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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 2022**

### **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 2022, together with comparative figures of the corresponding period in 2021.

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

*For the six months ended 30 June 2022*

		<b>Six months ended 30 June</b>	
		<b>(Unaudited)</b>	
		<b>2022</b>	<b>2021</b>
<i>Notes</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue</b>	<i>3</i>	<b>140,387</b>	135,747
Cost of revenue		<u>(163,157)</u>	<u>(133,142)</u>
<b>Gross profit (loss)</b>		<b>(22,770)</b>	2,605
Other income	<i>4</i>	<b>3,502</b>	557
Other losses, net		<b>(18)</b>	(3,243)
Selling and administrative expenses		<u>(38,562)</u>	<u>(42,102)</u>
<b>Operating loss</b>		<b>(57,848)</b>	(42,183)
Finance costs		<u>(605)</u>	<u>(1,664)</u>
<b>Loss before tax</b>	<i>5</i>	<b>(58,453)</b>	(43,847)
Income tax (expense) credit	<i>6</i>	<u>(1,009)</u>	<u>100</u>
<b>Loss for the period</b>		<u>(59,462)</u>	<u>(43,747)</u>
<b>Other comprehensive (loss) income</b>			
<b>for the period</b>			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		<u>(5,426)</u>	<u>1,392</u>
<b>Total comprehensive loss for the period</b>		<u><b>(64,888)</b></u>	<u><b>(42,355)</b></u>

	<b>Six months ended 30 June</b>	
	<b>(Unaudited)</b>	
	<b>2022</b>	2021
<i>Note</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Loss for the period attributable to:</b>		
Owners of the Company	<b>(57,828)</b>	(42,039)
Non-controlling interests	<b>(1,634)</b>	(1,708)
	<u><b>(59,462)</b></u>	<u>(43,747)</u>
<b>Total comprehensive expense for the period</b>		
<b>attributable to:</b>		
Owners of the Company	<b>(63,441)</b>	(40,634)
Non-controlling interests	<b>(1,447)</b>	(1,721)
	<u><b>(64,888)</b></u>	<u>(42,355)</u>
<b>Loss per share for loss attributable to</b>		
<b>owners of the Company</b>		
Basic and diluted ( <i>HK cents</i> )	<b>7</b>	
	<u><b>(7.60)</b></u>	<u>(5.53)</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022

		At 30 June 2022 (Unaudited) <i>HK\$'000</i>	At 31 December 2021 (Audited) <i>HK\$'000</i>
	<i>Note</i>		
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,991	2,272
Right-of-use assets		13,040	8,761
Goodwill		22,297	23,355
Deposits	9	1,556	1,740
Deferred tax assets		380	380
		39,264	36,508
<b>Current assets</b>			
Inventory		1	–
Trade receivables, deposits and other receivables	9	138,992	165,030
Contract assets		259,419	238,721
Cash and bank balances		3,434	20,911
		401,846	424,662
<b>Total assets</b>		<b>441,110</b>	<b>461,170</b>

		At 30 June 2022 (Unaudited) <i>HK\$'000</i>	At 31 December 2021 (Audited) <i>HK\$'000</i>
	<i>Note</i>		
<b>Equity</b>			
Share capital		7,608	7,608
Reserves		<u>127,494</u>	<u>190,935</u>
<b>Capital and reserves attributable to owners of the Company</b>			
		135,102	198,543
Non-controlling interest		<u>(4,480)</u>	<u>(3,033)</u>
<b>Total equity</b>		<b><u><u>130,622</u></u></b>	<b><u><u>195,510</u></u></b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities		<u>6,891</u>	<u>4,082</u>
		<u>6,891</u>	<u>4,082</u>
<b>Current liabilities</b>			
Trade and other payables	10	227,194	203,282
Contract liabilities		6,738	7,393
Current tax liabilities		10,775	10,168
Amount due to the immediate holding company		45,182	28,358
Lease liabilities		4,708	3,377
Borrowings		<u>9,000</u>	<u>9,000</u>
		<u>303,597</u>	<u>261,578</u>
<b>Total liabilities</b>		<b><u><u>310,488</u></u></b>	<b><u><u>265,660</u></u></b>
<b>Total equity and liabilities</b>		<b><u><u>441,110</u></u></b>	<b><u><u>461,170</u></u></b>

# 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 “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 2021 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 2021.

