

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CT Vision S.L. (International) Holdings Limited

中天順聯(國際)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 994)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

ANNUAL RESULTS

The Board (the “**Board**”) of directors (the “**Directors**”) of CT Vision S.L. (International) Holdings Limited (the “**Company**”) announces the audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2022, together with comparative figures for the year ended 31 December 2021.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i> (Restated)
Continuing operations			
Revenue	3	213,379	207,144
Cost of revenue		<u>(198,290)</u>	<u>(182,981)</u>
Gross profit		15,089	24,163
Other income	5	1,433	1,479
Other gains and losses		(2)	(3)
Net impairment losses on trade receivables and contract assets		(3,892)	(518)
Selling and administrative expenses		<u>(51,337)</u>	<u>(64,754)</u>
Operating loss		(38,709)	(39,633)
Finance costs		<u>(1,360)</u>	<u>(1,223)</u>
Loss before income tax		(40,069)	(40,856)
Income tax expense	6	<u>(1,428)</u>	<u>(1,452)</u>
Loss for the year from continuing operations		(41,497)	(42,308)
Discontinued operations			
Loss for the year from discontinued operations		<u>(49,487)</u>	<u>(60,742)</u>
Loss for the year		<u>(90,984)</u>	<u>(103,050)</u>
Other comprehensive (loss)/income			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		<u>(9,195)</u>	<u>3,721</u>
Total comprehensive loss for the year		<u>(100,179)</u>	<u>(99,329)</u>

	<i>Note</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i> (Restated)
Loss for the year attributable to:			
Owners of the Company			
Loss from continuing operations		(37,964)	(40,085)
Loss from discontinued operations		(49,487)	(60,742)
		<u>(87,451)</u>	<u>(100,827)</u>
Non-controlling interest			
Loss from continuing operations		(3,533)	(2,223)
Loss from discontinued operations		—	—
		<u>(3,533)</u>	<u>(2,223)</u>
		<u>(90,984)</u>	<u>(103,050)</u>
Total comprehensive loss for the year attributable to:			
Owners of the Company		(96,984)	(97,041)
Non-controlling interest		(3,195)	(2,288)
		<u>(100,179)</u>	<u>(99,329)</u>
Loss per share for loss attributable to owners of the Company			
From continuing and discontinued operations			
Basic and diluted (HK cents)	8	<u>(11.49)</u>	<u>(13.25)</u>
From continuing operations			
Basic and diluted (HK cents)		<u>(4.99)</u>	<u>(5.27)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2022

	<i>Notes</i>	2022 HK\$'000	2021 HK\$'000
Assets			
Non-current assets			
Property, plant and equipment		1,589	2,272
Right-of-use assets		10,948	8,761
Goodwill		21,523	23,355
Deposits	9	1,550	1,740
Deferred tax assets		1,324	380
		<u>36,934</u>	<u>36,508</u>
Current assets			
Trade receivables, deposits and other receivables	9	129,397	165,030
Contract assets		160,489	238,721
Cash and bank balances		4,454	20,911
		<u>294,340</u>	<u>424,662</u>
Total assets		<u>331,274</u>	<u>461,170</u>
Equity			
Share capital		7,608	7,608
Reserves		93,951	190,935
Capital and reserves attributable to owners of the Company		101,559	198,543
Non-controlling interest		(6,228)	(3,033)
Total equity		<u>95,331</u>	<u>195,510</u>

	<i>Note</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Liabilities			
Non-current liabilities			
Lease liabilities		<u>5,256</u>	<u>4,082</u>
		<u>5,256</u>	<u>4,082</u>
Current liabilities			
Trade and other payables	<i>10</i>	201,704	203,282
Contract liabilities		467	7,393
Current tax liabilities		5,053	10,168
Amount due to immediate holding company		19,164	28,358
Lease liabilities		4,299	3,377
Borrowings		<u>–</u>	<u>9,000</u>
		<u>230,687</u>	<u>261,578</u>
Total liabilities		<u>235,943</u>	<u>265,660</u>
Total equity and liabilities		<u>331,274</u>	<u>461,170</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. GENERAL

CT Vision S.L. (International) Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, (Cap. 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its immediate holding company and ultimate holding company is CT Vision Investment Limited, a private limited company incorporated in the British Virgin Islands (“**BVI**”). The addresses of the registered office and principal place of business of the Company is Room Nos. 808-814, 8th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.

