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If you have sold or transferred all your shares in **CT Vision S.L. (International) Holdings Limited**, you should at once hand this circular to the purchaser together with the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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



Capitalised terms used on this cover page have the same meaning as defined in the section headed "Definitions" in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 5 to 19 of this circular.

The Company has obtained written Shareholder's approval for the Sale and Purchase Agreement and the Disposal in accordance with Rule 14.44 of the Listing Rules from a Shareholder who holds more than 50% of the entire issued share capital of the Company. Accordingly, no extraordinary general meeting will be convened for the purpose of approving the Sale and Purchase Agreement and the Disposal as permitted under Rule 14.44 of the Listing Rules.

This circular is despatched to the Shareholders for information only.

23 December 2022

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DEFINITIONS

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

“2022 Interim Report”	the interim report of the Company for 6M2022
“6M2022”	the six months ended 30 June 2022
“Announcement”	the announcement of the Company published on 29 November 2022 in relation to the Disposal
“Building Construction Business”	the building construction business of the Group as at the Latest Practicable Date
“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

DEFINITIONS

“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
“Latest Practicable Date”	22 December 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“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 Latest Practicable Date
“PHC Piles”	pre-stressed high-strength concrete pile

DEFINITIONS

“PRC”	The People’s Republic of China, but for the purpose of this circular only and except where the context requires otherwise, references in this circular 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 Latest Practicable Date
“RMB”	Renminbi, the lawful currency of the PRC
“Saipan”	a municipality of the Commonwealth of the Northern Mariana Islands
“Saipan Project”	the construction project of a resort hotel located at San Antonio, Saipan, Commonwealth of the Northern Mariana Islands, which was awarded to WWW Construction (HK) as the main contractor
“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
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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)
“Sichuan Yafei”	Sichuan Yafei Engineering Design Co., Ltd.* (四川亞飛工程設計有限公司), a wholly owned subsidiary of the Company as at the Latest Practicable Date
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

DEFINITIONS

“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
“Valuation”	the valuation of the entire equity interest of the Target Group performed by the Valuer
“Valuation Date”	30 September 2022, being the valuation date adopted for the purpose of the Valuation
“Valuer”	International Valuation Limited, an independent valuer of the Group which is engaged by the Company to perform the Valuation
“WWW Construction (BVI)”	Win Win Way Construction Holdings 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

* For identification purpose only

LETTER FROM THE BOARD



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)

Executive Directors

Mr. Wu Rui (*Vice chairman*)

Dr. Ho Chun Kit Gregory (*Chief executive officer*)

Mr. Guo Jianfeng

Mr. Wong Kee Chung

Registered office

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P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

Non-executive Directors

Ms. Du Yi (*Chairlady*)

Mr. Lu Qiwei

*Headquarters and principal place of
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Wanchai, Hong Kong

Independent Non-executive Directors

Dr. Lin Tat Pang

Dr. Tang Dajie

Mr. Ng Kwun Wan

23 December 2022

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

Reference is made to the Announcement.

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.

LETTER FROM THE BOARD

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 Sale Shares as at 30 September 2022 of nil; (ii) the net book value of the Indebtedness as at 31 October 2022 of HK\$54,436,592; and (iii) the negotiation between the Purchaser and the Vendor, including the value of qualifications of (a) registered general building contractor; (b) registered specialist contractor in demolition works category; (c) registered specialist contractor in foundation works category; and (d) registered specialist contractor in site formation works category under the Target Group, which has been agreed between the Vendor and the Purchaser. The following table sets forth the comparison between the net book value/net asset value and the consideration of the Sale Shares and the Indebtedness:

LETTER FROM THE BOARD

	Net book value/ Net asset value	Consideration
	<i>HK\$'000</i>	<i>HK\$'000</i>
Sale Shares as at 30 September 2022	662	2,000
Indebtedness as at 31 October 2022	54,437	54,437

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

The excess of the Consideration for the sale and purchase of the Sale Share (i.e., HK\$2,000,000) over the net liability value of the Target Group as at 31 October 2022 is approximately HK\$2,024,000. Such excess is mainly attributable to the value of the above four qualifications as agreed between the Vendor and the Purchaser.

Condition 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.

LETTER FROM THE BOARD

THE VALUATION

The Valuer

The Company has engaged International Valuation Limited to perform the Valuation.

In assessing the experience of the Valuer, the Directors have requested and obtained a list from the Valuer demonstrating their track record of the valuation on the equity interests of the companies mainly engaged in similar business as that of the Target Group. Based on the review of the Directors, the Directors understand that the Valuer has completed the valuation of the entire equity interests for three construction companies and has accumulated extensive experience in evaluating companies engaged in construction business which is similar to that of the Target Group.

In addition, the Directors have also reviewed the qualifications of the individual valuers who performed the Valuation (i.e., Ms. Winnie Lam and Mr. Andy Chan), and noted that Ms. Winnie Lam is a charter holder of Chartered Financial Analyst while Mr. Andy Chan is a certified Financial Risk Manager (FRM). As such, the Directors consider that the Valuer is capable of performing the Valuation.

In view of the above, the Directors are of the view that the Valuer is qualified and competent to perform the Valuation.

The key assumptions

The Directors noted that the Valuer has made the following assumptions for the Valuation:

- (i) unaudited management accounts of the Target Group for the three months ended 31 December 2021 and the nine months ended 30 September 2022 as provided by the management of the Company can reasonably represent the financial position and performance of the Target Group as at the Valuation Date since audited financial accounts as at the Valuation Date was not available;
- (ii) there will be no major changes in the current taxation laws in the territories in which the Target Group operates or intends to operate (the “**Territories**”). The rates of tax payable shall remain unchanged and will comply with all applicable laws and regulations;
- (iii) there will be no major changes in the political, legal, economic or financial conditions in the Territories which would adversely affect the revenues attributable to and the profitability of the Target Group;
- (iv) the Target Group will retain and have competent management, key personnel, and technical staff to support its ongoing operation;

LETTER FROM THE BOARD

- (v) all relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Target Group operates or intends to operate has or would be officially obtained and renewable upon expiry;
- (vi) industry trends and the market conditions for related industries will not deviate significantly from economic forecasts; and
- (vii) all information and representations provided by the management of the Company, for which they are solely and wholly responsible for, are true, accurate and complete in all material respect.

The Directors consider that the above key assumptions are normally adopted under the valuation of the entire equity interest of the construction companies. As such, the Directors are of the view that the assumptions adopted for the Valuation by the Valuer are fair and reasonable.

The valuation methodology

The Directors noted that the Valuer has considered income approach, market approach, and cost approach to appraise the market value of the entire equity interest of the Target Group. The Directors understand that:

- (i) the Valuer did not adopt income approach since prospective financial projection, which is subject to a number of assumptions and contingent factors, was not reliably available. In addition, the Company has discontinued the ongoing investment into the Target Group and there was no business development plan to form a reasonable basis for the prospective financial projection;
- (ii) the Valuer did not adopt cost approach since it may not be able to reflect the expected future economic benefits of an income-generating business; and
- (iii) the Valuer adopted market approach since market approach can reflect the current market's investment preferences or investment habits and indicate up-to-date public market information in relation to the market value of the entire equity interest of the Target Group.

Taking into account the fact that (i) the Target Company will cease to be a subsidiary of the Company upon the Completion; (ii) the cost approach cannot reflect the expected future economic benefits of the Target Group since the Target Group is able to generate revenue; and (iii) the market approach can reflect the latest market information regarding the market value of the entire equity interest of the Target Group, the Directors are of the view that the valuation methodology adopted by the Valuer is fair and reasonable for the Valuation.

LETTER FROM THE BOARD

The valuation approach

The Directors noted that the Valuer has considered various valuation multiples of comparable companies for the Valuation, including enterprise value-to-sales (“**EV/Sales**”), price-to-sales (“**P/S**”), enterprise value-to-earnings before interest and tax (“**EV/EBIT**”), enterprise value-to-earnings before interest tax depreciation and amortization (“**EV/EBITDA**”), price-to-earnings (“**P/E**”) and price-to-book (“**P/B**”) multiples. The Directors understand that:

- (i) P/B multiple was not adopted since the profitability or the earning potential of the Target Group could not be considered and the Target Group did not possess significant fixed assets as at the Valuation Date;
- (ii) P/E, EV/EBIT and EV/EBITDA multiples were not adopted as the Target Group recorded net losses, negative earnings before interest and tax and negative earnings before interest, tax, depreciation and amortization based on the unaudited management account of the Target Group for the three months ended 31 December 2021 and the nine months ended 30 September 2022;
- (iii) P/S multiple was not adopted since it does not take into account of the differences in capital structure between the Target Group and the comparable companies; and
- (iv) EV/Sales multiple was adopted for the Valuation since the enterprise value is less affected by the discretionary financing decisions of a company’s management. The enterprise value reflects the value of the core operations of a business regardless of how it is financed. As such, EV/Sales multiple allows for a better comparison between the Target Group and the comparable companies with different capital structures.