In the current period, 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 2022. 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)	
	2022	2021
	HK\$'000	HK\$'000
Revenue from construction contracts		
– foundation works and ancillary services	27,487	96,255
– general building works	10,130	8,461
– renewable energy systems	95,579	11,322
E-commerce business	5,541	18,598
Building information modelling services	1,270	810
	<hr/>	<hr/>
Revenue from contracts with customers	140,007	135,446
Rental income	380	301
	<hr/>	<hr/>
	<b>140,387</b>	<b>135,747</b>
	<hr/> <hr/>	<hr/> <hr/>

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; and
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 2022 (Unaudited)					Total HK\$'000
	Building	Renewable	E-commerce	Others	Unallocated	
	construction	energy				
	business	business	business	HK\$'000	HK\$'000	
Segment revenue	<u>37,617</u>	<u>95,959</u>	<u>5,541</u>	<u>1,270</u>	<u>-</u>	<u>140,387</u>
Segment (loss)/profit	(42,075)	4,031	423	(2,115)	(18,717)	(58,453)
Income tax expense						<u>(1,009)</u>
Loss for the period						<u>(59,462)</u>

	Six months ended 30 June 2021 (Unaudited)					Total HK\$'000
	Building	Renewable	E-commerce	Others	Unallocated	
	construction	energy				
	business	business	business	HK\$'000	HK\$'000	
Segment revenue	<u>104,716</u>	<u>11,623</u>	<u>18,598</u>	<u>810</u>	<u>-</u>	<u>135,747</u>
Segment (loss)/profit	(22,203)	(589)	1,709	(3,765)	(18,999)	(43,847)
Income tax credit						<u>100</u>
Loss for the period						<u>(43,747)</u>



#### 4. OTHER INCOME

	Six months ended 30 June	
	(Unaudited)	
	2022	2021
	HK\$'000	HK\$'000
Rental income from lease of machinery	200	–
Bank interest income	297	49
Government grants	247	197
Income from subletting labour	1,093	–
Net proceeds from disposal of containers	827	–
Others	838	311
	<u>3,502</u>	<u>557</u>

#### 5. LOSS BEFORE TAX

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

	Six months ended 30 June	
	(Unaudited)	
	2022	2021
	HK\$'000	HK\$'000
<b>(a) Staff costs (including directors' remuneration)</b>		
Salaries, wages and other benefits	26,463	29,085
Contribution to defined contribution retirement plans	677	749
	<u>27,140</u>	<u>29,834</u>
<i>Less:</i> Amount included in costs of revenue	<u>(8,891)</u>	<u>(13,989)</u>
	<u>18,249</u>	<u>15,845</u>

	<b>Six months ended 30 June</b>	
	<b>(Unaudited)</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>(b) Other items</b>		
Depreciation of right-of-use assets	2,392	3,242
Depreciation of property, plant and equipment	277	282
	<u>2,669</u>	<u>3,524</u>
<i>Less: Amount included in costs of revenue</i>	<u>(156)</u>	<u>(155)</u>
	<u><u>2,513</u></u>	<u><u>3,369</u></u>
 Cost of inventories recognised as expense	 <u><u>2,364</u></u>	 <u><u>7,390</u></u>

## 6. INCOME TAX EXPENSE (CREDIT)

	<b>Six months ended 30 June</b>	
	<b>(Unaudited)</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Income tax expense (credit) comprises:		
Hong Kong Profits Tax	–	–
The PRC Enterprise Income Tax	1,009	(100)
	<u>1,009</u>	<u>(100)</u>
 Deferred tax	 –	 –
	<u><u>1,009</u></u>	<u><u>(100)</u></u>

*Note:*

In Hong Kong, 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%.

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\$57,828,000 (corresponding period in 2021: HK\$42,039,000) and 760,830,000 ordinary shares (corresponding period in 2021: 760,830,000 ordinary shares) for the six months ended 30 June 2022.

### **(b) Diluted loss per share**

There were no potential dilutive shares in existence during the six months ended 30 June 2022 and 2021 and, therefore, no diluted loss per share were presented.

