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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)

FULFILLMENT OF THE RESUMPTION GUIDANCE

AND

RESUMPTION OF TRADING

Financial adviser of the Company



This announcement is made by the Company, pursuant to Rule 13.09 of the Listing Rules on the Stock Exchange and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

References are made to the announcements of the Company dated:

- (i) 30 April 2021 in relation to the delay in the publication of the 2020 Annual Results and the suspension of trading in the Shares;
- (ii) 27 May 2021 in relation to the Subject Issues set out in the PwC Resignation Letter;

- (iii) 30 June 2021 in relation to the Resumption Guidance;
- (iv) 14 December 2021 in relation to the key findings of the Investigation;
- (v) 15 December 2021 and 21 February 2022 in relation to the key findings of the Internal Control Review;
- (vi) 15 December 2021, 24 December 2021 and 30 December 2021 in relation to the publication of the 2020 Annual Results and the 2020 Annual Report;
- (vii) 31 December 2021 in relation to the publication of 2021 Interim Results and 2021 Interim Report; and
- (viii) 6 August 2021, 2 November 2021, 8 November 2021 and 31 January 2022 in relation to the quarterly updates on the resumption progress of the Company.

BACKGROUND

The Company is an investment holding company. The principal activities of the Group are (i) building construction business, which mainly consists of 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.

On 3 May 2021, the trading in the Shares was suspended pending the publication of the 2020 Annual Results. Subsequently, on 18 June 2021, the Company received the Resumption Guidance from the Stock Exchange, in which the Stock Exchange set out the following guidance for the resumption of trading in the Shares:

- (i) publish all outstanding financial results required under the Listing Rules and address any audit modifications (“**Resumption Guidance 1**”);
- (ii) conduct an appropriate independent forensic investigation into the matters set out in the PwC Resignation Letter, assess the impact on the Company’s business operation and financial position, announce the findings and take appropriate remedial actions (“**Resumption Guidance 2**”);

- (iii) demonstrate that there is no reasonable regulatory concern about management integrity and/or the integrity of any persons with substantial influence over the Company’s management and operations, which may pose a risk to investors and damage market confidence (“**Resumption Guidance 3**”);
- (iv) demonstrate that the Directors meet a standard of competence commensurate with their position as directors of a listed issuer to fulfil duties of skill, care and diligence as required under Rule 3.09 of the Listing Rules (“**Resumption Guidance 4**”);
- (v) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet obligations under the Listing Rules (“**Resumption Guidance 5**”);
- (vi) demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules (“**Resumption Guidance 6**”); and
- (vii) inform the market of all material information for the Shareholders and Company’s investors to appraise the Company’s position (“**Resumption Guidance 7**”).

FULFILMENT OF RESUMPTION GUIDANCE

The Board is pleased to announce that, as at the date of this announcement, the Company has fulfilled the requirements under the Resumption Guidance. The following set out the details of the fulfilment of the Resumption Guidance:

1. Resumption Guidance 1 – Publish all outstanding financial results required under the Listing Rules and address any audit modifications

(1) Publication of all outstanding financial results

The Company has published all outstanding financial results, including:

- (i) the 2020 Annual Results on 15 December 2021;
- (ii) the 2020 Annual Report on 24 December 2021;

- (iii) the 2021 Interim Results on 31 December 2021; and
- (iv) the 2021 Interim Report on 31 December 2021.

(2) *Audit modification*

(a) Details of the audit modification

ZHONGHUI has issued a qualified opinion in the 2020 Audit Report, details of which have been disclosed in the 2020 Annual Report and the announcement of the Company dated 30 December 2021.

(b) The views of the Company and the Audit Committee

The circumstances leading to the Audit Qualifications have only affected the closing balance of the contract assets of the Group as at 31 December 2019. The Company does not foresee any further impact resulting from the issues regarding the Audit Qualifications in the forthcoming financial years. Based on the above, the Company is of the view that the Audit Qualifications have been fully addressed in FY2021. Except for the consequential effect on the Group's financial performance and cash flows for FY2020 as comparative figures, the consolidated financial statements of the Group for FY2021 have been fairly and truly stated. The Audit Committee has reviewed the Audit Qualifications and the Company's view on the Audit Qualifications and concurs with the above view.

(c) The view of ZHONGHUI

Based on the audit evidence obtained and the audit procedures performed, up to the date of this announcement, ZHONGHUI is of the view that the Audit Qualifications will be removed in the 2022 Audit Report since (i) the Audit Qualifications have no continuing effect on the consolidated financial statements of the Group for FY2021 and FY2022; and (ii) no audit modification for the comparative figures for FY2020 in the 2022 Audit Report was required.

