	11,845
Goodwill		22,889	22,607
Non-current deposit		1,655	1,897
Deferred tax assets		2,303	2,303
		40,432	40,928
		40,432	40,928
Current assets			
Inventory		693	–
Trade and other receivables	9	253,097	246,068
Contract assets		188,113	191,957
Other non-current assets		–	23,546
Cash and bank balances		7,291	33,694
		449,194	495,265
		449,194	495,265
Current liabilities			
Trade and other payables	10	132,512	128,639
Contract liabilities		11,561	15,090
Current tax liabilities		11,180	12,090
Amount due to immediate holding company		32,678	4,581
Lease liabilities		5,049	6,647
Borrowings and bank overdrafts		29,919	60,078
		222,899	227,125
		222,899	227,125

	At 30 June 2021 (Unaudited) <i>HK\$'000</i>	At 31 December 2020 (Unaudited) <i>HK\$'000</i>
Net current assets	<u>226,295</u>	<u>268,140</u>
Total assets less current liabilities	<u>266,727</u>	<u>309,068</u>
Non-current liabilities		
Lease liabilities	5,243	5,229
Borrowings	<u>9,000</u>	<u>9,000</u>
	<u>14,243</u>	<u>14,229</u>
Net assets	<u>252,484</u>	<u>294,839</u>
Capital and reserves		
Share capital	7,608	7,608
Reserves	<u>247,342</u>	<u>287,976</u>
Equity attributable to owners of the Company	<u>254,950</u>	<u>295,584</u>
Non-controlling interests	<u>(2,466)</u>	<u>(745)</u>
Total equity	<u>252,484</u>	<u>294,839</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

2. PRINCIPAL ACCOUNTING POLICIES

These Interim Financial Statements should be read in conjunction with the 2020 annual consolidated financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2020.

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2021. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue

An analysis of the Group's revenue for the period is as follows:

	Six months ended 30 June	
	(Unaudited)	
	2021	2020
	HK\$'000	HK\$'000
Revenue from construction contracts		
– foundation works and ancillary services	96,255	54,533
– general building works	8,461	–
– renewable energy systems	11,322	21,864
E-commerce business	18,598	–
Building information modelling services	810	–
	<hr/>	<hr/>
Revenue from contracts with customers	135,446	76,397
Rental income	301	311
	<hr/>	<hr/>
	135,747	76,708

Other than e-commerce-related services which were recognised at a point in time, all the Group's revenue from contracts with customers were recognised over time.

(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.

1. Building construction business: provision of foundation works and ancillary services and general building works to customers in Hong Kong and Saipan
2. 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 PRC
3. E-commerce business: trading of products online
4. Others: building information modelling service in the PRC and sales of piles to customers in Hong Kong

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 period is set out below:

Segment revenue and results

	Six months ended 30 June 2021 (Unaudited)				
	Building construction business HK\$'000	Renewable energy business HK\$'000	E-commerce business HK\$'000	Others HK\$'000	Total HK\$'000
Segment revenue	<u>104,716</u>	<u>11,623</u>	<u>18,598</u>	<u>810</u>	<u>135,747</u>
Segment (loss) profit before tax	(22,203)	(589)	1,709	(3,765)	(24,848)
Unallocated corporate expenses					<u>(18,999)</u>
Loss before income tax					(43,847)
Income tax credit					<u>100</u>
Loss for the period					<u>(43,747)</u>
Amounts included in the measure of segment profit or loss or segment assets:					
Interest expenses	1,035	113	–	16	1,164
Depreciation for the period	838	1,110	–	202	2,150
Interest income	–	17	3	1	21
Gain on disposal of property, plant and equipment	99	–	–	–	99
Additions to non-current segment assets during the period	<u>277</u>	<u>–</u>	<u>–</u>	<u>236</u>	<u>513</u>

Six months ended 30 June 2020 (Unaudited)