The Company is an investment holding company. The principal activities of its principal subsidiaries are (i) building construction business which mainly includes foundation works and ancillary services and general building works; (ii) renewable energy business; (iii) e-commerce business; and (iv) others which mainly include building information modelling services and sales of piles.

These consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) are presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated.

2. BASIS OF PREPARATION

(a) Compliance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) and Hong Kong Companies Ordinance (“**HKCO**”)

The consolidated financial statements have been prepared in accordance with HKFRSs and disclosure requirements of the HKCO Cap. 622.

(b) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis.

(c) New and amended standards adopted by the Group

In the current year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2022. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

(d) **New and amended standards not yet adopted**

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group.

3. REVENUE

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

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from construction contracts		
– foundation works and ancillary services	46,972	135,723
– general building works	37,134	12,657
– renewable energy systems	200,983	176,551
E-commerce-related services	10,004	25,732
Building information modelling services	1,591	4,214
	<hr/>	<hr/>
Revenue from contracts with customers	296,684	354,877
Rental income	801	647
	<hr/>	<hr/>
	297,485	355,524
	<hr/> <hr/>	<hr/> <hr/>
Representing		
Continuing operations	213,379	207,144
Discontinued operations	84,106	148,380
	<hr/>	<hr/>
	297,485	355,524
	<hr/> <hr/>	<hr/> <hr/>

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

4. SEGMENT INFORMATION

The Group manages its businesses by business lines in a manner consistent with the way in which information is reported internally to the chief operating decision maker (the “**CODM**”), for the purposes of resource allocation and performance assessment. The Group’s reportable and operating segments are as follows:

1. Building construction business: provision of foundation works and ancillary services and general building works to customers in Hong Kong and Saipan (discontinued operation)
2. Renewable energy business: provision of construction service of renewable energy systems (e.g. solar power systems and wind power systems) and rental income from lease of solar power system in the People Republic of China (the “**PRC**”)
3. E-commerce business: provision of online merchant- related service in the PRC
4. Others: building information modelling service in the PRC and sales of piles to customers in Hong Kong (discontinued operation)

Segment results represent the loss before income tax from each segment except for the unallocated corporate expenses.

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

	Discontinued operations		Continuing operations				Total HK\$'000
	Building construction business HK\$'000	Others HK\$'000	Renewable energy business HK\$'000	E-commerce business HK\$'000	Others HK\$'000	Unallocated HK\$'000	
For the year ended 31 December 2022							
Segment revenue	<u>84,106</u>	<u>-</u>	<u>201,784</u>	<u>10,004</u>	<u>1,591</u>	<u>-</u>	<u>297,485</u>
Segment (loss)/profit	(50,390)	(41)	714	684	(5,311)	(35,212)	(89,556)
Income tax expense							(1,428)
Loss for the year							<u>(90,984)</u>
Other information (included in measure of segment profit/(loss))							
For the year ended 31 December 2022							
Interest expenses	15	-	778	-	5	577	1,375
Depreciation for the year	512	-	2,925	-	232	1,592	5,261
Net impairment losses on trade receivables and contract assets	(433)	-	3,860	-	-	-	3,427
Interest income	<u>(265)</u>	<u>-</u>	<u>(27)</u>	<u>-</u>	<u>(4)</u>	<u>(26)</u>	<u>(322)</u>
Additions to non-current segment assets*	<u>-</u>	<u>-</u>	<u>6,740</u>	<u>6</u>	<u>1,072</u>	<u>-</u>	<u>7,818</u>

