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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)

**MAJOR TRANSACTION IN RELATION TO
THE DISPOSAL OF THE ENTIRE EQUITY INTEREST
IN THE TARGET COMPANY**

Financial adviser of the Company



THE SALE AND PURCHASE AGREEMENT

On 29 November 2022 (after trading hours), the Company (as the vendor) and the Purchaser (as the purchaser) entered into the Sale and Purchase Agreement, pursuant to which (i) the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing 100% equity interest in the Target Company; and (ii) the Vendor has conditionally agreed to assign and transfer to the Purchaser the Indebtedness at the Consideration of HK\$56,436,592. Upon Completion, the Company will cease to hold any interests in the Target Company, and the financial results of the Target Group will cease to be consolidated into the financial statements of the Group.

IMPLICATIONS OF THE LISTING RULES

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction of the Company and will be subject to the reporting, announcement requirements, the circular and shareholders' approval requirements.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Sale and Purchase Agreement and the Disposal. As such, no Shareholders are required to abstain from voting if the Company convenes a general meeting for the approval of the Disposal. In light of the foregoing, pursuant to Rule 14.44 of the Listing Rules, written Shareholders' approval may be accepted in lieu of holding a general meeting.

The Company has obtained written Shareholder's approval in respect of the Disposal from CT Vision Investment Limited, which is a controlling shareholder of the Company holding 389,160,000 issued Shares, representing approximately 51.15% of the issued share capital of the Company as at the date of this announcement. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Disposal.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, inter alia, (i) further details of the Sale and Purchase Agreement and the Disposal; and (ii) other information required under the Listing Rules, is expected to be despatched to the Shareholders on or before 20 December 2022, which is within 15 Business Days after the publication of this announcement.

INTRODUCTION

On 29 November 2022 (after trading hours), the Company (as the vendor) and the Purchaser (as the purchaser) entered into the Sale and Purchase Agreement, pursuant to which (i) the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing 100% equity interest in the Target Company; and (ii) the Vendor has conditionally agreed to assign and transfer to the Purchaser the Indebtedness at the Consideration of HK\$56,436,592.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out below:

Date

29 November 2022

Parties

- (i) The Company (as the vendor); and
- (ii) The Purchaser (as the purchaser)

Subject matter

Subject to the terms and conditions contained in the Sale and Purchase Agreement:

- (i) the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares free from all encumbrances and together with all rights attaching (or may in the future attaching) to the Sale Shares, including the right to receive all dividends and distributions declared, made or paid on or after the Completion; and
- (ii) the Vendor has conditionally agreed to assign and transfer to the Purchaser the Indebtedness free from all encumbrances and together with all rights attaching or accruing thereof after the Completion.

Consideration

The Consideration shall be HK\$56,436,592, of which HK\$2,000,000 is for the sale and purchase of the Sale Shares and HK\$54,436,592 is for the sale and purchase of the Indebtedness.

The Consideration of HK\$56,436,592 was determined with reference to (i) the appraised value of the entire equity of the Target Company as at 30 September 2022 as shown in the valuation report regarding the Disposal; (ii) the negotiation between the Purchaser and the Vendor; and (iii) the net book value of the Indebtedness as at 31 October 2022.

The Consideration has been paid in full by the Purchaser to the Vendor.

Conditions precedent

The Completion is conditional upon the fulfilment of the following conditions:

- (i) written approval from the controlling Shareholder (as defined under the Listing Rules) in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained;
- (ii) all necessary consents, authorisations and approvals in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained (where relevant);
- (iii) the Vendor being the sole legal and beneficial owner of the Sale Shares and the Indebtedness on the date of completion; and
- (iv) there being no further or other indebtedness owed to the Vendor by the Target Group other than the Indebtedness to be assigned to the Purchaser upon Completion.

Completion

As the conditions have been fulfilled on the date of the Sale and Purchase Agreement, Completion has taken place on the date of the Sale and Purchase Agreement.

INFORMATION OF THE COMPANY AND THE GROUP

The Company was incorporated in the Cayman Islands as an exempted company with limited liability. The Company is an investment holding company and the Group is mainly engaged in the building construction business, the renewable energy business, the e-commerce business and other business which mainly include building information modelling services and sales of piles.