	Building construction business <i>HK\$'000</i>	Renewable energy business <i>HK\$'000</i>	Other <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>54,533</u>	<u>22,175</u>	<u>–</u>	<u>76,708</u>
Segment loss before tax	(42,549)	(474)	(465)	(43,488)
Unallocated corporate expenses				<u>(8,756)</u>
Loss before income tax				(52,244)
Income tax credit				<u>131</u>
Loss for the period				<u>(52,113)</u>
Amounts included in the measure of segment profit or loss or segment assets:				
Interest expenses	2,213	290	–	2,503
Depreciation for the period	890	1,572	–	2,462
Interest income	14	40	–	54
Gain on disposal of property, plant and equipment	500	–	–	500
Additions to non-current segment assets during the period	<u>–</u>	<u>942</u>	<u>–</u>	<u>942</u>

4. OTHER INCOME

	Six months ended 30 June	
	(Unaudited)	
	2021	2020
	HK\$'000	HK\$'000
Rental income from lease of machinery	–	803
Bank interest income	49	54
Government grants	197	819
Others	311	364
	<u>557</u>	<u>2,040</u>

5. LOSS BEFORE TAX

Loss before tax has been arrived at after charging the following items:

	Six months ended 30 June	
	(Unaudited)	
	2021	2020
	HK\$'000	HK\$'000
(a) Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	29,085	26,979
Contribution to defined contribution retirement plans	749	655
	<u>29,834</u>	<u>27,634</u>
Less: Amount included in costs of sales	<u>(13,989)</u>	<u>(17,299)</u>
	<u>15,845</u>	<u>10,335</u>

	Six months ended 30 June	
	(Unaudited)	
	2021	2020
	HK\$'000	HK\$'000
(b) Other items		
Depreciation of right-of-use assets	3,242	3,012
Depreciation of property, plant and equipment	282	334
Less: Amount included in costs of sales	(155)	(473)
	<u>3,369</u>	<u>2,873</u>
Cost of inventories recognised as expense	<u>7,390</u>	<u>–</u>

6. INCOME TAX (CREDIT) EXPENSE AND DEFERRED TAX

	Six months ended 30 June	
	(Unaudited)	
	2021	2020
	HK\$'000	HK\$'000
Income tax (credit) expense comprises:		
Hong Kong Profits Tax	–	–
The PRC Enterprise Income Tax	<u>(100)</u>	<u>13</u>
	(100)	13
Deferred tax	<u>–</u>	<u>(144)</u>
	<u>(100)</u>	<u>(131)</u>

Note:

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 \$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%.

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 period in the relevant jurisdiction.

7. LOSS PER SHARE

(a) Basic loss per share

The basic loss per share is calculated by dividing the loss attributable to owners of the Company for the period of HK\$42,039,000 (corresponding period in 2020: HK\$51,983,000) and 760,830,000 ordinary shares (corresponding period in 2020: 612,000,000 ordinary shares) for the six months ended 30 June 2021.

(b) Diluted earnings per share

There were no potential dilutive shares in existence during the six months ended 30 June 2021 and 2020 and, therefore, no diluted earnings per share were presented.

8. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2021 (corresponding period in 2020: nil).

9. TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade debtors, based on the certificate date and net of loss allowance, is as follows:

	At 30 June 2021 (Unaudited) HK\$'000	At 31 December 2020 (Unaudited) HK\$'000
Within 1 month	33,235	14,626
1 to 2 months	–	9,813
2 to 3 months	2,655	10,888
Over 3 months	<u>61,460</u>	<u>63,415</u>
Trade receivables, net of loss allowance (<i>Note a</i>)	97,350	98,742
Deposits, prepayments and other receivables (<i>Note b</i>)	<u>157,402</u>	<u>149,223</u>
	<u>254,752</u>	<u>247,965</u>
Analysis for reporting purpose as		
Non-current assets	1,655	1,897
Current assets	<u>253,097</u>	<u>246,068</u>
	<u>254,752</u>	<u>247,965</u>

Notes:

- (a) As at 30 June 2021, trade receivables of approximately HK\$51,441,000 (31 December 2020: HK\$62,280,000) was due from a customer which Dr. Kan Hou Sek, Jim (“**Dr. Kan**”) is one of the beneficial owners.
- (b) As at 30 June 2021, it mainly represented prepaid subcontracting charges and material costs made by the Group for the resumption of the Saipan Project. Prepayment of approximately HK\$38,320,000 (31 December 2020: HK\$32,320,000) have been made to a supplier which Dr. Kan is one of the directors of the intermediate holding company of that supplier.