## **8. DIVIDEND**

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

## 9. TRADE RECEIVABLES, DEPOSITS 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 2022 (Unaudited) HK\$'000	At 31 December 2021 (Audited) HK\$'000
Within 1 month	9,596	31,318
1 to 2 months	6,332	859
2 to 3 months	4,725	–
Over 3 months	<u>34,296</u>	<u>58,441</u>
Trade receivables, net of loss allowance ( <i>Note (a)</i> )	54,949	90,618
Deposits, prepayments and other receivables ( <i>Note (b)</i> )	<u>85,599</u>	<u>76,152</u>
	<b>140,548</b>	166,770
<i>Less:</i> Amounts due within one year shown under current assets	<u>(138,992)</u>	<u>(165,030)</u>
Non-current portion	<u><u>1,556</u></u>	<u><u>1,740</u></u>

*Notes:*

- (a) As at 30 June 2022, gross trade receivables of approximately HK\$24,029,000 (31 December 2021: HK\$44,441,000) was due from a customer which Dr. Kan is one of the beneficial owners.
- (b) As at 30 June 2022, it mainly represented prepaid subcontracting charges of approximately HK\$41,899,000 (31 December 2021: HK\$41,899,000) made by the Group for the Saipan Project.

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:

	<b>At 30 June 2022 (Unaudited) <i>HK\$'000</i></b>	<b>At 31 December 2021 (Audited) <i>HK\$'000</i></b>
Not yet due or within 1 month	6,886	19,651
1 to 2 months	1,674	8,976
2 to 3 months	3,574	2,448
Over 3 months	<u>48,470</u>	<u>42,147</u>
Trade payables	60,604	73,222
Retention payables	19,257	18,677
Other payables and accruals	<u>147,333</u>	<u>111,383</u>
	<u><b>227,194</b></u>	<u><b>203,282</b></u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The principal activities of CT Vision S.L. (International) Holdings Limited (the “**Company**”, together with its subsidiaries, collectively 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 (the “**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 (iv) 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, 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.

After taking into account of (i) the prolonged delay and uncertainties of the Project; (ii) the financial position of 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, the Company has had further discussions with Customer A regarding the resumption of the Project and settlement of the outstanding amounts due to the Group in relation to the Project (the “**Outstanding Amounts**”), including proposed settlement schedule of the Outstanding Amounts (the “**Repayment Schedule**”).

To further ensure the recoverability of the Outstanding Amounts, Win Win Way Construction Co. Ltd (“**Win Win Way**”), an indirectly wholly owned subsidiary of the Company, Dr. Kan Hou Sek, Jim (“**Dr. Kan**”), Mr. Lee Sai Man (“**Mr. Lee**”) and Win Win Way Investment Limited (“**Win Win Way Investment**”) (a company owned by as to approximately 33.3% of each of Dr. Kan, Mr. Lee and Mr. Wong Siu Kwai) entered into the Deed of Agreement on 7 January 2022. Pursuant to the Deed of Agreement, Dr. Kan, Mr. Lee and Win Win Way Investment agreed to provide certain security in favour of Win Win Way, for the due performance of the repayment obligation of Customer A under the Repayment Schedule.

Each of Dr. Kan, Mr. Lee and Win Win Way Investment acknowledges, confirms and agrees that if Customer A defaults in making any payment of the Outstanding Amounts under the Repayment Schedule, Win Win Way can enforce any or all the above security at its sole and absolute discretion and without further notice.

The Project has resumed in January 2022. In April 2022, Customer A entered into the interim advisory services agreement with an internationally renowned hotel brand management company (the “**Management Company**”), pursuant to which the Management Company will provide certain advisory services in connection with the design, construction, furnishing and equipping of the hotel under the brand of the Management Company (the “**Hotel**”). The services include (i) advising Customer A and its consultants on brand standards necessary for the Hotel to be operated as a brand hotel, and (ii) reviewing the design documents prepared by Customer A and its consultants to verify compliance with brand standards. Due to the above new agreement with the Management Company, it is expected that the completion of the construction works of the Project will be further delayed to December 2023.