(3) Conclusion

Based on the above, the Company considered that it has published all outstanding financial results required under the Listing Rules and addressed all audit modifications.

2. Resumption Guidance 2 – Conduct an appropriate independent forensic investigation into the matters set out in the PwC Resignation Letter, assess the impact on the Company’s business operation and financial position, announce the findings, and take appropriate remedial actions

(1) Background of the Investigation

On 20 July 2021, the Board established the Special Review Committee, comprising all independent non-executive Directors, namely Ms. Ng Yi Kum, Estella, Mr. Wong Wing Cheong Philip and Dr. Tang Dajie. Ms. Ng Yi Kum, Estella was appointed as the chairlady of the Special Review Committee to investigate the Subject Issues.

On 20 July 2021, the Special Review Committee engaged RSMHK to conduct the Investigation into the Subject Issues.

On 3 December 2021, RSMHK issued the draft Investigation Report to the Special Review Committee.

On 10 December 2021, the Special Review Committee reported the findings of the Investigation to the Board. The Board has reviewed and approved the draft Investigation Report on the same date.

On 14 December 2021, the Company published an announcement in relation to the findings of the Investigation.

(2) *The Subject Issues*

The major findings of the Investigation and the remedial actions taken by the Group are summarised as follows:

(a) *Subject Issue 1 – The purchase of reinforcement bars that was transferred into prepaid subcontracting charges for the Saipan Project*

(I) Background

The Saipan Project was suspended because of (i) the changes of policy in worker visa application of the US Consulate in 2019; and (ii) the outbreak of COVID-19 since the first half of 2020.

During FY2020, WWWC purchased reinforcement bars from Supplier A in the amount of approximately HK\$71,899,000. WWWC asked Supplier A to deliver the reinforcement bars to the Saipan Project Subcontractor. Dr. Kan, a director of WWWC, in his capacity as an ultimate beneficial owner of Customer A, represented that (i) WWWC received a letter from Customer A, the developer of the Saipan Project, that the construction works of the Saipan Project would be resumed in second half of 2020; and (ii) he understood that a new investor would provide financing to Customer A and Customer A would be in a position to resume the Saipan Project. Thus, at that moment, Dr. Kan assessed that WWWC should procure the reinforcement bars as soon as possible to prepare for the resumption of the construction works of the Saipan Project. However, the resumption plan was put on hold due to the outbreak of COVID-19 and the reinforcement bars could not be shipped to Saipan due to the lockdown policy imposed by Saipan government as a result of the outbreak of COVID-19 pandemic.

As such, Dr. Kan negotiated with the Saipan Project Subcontractor to transfer the ownership of the reinforcement bars to them at cost as the reinforcement bars would become rusty if remained unused. Subsequently, the Saipan Project Subcontractor agreed to take over the ownership of the reinforcement bars and treated the cost of the reinforcement bars as non-refundable prepayment for subcontracting charges of the Saipan Project. As a result, prepayment of subcontracting charges of HK\$71,899,000 was recognised in the consolidated statement of financial position of the Group as at 31 December 2020.

During the course of the 2020 Annual Audit, PwC noticed that WWWC received similar amount of settlements from Customer A each time shortly after WWWC paid to Supplier A for its purchase of reinforcement bars.

(II) Findings

The following table sets forth the address of PwC's concerns in the findings of the Investigation:

PwC's concerns in the Subject Issues	Address of PwC's concerns
Explanation of commercial substance and business rationale why WWWC continued to incur significant cost for the Saipan Project.	<p>Dr. Kan's business rationale for making procurements at Customer A's requests is that:</p> <ul style="list-style-type: none">(i) Customer A informed WWWC in writing in March 2020 that the construction works of the Saipan Project would be resumed in second half of 2020;(ii) WWWC and Customer A have ongoing business relationship and would like to maintain good relationship so to be awarded phase 2 of the Saipan Project;(iii) the owner of the Saipan Project agreed to adopt profit margin on a cost-plus basis of no more than 5% for the remaining works of the Saipan Project in March 2020. The management of WWWC considered (a) the Saipan Project is profitable under the adoption of the cost-plus basis; and (b) the above profit margin is fair and reasonable and is consistent with the average gross profit margin of other construction projects conducted with the independent customers for two years ended 31 December 2019; and

**PwC's concerns in
the Subject Issues**

Address of PwC's concerns

- (iv) Company C/Customer A was expected to have fund inflow in early 2020. Subsequently, capital injection of HK\$477.5 million has been committed by the shareholders of Company C in June 2020. Based on the available information of the Company, the shareholders of Company C have made capital contribution of approximately HK\$212.8 million in FY2020 and approximately HK\$99.9 million since 1 January 2021 and up to the date of this announcement, respectively. The beneficial owners of Company C will provide funds as needed and make capital contribution according to the progress of the construction works of the Saipan Project. Based on the working capital projection of the Saipan Project, it is expected that Customer A would have sufficient funds to complete the Saipan Project and to settle the outstanding balances due to WWWC.