In respect of trade and other receivables, individual credit evaluations are performed as part of the acceptance procedures for new contracts. These evaluations focus on the customer’s past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables from both of construction contracts business and sales of piles business are due within 0-60 days from the date of billing. Trade receivables from construction of solar power plants and sales of electricity business are due within 0-120 days from the date of billing.

10. TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade creditors, based on the certificate date, is as follows:

	At 30 June 2021 (Unaudited) HK\$’000	At 31 December 2020 (Unaudited) HK\$’000
Not yet due or within 1 month	18,963	25,586
1 to 2 months	5,269	5,891
2 to 3 months	8,100	4,647
Over 3 months	<u>60,515</u>	<u>36,902</u>
Trade payables	92,847	73,026
Retention payables	21,389	24,109
Other payables and accruals	<u>18,276</u>	<u>31,504</u>
	<u>132,512</u>	<u>128,639</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The principal activities of CT Vision S.L. (International) Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) are (i) building construction business which mainly includes foundation works and ancillary services and general building works; (ii) renewable energy business; (iii) e-commerce business; and (iv) others which mainly include building information modelling services and sales of piles.

In October 2014, the Group entered into a construction contract in Saipan (the “**Contract**”) as a main contractor, providing foundation works and ancillary services and general building works (“**Project**”), for a construction project. The foundation works commenced 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 workers visa application, such that a substantial amount of workers could not obtain the necessary work permit for carrying out the work at the site; (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. As the aforementioned factors kept affecting the progress of the Project, the completion date of the Project was further delayed to 2020 financial year.

The outbreak of COVID-19 pandemic has posed significant impacts on global economy and business environment, as well as the progress of the Project. Certain countries and regions have implemented various travel restrictions and border controls against the COVID-19 pandemic in an effort to contain the spread of the pandemic, which are still in effect as at the date of this announcement. Such inbound travel restrictions have also disrupted certain parts of construction-related supply chains, including the supply of construction materials and labor. The above factors led to a further delay of the progress of the Project which was originally scheduled to resume construction in the middle of 2020 financial year. The Project is expected to complete within 18 months upon the recommencement of construction work (depends on the easing of quarantine measures and travel restrictions, and the visa approval process by the local authorities). The Group considers that the business operations and profitability of the Group would be affected by the postponement of the completion date of the Project which has increased the costs of the Group, while no revenue was recognised for the Project in 2020 financial year.

After taking into account of (i) the prolonged delay and uncertainties of the Project; (ii) the financial position of the Customer A; (iii) the increased costs and expenses relating to the Project caused by the delay; and (iv) the burden of diverging further resources from other businesses of the Group, on August 2021, Win Win Way Construction Co. Ltd (“WWWC”), an indirectly wholly-owned subsidiary of the Company, and Well Famous International Investment Limited (“Well Famous”), which is owned by Dr. Kan Hou Sek Jim and Mr. Lee Sai Man in equal share, entered into an agreement to assign and novate the Contract and sub-contracts, pursuant to which WWWC has conditionally agreed to assign and novate all rights, titles, interests, benefits, covenants, liabilities, duties and obligations of WWWC in respect of the Contract and sub-contracts to Well Famous, with effect from the Completion Date. Alongside with the continued development of its existing building construction business and renewable energy business, the Group will continue to capture opportunities in the e-commerce industry after the completion of the assignment and novation.

Building construction business

As at 30 June 2021 the Group had a total of 11 Hong Kong contracts on hand (31 December 2020: 14 contracts) (including contracts in progress and contracts yet to be commenced). The amount of contact sum yet to be recognised as at 30 June 2021 amounted to approximately HK\$188.5 million (31 December 2020: approximately HK\$216.4 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.

In the first half of 2021, there were 11 (first half of 2020: 9) foundation works and ancillary services projects contributing revenue of approximately HK\$96.3 million (first half of 2020: approximately HK\$54.5 million) to this business segment.

General Building Works

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

In the first half of 2021, there was 3 (first half of 2020: Nil) general building works projects contributing revenue of approximately HK\$8.5 million (first half of 2020: Nil) to this business segment.

Renewable Energy Business

TIEN New Energy Development Limited (“**TIEN New Energy**”) is an investment holding company and its subsidiaries are principally engaged in engineering development and qualified form main engineering, procurement and construction (“**EPC**”) in electric power projects in the People’s Republic of China (“**PRC**”) with a focus in application of renewable in the construction sector of the PRC.