### **Building construction business**

As at 30 June 2022 the Group had a total of 13 contracts on hand (31 December 2021: 10 contracts) (including contracts in progress and contracts yet to be commenced). The amount of contract sum yet to be recognised as at 30 June 2022 amounted to approximately HK\$425.1 million (31 December 2021: approximately HK\$383.4 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 2022, there were 10 (first half of 2021: 11) foundation works and ancillary services projects contributing revenue of approximately HK\$27.5 million (first half of 2021: approximately HK\$96.3 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 2022, there was 2 (first half of 2021: 3) general building works projects contributing revenue of approximately HK\$10.1 million (first half of 2021: HK\$8.5 million) 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 2022, renewable energy business contributed approximately HK\$96.0 million revenue of the Group (first half of 2021: approximately HK\$11.6 million). As at the date of this announcement, the Group had a total of 7 contracts on hand (including contracts in progress and contracts yet to be commenced) (31 December 2021: 7 contracts) and the relevant awarded contract sum of these contracts on hand amounted to approximately RMB115.8 million (31 December 2021: approximately RMB200.2 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 2022, the e-commerce business contributed approximately HK\$5.5 million revenue (first half of 2021: HK\$18.6 million) to the Group.

To further develop the Company’s e-commerce business in China, the Company entered into a memorandum of understanding (the “**MOU**”) with Huaji Science and Technology (Beijing) Satellite Communication Technology Co., Ltd.\* (華際科工(北京)衛星通信科技有限公司) (“**Huaji Science and Technology**”).

The Company intends to leverage on the technological properties of Huaji Science and Technology, including but not limited to the patents and software copyrights that have passed the preliminary examination, patents and software copyrights that are being applied for, as well as software and hardware systems, and combined with the technological advantages of CT Shunlian and the Company’s subsidiary Heima Tianhua (Shenzhen) Intelligent Cold Chain Technology Company Limited\* (黑貓天華(深圳)智慧冷鏈科技有限公司) in the e-commerce business, to jointly develop business models related to the Group’s e-commerce business. The scope of business can be the aquaculture and fishing business and supply chain related business based on the fishing exchange platform of Fishing Exchange Net\* (漁交網), intelligent vessels, port intelligence and satellite emergency dispatch businesses customised based on the sea-land system.

## **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 and provision of construction management platform and operation management platform solutions for government large-scale projects and business parks.

In the first half of 2022, the building information modelling business contributed approximately HK\$1.3 million revenue (first half of 2021: HK\$0.8 million) to the Group.

## FINANCIAL REVIEW

During the six months ended 30 June 2022, the Group's unaudited consolidated revenue amounted to approximately HK\$140.4 million (corresponding period in 2021: approximately HK\$135.7 million). The increase was mainly attributable to increase in revenue from renewable energy business of approximately HK\$84.3 million set off against the decrease from building construction business and e-commerce business of approximately HK\$67.1 million and HK\$13.1 million respectively.

The Group's gross profit decreased from gross profit of approximately HK\$2.6 million during the six months ended 30 June 2021 to gross loss of approximately HK\$22.8 million during the six months ended 30 June 2022. The Group's gross profit margin decreased from gross profit margin of approximately 1.9% during the six months ended 30 June 2021 to gross loss margin of approximately 16.2% during the six months ended 30 June 2022. Gross loss was primary due to (i) the liquidated and ascertained damages claims for two construction projects under the building construction business amounting to HK\$27.4 million have been recognised as cost of revenue during the relevant period (corresponding period in 2021: Nil); and (ii) the decrease in revenue generated by the building construction business during the six months ended 30 June 2022 as compared to that for the six months ended 30 June 2021 due to the fact that the building construction works under the building construction business had been substantially delayed as a result of the outbreak of COVID-19 pandemic in Hong Kong. Such building construction works were gradually resumed since mid-April 2022.

Selling and administrative expenses (the "S&A Expenses") primarily comprise staff costs, transportation expenses, depreciation, bank charges, office expenses and professional charges. The S&A Expenses for the relevant period decreased by approximately HK\$3.5 million to approximately HK\$38.6 million, compared with approximately HK\$42.1 million in last corresponding period, which was mainly due to the decrease in legal and professional fees of approximately HK\$2.8 million.