In view of the above, the Directors consider that the valuation approach is fair and reasonable.

The selection of the comparable companies

The Directors noted that the Valuer has set the following criteria to select the comparable companies for the Valuation:

- (i) The companies are principally engaged in foundation works, ancillary services and general building works in Hong Kong, which is close to the Target Group’s business;
- (ii) Over 50% of the total revenue of the companies were generated from foundation works, ancillary services and general building works in Hong Kong in its preceding financial year; and
- (iii) The companies actively listed in Hong Kong with more than two years’ listing history.

LETTER FROM THE BOARD

The Directors have reviewed all the comparable companies and found that all of them fulfil the above criteria. Therefore, the Directors consider that the comparable companies are representative and the number of the comparable companies is sufficient.

Based on the above, the Directors are of the view that the selection of the comparable companies is fair and reasonable.

The calculation of the appraised value of the entire equity interest of the Target Group

The Directors noted that the appraised value of the entire equity interest of the Target Group is calculated with reference to (i) the latest 12-month sales of the Target Group; (ii) the median of EV/Sales multiple of the comparable companies; (iii) cash of the Target Group; and (iv) net non-operating liabilities of the Target Group.

The latest 12-month sales is calculated by the revenue for the nine months ended 30 September 2022 plus the revenue for the three months ended 31 December 2021. The Directors consider the calculation of the latest 12-month sales the Target Group is fair and reasonable.

In respect of the adoption of the median of EV/Sales multiple of the comparable companies, the Valuer considered that adopting the median of EV/Sales multiple of the comparable companies is more reasonable than adopting the average of the same since the median is less affected by outliers and skewed data. The Directors concur with the Valuer's view and consider the adoption of the median of EV/Sales multiple of the comparable companies is fair and reasonable.

Directors' view on the Consideration

Based on the Directors' assessment on the Valuation as mentioned above, the Directors are of the view that the consideration of the Sale Shares is fair and reasonable.

Regarding the consideration of the Indebtedness, since it is determined with reference to and is equal to the net book value of the Indebtedness, the Directors consider that the consideration of the Indebtedness is fair and reasonable.

In view of the above, the Directors consider that the Consideration is fair and reasonable and on normal commercial terms.

LETTER FROM THE BOARD

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 Latest Practicable Date, the Purchaser is ultimately controlled by Mr. Woo and Mr. Ma as to 90% and 10% respectively.

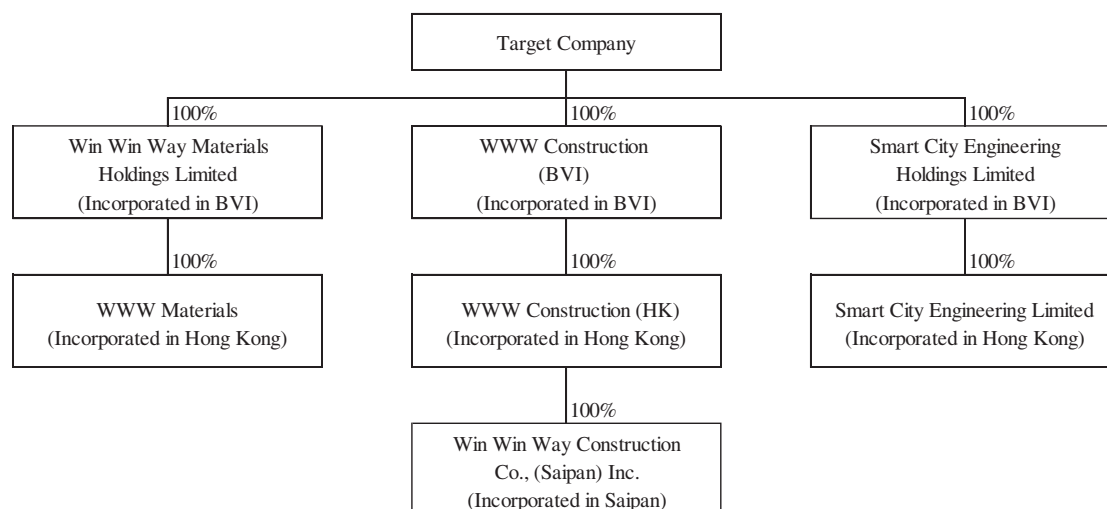
Mr. Woo, a Hong Kong citizen, has accumulated extensive experience in the project management of the construction projects in Hong Kong.

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 Latest Practicable Date.

INFORMATION OF THE TARGET GROUP

The following chart sets out the shareholding structure of the Target Group as at the Latest Practicable Date:



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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 forth the principal business of each subsidiary of the Target Company:

Subsidiary	Principal business
Win Win Way Materials Holdings Limited (Incorporated in BVI)	Investment holding
WWW Construction (BVI) (Incorporated in BVI)	Investment holding
Smart City Engineering Holdings Limited (Incorporated in BVI)	Investment holding
WWW Materials (Incorporated in Hong Kong)	Trading of piles
WWW Construction (HK) (Incorporated in Hong Kong)	Construction and engineering
Smart City Engineering Limited (Incorporated in Hong Kong)	Construction and engineering
Win Win Way Construction Co., (Saipan) Inc. (Incorporated in Saipan)	Construction and engineering

The following table sets forth the details of the construction projects on hand of the Target Group:

No.	Project	Commencement date	Expected completion date	Geographical location of operations
1	Residential development in Pok Fu Lam, Hong Kong	November 2019	March 2023	Hong Kong
2	Residential, commercial, and community facilities development in Sai Kung District, New Territories	August 2020	November 2023	Hong Kong

LETTER FROM THE BOARD

No.	Project	Commencement date	Expected completion date	Geographical location of operations
3	Residential, commercial, and community facilities development in Sai Kung District, New Territories	November 2020	November 2023	Hong Kong
4	Demolition works in Jardine's Lookout, Hong Kong	December 2020	December 2022	Hong Kong
5	Residential development in Mount Davis, Hong Kong	January 2021	December 2022	Hong Kong
6	Residential development in Tai Kok Tsui, Kowloon	March 2021	January 2024	Hong Kong
7	Residential development at the Peak, Hong Kong	February 2021	December 2022	Hong Kong
8	Development for a university, Kowloon	April 2021	February 2023	Hong Kong
9	Residential development in Wanchai, Hong Kong	July 2021	February 2023	Hong Kong
10	Residential development in Jardine's Lookout, Hong Kong	September 2021	March 2023	Hong Kong
11	Development of community facilities in Tsuen Wan and Tuen Mun District, New Territories	July 2022	July 2023	Hong Kong
12	Residential development in Sheung Wan, Hong Kong	May 2022	October 2023	Hong Kong
13	Residential development in Ho Man Tin, Kowloon	July 2022	October 2023	Hong Kong
14	Saipan Project	May 2015	December 2023	Saipan

LETTER FROM THE BOARD

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

The following table sets forth the major assets and liabilities of the Target Group as at 31 December 2020, 31 December 2021, and 31 October 2022:

	As at		
	31 December	31 December	31 October
	2020	2021	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)
Trade receivables, deposits and other receivables	215,616	122,502	119,244
Contract assets	109,843	85,276	48,711
Cash and bank balances	28,656	6,521	2,075
Other assets	<u>27,266</u>	<u>869</u>	<u>358</u>
Total assets	<u>381,381</u>	<u>215,168</u>	<u>170,388</u>
Trade and other payables	99,198	95,475	92,054
Contract liabilities	14,600	7,393	14,446
Current tax liabilities	10,615	6,870	6,760
Amount due to the Company	83,985	54,437	54,437
Bank borrowings	60,078	–	2,536
Lease liabilities	<u>1,789</u>	<u>585</u>	<u>179</u>
Total liabilities	<u>270,265</u>	<u>164,760</u>	<u>170,412</u>
Net asset value/(Net liabilities)	<u>111,116</u>	<u>50,408</u>	<u>(24)</u>

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.

LETTER FROM THE BOARD

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. The Company will not hold any shares in the Target Company upon Completion.