In the first half of 2021, renewable energy business contributed approximately HK\$11.6 million revenue of the Group (first half of 2020: approximately HK\$22.2 million). As at the date of this announcement, the Group had a total of 3 contracts on hand (including contracts in progress and contracts yet to be commenced) (31 December 2020: 3 contracts) and the relevant awarded contract sum of these contracts on hand amounted to approximately RMB132.1 million (31 December 2020: approximately RMB141.5 million).

E-commerce business

Zhejiang CT Shunlian Network Technology Company Limited (浙江中宏順聯網絡科技有限公司, “**CT Shunlian**”) mainly engages in general e-commerce trading, and provides procurement services and related online and offline consultation services to e-commerce companies.

In the first half of 2021, CT Shunlian established cooperation with nearly 50 advanced merchants, and sold merchandises through the e-commerce platform of Zhejiang Shunlian Network Technology Company Limited (浙江順聯網絡科技有限公司, “**Zhejiang Shunlian**”), a shareholder of CT Shunlian, contributing approximately HK\$18.6 million revenue (first half of 2020: Nil) to the Group.

CT Shunlian has entered into a strategic cooperation framework agreement with Tianjiang Pharmaceutical Co., Ltd. (江陰天江藥業有限公司), a group company of China National Pharmaceutical Group Corporation (中國醫藥集團) and a subsidiary of China Traditional Chinese Medicine Holdings Co. Limited (中國中藥控股有限公司), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to, inter alia, the joint establishment of an industry-recognised brand for healthcare products, and provision of technical support for the expansion of the other party’s e-commerce business. CT Shunlian has also entered into a strategic cooperation agreement with Zhonghe

Yajiankang Service Center (中和亞健康服務中心) (supervised by the National Administration of Traditional Chinese Medicine (國家中醫藥管理局)) in relation to, inter alia, setting up of an online platform for the sales of healthcare products and provision of health-related training programmes.

Others

Building information modelling services

Nanjing CT Vision Smart City Technology Limited* (南京中天宏信智慧城市發展有限公司) is principally engaged in the provision of building information modelling services.

In the first half of 2021, the building information modelling business contributed approximately HK\$0.8 million revenue (first half of 2020: HK\$Nil) to the Group.

FINANCIAL REVIEW

During the six months ended 30 June 2021, the Group's unaudited consolidated revenue amounted to approximately HK\$135.7 million (corresponding period in 2020: approximately HK\$76.7 million). The increase was mainly attributable to increase in revenue from foundation works and ancillary services projects of approximately HK\$41.7 million.

Due to the increase in number of new projects awarded in 2021, the Group's gross profit increased from loss of approximately HK\$33.7 million during the six months ended 30 June 2020 to profit of approximately HK\$2.6 million during the six months ended 30 June 2021. The Group's gross profit margin increased from gross loss approximately 44.0% during the six months ended 30 June 2020 to gross profit of approximately 1.9% during the six months ended 30 June 2021.

General and administrative expenses (the "G&A Expenses") primarily comprise staff costs, transportation expenses, depreciation, bank charges, office expenses and professional charges. The G&A Expenses for the relevant period increased by approximately HK\$16.0 million to approximately HK\$33.5 million, compared with approximately HK\$17.5 million in last corresponding period, which was mainly due to the increase in salaries expenses and legal and professional fees of approximately HK\$5.5 million and HK\$4.0 million respectively.

As a result, loss for the six months ended 30 June 2021 attributable to owners of the Company was approximately HK\$42.0 million, representing a decrease of approximately 19.2% over the corresponding period loss of approximately HK\$52.0 million in 2020.

* For identification purpose only

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	As at 30 June 2021	As at 31 December 2020
Current ratio ¹	2.0	2.2
Gearing ratio (%) ²	32.4	29.0
Net debt to equity ratio (%) ³	29.5	17.6
Interest coverage ratio ⁴	25.4	9.5

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 borrowings, bank overdrafts, lease liabilities and amount due to immediate holding company) divided by total equity and multiplied by 100%.
3. Net debt to equity ratios based on net debts (which include borrowings, bank overdrafts, lease liabilities and amount due to immediate holding company less cash and bank balances) divided by total equity and multiplied by 100%.
4. Interest coverage based on the loss before taxation and interest divided by the total interest expenses incurred.