As a result, loss for the six months ended 30 June 2022 attributable to owners of the Company was approximately HK\$57.8 million, representing an increase of approximately 37.6% over the corresponding period loss of approximately HK\$42.0 million in 2021.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	As at 30 June 2022	As at 31 December 2021
Current ratio <sup>1</sup>	1.3	1.6
Gearing ratio (%) <sup>2</sup>	50.4	22.9
Net debt to equity ratio (%) <sup>3</sup>	46.1	12.0
Interest coverage ratio <sup>4</sup>	<u>(95.6)</u>	<u>(40.0)</u>

### 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, 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, lease liabilities and amount due to immediate holding company less cash and bank balances) divided by total equity (which comprises all components of equity attributable to owners of the Company) 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 1.6 as at 31 December 2021 to 1.3 as at 30 June 2022, as a result of decrease in cash and bank balances and increase in amount due to the immediate holding company. Gearing ratio increased from 22.9% as at 31 December 2021 to 50.4% as at 30 June 2022, mainly due to the effect of decrease in equity. Net debt to equity ratio increased from 12.0% as at 31 December 2021 to 46.1% as at 30 June 2022, and interest coverage ratio increased from 40.0% as at 31 December 2021 to 95.6% as at 30 June 2022.

As at 30 June 2022, the Group had cash and bank balances of approximately HK\$3.4 million (31 December 2021: approximately HK\$20.9 million). The Group expected to fund the future cash flow needs through internally generated cash flows from operations, borrowings, amount due to immediate holding company and equity financing.

The capital structure of the Group consisted of equity of approximately HK\$130.6 million (31 December 2021: approximately HK\$195.5 million) and debts (borrowings, lease liabilities and amount due to immediate holding company) of approximately HK\$65.8 million (31 December 2021: approximately HK\$44.8 million) as at 30 June 2022.

The Group adopts a prudent approach in cash management. Apart from certain debts including borrowings, lease liabilities and amount due to immediate holding company, the Group did not have any material outstanding debts as at 30 June 2022. As at 30 June 2022, the lease liabilities of a solar power system granted to the Group was secured by the trade receivables of HK\$93,000 (31 December 2021: HK\$72,000) and registered capital of a wholly-owned subsidiary amounted to RMB10.0 million (31 December 2021: RMB10.0 million).

## **PROSPECTS**

### **Building work business**

Since the outbreak in late December 2021, the fifth wave of outbreak of the epidemic, which was caused by mutated virus Omicron, has been spreading in the communities. To respond to the consequential surging in the confirmed cases, the government has taken strict social distancing measures to curb the spread of the pandemic. These measures have not only resulted in a shortage of labour supply, but also disrupted some construction-related supply chains. As a result, the construction works under the building work business were significantly delayed and the related construction costs were increased accordingly.

Under the shadow of the pandemic, the investment sentiment was affected and competition in the construction market intensified. Furthermore, the tendering process of projects was also delayed due to the epidemic, resulting in a significant drop in revenue from the building work business during the period.

## Renewable energy business

The clean and low carbon transformation has been accelerated with the successive introduction of policies related to “carbon peak and carbon neutrality” (“**Dual Carbon**”). On 1 June 2022, the 14th Five-Year Plan for Renewable Energy Development clearly stated that by 2025, the annual electricity generation from renewable energy will reach approximately 3.3 trillion kilowatt hours. During the 14th Five-Year Plan period, China’s incremental renewable energy generation will account for more than 50% of the total incremental electricity consumption, and the generations of wind and solar power generation will double. The implementation of the Dual Carbon goal and the confirmation of development of a new power system with new energy as the mainstay signify a real explosion of the new energy industry.

In response to the Dual Carbon goal, the State Council has issued the “Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy” (《關於完整準確全面貫徹新發展理念做好碳達峰碳中和工作的意見》), provinces have also introduced various incentive policies, which, coupled with the continued reduction in the cost of wind power and PV power, signify a new wave of growth in the new energy industry.

With favourable national policies and cost reductions, increased investment in the new energy market will provide more opportunities for the Group’s renewable energy business. However, it is expected that the energy transformation and dual carbon goals will still rely on policy guidance, and there is a risk of deteriorating profitability as competition intensifies.