INFORMATION OF THE PURCHASER

The Purchaser was incorporated under the laws of Hong Kong with limited liability on 11 September 2022. It is an investment holding company. As at the date of this announcement, the Purchaser is ultimately controlled by Mr. Woo and Mr. Ma as to 90% and 10% respectively.

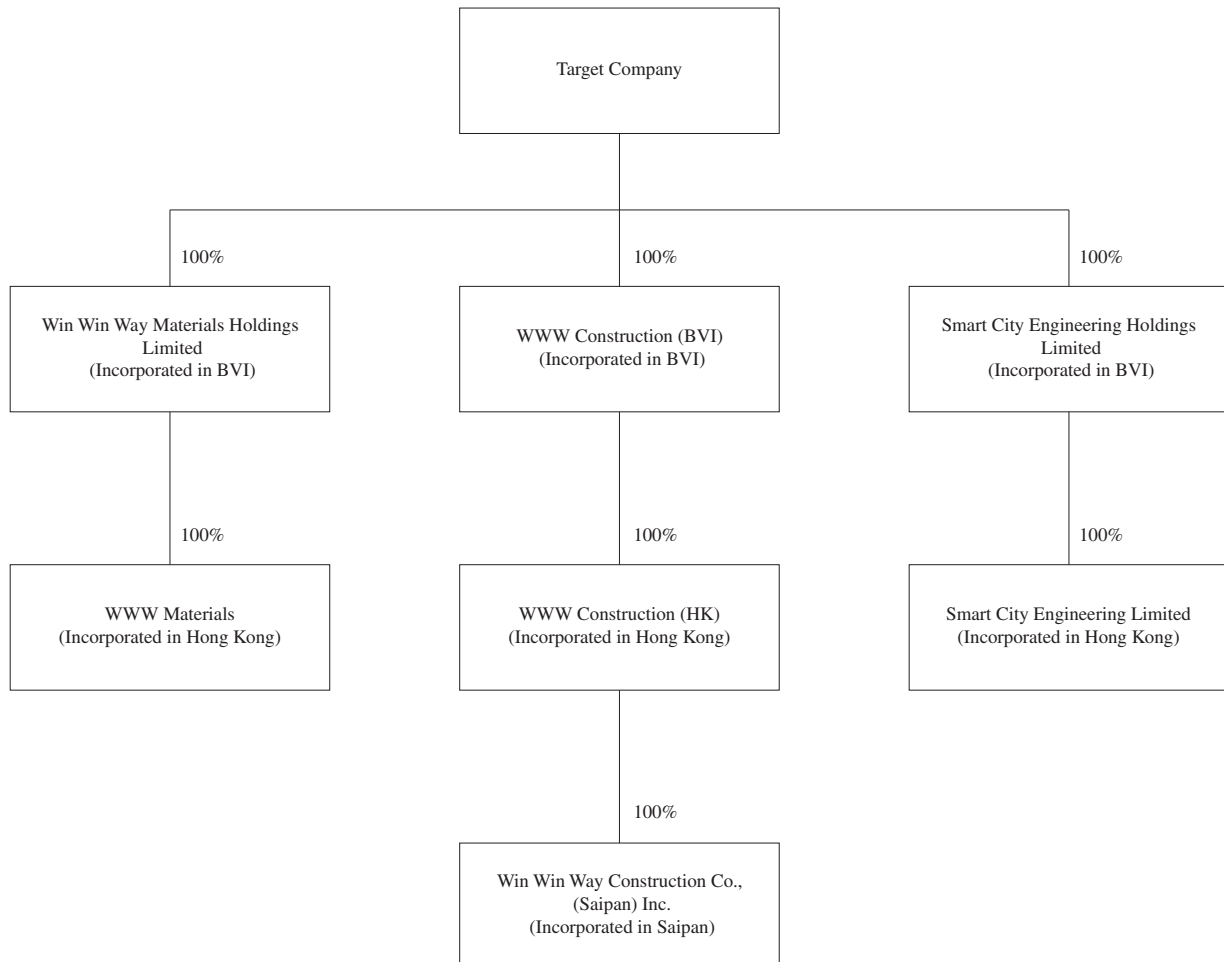
Mr. Woo, a Hong Kong citizen, has accumulated extensive experience in the project management of the construction projects in Hong Kong.