**PwC's concerns in
the Subject Issues**

Explanation of the business rationale to transfer the purchase amount of reinforcement bars into a non-refundable prepayment given (i) that it is not entirely covered by the existing contract sum and scope of the Saipan Project; (ii) uncertainty on the recommencement of the Saipan Project; and (iii) that phase 2 of the Saipan Project has not awarded to WWWC.

Address of PwC's concerns

- (i) Pursuant to the Subcontracting Agreement, the Saipan Project Subcontractor would provide general building construction works, decoration works, and electrical and mechanical engineering works for the then outstanding construction works of phase 1 of the Saipan Project at an aggregate amount of RMB320.0 million (equivalent to approximately HK\$385.7 million).

In light of the above, in the event that the prepayments (i) to the Saipan Project Subcontractor of approximately HK\$71.5 million; and (ii) to Supplier B of approximately HK\$38.3 million were not settled by Customer A, the above prepayments would be fully utilised under phase 1 of the Saipan Project.

**PwC's concerns in
the Subject Issues**

Address of PwC's concerns

- (ii) Owing to lack of resources of WWWC in the PRC, it was close to impossible to remove the 18,000 MT of reinforcement bars from the Saipan Project Subcontractor. The only viable option was to transfer the reinforcement bars to the Saipan Project Subcontractor regardless of the transfer price. Considering that the Saipan Project Subcontractor accepted the transfer of reinforcement bars at their original cost, WWWC made neither a profit nor a loss and hence the transfer was considered reasonable to WWWC.

Phase 2 of the Saipan Project has not awarded to WWWC.

RSMHK noted WWWC or Dr. Kan had high hopes in being awarded as the main contractor of phase 2 of the Saipan Project. As WWWC is the main contractor of phase 1 of the Saipan Project, it could make a competitive offer with its existing setup.

**PwC's concerns in
the Subject Issues**

Address of PwC's concerns

Whether there were any funds originated from the Group (other than HK\$70,540,000) and ultimately used by Customer A to settle its balance due to WWWC.

RSMHK identified records of fund flow similar to those observed by PwC. RSMHK reviewed that (i) the payments were related to the purchase of reinforcement bars made by WWWC to Supplier A; (ii) as Individual A, the sole owner and sole director of Supplier A, owed monies to Customer A in relation to the land premium of the Saipan Project, Individual A settled the outstanding amounts due to Customer A via Supplier A; and (iii) as Customer A had not paid the outstanding construction service fee regarding the Saipan Project to WWWC, Customer A settled the amount due to WWWC with the funds received from Supplier A. No anomalies were identified by RSMHK with regard to both payments by WWWC and receipts from Customer A.

However, RSMHK was also given to understand that Individual A, being the sole shareholder and director of Supplier A, owed Company C/Customer A money. Therefore, WWWC's purchases from and payments to Supplier A may have drawn inferences that Individual A made the payments to Company C or Customer A via Supplier A.

For details of other findings of the Investigation, please refer to the announcement of the Company dated 14 December 2021.

(III) Remedial actions taken by the Group

The Group has taken the following remedial actions, the procedures of which were determined based on the recommendations made by ZH Risk Services, to rectify the internal control deficiencies of the Group:

- (i) the management of the Company has developed a checklist named “Material Event Summary” that all subsidiaries can easily comply with, which (a) identifies and defines different types of the transactions; and (b) states the approval process required for each type of transaction;
- (ii) regarding the transactions under the ordinary courses of business, the subsidiary is required to obtain Board’s approval for any purchase transaction without contract above HK\$3,000,000 before execution;
- (iii) the management of the Company has adopted the following procedures to inspect the construction costs: (a) the Company has appointed Mr. Wong Kee Chung, the executive Director who has relevant construction experience, to review the actual cost and budget cost of all the construction projects of the Group; and (b) all the purchase of the materials will continue to be made based on the budget cost, and the subsidiary is required to obtain additional approval for transaction amount more than HK\$3,000,000 before execution, including a director of the subsidiary of the Company, the Company Secretary, the Financial Controller, one executive Director, and/or the Board;

- (iv) the Group has classified the purchase on behalf or payment on behalf of customer as advances or financial assistance to the Grantees. The internal control manual on financial reporting of the Group has been enhanced, which requires: (a) the purchase on behalf of an entity or a person should be applied in written form, and the repayment schedule, collateral and interest rate should be clearly stated (if applicable); (b) background check, credit assessment, and potential conflict of interest should be identified and/or reviewed; (c) different authorisation levels for different amount involved should be clearly defined; and (d) all review and approval records should be made in written form and kept in good order; and
- (v) the Compliance Officer shall review all the Grants to the Grantees if the amount involved is over HK\$500,000 in order to ensure all Grants would comply with the requirements under the Listing Rules.