## E-commerce business

The Group entered into a memorandum of understanding with Huaji Science and Technology (Beijing) Satellite Communication Technology Co., Ltd.\* (華際科工(北京)衛星通信科技有限公司)(“**Huaji Science and Technology**”, together with its subsidiaries the “**Huaji Science and Technology Group**”), under which the Group effectively controls certain equities in Huaji Science and Technology and the joint venture established by Huaji Science and Technology through a variable interest entity arrangement so that the Group will, relying on the technological achievements of Huaji Science and Technology, expand its business scope and revenue source by tapping into China’s smart fisheries market, and through joint cooperation and complementary strengths with system builders, the Group will establish a complete digital ecosystem for China’s fisheries industry, contributing to digital transformation of China’s fisheries industry.

The development of digital agriculture in Mainland China has become a major trend and has entered a new stage of accelerated development in recent years. The marine economy and digital agriculture are potentially huge areas of growth. The Group will seize the opportunity brought about by the promotion of digitalisation of agriculture in China to serve the national development strategy and to expand more business opportunities for the Group's e-commerce business. It is expected that the above business model will bring about synergies for them and inject new growth momentum into the Group, while empowering the development of smart fisheries in China.

### **Building information modeling 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), including provision of 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 recent years, the Group has increased its investment in research and development and expanded the scope of applications in the industry. It has signed contracts for a number of projects in the fields of park, city bus, metro and port, such as the “Electronic Sand Table Procurement Project of Block B of Zongbao Building”, “Smart Buildings of Suzhou Bus Centre Building”, “Development of Smart Management Platform of Suzhou Bus Station”, “Development of Digital Twin System of Huangshi Xingang Terminal”, “BIM Project of Line 8 of Suzhou Rail Transit” and “Renai Road Station and Songtao Street Station of Suzhou Metro VIITS-10 Bid”.

Looking forward, the Group will continue to explore opportunities to transform into new industries and technologies, diversify investments into quality industries and proactively respond to market changes and challenges, so as to promote the Group's sustainable development while embarking on a comprehensive new business strategy that will contribute to the economic transformation and upgrade, and ultimately pay back values to the society.

## **DIVIDEND**

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

## **PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the period.

## **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 2022, the Company has complied with all applicable 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**

There is no material subsequent event undertaken by the Company or the Group after 30 June 2022 and up to the date of this announcement.

## **CHANGES IN DIRECTORS' INFORMATION**

On 30 June 2022, Dr. Lin Tat Pang was appointed as an independent non-executive Director, a member of the audit committee (the “**Audit Committee**”) and the nomination committee (the “**Nomination Committee**”) and the chairman of the remuneration committee (the “**Remuneration Committee**”).

On 30 June 2022, Ms. Yip Man Shan resigned as a non-executive Director.

On 30 June 2022, Ms. Ng Yi Kum, Estella retired as an independent non-executive Director, a chairlady of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee.

On 30 June 2022, Mr. Wong Wing Cheong Philip retired as an independent non-executive Director, a member of the Audit Committee and the Nomination Committee and the chairman of the Remuneration Committee.

On 30 June 2022, Mr. Ng Kwun Wan was appointed as the chairman of the Audit Committee, a member of the Nomination Committee and the Remuneration Committee.

Save as disclosed above, there was no change in the information in respect of the Directors and chief executives of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## **AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS**

The 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, Mr. Ng Kwun Wan (chairman of the Audit Committee), Dr. Tang Dajie and Dr. Lin Tat Pang.

The unaudited consolidated interim results of the Group for the six months ended 30 June 2022 and this announcement have been reviewed by the Audit Committee with no disagreement. 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 financial report for the six months ended 30 June 2022.



## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This results announcement is published on the Company's website at [www.ctvision994.com](http://www.ctvision994.com) and the Stock Exchange's website at [www.hkexnews.hk](http://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.

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

Hong Kong, 19 August 2022

*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, two non-executive Directors, namely Ms. Du Yi and Mr. Lu Qiwei, and three independent non-executive Directors, namely Dr. Tang Dajie, Mr. Ng Kwun Wan and Dr. Lin Tat Pang.*

\* *For identification purpose only.*