	Discontinued operations		Continuing operations				Total HK\$'000
	Building construction business HK\$'000	Others HK\$'000	Renewable energy business HK\$'000	E-commerce business HK\$'000	Others HK\$'000	Unallocated HK\$'000	
For the year ended 31 December 2021							
Segment revenue	<u>148,380</u>	<u>–</u>	<u>177,198</u>	<u>25,732</u>	<u>4,214</u>	<u>–</u>	<u>355,524</u>
Segment (loss)/profit	(60,281)	(489)	1,076	2,607	(4,274)	(40,265)	(101,626)
Income tax expense							<u>(1,424)</u>
Loss for the year							<u>(103,050)</u>
Other information (included in measure of segment profit/(loss))							
For the year ended 31 December 2021							
Interest expenses	1,256	–	325	–	42	856	2,479
Depreciation for the year	1,586	–	3,491	–	41	1,758	6,876
Net impairment losses on trade receivables and contract assets	(223)	–	964	–	–	–	741
Interest income	(1,602)	–	(50)	–	(4)	(33)	(1,689)
Gain on disposal of property, plant and equipment	<u>(198)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(198)</u>
Additions to non-current segment assets*	<u>852</u>	<u>–</u>	<u>–</u>	<u>4</u>	<u>274</u>	<u>2,388</u>	<u>3,518</u>

* *Other than financial assets and deferred tax asset*

5. OTHER INCOME

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Rental income from lease of machinery	200	42
Bank interest income	322	87
Interest income from Dr. Kan Hou Sek, Jim (“ Dr. Kan ”)	–	1,602
Government grants (<i>Note</i>)	1,216	437
Compensation income from insurance	1,775	–
Management fee income	1,318	–
Sales of waste product	1,176	–
Others	1,798	1,346
	<u>7,805</u>	<u>3,514</u>
Representing		
Continuing operations	1,433	1,479
Discontinued operations	6,372	2,035
	<u>7,805</u>	<u>3,514</u>

Note:

Government grants included receipts of Employment Support Scheme from Hong Kong government and electricity subsidy from local government in the PRC of approximately HK\$645,000 and HK\$571,000 (2021: HK\$nil and HK\$437,000) respectively. There are no unfulfilled conditions or other contingencies attaching to these grants.

6. INCOME TAX EXPENSE

Pursuant to the enactment of two-tiered profits tax rates by the Inland Revenue Department of Hong Kong, the Group’s first HK\$2 million of assessable profits under Hong Kong profits tax is subject to tax rate of 8.25%. The Group’s remaining assessable profits above HK\$2 million will continue to be subject to a tax rate of 16.5%.

Under the Law of the PRC on Corporate Income Tax (the “**CIT Law**”) and Implementation Regulation of the CIT Law, the tax rate of the PRC subsidiaries is 25%.

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

The amount of income tax expense represents:

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current income tax – Hong Kong profit tax		
Over-provision in prior year	–	(2,144)
Current income tax – the PRC corporate income tax		
Provision for the year	2,313	1,628
Under-provision in prior year	–	17
	2,313	(499)
Deferred income tax	(885)	1,923
	1,428	1,424
Representing		
Continuing operations	1,428	1,452
Discontinued operations	–	(28)
	1,428	1,424

7. DIVIDENDS

No dividends were paid, declared or proposed for both years, nor has any dividend been proposed since the end of the reporting period.

8. LOSS PER SHARE

The basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2022	2021
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share (in thousands)	760,830	760,830
From continuing and discontinued operations		
Loss attributable to owners of the Company (in HK\$'000)	(87,451)	(100,827)
Basic loss per share (HK cents per share)	(11.49)	(13.25)
From continuing operations		
Loss attributable to owners of the Company (HK\$'000)	(37,964)	(40,085)
Basic loss per share (HK cents per share)	(4.99)	(5.27)
From discontinued operations		
Loss attributable to owners of the Company (HK\$'000)	(49,487)	(60,742)
Basic loss per share (HK cents per share)	(6.50)	(7.98)

Diluted loss per share is the same as basic loss per share as there were no potential dilutive ordinary shares outstanding during the year (2021: same).

9. TRADE RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables (<i>Note a</i>)	102,729	90,772
Loss allowance	(4,121)	(154)
	98,608	90,618
Deposits	1,550	20,535
Prepayments (<i>Note b</i>)	2,016	49,216
Other receivables	28,773	6,401
	32,339	76,152
	130,947	166,770
<i>Less: Amounts due within one year shown under current assets</i>	(129,397)	(165,030)
Non-current portion	1,550	1,740

Notes:

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

The Group's credit terms granted to customers range from 0 to 60 days.