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. Upon Completion, the assets of the Group will decrease by approximately HK\$170.4 million whereas the liabilities of the Group will decrease by approximately HK\$170.4 million.

The above financial impact is shown for illustrative purposes only. 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.

LETTER FROM THE BOARD

In addition, the Target Group has also reassessed the profitability of the existing projects as shown under the section headed “INFORMATION OF THE TARGET GROUP” above and the Directors have reviewed such assessment. Based on the available information as at the date of the Announcement, including (i) the anticipated working schedule and the remaining contract sum of the ongoing projects as discussed between the project owners and the Target Group for the period ending 31 March 2023; (ii) the cost to be incurred under the ongoing projects as estimated by the Target Group and assessed by the Company, it is expected that the ongoing projects will still incur net loss for the period ending 31 March 2023 due to the additional subcontracting charges and labor costs incurred for the purpose of catching up on the construction progress of the building construction projects as a result of the unexpected delay of their construction works under 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 the estimated net loss for the period ending 31 March 2023; 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.

LETTER FROM THE BOARD

As at the date of the Announcement, PHC Piles is the only type of piles under WWW Materials approved by the Buildings Department. 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, it is expected that more renewable energy power generation plants will be established following the promulgation of the Development Plan. Taking into account the potential demand for the construction of the above power generation plants and the extensive experience in the renewable energy industry of the Group, 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. It is expected that, upon the Completion, additional working capital will be allocated to the Renewable Energy Business as the upfront cost of the renewable energy construction projects in order to obtain more sizeable renewable energy construction projects in the future.

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.

LETTER FROM THE BOARD

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 would be required to abstain from voting if the Company convenes a general meeting for the approval of the Sale and Purchase Agreement and 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 Latest Practicable Date. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Disposal.

RECOMMENDATION

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.

Accordingly, if a general meeting were to be convened for the approval of the Sale and Purchase Agreement and the Disposal, the Board would recommend the Shareholders to vote in favour of the resolutions to approve the same at such general meeting.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board of
CT Vision S.L. (International) Holdings Limited
Ho Chun Kit Gregory
Chief executive officer and executive Director

1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for the year ended 31 December 2019 have been set out on pages 70 to 199 in the 2019 annual report of the Company which was published on 17 July 2020 on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also see below the link to the 2019 annual report of the Company:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0717/2020071700724.pdf>

The audited consolidated financial statements of the Group for the year ended 31 December 2020 have been set out on pages 76 to 195 in the 2020 annual report of the Company which was published on 24 December 2021 on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also see below the link to the 2020 annual report of the Company:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/1224/2021122400399.pdf>

The audited consolidated financial statements of the Group for the year ended 31 December 2021 have been set out on pages 86 to 199 in the 2021 annual report of the Company which was published on 28 April 2022 on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also refer to the link to the 2021 annual report of the Company:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042802243.pdf>

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2022 have been set out on pages 23 to 44 in the 2022 Interim Report which was published on 29 August 2022 on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also refer to the link to the 2022 Interim Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0829/2022082900439.pdf>

All the above annual reports and interim report of the Company have also been published on the website of the Company (www.ctvision994.com).

2. INDEBTEDNESS STATEMENT

Borrowings

As at 31 October 2022, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had no outstanding borrowings.

Lease liabilities

As at 31 October 2022, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had lease liabilities amounting to approximately as below:

	<i>HK\$</i>
Secured and guaranteed	3,253,000
Unsecured and unguaranteed	<u>5,937,000</u>
	<u><u>9,190,000</u></u>

As at 31 October 2022, secured and guaranteed lease liabilities consist of the solar power system and motor vehicles. The lease liabilities of solar power system amounting to approximately HK\$2,358,000 was secured by the trade receivables of approximately HK\$64,000, right-of-use asset of approximately HK\$3,811,000 and registered capital of a wholly-owned subsidiary amounting to RMB10,000,000, and guaranteed by the said subsidiary and Dr. Ho Chun Kit Gregory. Lease liabilities of approximately HK\$895,000 was secured by the right-of-use assets of approximately HK\$1,023,000 and partially guaranteed by Dr. Ho Chun Kit Gregory.

Guarantees and contingent liabilities

As at 31 October 2022, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had contingent liabilities in respect of performance bonds amounting to HK\$7,993,000.

Charges on Group assets

As at 31 October 2022, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the lease liability of a solar power system granted to the Group was secured by the trade receivables of approximately HK\$64,000 and registered capital of a wholly-owned subsidiary amounting to RMB10,000,000.

Save as disclosed above, the Group did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance (other than normal trade bills), acceptance credits, hire purchase commitments, outstanding convertible debt securities or other similar indebtedness, any guarantees or other material contingent liabilities at the close of business on 31 October 2022.

3. WORKING CAPITAL OF THE GROUP

The Directors, after due and careful enquiry, are of the opinion that after taking into account the Disposal, the present internal resources of the Group, and the banking and other facilities available to the Group, the Group will have sufficient working capital for at least 12 months from the date of this circular in the absence of unforeseeable circumstances.

4. MATERIAL ADVERSE CHANGE

As disclosed in the 2022 Interim Report, the loss attributable to the owners of the Company for 6M2022 amounted to approximately HK\$57.8 million, representing a decrease of 37.6% as compared to that of approximately HK\$42.0 million for the six months ended 30 June 2021. The increase in the loss attributable to the owners of the Company was primarily attributable to the combined effects of, among others:

- (i) the liquidated and ascertained damages claims for two construction projects under the Building Construction Business of approximately HK\$27.4 million. The above claims were disclosed as contingent liabilities in the financial statements of the Group as at 31 December 2021 and have been recognised as cost of revenue in the unaudited consolidated management accounts of the Group for 6M2022 based on the confirmation by the employers of the two construction projects. It has been agreed between the Group and the employers that such claims will be set off against the construction service fee to be paid by the above employers; and
- (ii) the decrease in revenue generated by the Building Construction Business for 6M2022 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.

Save as disclosed above, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Building Construction Business

Since the outbreak in late December 2021, the fifth wave of outbreak of the COVID-19 pandemic 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

Prospects

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.

Development plan of the Group

The following table sets forth the details of the projects on hand under the Renewable Energy Business as at the Latest Practicable Date:

No.	Project name	Contract sum (value-added tax included) <i>RMB'000</i>
1	Construction work for a wind power generation project in Shandong Province, the PRC	161,800
2	Construction work for a wind power generation project in Anhui Province, the PRC	36,011
3	Construction work for a photovoltaic power generation project in Anhui Province, the PRC	141,475
4	Construction work for a wind power generation project in Liaoning Province, the PRC	30,300
5	Construction work for a photovoltaic power generation project in Anhui Province, the PRC	42,001
6	Construction work for a wind power generation project in Jiangxi Province, the PRC	265,000
	Total	<u><u>676,587</u></u>

Taking advantage of the national policies, cost reductions and increased investment in the new energy market, the Group has the following implementation plan to achieve the sustainable growth in the Renewable Energy Business:

- (i) in September 2022, the Company entered into a memorandum of understanding in relation to the construction work for a photovoltaic power generation project in Jiangsu Province with a customer independent of the Group (the “**Customer A**”);
- (ii) it is expected that, in December 2022, Sichuan Yafei and a wholly owned subsidiary of Customer A will enter into a legally binding agreement in relation to the construction of 200-megawatt photovoltaic power generation project at an aggregate contract sum of approximately RMB119 million (value-added tax included);

- (iii) it is expected that Sichuan Yafei, Customer A, and a customer independent of the Group (the “**Customer B**”) will enter into a triparty memorandum understanding in relation to the construction of the solar panel system on the roof of the warehouses of the Customer B in the first quarter of 2023; and
- (iv) it is expected that Sichuan Yafei and a customer independent of the Group (the “**Customer C**”) will enter into a legally binding agreement in relation to the construction of 200-megawatt photovoltaic power generation project in Guangdong Province, the PRC, in the third quarter of 2023.