Mr. Ma, a PRC citizen, has accumulated extensive experience in the project management of the construction projects in the PRC.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

INFORMATION OF THE TARGET GROUP

The following chart sets out the shareholding structure of the Target Group as at the date of this announcement:



The Target Company is a direct wholly owned subsidiary of the Company and incorporated under the laws of the BVI with limited liability on 31 July 2015. The Target Company is an investment holding company, and the Target Group is mainly engaged in the building construction business and the sales of piles.

The following table sets out the key financial information of the Target Group:

	For the year ended	
	31 December	
	2020	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Net loss before taxation	27,853	60,770
Net loss after taxation	27,853	60,743

Based on the unaudited consolidated financial information of the Target Group, the net liabilities of the Target Group amounted to approximately HK\$24,000 as at 31 October 2022.

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Company will cease to have any interests in the Target Company, and the financial results of the Target Group will cease to be consolidated into the financial statements of the Group.

After taking into account the Consideration, the net liabilities of the Target Group as at 31 October 2022, the net book value of the Indebtedness, and the related transaction costs, it is expected that a net gain of approximately HK\$944,000 will be recorded in relation to the Disposal upon Completion. The actual gain or loss to be recorded by the Group is subject to review by the auditor of the Company.

NET PROCEEDS FROM THE DISPOSAL OF THE SALE SHARES

The net proceeds from the disposal of the Sale Shares, after deducting the estimated expenses including but not limited to the professional fees, amounted to approximately HK\$920,000, which is intended to be used as general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

(1) Deteriorating financial performance of the Building Construction Business

The Building Construction Business has been incurring segment losses of approximately HK\$91.4 million, HK\$25.5 million, HK\$60.8 million, and HK\$42.1 million for the three consecutive financial years ended 31 December 2019, 2020 and 2021 and the six months ended 30 June 2022, which was mainly attributable to (i) the decrease in the revenue generated from the Building Construction Business during the said period as a result of the competitive pricing on the foundation works and ancillary services arising from intense market competition in Hong Kong; and (ii) the additional subcontracting charges and labor costs incurred since WWW Construction (HK) made the overtime payments to workers to catch up on the construction progress of the building construction projects as a result of the unexpected delay of their construction works under the outbreak of COVID-19 pandemic.

In view of the above, considering (i) the continuous loss-making position for the three consecutive financial years ended 31 December 2019, 2020 and 2021 and the six months ended 30 June 2022 of the Building Construction Business; and (ii) it is unclear when the adverse impact of the overrun cost derived from COVID-19 pandemic to the Building Construction Business can be diminished, the Directors have resolved to dispose of the Building Construction Business to (a) reduce the operating costs and net loss and thus improve the profitability of the Group; and (b) discontinue the ongoing investment into the Building Construction Business which could only have bring in loss to the Group.

(2) Cessation of the Pile Trading Business

WWW Materials is mainly engaged in the trading of PHC Piles. WWW Materials commenced the trading of the PHC Piles in 2016 when its sole customer needed the PHC Piles to carry out foundation work, which is required by its main employer. However, the above sole customer has not placed purchase orders to WWW Materials since 2020 since its main employer has not commenced any new property development sites that use the PHC Piles.

Most building construction companies will avoid using PHC Piles to carry out foundation works in Hong Kong taking into account the difficulties to maneuver large and heavy machines in construction sites with small areas and/or steep terrain in Hong Kong to jack the PHC Piles into the ground. As such, the demand for the PHC Piles in Hong Kong is insignificant.

WWW Materials has considered importing piles other than the PHC Piles from the PRC and sell them to the customers in Hong Kong to sustain the Pile Trading Business. Nevertheless, any new type of piles to be used in Hong Kong must be approved by the Buildings Department. WWW Materials will only import the new type of piles and sell them to the customers in Hong Kong if such type of piles is approved to be used in Hong Kong by the Buildings Department. WWW Materials is required to go through a time-consuming application with the Buildings Department, including but not limited to the feasibility analysis of the implementation of the new type of piles, which normally takes approximately 24 months. In light of the above, the Company no longer plans to allocate resources for the development of the Pile Trading Business.