As at the end of reporting period, the ageing analysis of the trade receivables (before loss allowance), based on date of certificate, were as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Up to 1 month	80,938	31,318
1 to 2 months	12,465	864
2 to 3 months	–	–
3 to 6 months	–	–
Over 6 months	9,326	58,590
	<u>102,729</u>	<u>90,772</u>

10. TRADE AND OTHER PAYABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade and retention payables	103,031	91,899
Other payables	2,781	1,701
Accrued cost to subcontractor	79,026	91,515
Accrued employee benefits	1,356	10,877
Accrued operating expenses	15,371	7,151
Accrued interest	139	139
	<u>201,704</u>	<u>203,282</u>

Trade payables are unsecured and are usually paid within credit periods which ranged from 30 to 60 days.

As at the end of the reporting period, the ageing analysis of the trade payables based on date of certificate were follows:

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 1 month	95,565	19,651
1 to 2 months	–	8,976
2 to 3 months	933	2,448
Over 3 months	6,533	42,147
	<u>103,031</u>	<u>73,222</u>

11. CONTINGENT LIABILITIES

- (a) At 31 December 2021, the Group had contingent liabilities in respect of performance bonds to guarantee the due and proper performance of the obligations undertaken by the Group's subsidiaries for projects amounting to HK\$2,100,000.
- (b) At 31 December 2021, the Group had contingent liabilities in respect of potential liquidated and ascertained damages claims for two construction projects amounting to HK\$28,964,000. The subsidiary involved was disposed by the Group during the year 2022.

MANAGEMENT DISCUSSION AND ANALYSIS BUSINESS REVIEW

BUSINESS REVIEW

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

In October 2014, the Group entered into a construction contract in Saipan (the “**Contract**”) as a main contractor, providing foundation works and ancillary services and general building works (the “**Project**”), for a construction project. The foundation works commenced from May 2015 to October 2015. The general building works commenced in May 2016 and was preliminary expected to complete in or around February 2018. However, due to (i) the inclement weather; (ii) change of policy on workers visa application, such that a substantial amount of workers could not obtain the necessary work permit for carrying out the work at the site; (iii) change in design as instructed by the customer (“**Customer A**”); and (iv) permit for this work not having been obtained, the progress of the Project was hindered. On 19 March 2018, Customer A has issued a letter to us indicating its agreement to our application for extension of time and the completion date of the Project was extended to February 2019. As the aforementioned factors kept affecting the progress of the Project, the completion date of the Project was further delayed to 2020 financial year.

The outbreak of COVID-19 pandemic has posed significant impacts on global economy and business environment, as well as the progress of the Project. Certain countries and regions have implemented various travel restrictions and border controls against the COVID-19 pandemic in an effort to contain the spread of the pandemic, such inbound travel restrictions have also disrupted certain parts of construction-related supply chains, including the supply of construction materials and labour. The above factors led to a further delay of the progress of the Project which was originally scheduled to resume construction in the middle of 2020 financial year.

After taking into account of (i) the prolonged delay and uncertainties of the Project; (ii) the financial position of Customer A; (iii) the increased costs and expenses relating to the Project caused by the delay; and (iv) the burden of diverging further resources from other businesses of the Group, the Company has had further discussions with Customer A regarding the resumption of the Project and settlement of the outstanding amounts due to the Group in relation to the Project (the “**Outstanding Amounts**”), including proposed settlement schedule of the Outstanding Amounts (the “**Repayment Schedule**”).

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

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

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

On 29 November 2022, the Company (as the Vendor) and Fame Rich Capital Investment Limited (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 Win Win Way Investment; and (ii) the Vendor has conditionally agreed to assign and transfer to the Purchaser the Indebtedness at the Consideration of HK\$56,436,592.

Win Win Way Investment is a direct wholly owned subsidiary of the Company, Win Win Way Investment and its subsidiaries (the “**Target Group**”) is mainly engaged in the building construction business and the sales of piles.

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.

Details of the Sale and Purchase Agreement were disclosed in the Company’s circular dated 23 December 2022.

Building construction business

The building construction business was disposed in 2022. It comprised of foundation works and ancillary services and general buildings works.