E-commerce business

The development of digital agriculture, which involves off-farm services to the agriculture industry such as e-commerce platforms, in the PRC 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. Along with the robust development of digital agriculture and the support of the cold chain logistics service provided by the Group, the Group believes that it is able to provide one-stop services, including refrigeration of the agricultural products and the provision of sale platform for the above products, to the customers in the agriculture industry and solicit customers who have stringent requirements to preserve the products such as fresh agricultural produce. The Group will seize the opportunity brought about by the promotion of digitalisation of agriculture in the PRC to serve the national development strategy and to expand more business opportunities for the Group’s 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**”). Huaji Science and Technology harvests fish. When the fish are harvested, the Group assists Huaji Science and Technology to (i) refrigerate and store the fish; (ii) distribute the fish products via the Group’s e-commerce platform; and (iii) deliver the fish products to the customers with cold chain. Under the above memorandum, 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 Company intends to leverage on the technological properties of Huaji Science and Technology, including but not limited to intelligent vessels, port intelligence, and satellite emergency dispatch business to monitor the fishery conditions of Huaji Science and Technology and promptly response to its requirements on the preservation of the fishery products. Along with the technological advantages of two subsidiaries of the Company, namely, Zhejiang CT Shunlian Network Technology Company Limited (浙江中宏順聯網絡科技有限公司) and Heimao 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, including (i) refrigeration of the agricultural products, (ii) delivery of agricultural products within a desired low-temperature range, and (iii) the provision of sale platform for the above products, the Group is able to streamline its e-commerce business by providing cold chain supply services to Huaji Science and Technology to fulfill its requirements to preserve the fishery products before they were sold to the consumers. It is expected that the above business model will bring about synergies between Huaji Science and Technology and the Group and inject new growth momentum into the Group.

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), 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 VIIITS-10 Bid”.

Summary

Looking forward, in order to sustain the business development of the Group, the Group will:

- (i) seek suitable investment opportunities to streamline the business operation of the Group by vertical integration; and
- (ii) proactively evaluate the new technologies which might impose significant impact on the Group’s business to respond to the potential market changes and challenges.

* For identification purpose only

The following is the text of a valuation report prepared for the inclusion in this document received from International Valuation Limited, an independent valuer, in connection with the valuation in respect of 100% equity interest of Win Win Way Investment Holdings Limited.



INTERNATIONAL VALUATION LIMITED
國際評估有限公司

December 23, 2022

The Board of Directors

CT Vision S.L. (International) Holdings Limited

Room Nos. 808-814, 8th Floor,
Sun Hung Kai Centre,
30 Harbour Road,
Wanchai, Hong Kong

Ref: 20222074

Dear Sir and Madam,

DESCRIPTION OF THE ASSIGNMENT

International Valuation Limited (“**IVL**”) has concluded its analysis on the 100% equity interest in Win Win Way Investment Holdings Limited (the “**Target Company**”) and its subsidiaries (the “**Target Group**”). The purpose of this engagement is to estimate the market value of the 100% equity interest in the Target Group as of September 30, 2022 (the “**Valuation Date**”).

Our work is designed solely to assist the management (the “**Management**”) of CT Vision S.L. (International) Holdings Limited (the “**Company**”) and its subsidiaries (together as the “**Group**”) to determine the market value of the 100% equity interest in the Target Group as of the Valuation Date for major transaction reference purpose.

The report was prepared in accordance with International Valuation Standards 2022. In estimating the market value of the equity interest appraised under this engagement, our efforts will be based on the following description of market value: “*Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.*” Unless otherwise noted, the market value of the 100% equity interest in the Target Group is determined on majority shares and going concern bases.

The procedures used in our analysis included such substantive steps, as we considered necessary, including, but not necessarily limited to, the following:

- Discussions with the Management concerning the history and future operations of the Target Group;
- Discussions with the Management to obtain an explanation and clarification of data provided;
- Development of valuation model to value the Target Group, including gathering market and industry information in support of various assumptions;
- Discussions with the Management to:
 - Understand in more detail of the Target Group;
 - Gain a more thorough understanding of the nature and operations of the Target Group including the estimated market trends;
- Analysis of conditions in, and the economic outlook for, the industry in the territory in which the Target Group operates; and
- Analysis of other facts and data considered pertinent to this valuation to arrive at a conclusion of the equity value of the Target Group.

In the course of our valuation, we used financial and other information provided by the Management. We also used financial and other information obtained from private and public sources we considered reliable, and our conclusions are dependent on such information as being complete and accurate in all material respects.

SOURCES OF INFORMATION

As part of our due diligence, we relied upon information and documents furnished to us by the Management, including the following:

- General descriptions and background of the Target Group;
- Share purchase agreement entered into by the Group in relation to the disposal of 100% equity interest in the Target Group;
- Announcement of the Company in relation to the disposal of 100% equity interest in the Target Group; and
- Unaudited management accounts of the Target Group for the three months ended December 31, 2021 and the nine months ended September 30, 2022.

Other information regarding the industry and economic outlook, as well as additional financial data was obtained from sources deemed to be reliable. In addition, we have discussed with the Management concerning the financial and general outlook of the Target Group.

In the course of our valuation, we relied on the financial and other information provided by the Management, and have considered such information and data as attainable and reasonable. We have no reason to believe that any material facts have been withheld from us, however, we do not warrant that our investigations have revealed all of the matters, which an audit or more extensive examination might disclose.

We also used financial and other information obtained from private and public sources we considered reliable, and our conclusions are dependent on such information as being complete and accurate in all material respects.

PURPOSE OF APPRAISAL

IVL acknowledges that this report is prepared solely to assist the Management to determine the market value of the 100% equity interest in the Target Group as of the Valuation Date. We understand that this report would be made available for major transaction reference purpose only. No other use of our valuation report is intended or should be inferred.

We assume no responsibility whatsoever to any person other than the Group in respect of, or arising out of, the contents of this report. If others chose to rely in any way on the contents of this report they do so entirely on their own risk.

OVERVIEW OF THE TARGET GROUP

Business Descriptions

The Target Company is an investment holding company incorporated under the laws of the British Virgin Islands with limited liability on July 31, 2015. The Target Group, through its subsidiaries, is primarily engaged in:

- a) Building construction business: provision of foundation works and ancillary services and general building works to customers in Hong Kong and Saipan; and
- b) Sales of piles to customers in Hong Kong (No revenue since 2020 as advised by the Management).

Economic Overview

Overview of Hong Kong Economy

POLITICAL STABILITY: The Chief Executive, Mr. John Lee, delivered the 2022 Policy Address speech in the Legislative Council on 19 October 2022. The Policy Address covered different areas including: enhancing the governance and civil service management systems, attracting strategic enterprises and quality talents to Hong Kong, fostering the development of targeted industries and dovetailing with the National strategies including the 14th Five-Year Plan, the Greater Bay Area development and the Belt and Road Initiative.

ECONOMIC GROWTH: In the Half-yearly Economic Report 2022 published by the Hong Kong government, the Hong Kong economy has improved slower than expected in the second quarter of 2022. Real gross domestic product (“**GDP**”) decreased 1.3 percent year-on-year moderately after contracting by 3.9 percent in the preceding quarter. The improvement can be explained by relaxed local epidemic situation and related government measures, yet the softened momentum could be due to tightened financial conditions in view of weakened global economy and increase in COVID-19 cases.

INFLATION: Based on the Census and Statistics Department, the annual inflation rate in Hong Kong skyrocketed to 4.5 percent in September 2022 from 1.9 percent in August 2022. In the monthly report on the Consumer Price Index (“**CPI**”), electricity, gas and water showed the largest increase in Composite CPI of 14.5 percent; 6.4 percent for housing and 4.3 percent for basic food in September 2022, compared with September 2021.

EXCHANGE RATE: Hong Kong dollar had weakened to HKD7.8657: USD1 on September 30, 2022 from HKD7.7864: USD1 on September 30, 2021.

EXTERNAL SECTOR: According to the Half-yearly Economic Report 2022, the external environment worsened sharply in the second quarter of 2022. Total exports of goods decreased by 8.6 percent year-on-year in real terms in which widened from a 4.5 percent decline in the preceding quarter. Exports of services reverted to a mild year-on-year increase of 2.3 percent in real terms from a 2.9 percent decline in the preceding quarter. Based on the Census and Statistics Department, Hong Kong’s net external financial assets amounted to HKD14,804.5 billion at the end of the second quarter of 2022 which took 5.2 times of GDP, compared with HKD15,598.1 billion at the end of the first quarter of 2022 which took 5.5 times of GDP. Hong Kong’s net external financial assets to GDP ratio is one of the largest in the world, which provides the economy with a strong cushion against sudden external shocks.