Current ratio decreased from 2.2 as at 31 December 2020 to 2.0 as at 30 June 2021, as a result of decrease in other non-current assets and cash and cash balances. Gearing ratio increased from 29.0% as at 31 December 2020 to 32.4% as at 30 June 2021, mainly due to the effect of decrease in equity. Net debt to equity ratio increased from 17.6% as at 31 December 2020 to 29.5% as at 30 June 2021, interest coverage ratio increased to 25.4%.

As at 30 June 2021, the Group had cash and bank balances of approximately HK\$7.3 million (31 December 2020: approximately HK\$33.7 million). The Group expected to fund the future cash flow needs through internally generated cash flows from operations, bank facilities, amount due to immediate holding company and equity financing.

The capital structure of the Group consisted of equity of approximately HK\$252.5 million (31 December 2020: approximately HK\$294.8 million) and debts (borrowings and bank overdrafts, lease liabilities and amount due to immediate holding company) of approximately HK\$81.9 million (31 December 2020: approximately HK\$85.5 million) as at 30 June 2021.

The Group adopts a prudent approach in cash management. Apart from certain debts including bank loans, bank overdrafts, lease liabilities and amount due to immediate holding company, the Group did not have any material outstanding debts as at 30 June 2021. As at 30 June 2021, the lease liabilities of a solar power system granted to the Group was secured by the trade receivables of HK\$67,000 (31 December 2020: HK\$137,000) and registered capital of a wholly-owned subsidiary amounted to RMB10.0 million (31 December 2020: RMB10.0 million).

PROSPECTS

Building construction business

With the distribution of COVID-19 vaccine in early 2021, global economy has gradually recovered from the impact of COVID-19 pandemic, local construction industry has gradually returned to normal due to improved investor sentiment, and the revenue from building construction business of the Group has also improved significantly, representing an increase of over 90% compared with that of the corresponding period last year.

The restrictive entry measures adopted by various countries under COVID-19 pandemic have impacted the construction-related supply chains, including the flow of construction materials and labor. After due consideration, WWWC (an indirect wholly-owned subsidiary of the Company) and Well Famous entered into an agreement to assign and novate Saipan Project contract and sub-contracts, pursuant to which WWWC has conditionally agreed to assign and novate all rights, titles, interests, benefits, covenants, liabilities, duties and obligations of WWWC in respect of Saipan Project contract and sub-contracts to Well Famous, with effect from the Completion Date. The Directors consider that the Assignment and Novation is in the interests of the Group and will enable the management to focus resources on the development of existing business operations and the e-commerce procurement business, and to explore future business opportunities to realise gains for the Shareholders.

Renewable energy business

Since in the second half of last year President Xi Jinping announced at the 75th Session of the United Nations General Assembly that China will step up its efforts in striving to reach peak carbon emissions by 2030 and achieve carbon neutrality by 2060, and announced when attending the 12th meeting of the leaders of BRICS that China will raise its contributions, and that China will adopt more effective policies and measures for striving to reach peak carbon emissions by 2030 and achieve carbon neutral by 2060, commencing from the beginning of 2021, various policies have been constantly implemented to further promote the development of clean and low-carbon energy, so as to achieve the goal of “Carbon Peak, Carbon Neutrality”.

The goal of “Carbon Peak, Carbon Neutrality” provides a new opportunity for the development of the renewable energy business of the Group. It is expected that the successive formulation of relevant policies will accelerate the pace of transformation to clean and low-carbon operation, which will bring more opportunities to the renewable energy business.

E-commerce business

The Group operates its e-commerce business through its subsidiary CT Shunlian. In the second half of 2021, the Group will further strengthen its business expansion in e-commerce. In addition to enlarging its strategic cooperation with advanced merchants, the Group is also working on establishing its industry-recognised self-branded merchandise, and expects to establish and incubate self-branded core merchandises through CT Shunlian in the coming three years. Leveraging the platform of Zhejiang Shunlian, the Group will develop more business opportunities in various new economic segments and actively expand its e-commerce business, so as to diversify its business risks.