Foundation Works and Ancillary Services

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

During the year ended 31 December 2022, there were 10 (2021: 21) foundation works and ancillary services projects contributing revenue of approximately HK\$47.0 million (2021: HK\$135.7 million) to this business stream.

General Buildings Works

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

During the year ended 31 December 2022, there were 3 (2021: 2) general building works projects contributing revenue of approximately HK\$37.1 million (2021: HK\$12.7 million) to this business stream.

Renewable energy business

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

During the year ended 31 December 2022, renewable energy business contributed approximately HK\$201.8 million revenue (2021: HK\$177.2 million) of the Group. As at the date of this announcement, the Group had a total of 8 contracts (2021: 7 contracts) on hand (including contracts in progress and contracts yet to be commenced) and the amount of contract sum yet to be recognised as at 31 December 2022 amounted to approximately RMB169.7 million (2021: RMB200.2 million).

E-commerce business

Zhejiang CT Shunlian Network Technology Company Limited* (浙江中宏順聯網絡科技有限公司) is principally engaged in the provision of procurement service and related online and offline consultation services to e-commerce companies.

During the year ended 31 December 2022, the e-commerce business contributed approximately HK\$10.0 million revenue (2021: HK\$25.7 million) to the Group.

Others

Building information modelling services

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

During the year ended 31 December 2022, the building information modelling business contributed approximately HK\$1.6 million revenue (2021: HK\$4.2 million) to the Group.

FINANCIAL REVIEW

Continuing Operations

For the year ended 31 December 2022, the Group's revenue amounted to approximately HK\$213.4 million (2021: HK\$207.1 million). The increase was mainly attributable to the increase in revenue from renewable energy business of approximately HK\$24.6 million partially offset by the decrease in revenue from e-commerce business of approximately HK\$15.7 million.

The Group's gross profit margin decreased from approximately 11.7% in 2021 to gross profit margin of approximately 7.1% in 2022. The decrease in gross profit margin was mainly due to the change in revenue mix. E-commerce business contributed higher gross profit margin than renewable energy business.

Selling and administrative expenses (the “**S&A Expenses**”) primarily comprise staff costs, business development expenses, transportation expenses, depreciation, bank charges, office expenses and professional charges. Due to (i) decrease of legal and professional fees after resumption of trading; and (ii) decrease in selling expenses, the S&A Expenses for the year decreased by approximately HK\$13.5 million to approximately HK\$51.3 million, compared with approximately HK\$64.8 million in 2021.

Discontinued operations

Revenue of the discontinued operations was primarily from building construction business which was amounted to approximately HK\$84.1 million (2021: HK\$148.4 million), representing significant decrease of approximately HK\$64.3 million. Since 2019, this segment was suffering from loss. The loss for the year decreased from approximately HK\$60.7 million for the year ended 31 December 2021 to approximately HK\$49.5 million.

As a result, the Group recorded a loss for the year attributable to owners of the Company of approximately HK\$87.5 million as compared with the loss of approximately HK\$100.8 million in 2021.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	As at 31 December 2022	As at 31 December 2021
Current ratio ¹	1.3	1.6
Gearing ratio (%) ²	30.1	22.9
Net debt to equity ratio (%) ³	23.9	12.0
Interest coverage ratio ⁴	<u>(28.5)</u>	<u>(32.4)</u>

Notes:

1. Current ratio based on the total current assets divided by the total current liabilities.
2. Gearing ratio based on the total debt (which includes borrowings, lease liabilities and amount due to immediate holding company) divided by total equity and multiplied by 100%.
3. Net debt to equity ratio based on net debt (which include borrowings, lease liabilities and amount due to immediate holding company less cash and bank balances) divided by equity attributable to owners of the Company and multiplied by 100%.
4. Interest coverage ratio based on the loss before tax and interest from continuing operations divided by finance costs incurred.

EMPLOYEES

The Group had 57 employees as at 31 December 2022. The Group offers competitive remuneration package that is based on overall market rates and employee performance, as well as performance of the Group. Remuneration package is comprised of salary, performance-based bonus, and other benefits including training and provident funds.

CAPITAL COMMITMENTS

The Group had no capital commitments as at 31 December 2022.