Industry Overview

Along with global recovery from the COVID-19 impact, the local construction industry has gradually returned to normal and has restored growth from the outbreak of the fourth and fifth waves of pandemic in Hong Kong. According to the Consensus and Statistics Department, in the second quarter of 2022, the total gross value of construction works (“GVCW”) performed by main contractors summed to HKD59.5 billion which was an 8 percent increase over the previous year. The GVCW performed at public sector sites was HKD22.8 billion and that at private sector sites was HKD15.2 billion. Both sectors have shown an increase of 33.9 percent and 10.2 percent in nominal terms over the previous year respectively. For construction works performed by main contractors at locations other than construction sites, including new construction activities and decoration, building and electrical equipment installation, repair and maintenance, had GVCW amounted to HKD21.5 billion, which has decreased by 11.5 percent in nominal terms compared with a year earlier.

In the report on the quarterly survey of construction output published by Census and Statistics Department, site formation and clearance performed by main contractors amounted to HKD1,671 million in the second quarter of 2022, which decreased from HKD1,879 million in the first quarter of 2022 and recorded a 43.8 percent year-on-year decrease.

DEFINITION OF VALUE

The report was prepared in accordance with International Valuation Standards 2022. In estimating the market value of the equity interest appraised under this engagement, our efforts will be based on the following description of market value: “*Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.*” Unless otherwise noted, the market value of the 100% equity interest in the Target Group is determined on majority shares and going concern bases.

GENERAL VALUATION OVERVIEW

The methods commonly used to develop approximate indications of value for a business or assets are the Income, Market, and Cost Approaches.

Income Approach

The Income Approach focuses on the income-producing capability of a business or asset. The Income Approach measures the current value of a business or asset by calculating the present value of its future economic benefits such as cash earnings, cost savings, tax deductions, and proceeds from disposition. Value indications are developed by discounting expected cash flows to their present value at a rate of return that incorporates the risk-free rate for the use of funds, the expected rate of inflation, and risks associated with the particular investment. The discount rate selected is generally based on rates of return available from alternative investments of similar type and quality as of the valuation date.

Market Approach

The Market Approach measures the value of a business or asset through an analysis of recent sales or offerings of comparable businesses or assets. Adjustments are made to account for differences between the subject business or asset being valued and the comparable businesses or assets used in the analysis.

It is employed in the valuation of the asset for which there is a known used market. Under the premise of continued use assuming adequate earnings, consideration is given to the cost to acquire similar items in the second-hand market; an allowance then is made to reflect the costs for freight and installation.

Cost Approach

The Cost Approach measures the value of a business or asset by the cost to reconstruct or replace it with another of like utility. To the extent that the assets being valued provide less utility than new assets, the reproduction or replacement cost new would be adjusted to reflect appropriate physical deterioration, functional obsolescence, and economic obsolescence. The Cost Approach recognizes that a prudent investor would not ordinarily pay more for property or an asset than the cost to replace them new.

Selected Approach

In developing our opinions, we considered all three approaches to value for the asset types and chose the most appropriate approach or approaches for each. Our conclusions rely on the approaches judged to be most appropriate for the purpose and scope of our analysis, as well as the nature and reliability of the data available to us.

In estimating the market value of the equity interest in the Target Group, we relied primarily on the Market Approach. Under the Market Approach, we relied on the trading multiples of publicly traded guideline companies of the Target Group. The Market Approach benchmarked the Target Group's equity value to the publicly trading entities by looking into their financial performances. Not only could the Market Approach reflect the current market's investment preferences or investment habitat, but also provide up-to-date public market information allowing the Management to make a more informative decision.

The Cost Approach was not adopted as it may not be able to reflect the expected future economic benefits of an income-generating business. The Income Approach is also not adopted since prospective financial projection at market participants' point of view, which is subject to a number of assumptions and contingent factors, was not reliably available. In view of the deteriorating financial performance of the Target Group, the Management has discontinued the ongoing investment into the Target Group and there was no business development plan to form a reasonable basis for the prospective financial projection.

ESTIMATION OF THE MARKET VALUE OF 100% EQUITY INTEREST IN THE TARGET GROUP

Introduction

In this section of our report, we describe our valuation analysis utilized to arrive at a concluded market value of the 100% equity interest in the Target Group.

Valuation Approach

The Market Approach uses direct comparisons to other enterprises and their equity securities to estimate the market value of the common shares of privately issued securities. The Market Approach bases the market value measurement on what other similar enterprises or comparable transactions indicate the value to be. Under this approach, investment by unrelated parties in comparable equity securities of the subject enterprise or transactions in comparable equity securities of comparable enterprises is examined. One commonly used "market comparables" method is the guideline public company method.

To adopt the guideline public company method under the Market Approach, we have to determine the appropriate valuation multiples of comparable companies, in which we have considered enterprise value-to-sales ("EV/Sales"), price-to-sales ("P/S"), enterprise value-to-earnings before interest and tax ("EV/EBIT"), enterprise value-to-earnings before interest, tax, depreciation and amortization ("EV/EBITDA"), price-to-earnings ("P/E") and price-to-book ("P/B") multiples.

P/B multiple was not adopted because the profitability or the earning potential of the Target Group could not be considered, and the Target Group did not possess significant fixed assets as of the Valuation Date. P/E, EV/EBIT and EV/EBITDA multiples were not adopted as the Target Group recorded net losses, negative EBIT and negative EBITDA based on the unaudited management account of the Target Group for the three months ended December 31, 2021 and the nine months ended September 30, 2022. EV/Sales multiple was preferred over P/S multiple since it could take into account of the differences in capital structure between the Target Group and the comparable companies. Therefore, we have employed EV/Sales multiple in the valuation for the Target Group as of the Valuation Date.

In arriving at the enterprise value (“EV”) of the comparable companies, market capitalization of the comparable companies have been adjusted by their respective preferred stock, debt, minority interest, and cash and cash equivalents, with formula as below:

Enterprise value = Market capitalization + Preferred stock + Debt + Minority interest – Cash and cash equivalents

Since EV is the value of a company’s operations to all providers of capital, it is considered a “capital structure neutral” metric. Unlike market capitalization, enterprise value is less affected by the discretionary financing decisions of a company’s management. It reflects the value of the core operations of a business regardless of how it is financed. Hence, EV/Sales multiple was preferred over P/S multiple, as it allows for a better comparison between the Target Group and the comparable companies with different capital structures.

The selection of guideline companies is by understanding the principal business of the valuation target and search for public companies with businesses as similar with the valuation target as possible. Generally speaking, companies in the same geographical location are preferred, followed by expansion to other geographical locations if same geographic location yield no meaningful results.

We searched for listed companies with business scopes and operations similar to those of the Target Group as comparable companies on best-effort basis with reference to the following selection criteria:

- The companies are principally engaged in foundation works, ancillary services and general building works in Hong Kong, which is close to the Target Group’s business;
- Over 50% of the total revenue of the companies were generated from foundation works, ancillary services and general building works in Hong Kong in its preceding financial year; and
- The companies actively listed in Hong Kong with more than two years’ listing history.

The following table presents the comparable companies adopted in the valuation of 100% equity interest in the Target Group:

Comparable Companies	Business Descriptions
Ri Ying Holdings Ltd (1741 HK EQUITY)	Ri Ying Holdings Limited provide engineering services. The company offers foundation construction, site formation construction, and other related services. Ri Ying Holdings serves customers in Hong Kong.
Asia Allied Infrastructure Holdings Ltd (711 HK EQUITY)	Asia Allied Infrastructure Holdings Limited provides engineering services. The company offers civil engineering, electrical and mechanical engineering, foundation and building construction services, and other services. Asia Allied Infrastructure Holdings also provides property management services.
Tysan Holdings Ltd (687 HK EQUITY)	Tysan Holdings Limited provides construction services. The company, through its subsidiaries, provides foundation piling services, electrical and mechanical engineering, and building construction. Tysan Holdings also trades machinery, provides property management services, and invests in real estate.
OKG Technology Holdings Ltd (1499 HK EQUITY)	OKG Technology Holdings Limited operates as a construction company. The company provides foundation works, ancillary services, and construction wastes handling services. OKG Technology Holdings also through its subsidiaries, explore new opportunities in the areas of information technologies and financial technologies around the globe.
Yee Hop Holdings Ltd (1662 HK EQUITY)	Yee Hop Holdings Ltd provides engineering services. The company works on government and private projects including foundations, roads, and infrastructure.
China Hongbao Holdings Ltd (8316 HK EQUITY)	China Hongbao Holdings Limited operates as a subcontractor. The company primarily conducts foundation works, lateral support engineering, pile engineering, and other projects. China Hongbao Holdings provides its services throughout China.