Building information modelling services

The Group operates building information modelling services through its subsidiaries Nanjing CT Vision Smart City Technology Limited* (南京中天宏信智慧城市發展有限公司), which provides information management platform such as digital parks, smart construction, and smart cities based on building information modelling (BIM), Internet of Things, blockchain and other technologies to governments and enterprises. In the first half of 2021, the Group has completed the related product research and development and optimization, and has worked with governments and relevant enterprises by entering into contracts including “Xiongan Integrated Pipeline Corridor BIM Technical Services”, “ Suzhou Financial Evaluation Center Management Platform” and “Suzhou Qizi Mountain Tunnel Smart Construction Management Platform”.

On the basis of the above cases, the Group expects to promote building information modelling technologies to the relevant government authorities and clients in the parks for achieving intelligent project operation management with a view to supporting decision-making in operation and saving costs. It is expected that the business will grow steadily in the second half of 2021.

In conclusion, alongside with the continued development of its existing building construction business and renewable energy business, the Group will continue to capture opportunities in the e-commerce industry after the completion of the assignment and novation. The Group will continue to submit tenders for suitable potential projects to maximise the Group’s profits in relation to construction.

Since the beginning of the second half of 2021, the Delta variant has started to spread rapidly, which cast shadows on initial recovery of the economy. The Group will continue to assess the development of the COVID-19 pandemic and its impact on the operation and financial performance of the Group. We will make further announcement to our stakeholders as and when appropriate.

DIVIDEND

The Directors did not recommend the payment of an interim dividend for the six months ended 30 June 2021 (corresponding period in 2020: Nil).

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules from the Listing Date and up to the date of this announcement.

CORPORATE GOVERNANCE

During the six months ended 30 June 2021, the Company has complied with all the code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained In Appendix 14 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers contained in Appendix 10 to the Listing Rules as its own code of conduct of dealings in securities of the Company by Directors (the “**Model Code**”). Upon specific enquiries of all the Directors, each of them confirmed that they have complied with the required standards set out in the Model Code during the period.

EVENT AFTER THE REPORTING PERIOD

On 23 August 2021, WWWC entered into an Agreement, pursuant to which WWWC has conditionally agreed to assign and novate all rights, titles, interests, benefits, covenants, liabilities, duties and obligations of WWWC in respect of Saipan Project contract and the sub-contracts with effect from the Completion Date at the Consideration of HK\$179,584,366. The consideration was arrived after taking into account, among other things, (i) the aggregate amount of prepayments of HK\$113,543,812 made by WWWC pursuant to the Saipan Project; (ii) the aggregate receivable balance of HK\$51,441,232 to be received by WWWC; (iii) the retention deposit of HK\$18,299,322 paid by WWWC; and (iv) the aggregate payable balance of HK\$3,700,000 to be paid by WWWC.

The Consideration for the Assignment and Novation is HK\$179,584,366 which shall be paid by Well Famous to Win Win Way in the following manner: (a) HK\$30,000,000, being the non-refundable deposit, has been paid in cash by Well Famous to Win Win Way prior to the execution of the Agreement; and (b) HK\$149,584,366 shall be satisfied by the issue of the Promissory Note by Well Famous in favour of Win Win Way upon Completion. Details of the transaction were disclosed in the Company's announcement dated 23 August 2021.

Save for disclosed herein, there is no other material subsequent event undertaken by the Company or the Group after 30 June 2021 and up to the date of this announcement.

AUDIT COMMITTEE

An Audit Committee was established by the Board with written terms of reference which are consistent with the provisions as set out in the CG Code. The Audit Committee comprises three independent non-executive Directors, namely, Ms. Ng Yi Kum, Estella (chairlady of the Audit Committee), Mr. Wong Wing Cheong Philip and Dr. Tang Dajie.

The Audit Committee is principally responsible for reviewing with the management of the Company the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including the review of the Group's unaudited interim results for the six months ended 30 June 2021.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the Company's website at www.ctvision994.com and the Stock Exchange's website at www.hkexnews.hk. The interim 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 period.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in shares of the Company (the “**Shares**”) was suspended from 9:00 a.m. on 3 May 2021 pending the fulfilment of all the resumption conditions stated in the resumption guidance issued by the Stock Exchange and will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

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

Hong Kong, 31 August 2021

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