In addition, the Company has negotiated with Customer A to refund the prepayment. Up to the date of this announcement, prepayment to the Saipan Project Subcontractor of HK\$30.0 million has been repaid by Customer A.

(IV) Recent development of the Saipan Project

The construction works of the Saipan Project have been resumed in January 2022 and are still ongoing as at the date of this announcement. It is expected that the construction works of the Saipan Project will be completed in March 2023.

(V) Company's view on the impact of the Group's business operation and financial position

The Company is of the view that there is no significant adverse impact on the Group's business operation and financial position as a result of the occurrence of the Subject Issue 1 due to the following reasons:

- (i) as disclosed in the announcement of the Company dated 7 January 2022, WWWC, Dr. Kan, Mr. SM Lee, and Win Win Way Investment entered into the Deed of Agreement on the same date, pursuant to which each of Dr. Kan, Mr. SM Lee and Win Win Way Investment jointly and severally agree to provide certain security in favour of WWWC for the due performance of the repayment obligation of Customer A of the Outstanding Amounts under the Repayment Schedule. The full Outstanding Amounts will be recovered by the Group eventually.

The Company is of the view that the value of the assets under the above security is able to cover the Outstanding Amounts based on the followings:

- (a) the remaining value of Dr. Kan and Mr. SM Lee's properties of approximately HK\$59.1 million in February 2022, which is calculated with reference to (1) the aggregate market price of the above properties in February 2022; and (2) the value of the above properties used as collaterals to obtain loans from the banks up to February 2022;
- (b) the value of the Samoa Share Charge of approximately HK\$134.3 million, which is determined based on (1) the appraised value of the hotel development under the Saipan Project valued by an independent valuer of the Company in June 2021; (2) the shareholding percentage of Win Win Way Samoa in Company C, the owner of the Saipan Project; (3) the belief that the Saipan Project could be duly completed and the value of Samoa Share Charge could be realised where necessary as Customer A would have sufficient funds to settle the outstanding contract value of the Saipan Project; and

- (c) in the event of default in the payment of the Outstanding Amounts, the Company can, amongst other, take enforcement action to dispose of the Condover Share Charge in the market, the value of which will be applied as the proceeds to satisfy the amounts due. Given that the asset of Condover Assets comprised of the Shares, the value of the Condover Share Charge should reflect the value of the Shares held by Condover Assets;
- (ii) up to the date of this announcement, prepayment to the Saipan Project Subcontractor of HK\$30.0 million has been repaid by Customer A; and
- (iii) the Group has already taken rectification measures as mentioned above to address the internal control deficiencies.

(VI) Conclusion

Based on the above, the Company is of the view that the Subject Issue 1 has been addressed.

(b) *Subject Issue 2 – The prepayments for purchase of generators, curtain walls and electrical and mechanical items from Supplier B for the Saipan Project*

(I) Background

In FY2020, WWWC paid approximately HK\$32,320,000 to Supplier B, a new UK based supplier, to acquire certain power generators, curtain walls and electrical and mechanical items for the Saipan Project. As the power generators, curtain walls and electrical and mechanical items had not been received by WWWC in FY2020, the payments made to Supplier B were recorded as prepayments in the consolidated statement of financial position of the Group as at 31 December 2020.

(II) Findings

The following table sets forth the address of PwC’s concerns in the findings of the Investigation:

PwC’s concerns in the Subject Issues	Address of PwC’s concerns
Explanation of commercial substance and business rationale why WWWC continued to incur significant cost for the Saipan Project.	Please refer to the paragraphs disclosed under “Address of PwC’s concerns” in the table under the section headed “(II) Findings” under Subject Issue 1 of Resumption Guidance 2.
Details in respect of the Group’s procurement and vendor selection procedures, internal controls, and approval procedures conducted and proposal/ materials considered before WWWC place the purchase orders to Supplier B.	The Group lacked supporting documents for the selection of Supplier B as an agent to procure generators, curtain walls and electrical and mechanical items. According to the minutes of a meeting of Company C, the choice was made by Company C.
There was no management’s assessment as well as supporting documentary evidence on the reasonableness of Supplier B’s quotations and whether it is comparable to the market to purchase the products from Supplier B with a 15% price difference.	Dr. Kan explained that there was no need for any bidding procedures for the selection of Supplier B as an agent to procure generators because the management of Company C instructed WWWC to procure from Supplier B. Also, according to Dr. Kan, WWWC was not aware of Supplier B’s profit margin until questions were raised by PwC. As mentioned by Dr. Kan, the cost of generators, curtain walls and electrical and mechanical items would be deducted from the contract amount of the Saipan Project Subcontractor.