Comparable Companies	Business Descriptions
NEW Concepts Holdings Ltd (2221 HK EQUITY)	New Concepts Holdings Limited is contractor principally engaged in foundation, civil engineering and general building works in Hong Kong.
Chinney Kin Wing Holdings Ltd (1556 HK EQUITY)	Chinney Kin Wing Holdings Ltd. operates as a construction company. The company conducts foundation works, investigation field works, and site formation works.
Dragon Rise Group Holdings Ltd (6829 HK EQUITY)	Dragon Rise Group Holdings Limited provides general contracting services. The company offers foundation construction, site formation and clearance, disposal of excavated materials, installation of bored piles, and steel fixing services. Dragon Rise Group serves clients in Hong Kong.
In Construction Holdings Ltd (1500 HK EQUITY)	In Construction Holdings Limited, through its subsidiaries, is a general and foundation contractor serving the Hong Kong building and construction industries. The company is a specialist contractor in the categories of foundation, demolition, site formation and ground investigation field works, and registered general building contractor with the Buildings Department.
Kwong Luen Engineering Holdings Ltd (1413 HK EQUITY)	Kwong Luen Engineering Holdings Limited operates as a foundation works contractor. The company contracts pile cap works, underground drainage works, site formation works, and others. Kwong Luen Engineering Holdings provides its services throughout Hong Kong.
KH Group Holdings Ltd (1557 HK EQUITY)	KH Group Holdings Ltd is a registered contractor foundation.

Comparable Companies	Business Descriptions
Ling Yui Holdings Ltd (784 HK EQUITY)	Ling Yui Holdings Limited operates as a holding company. The company, through its subsidiaries, provides foundation works including pile cap construction, site formation, pipe wall installation, excavation, underground drainage, and other ancillary services. Ling Yui Holdings serves customers in Hong Kong.
Wan Kei Group Holdings Ltd (1718 HK EQUITY)	Wan Kei Group Holdings Limited is principally engaged in providing foundation and ground investigation field works in Hong Kong.
Sam Woo Construction Group Ltd (3822 HK EQUITY)	Sam Woo Construction Group Limited is a contractor in the Hong Kong foundation industry. The company is principally engaged in the provision of (i) foundation works, including the construction of bored piles, rock socketed H-piles and excavation and lateral support works; and (ii) ancillary services, including site investigation and removal of installed piles.
Sheung Yue Group Holdings Ltd (1633 HK EQUITY)	Sheung Yue Group Holdings Limited operates as a holding company. The company, through its subsidiaries, designs, undertakes, and services foundation infrastructure construction projects. Sheung Yue Group serves customers in Hong Kong and Macau.
Wing Chi Holdings Ltd (6080 HK EQUITY)	Wing Chi Holdings Limited provides foundation and site formation services. The company offers pile caps construction, machinery leasing, engineering, and excavation services. Wing Chi Holdings serves clients in Hong Kong.

Comparable Companies	Business Descriptions
Vicon Holdings Ltd (3878 HK EQUITY)	Vicon Holdings Limited is a specialist foundation contractor and focuses on design-and-build foundation projects in the Hong Kong private sector. Its foundation projects involve different types of construction works, such as piling construction, ELS works and pile cap construction in Hong Kong. It also engages in the provision of construction services including leasing of construction machinery.
Basetrophy Group Holdings Ltd (8460 HK EQUITY)	Basetrophy Group Holdings Limited provides construction engineering services. The company offers foundation works engineering, site formation works engineering, and other services. Basetrophy Group Holdings operates businesses in Hong Kong.
WT Group Holdings Ltd (8422 HK EQUITY)	WT Group Holdings Limited provides engineering services. The company offers building, decoration, cultural relic, and protection engineering, as well as foundation works, site formation, and other related services. WT Group Holdings serves customers in Hong Kong.

Source: Bloomberg and annual reports of the comparable companies

We are not aware of any other comparable companies satisfying the selection criteria but not selected in our valuation. Hence, the comparable companies adopted are considered exhaustive.

Below are the EV/Sales multiples of the comparable companies as of the Valuation Date as extracted from Bloomberg to arrive at the market value of the Target Group.

Comparable Companies	EV/Sales Multiple
Ri Ying Holdings Ltd (1741 HK EQUITY)	(Note 2) 4.999 x
Asia Allied Infrastructure Holdings Ltd (711 HK EQUITY)	0.357 x
Tysan Holdings Ltd (687 HK EQUITY)	0.222 x
OKG Technology Holdings Ltd (1499 HK EQUITY)	(Note 2) 3.018 x
Yee Hop Holdings Ltd (1662 HK EQUITY)	0.945 x
China Hongbao Holdings Ltd (8316 HK EQUITY)	(Note 2) 5.543 x
NEW Concepts Holdings Ltd (2221 HK EQUITY)	0.601 x
Chinney Kin Wing Holdings Ltd (1556 HK EQUITY)	(Note 1) N/A
Dragon Rise Group Holdings Ltd (6829 HK EQUITY)	0.191 x
In Construction Holdings Ltd (1500 HK EQUITY)	0.142 x
Kwong Luen Engineering Holdings Ltd (1413 HK EQUITY)	0.265 x
KH Group Holdings Ltd (1557 HK EQUITY)	0.500 x
Ling Yui Holdings Ltd (784 HK EQUITY)	0.475 x
Wan Kei Group Holdings Ltd (1718 HK EQUITY)	(Note 1) N/A
Sam Woo Construction Group Ltd (3822 HK EQUITY)	0.304 x
Sheung Yue Group Holdings Ltd (1633 HK EQUITY)	0.638 x
Wing Chi Holdings Ltd (6080 HK EQUITY)	0.156 x
Vicon Holdings Ltd (3878 HK EQUITY)	0.476 x
Basetrophy Group Holdings Ltd (8460 HK EQUITY)	0.322 x
WT Group Holdings Ltd (8422 HK EQUITY)	(Note 1) N/A
Median	0.475 x
Average (excluding outliers)	0.400 x

Source: Bloomberg

Note 1: The company recorded negative enterprise value in the latest financial year as of the Valuation Date.

Note 2: Assuming any EV/Sales multiple beyond ± 1 standard deviation is considered as an outlier.

Based on our observation of the EV/Sales multiples of comparable companies above, there are several apparently high values that might be outliers. As shown in the table above, the average of EV/Sales multiples (excluding outliers) is 0.400 x, which is close to the median of the same of 0.475 x. While both average and median are common measures of central tendency, median is preferred over average as it is less affected by outliers and skewed data.

We multiplied the median EV/Sales multiple of the comparable companies as of the Valuation Date to the latest 12-month sales of the Target Group to arrive at the enterprise value of the Target Group. The latest 12-month sales was based on the unaudited management accounts of the Target Group for the three months ended December 31, 2021 and the nine months ended September 30, 2022. We then adjusted the derived enterprise value of the Target Group with net cash/(debt) and non-operating assets/(liabilities) to arrive at the equity value of the Target Group. Furthermore, we adjusted the derived equity value of the Target Group with discount for lack of marketability (“**DLOM**”) and control premium to account for the fact that the Target Group is a private group as of the Valuation Date and the subject equity interest is on controlling basis.

Discount for Lack of Marketability (“DLOM”)

The value of privately held shares is not directly comparable to the value of publicly traded securities. This is due to the fact that shareholders of privately held companies do not have the same access to trading markets that shareholders of publicly traded companies enjoy. Therefore, the market value of the ordinary shares must be adjusted to reflect its lack of liquidity and ready market.

A number of research studies including restricted stock studies have attempted to quantify marketability discounts. Restricted stock studies are performed by comparing the prices at which a restricted stock trades vis-à-vis its publicly traded counterpart. A restricted stock is one that is identical to its company’s publicly traded issue but carries a short-term restriction on marketability. In the case of transfers of restricted stock, these studies provide evidence for the application of a discount placed on illiquid investments.

Based on Stout Restricted Stock Study Companion Guide 2021 published by Stout Risius Ross, LLC, a DLOM of approximately 20.6% has been adopted.

Control Premium

A control premium is the premium an investor is willing to pay in addition to a marketable majority equity value to obtain controlling interest in a business subject. The value derived from the comparable companies represents minority interests, therefore adjustment has been made to reflect the degree of control associated with the 100% equity interest in the Target Group.

Based on Mergerstat Control Premium Study published by FactSet Mergerstat, LLC, a control premium of approximately 27.4% has been adopted.