CHARGES ON GROUP ASSETS

As at 31 December 2022, the lease liability of a solar power system granted to the Group was secured by the trade receivables of approximately HK\$47,200 (31 December 2021: HK\$72,000) and registered capital of a wholly-owned subsidiary amounted to RMB10 million (31 December 2021: RMB10 million).

CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 31 December 2022.

FOREIGN EXCHANGE EXPOSURE

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

As at 31 December 2022, the Group does not have a foreign currency hedging policy in respect of its foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate.

SHARE OPTIONS

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

PROSPECTS

Building Construction Business

The fifth wave of outbreak of the epidemic, caused by the Omicron variant, erupted in late December 2021 and has been spreading rapidly in the community, resulting in an increasing number of confirmed cases. 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.

Considering that the continuous loss-making position for the three consecutive financial years of the building construction business and the adverse impact of the cost overruns derived from COVID-19 pandemic on the construction business, which is uncertain when it will be relieved, the Board has decided to terminate the continuous investment in the construction business. The construction business was disposed on 29 November 2022, in order to reduce operating costs and net losses and to enhance the profitability of the Group.

Renewable Energy Business

The clean and low carbon transformation has been accelerated with the successive introduction of policies related to “carbon peak and carbon neutrality” (“**Dual Carbon**”). On 1 June 2022, the 14th FiveYear 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 FiveYear 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.

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 aforementioned power generation plants and the extensive experience of the Group in the renewable energy industry, it is anticipated that the Development Plan will drive the growth of the Renewable Energy Business and bring more business opportunities to the renewable energy construction projects of the Group. However, the expected energy transformation and dual carbon targets still rely on policy guidance, and while competition intensifies, risks of profit deterioration must also be prevented.

E-Commerce Business

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

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

Leveraging the platform of Zhejiang Shunlian, the Group will develop more business opportunities in various new economic segments and actively expand its e-commerce business, so as to expand economic benefits diversify its business risks.

Building Information Modelling Services

The Group operates building information modelling services through its subsidiaries Nanjing CT Vision Smart City Technology Limited* (南京中天宏信智慧城市發展有限公司), including provision of information management platform such as digital parks, smart construction, and smart cities based on building information modelling (BIM), Internet of Things, blockchain and other technologies to governments and enterprises.

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

EVENT AFTER THE REPORTING PERIOD

The Group does not have any material subsequent event after 31 December 2022 and up to the date of this announcement.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2022.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor its subsidiaries had purchase, sell or redeem any of the Company’s listed securities during the year ended 31 December 2022.

CORPORATE GOVERNANCE

The Company has applied the principles of all the applicable code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 of the Listing Rules as its own code on corporate governance practices. During the year ended 31 December 2022, the Company has complied with all code provisions set out in the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules upon the Listing. All the Directors confirmed that they had complied with the required standard set out in the Model Code during the year ended 31 December 2022 and up to the date of this announcement in response to the specific enquiry made by the Company.

The Board has established written guidelines no less exacting than the Model Code for relevant employees in respect of their dealings in the securities of the company as required under the CG Code. No incident of non-compliance of such guidelines by the relevant employees was noted by the Company during the year ended 31 December 2022 and up to the date of this announcement.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED (“ZHONGHUI”)

The figures in respect of the Group’s consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2022 as set out in this preliminary announcement have been agreed by the Group’s auditor, ZHONGHUI, to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 December 2022. The work performed by ZHONGHUI in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI on the preliminary announcement.

AUDIT COMMITTEE REVIEW

The Audit Committee consists of three independent non-executive Directors and has reviewed the Group's consolidated financial statements for the year ended 31 December 2022.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the Company's website at www.ctvision994.com and the Stock Exchange's website at www.hkexnews.hk. The 2022 Annual Report will be despatched to shareholders and will also be published on the websites of both the Stock Exchange and the Company in due course.

APPRECIATION

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

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

Hong Kong, 31 March 2023

** For identification purpose only*

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Wu Rui, Dr. Ho Chun Kit Gregory, Mr. Guo Jianfeng and Mr. Sun Dexin; two non-executive Directors, namely Ms. Du Yi and Mr. Lu Qiwei; and three Independent non-executive Directors, namely Dr. Tang Dajie, Mr. Ng Kwun Wan and Dr. Lin Tat Pang.