For details of other findings of the Investigation, please refer to the announcement of the Company dated 14 December 2021.

(III) Remedial actions taken by the Group

The Group has taken the following remedial actions, the procedures of which were determined based on the recommendations made by ZH Risk Services, to rectify the internal control deficiencies of the Group:

- (i) the Company has negotiated with Customer A to refund the advance payment. Up to the date of this announcement, the prepayment to Supplier B has been repaid to the Group by Customer A;
- (ii) background check and credit assessments of new supplier is required to be conducted before the purchase;
- (iii) all selections of suppliers on purchase of materials are required to comply with the enhanced purchasing policy;
- (iv) the purchasing officer of WWWC shall ensure all purchase order forms in accordance with the cost budget and supplier contract (if any) approved by project manager or director of WWWC. If no supplier contract is signed, purchase with significant amount is subject to additional approval requirements under the enhanced purchasing policy which forms part of the internal control manual on financial reporting of the Group; and
- (v) the Company has reassessed the relationship between the Group and Supplier B according to the requirements under the Listing Rules and is of the view that Supplier B is not a connected person of the Group. As such, the transactions between the Group and Supplier B are not connected transactions.

(IV) Company's view on the impact of the Group's business operation and financial position

The Company is of the view that there is no significant adverse impact on the Group's business operation and financial position as a result of the occurrence of the Subject Issue 2 due to the following reasons:

- (i) all the prepayments due from Supplier B have been repaid by Customer A up to the date of this announcement; and
- (ii) the Group has already taken rectification measures as mentioned above to address the internal control deficiencies.

(V) Conclusion

Based on the above, the Company is of the view that the Subject Issue 2 has been addressed.

(c) *Subject Issue 3 – A series of payments related to the Saipan Project made on behalf of Customer A*

(I) Background

During FY2020, WWWC made various POB Payments to (i) Supplier A of approximately HK\$36,651,000 from January to February 2020; (ii) Supplier C of approximately HK\$4,170,000 in January 2020; (iii) Supplier D of approximately HK\$40,976,000 from July to November 2020; and (iv) Company A of approximately HK\$17,691,000 from September to December 2020. The management of WWWC represented that the POB Payments were made on behalf of Customer A by WWWC and were all settled by Customer A during FY2020.

The management of WWWC represented that the POB Payments made to Supplier A, Supplier C, and Supplier D were related to purchase of materials mainly for phase 2 of the Saipan Project, which had not been awarded to WWWC as the main contractor up to the date of this announcement, whereas the payments made to Company A were related to expenses unrelated to the Saipan Project incurred by Customer A.

(II) Findings

The following table sets forth the address of PwC’s concerns in the findings of the Investigation:

PwC’s concerns in the Subject Issues	Address of PwC’s concerns
Explanation of the commercial substance and business rationale as to why Customer A asked WWWC to purchase construction materials on its behalf for phase 2 of the Saipan Project.	Please refer to the paragraphs disclosed under “Address of PwC’s concerns” in the table under the section headed “(II) Findings” under Subject Issue 1 of Resumption Guidance 2.
Explanation of the commercial substance and business rationale of payment of expenses unrelated to the construction project on behalf of Customer A to Company A.	

For details of other findings of the Investigation, please refer to the announcement of the Company dated 14 December 2021.

(III) Remedial actions taken by the Group

The Group has taken the following remedial actions, the procedures of which were determined based on the recommendations made by ZH Risk Services, to rectify the internal control deficiencies of the Group:

- (i) regarding the transactions out of the ordinary courses of business, the subsidiary is required to obtain Board's approval before execution;
- (ii) regarding any Grants to the Grantees, the amount, interest, collateral and repayment schedule should be submitted to the Financial Controller for approval before execution. The Board's approval is required if the advance exceeds HK\$3,000,000. The Compliance Officer shall review all Grants to the Grantees if the amount involved is over HK\$500,000 to ensure the advance would comply with Listing Rules requirements; and
- (iii) the Group has classified the purchase on behalf or payment on behalf of customer as advances or financial assistance to the Grantees, details of which have been stated in point (iv) under the paragraph headed "(III) Remedial actions taken by the Group" under "Subject Issue 1" in this section.