Summary of Calculation

Details of the calculation of the market value of the Target Group using EV/Sales multiple was illustrated as follows:

As of September 30, 2022

	<i>HKD</i>
Latest 12-month Sales	94,466,000
Multiply: Median Market Multiple as of the Valuation Date	0.475 x
Enterprise Value (Note)	44,916,390
Add: Cash	1,988,003
Less: Debts	0
Add/Less: Non-Operating Assets/(Liabilities)	(61,019,758)
Equity Value (marketable and minority basis)	0
Add: Control Premium	0
Less: DLOM	0
Market Value of 100% Equity Interest in the Target Group	0

Note: The total may not sum up or variation due to rounding.

The non-operating liabilities of HKD61,019,758 of the Target Group as of September 30, 2022 mainly comprised of the amount due to the Company. Details are shown as follows:

Non-Operating Liabilities	<i>HKD</i>
Deferred tax liability	123,455
Amounts due to the Company	54,136,592
Tax payable	6,759,712
Total	61,019,758

Note: The total may not sum up due to rounding.

We have been advised by the Management that the amount due to the Company as of September 30, 2022 was the indebtedness owing by the Target Group to the Company as of the Valuation Date. It was obligated to be settled by the Target Group, rather than being considered as working capital of the Target Group. Hence, it was classified as non-operating liabilities and the enterprise value of the Target Group was adjusted by such amount in arriving at its equity value.

Major Assumptions

In this appraisal, a number of assumptions have to be made in order to sufficiently support our concluded value of the Target Group. Any deviation from the below major assumptions may significantly vary the valuation result. The major assumptions adopted in this appraisal are:

- Unaudited management accounts of the Target Group for the three months ended December 31, 2021 and the nine months ended September 30, 2022 as provided by the Management can reasonably represent its financial position and performance of the Target Group as of the Valuation Date since audited financial accounts as of the Valuation Date was not available;
- There will be no major changes in the current taxation laws in the territories (the “Territories”) in which the Target Group operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;
- There will be no major changes in the political, legal, economic or financial conditions in the Territories in which the Target Group operates or intends to operate, which would adversely affect the revenues attributable to and the profitability of the Target Group;
- The Target Group will retain and have competent management, key personnel, and technical staff to support its ongoing operation;
- All relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Target Group operates or intends to operate has or would be officially obtained and renewable upon expiry;
- Industry trends and the market conditions for related industries will not deviate significantly from economic forecasts; and
- All information and representations provided by the Management, for which they are solely and wholly responsible for are true, accurate and complete in all material respect.

Conclusion of Value

Based on the information provided and the analysis conducted, and subject to the Major Assumptions and Statement of Limiting Conditions, our opinion of the market value of the 100% equity interest in the Target Group as of September 30, 2022 is reasonably represented in the amount of approximately, **HONG KONG DOLLAR NIL (HKD0)**.

This report and the observations and analyses are intended solely for use by the Group for the purpose of assisting the Management of the Group to assess the market value of the 100% equity interest in the Target Group as of the Valuation Date and are not to be reproduced, disseminated or disclosed, in whole or in part, to any other party except in accordance with the terms of our engagement letter. The information contained in this report may include proprietary, sensitive and confidential information that has not been publicly disclosed. Release of this information to any other party could be damaging to the Group.

Yours faithfully,
For and on behalf of
International Valuation Limited

Prepared and analyzed by:
Winnie Lam, CFA
Andy Chan, FRM

Ms. Winnie Lam has more than ten years of experience in valuation and financial analyses, including business valuation, valuation of intangible assets, financial instruments, natural resources projects and purchase price allocation. Ms. Lam is a charter holder of Chartered Financial Analyst (CFA) and she graduated from the Hong Kong University of Science and Technology with a Bachelor of Business Administration, double-major in finance and management of organizations.

Mr. Andy Chan has about three years of experience in valuation and financial analyses, including business valuation, valuation of intangible assets, financial instruments and purchase price allocation. Mr. Chan is a certified FRM and he graduated from the University of Hong Kong with a Bachelor of Science, major in risk management and minor in mathematics.

STATEMENT OF LIMITING CONDITIONS

This analysis is subject to the following limiting conditions:

1. This appraisal report cannot be included or referred to in any prospectus, offering memo, loan agreement, registration statement, regulatory authority filings, legal and court proceedings or other public documents without prior written consent from International Valuation Limited (“IVL”).
2. This report has been made only for the purpose stated and shall not be used for any other purpose. The information contained in this report is specific to the needs of the Group and for the intended use stated in this report. Neither IVL nor the appraiser is responsible for unauthorized use of this report. Neither this report nor any portions thereof (including, without limitations, any conclusions, the identity of IVL or any individuals signing or associated with this report, or the professional associations or organizations with which they are affiliated) shall be disseminated to third parties other than the Group, its financial accounting firm and attorneys, regulatory authorities, by any means without the prior written consent and approval of IVL. We assume no responsibilities or liabilities for any losses incurred as a result of unauthorized circulation, publication or reproduction of this report in any form and/or if used contrary to the purpose stated therein.
3. Information furnished by others or taken from Group’s reports and records, standard reference manuals, publications and other sources, upon which all or portions of this report are based, is believed to be reliable, but has not been verified in all cases. No warranty is given as to the accuracy of such information. We do not accept any responsibilities for any errors or omissions in the information or any consequence liabilities arising from commercial decision or actions resulting from them.
4. IVL assumes no responsibility for legal matters including interpretations of either the law or contracts. No investigation has been made of, and no responsibility is assumed for, the legal description, or for legal matters regarding the valuation subject.
5. No responsibility is taken for changes in market conditions and no obligation is assumed to revise this report to reflect events or conditions, which occur subsequent to the valuation date hereof.
6. The date of value to which the estimate, conclusions and opinion expressed in this report applies is set forth in the beginning of this report. This appraisal is valid only for the valuation date indicated. Our value opinion is based on the purchasing power of the reporting currency as of this date. The opinion of value is estimated based on the financial conditions prevailing as of the date of this appraisal.

7. For events that occur subsequent to the appraisal date hereof, no responsibility is taken and no obligation is assumed to revise this report to reflect the impact, if any, of these events or changing conditions as they may have upon the subject although we reserve the right to do so. Neither IVL nor any individual signing or associated with this report shall be required by reason of this report to give further consultation, provide testimony or appear in court or other legal proceedings unless specific arrangements therefore have been made.
8. It is assumed that all required licenses, certificates, or other legislative or administrative authority from any local, or national government or private entity or organization have been, or can readily be obtained, or renewed for any use on which the value estimates provided in this report are based.
9. We have made no investigation of and assumed no responsibility for the ownership or any liabilities against the valuation subject. Responsible ownership and competent management are assumed.
10. Any allocation in this report of the total valuation among components of the valuation subject and the weighting of the reported values among the various appraisal approaches applies only to the program of utilization stated in this report. The separate values for any components or approaches may not be applicable for any other purpose and must not be used in conjunction with any other appraisal.
11. This appraisal report might not include full discussions of the data, reasoning, and analyses that were used in the valuation process to develop the appraiser's estimate of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the Group and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
12. Our valuation is only any an indicative quantum at which interests in the valuation subject might be reasonably be expected to be sold or disposed at the Valuation Date and may be different from the actual transacted price.
13. To the best of our knowledge and belief, the statements of fact contained in this report are true and correct; the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are impartial, and unbiased professional analyses, opinions, and conclusions.