(3) Prospects of the Renewable Energy Business

According to the Development Plan, it is expected that (i) in 2025, the electricity generated from the renewable energy would amount to approximately 3,300 million MWh per annum, which is approximately 133% of the amount of electricity generated from the renewable energy in 2021; (ii) during 2021 to 2025, at least 50% of the electricity to be consumed shall be generated from the renewable energy; and (iii) during 2021 to 2025, the electricity generated from wind power and solar power shall be doubled.

In light of the above, the Directors anticipated that the expectations under the Development Plan would drive the growth of the Renewable Energy Business and bring more business opportunities to the renewable energy construction projects of the Group. As such, the Directors intended to dispose of the Building Construction Business to relocate its internal resources to the Renewable Energy Business.

(4) Directors' view

The Directors (including the independent non-executive Directors) are of the view that, although the Disposal is not in the ordinary and usual course of business of the Group, the Disposal is on normal commercial terms and the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS OF THE LISTING RULES

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DEFINITION

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Building Construction Business”	the building construction business of the Group as at the date of this announcement
“Buildings Department”	The Buildings Department of Hong Kong
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for normal banking business
“BVI”	the British Virgin Islands
“Company” or “Vendor”	CT Vision S.L. (International) Holdings Limited (stock code: 994), an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of (i) the disposal of the Sale Shares; and (ii) the assignment and transfer of the Indebtedness by the Vendor in favour of the Purchaser pursuant to the Sale and Purchase Agreement
“Consideration”	the consideration in respect of the Disposal of HK\$56,436,592
“Development Plan”	The “14th Five-Year” Development Plan for Renewable Energy (“十四五’可再生能源發展規劃”) issued by the PRC government
“Director(s)”	director(s) of the Company

“Disposal”	(i) the disposal of the Sale Shares contemplated under the Sale and Purchase Agreement; and (ii) the assignment and transfer of the Indebtedness by the Vendor in favour of the Purchaser pursuant to the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indebtedness”	all the indebtedness of HK\$54,436,592, of which HK\$40,000,000 was owed by WWW Construction (BVI) and HK\$14,436,592 was owed by WWW Construction (HK), to the Vendor as at the date of the Sale and Purchase Agreement
“Independent Third Party(ies)”	any person or company and its ultimate beneficial owner(s) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Ma”	Mr. Ma Jianguo, a PRC citizen and an Independent Third Party
“Mr. Woo”	Mr. Woo Wing Tsun Vincent, a Hong Kong citizen and an Independent Third Party
“Parties”	collectively, the Vendor and the Purchaser

“Pile Trading Business”	the pile trading business of the Group as at the date of this announcement
“PHC Piles”	pre-stressed high-strength concrete pile
“PRC”	the People’s Republic of China, but for the purpose of this announcement only and except where the context requires otherwise, references in this announcement to “PRC” do not include Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	Fame Rich Capital Investment Limited, a company incorporated under the laws of Hong Kong with limited liability on 11 September 2022
“Renewable Energy Business”	the renewable energy business of the Group as at the date of this announcement
“Saipan”	a municipality of the Commonwealth of the Northern Mariana Islands
“Sale and Purchase Agreement”	the sale and purchase agreement dated 29 November 2022 entered into between the Company (as the vendor) and the Purchaser (as the purchaser) in respect of the Disposal
“Sale Shares”	30,000 shares, which represents the entire issued capital of the Target Company
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

“Target Company”	Win Win Way Investment Holdings Limited, a direct wholly owned subsidiary of the Company and incorporated with limited liability under the laws of BVI on 31 July 2015
“Target Group”	the Target Company and its subsidiaries
“WWW Construction (BVI)”	Win Win Way Construction Holding Co., Limited, a direct wholly owned subsidiary of the Target Company incorporated under the laws of BVI with limited liability on 29 October 2014
“WWW Construction (HK)”	Win Win Way Construction Co., Limited (恆誠建築工程有限公司), an indirect wholly owned subsidiary of the Target Company incorporated under the laws of Hong Kong with limited liability on 7 May 1999
“WWW Materials”	Win Win Way Materials Supply Limited (恆誠物料有限公司), an indirect wholly owned subsidiary of the Target Company and incorporated under the laws of Hong Kong with limited liability on 20 October 2004
“%”	per cent

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

Hong Kong, 29 November 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.