(IV) Company's view on the impact of the Group's business operation and financial position

The Company is of the view that there is no significant adverse impact on the Group's business operation and financial position as a result of the occurrence of the Subject Issue 3 due to the following reasons:

- (i) All the POB Payments have been repaid by Customer A up to the date of this announcement; and
- (ii) the Group has already taken rectification measures as mentioned above to address the internal control deficiencies.

(V) Conclusion

Based on the above, the Company is of the view that the Subject Issue 3 has been addressed.

(d) *Subject Issue 5 – Funds transfers with Dr. Kan during FY2020 and subsequent to 31 December 2020*

(I) Background

The Fund Transfers

During the course of the 2020 Audit, PwC noticed that there were several fund transfers recorded in the account "Other Prepayment" with description remarked as "Kan Hou Sek". PwC found that there were fund transfers to "Kan Hou Sek" of approximately HK\$94.0 million and total repayments from "Kan Hou Sek" and Company B amounted to approximately HK\$94.0 million for FY2020 with a maximum receivable balance of approximately HK\$62.0 million during FY2020. PwC also noticed that there were fund transfers to "Kan Hou Sek" of total amount of approximately HK\$20.0 million subsequent to 31 December 2020 and up to 31 March 2021.

The Accounting Adjustment

During the Investigation, RSMHK discovered that the amount due from Dr. Kan to WWWC of approximately HK\$55.7 million as at 30 June 2020 was not reflected in the financial statements of WWWC as at 30 June 2020. The Company unknowingly adopted the figures from WWWC's financial statements for the preparation of its interim results for the six months ended 30 June 2020. The Company became aware of the above issue when it looked into the Subject Issue 5 upon receiving PwC Resignation Letter.

According to the general ledger of WWWC, the balance of the "Other Prepayment" account, representing the amount due from Dr. Kan, as at 30 June 2020 amounted to approximately HK\$55.7 million. According to the understanding represented by the Company, the finance department of WWWC misstated the amount due from Dr. Kan on 30 June 2020 from approximately HK\$55.7 million to nil and the adjustment resulted in there being no outstanding amounts due from Dr. Kan in the financial statements of WWWC as at 30 June 2020. The Accounting Adjustment was reversed subsequently in September 2020, and the amount due from Dr. Kan was resumed to be approximately HK\$55.7 million. WWWC did not report the Accounting Adjustment and the corresponding reversal to the Company.

(II) Findings

The Fund Transfers

The following table sets forth the address of PwC’s concerns regarding the Fund Transfers in the findings of the Investigation:

PwC’s concerns in the Subject Issues

Address of PwC’s concerns

Complete list of transactions with Dr. Kan and his related parties during FY2020 and subsequent to 31 December 2020.

Explanation of the commercial substance and the business rationale for fund transfers with Dr. Kan and his related parties.

Dr Kan’s loan arrangement was related to the facility offered by Financial Institution A to WWWC. Considering that commercial banks often sought securities to cover banking facilities and that Dr. Kan was willing to make available his directly and indirectly owned properties and insurance policies as securities, it appeared that the arrangement between WWWC and Dr. Kan was reasonable commercial arrangement.

For details of other findings of the Investigation, please refer to the announcement of the Company dated 14 December 2021.

The Accounting Adjustment

RSMHK noted that the balance of the “Other Prepayment” account of approximately HK\$55.7 million as at 30 June 2020 was offset by other four financial accounts, namely, “WIP Contract” (classified as current assets), “WIP Contract” (classified as current liabilities), “Trade Creditors” (classified as current liabilities), and “Temp Account” (classified as current assets). The Accounting Adjustment was reversed subsequently in September 2020.

Based on the interview with Dr. Kan and the current staff of the financial department of the Group, RSMHK is of the view that the Accounting Adjustment could be caused by beyond clerical mistakes.

Since the Accounting Adjustment was not brought forward to the 2020 Annual Results, RSMHK believed that the Accounting Adjustment did not have material adverse impact to the Group from the financial perspective for the 2020 Annual Results because the amount under the Fund Transfers was fully repaid before the financial year end of FY2020.