14. Neither IVL nor any individual signing or associated with this report has any present or prospective interest in the valuation subject of this report and with respect to the parties involved. IVL or any individual signing or associated with this report has no bias with respect to the valuation subject of this report or to the parties involved with this assignment. The engagement in this assignment was not contingent upon developing or reporting predetermined results. The compensation of IVL or any individual signing or associated with this report for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the Group, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and Chief Executive's interests and short positions in shares, underlying shares and debentures

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company (the "**Chief Executive**") in the Shares or underlying shares or, as the case may be, the percentage in the equity interest and debentures of the Company or its associated corporations (within the meaning of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules (the "**Model Code**"), to be notified to the Company and the Stock Exchange were as follows:

Name of Director/ Chief Executive	Capacity	Total interests	Percentage of shareholding in the Company
Dr. Ho Chun Kit Gregory (Chief executive officer)	Beneficial owner	448,000	22.4%
Mr. Wu Rui	Beneficial owner	156,000	7.8%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or Chief Executive and their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Shareholders' and other persons' interests and short positions in Shares and underlying Shares

As at the Latest Practicable Date, so far as is known to the Directors, the persons or companies (other than the Directors and the Chief Executive) who/which had an interest or short position in the shares or underlying shares of the Company, which would fall to be disclosed under the provision of Divisions 2 and 3 of Part XV of the SFO, or which would be required, to be entered in the register required to be kept by the Company pursuant to section 336 of the SFO, are set out below:

Name of shareholder	Capacity	Number of Shares held	Percentage of shareholding in the Company
CT Vision Investment Limited	Beneficial interest	389,160,000	51.15%
Ms. Lin Zhiling (<i>Note 1</i>)	Interest in a controlled corporation	389,160,000	51.15%
Condover Assets Limited ("Condover Assets")	Beneficial interest	71,880,000	9.45%
Dr. Kan Hou Sek, Jim ("Dr. Kan") (<i>Note 2</i>)	Interest in a controlled corporation	71,880,000	9.45%
Mr. Lee Sai Man ("Mr. Lee") (<i>Note 3</i>)	Interest in a controlled corporation	71,880,000	9.45%
Mr. Wong Siu Kwai (<i>Note 4</i>)	Interest in a controlled corporation	71,880,000	9.45%
Ms. Poon Man Yee (<i>Note 5</i>)	Interest of spouse	71,880,000	9.45%
Ms. Sheba Kishinchand Daswani (<i>Note 6</i>)	Interest of spouse	71,880,000	9.45%
Ms. Ho Lai Kuen (<i>Note 7</i>)	Interest of spouse	71,880,000	9.45%
Forwin Credit Limited (<i>Note 8</i>)	Security interest in Shares	71,880,000	9.45%
Forwin Holding Limited (<i>Note 8</i>)	Security interest of controlled corporation	71,880,000	9.45%
BC Financial Group Limited (<i>Note 8</i>)	Security interest of controlled corporation	71,880,000	9.45%
Mr. Bian Ce (<i>Note 8</i>)	Security interest of controlled corporation	71,880,000	9.45%
Mr. Guo Min (<i>Note 8</i>)	Security interest of controlled corporation	71,880,000	9.45%
Mr. Guo Hongan	Beneficial interest	60,000,000	7.89%

Notes:

- Ms. Lin Zhiling beneficially owns 44.80% of the issued share capital of CT Vision Investment Limited. Therefore, Ms. Lin Zhiling is deemed, or taken to be, interested in all the Shares held by CT Vision Investment Limited for the purpose of the SFO.
- Dr. Kan beneficially owns 33 $\frac{1}{3}$ % of the issued share capital of Condover Assets. Therefore, Dr. Kan is deemed, or taken to be, interested in all the Shares held by Condover Assets for the purpose of the SFO.

3. Mr. Lee beneficially owns $33\frac{1}{3}\%$ of the issued share capital of Condover Assets. Therefore, Mr. Lee is deemed, or taken to be, interested in all the Shares held by Condover Assets for the purpose of the SFO.
4. Mr. Wong Siu Kwai beneficially owns $33\frac{1}{3}\%$ of the issued share capital of Condover Assets. Therefore, Mr. Wong Siu Kwai is deemed, or taken to be, interested in all the Shares held by Condover Assets for the purpose of the SFO.
5. Ms. Poon Man Yee is the spouse of Dr. Kan. Accordingly, Ms. Poon Man Yee is deemed, or taken to be, interested in all the Shares in which Dr. Kan is interested for the purpose of the SFO.
6. Ms. Sheba Kishinchand Daswani is the spouse of Mr. Lee. Accordingly, Ms. Sheba Kishinchand Daswani is deemed, or taken to be, interested in all the Shares in which Mr. Lee is interested for the purpose of the SFO.
7. Ms. Ho Lai Kuen is the spouse of Mr. Wong Siu Kwai. Accordingly, Ms. Ho Lai Kuen is deemed, or taken to be, interested in all the Shares in which Mr. Wong Siu Kwai is interested for the purpose of the SFO.
8. Based on the notifications filed to the Company, on 16 May 2022, 71,880,000 Shares were pledged to Forwin Credit Limited which is owned as to 50% by Mr. Bian Ce and 50% by BC Financial Group Limited, which is in turn wholly owned by Forwin Holding Limited, a company that is wholly owned by Mr. Guo Min. Therefore, Forwin Holding Limited, BC Financial Group Limited, Mr. Bian Ce and Mr. Guo Min are deemed to, or taken to be, interested in all the Shares held by Forwin Credit Limited for the purpose of the SFO.

Save as disclosed above, the Directors are not aware of any other persons or companies (other than the Directors and the Chief Executive) who/which had interests or short positions in the shares or underlying shares of the Company, which would fall to be disclosed under the provision of Division 2 and 3 of Part XV of the SFO or were required to be entered in the register required to be kept by the Company under section 336 of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or was proposing to enter into a service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective associates had any interests in a business, which competes or is likely to compete either directly or indirectly with the business of the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

5. DIRECTORS' INTEREST IN ASSETS

As at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any asset which have been, since 31 December 2021, being the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

6. DIRECTORS' INTEREST IN CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any contract or arrangement subsisting which is significant in relation to the business of the Group.

7. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries were engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

8. MATERIAL ADVERSE CHANGE

Save as disclosed in Appendix I-3, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2021, the date to which the latest published audited financial statements of the Company were made up.

9. EXPERTS AND CONSENTS

The following is the qualification of the expert who has given its opinion or advice which is contained or referred to in this circular:

Name	Qualification
International Valuation Limited	Independent valuer

As at the Latest Practicable Date, the independent valuer has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its letter and/or reference to its name, in the form and context in which they appear.

As at the Latest Practicable Date, the independent valuer did not have any shareholdings in the share capital of any member of the Group nor had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for the securities in any member of the Group.

As at the Latest Practicable Date, the independent valuer had not had any direct or indirect interests in any assets which have been, since 31 December 2021 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

10. MATERIAL CONTRACTS

The following contracts (not entered into in the ordinary course of business), which are or may be material, have been entered into by the Group within the two years immediately preceding the issue of this circular:

- (i) on 23 August 2021, WWW Construction (HK) and Well Famous International Investment Limited (“**Well Famous**”) entered into an agreement (the “**Agreement**”), pursuant to which WWW Construction (HK) has conditionally agreed to assign and novate all rights, titles, interests, benefits, covenants, liabilities, duties and obligations of WWW Construction (HK) in respect of the Saipan Project and the sub-contracts and/or contracts for the supply of goods associated with the Saipan Project to Well Famous at the consideration of HK\$179,584,366;

- (ii) On 2 November 2021, WWW Construction (HK) and Well Famous entered into a deed of termination to terminate the Agreement with immediate effect (the “**Termination Deed**”). With effect from the date of the Termination Deed, each of WWW Construction (HK) and Well Famous shall be fully released and discharged forthwith from their respective outstanding obligations (if any) under the Agreement and each of them has no further obligations or rights or any claims against the other under the Agreement;
- (iii) On 7 January 2022, WWW Construction (HK), Dr. Kan, Mr. Lee, and Win Win Way Investment Limited entered into a formal deed of agreement, pursuant to which each of Dr. Kan, Mr. Lee and Win Win Way Investment Limited jointly and severally agree to provide certain security in favour of WWW Construction (HK) for the due performance of the repayment obligation of Honest Profit International Limited of an outstanding amount of HK\$179,584,366 under a proposed settlement schedule; and
- (iv) the Sale and Purchase Agreement.

Save as disclosed above, no material contracts (not entered into in the ordinary course of business) have been entered into by the Company or any other its subsidiaries within two years immediately preceding the date of this circular.

11. MISCELLANEOUS

- (i) The company secretary of the Company is Mr. Lo Chun Man, who obtained the Degree of Master of Science in Professional Accountancy from University of London and Degree of Bachelor of Arts (Honours) in Accountancy from The Hong Kong Polytechnic University. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.
- (ii) The head office and principal place of business of the Company is at Room Nos. 808-814, 8th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.
- (iii) The Hong Kong branch share registrar and transfer office of the Company is Boardroom Share Registrars (HK) Limited at 31/F, 148 Electric Road, North Point, Hong Kong.
- (iv) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text thereof.

12. DOCUMENTS ON DISPLAY

Copies of the following documents are available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ctvision994.com) from the date of this circular up to and including the date which is 14 days from the date of this circular:

- (i) the Sale and Purchase Agreement;
- (ii) the written consent of expert referred to in the paragraph headed “9. EXPERTS AND CONSENTS” in this Appendix; and
- (iii) the valuation report of the Target Group, which is set out in Appendix II of this circular.