(III) Remedial actions taken by the Group

The Fund Transfers

The Group has taken the following remedial actions, the procedures of which were determined based on the recommendations made by ZH Risk Services, to rectify the internal control deficiencies of the Group:

- (i) regarding the transactions out of the ordinary courses of business, the subsidiary is required to obtain Board's approval before execution;
- (ii) regarding any Grant to the Grantees, the amount, interest, collateral and repayment schedule should be submitted to the Financial Controller for approval before execution. The Board's approval is required if the advance exceeds HK\$3,000,000;
- (iii) the continuous disclosure obligation policy related to the Grants to the Grantees and the revised internal control manual on financial reporting of the Group on loan to Directors have been approved by the management of the Company and have been implemented;
- (iv) the list of all related parties and connected person has been updated. A schedule for any related party and connected party transaction will be updated on a semi-annual basis;

- (v) the enhanced related party and connected party transactions policy of the Group has been approved by management of the Company and has been implemented;
- (vi) The finance department of the Company will monitor all related party and connected party transaction and assess whether there are any compliance requirements under Chapter 14A of the Listing Rules in relation to such transaction. In particular, the finance department of the Company will assess whether the above transaction shall be announced and is subject to the approval of the Board and Shareholders when necessary;
- (vii) since May 2021, the Company has assigned a finance manager in WWWC to monitor its daily accounting operation including reviewing the payment application of fund transfer and use of fund of WWWC submitted by its staff;
- (viii) since May 2021, the finance managers of all the subsidiaries have been monitoring the fund transfer, including (a) safekeeping the bank security token; (b) reviewing the journal entries regarding cash outflow and the corresponding payment applications of the respective subsidiaries; and (c) reviewing the bank statements of all the bank accounts to identify abnormal fund transfers on a monthly basis to ensure the internal measures of segregation of authorisation of fund transfers and execution of fund transfers are duly implemented;

- (ix) since July 2021, the finance manager of WWWC and the Compliance Officer will identify whether there are any Grants granted to the Grantees by reviewing the nature and amount of the transactions. If such transactions trigger the requirements under Rules 13.13 to 13.23 and Chapter 14A of the Listing Rules, the transaction shall be announced and is subject to prior approval of the Board and Shareholders when necessary. The Compliance Officer shall review all the Grants granted by the subsidiary to the Grantees if the amount involved is over HK\$500,000 to ensure the advance would comply with Listing Rules requirements;
- (x) since August 2021, Dr. Kan has ceased to be an authorised signatory of bank accounts and an authorised user of e-banking in respect of the bank accounts of WWWC. Dr. Kan ceased to have the authority to conduct any fund transfers in WWWC;
- (xi) since August 2021, for the Company and all its subsidiaries, the person who authorised a fund transfer cannot be the same person who sign the cheques for the transfer or authorise the transfer via the e-banking system. Approval of the fund transfer and execution of the fund transfer have to be undertaken by two different persons;
- (xii) in September 2021, WWWC has closed the bank account at Financial Institution A and no online banking will be allowed upon the closing of such bank account; and
- (xiii) in October 2021, the Company has arranged Directors and management of the Group to attend courses in relation to the latest information on the connected transactions under Chapter 14A of the Listing Rules, and will arrange training to the Directors and management of the Group including the major subsidiaries regarding the connected transactions on an annual basis in the future.

The Accounting Adjustment

The Group has taken the following remedial actions, the procedures of which were determined based on the recommendations made by ZH Risk Services, to rectify the internal control deficiencies of the Group:

- (i) since May 2021, the finance managers of all the subsidiaries are required to obtain prior approval on the accounting adjustment (if there is any) from the management of the Company before the close of the books each month. The reason for the accounting adjustment and the relevant supporting documents in relation to any proposed adjustment is required to be submitted to the financial controller of the Company for his review on or before the fifth business day immediately after month end. The financial controller of the Company would assess the necessity of making such adjustment with reference to the nature of the proposed adjustment and the supporting documents; and

- (ii) since August 2021, all the subsidiaries are required to submit its monthly trial balances and financial statements to the Company for review by the 15th calendar day of the following month. The finance department of the Company is required to reconcile the figures between the trial balances and the financial statements of each subsidiary before preparing the consolidated financial statements of the Group to ensure the completeness and accuracy of the subsidiaries' financial statements. The Company would submit the consolidated financial statements along with management information to the Board of Directors by the 25th calendar day of the following month.

Deprivation of all the power of Dr. Kan to initiate any financial activities in WWWC

Dr. Kan is unable to exert influence on the financial operation of WWWC with the following measures:

- (i) Dr. Kan ceased to have the authority to conduct any fund transfers in WWWC;
- (ii) for the purchase of materials for the construction of WWWC, it is required to be reviewed by Mr. Tan Wee Chuan before its execution;
- (iii) for the transactions not in the ordinary course of business, WWWC is required to obtain the Board's approval before its execution;
- (iv) for the transactions under the financing activities such as raising loan facilities from the financial institutions, WWWC is unable to provide sufficient value of assets as collaterals to obtain loan facilities from the financial institutions;
- (v) before obtaining the loan facilities from the financial institutions, WWWC is required to obtain approval from the board of WWWC, which means Dr. Kan is unable to pass the board resolutions of WWWC on his own; and
- (vi) the obtaining of the loan facilities from the financial institutions is also required to be approved by the Board.

Other remedial actions taken by the Group to limit and monitor Dr. Kan's involvement in the business operation of WWWC

As at the date of this announcement, Dr. Kan is (i) the Authorised Signatory of (a) registered general building contractor; (b) registered specialist contractor in demolition works category; and (c) registered specialist contractor in foundation works category; and (ii) the only Technical Director for the qualifications of the Categories maintained by WWWC as required under the Buildings Ordinance.

Dr. Kan would only be permitted to sign the BD Documents of all the Categories as the Authorised Signatory, which is required and compulsory under the Buildings Ordinance.

Being the Technical Director, no documents are required to be signed by Dr. Kan as the Technical Director under the Buildings Ordinance.

In light of the above, the Group has taken remedial actions to monitor Dr. Kan's involvement in the business operation of WWWC. The Company has appointed Mr. Wong Kee Chung, the executive Director, and Mr. Tan Wee Chuan, the executive director of WWWC, to review the BD Documents signed by Dr. Kan, including to (i) check whether the information disclosed in the BD Documents is accurate; and (ii) review the drawings attached to the BD Documents as to whether the drawings comply with the requirements under the Buildings Ordinance.

(IV) Company's view on the impact of the Group's business operation and financial position

The Fund Transfers

The Company is of the view that there is no significant adverse impact on the Group's business operation and financial position as a result of the occurrence of the Fund Transfers due to the following reasons:

- (i) all the amount due from Dr. Kan has been repaid by Dr. Kan up to the date of this announcement; and
- (ii) the Group has already taken rectification measures as mentioned above to address the internal control deficiencies. In particular, Dr. Kan ceased to have the authority to conduct any fund transfers in the Group, and the approval of the fund transfer and execution of the fund transfer have to be undertaken by two different persons. In this connection, the Company considered that any unauthorised fund transfers like the Fund Transfers will not occur again in the future.

The Accounting Adjustment

The Company is of the view that there is no significant adverse impact on the Group's business operation and financial position as a result of the occurrence of the Accounting Adjustment due to the following reasons:

- (i) the amount due from Dr. Kan as at 31 December 2020 has been truly and fairly stated in the 2020 Annual Results; and

- (ii) the Group has already taken rectification measures as mentioned above to address the internal control deficiencies. In particular, the finance department of the Company is required to review all the accounting adjustments and perform reconciliation between the figures stated in the trial balances and those stated in the financial statements of each subsidiary before preparing the consolidated financial statements of the Group.

(V) Conclusion

Based on the above, the Company is of the view that the Subject Issue 5 has been addressed.

(3) *Opinion of the Special Review Committee and the Board on the Final Investigation Report*

The Special Review Committee and the Board are of the view that the Final Investigation Report has addressed the concerns of the Subject Issues. In addition, the Special Review Committee agreed with the observations by RSMHK and is of the view that the findings of the Investigation revealed concerns in the Company's corporate governance and internal control system.

In view of the above, the Special Review Committee has recommended the Board to implement the rectification recommendations as soon as possible to address all internal control deficiencies identified in the Investigation. The Board agreed with the recommendations of the Special Review Committee and has resolved that the recommendations of the Special Review Committee be implemented as soon as practicable.

In order to enhance the internal control of the Group, the Board had already engaged ZH Risk Services to perform the Internal Control Review. The Internal Control Review had been completed and the announcements regarding the key findings and the follow-up review of the Internal Control Review have been published on 15 December 2021 and 21 February 2022, respectively. Based on the recommendations from ZH Risk Services, the Group has complemented the internal control measures in place to address the findings from the Investigation.

The Board is of the view that the Subject Issues do not have material adverse impact on the business operation or the financial position of the Group. The Group's business operation continues as usual despite the suspension of trading in the Shares since 3 May 2021.

(4) *ZHONGHUI's view as to whether the Subject Issues have been addressed*

Based on the actions taken, audit evidence obtained, and the analysis performed, ZHONGHUI is of the view that all the Subject Issues have been addressed. For details, please refer to the paragraphs under the section headed "ADDRESS ON THE OUTSTANDING ISSUES" in the announcement of the Company dated 30 December 2021.

(5) *Overall conclusion*

Based on the above, the Company considered that it has fulfilled the requirements under Resumption Guidance 2.

3. Resumption Guidance 3 – Demonstrate that there is no reasonable regulatory concern about management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence

RSMHK has performed investigations in relation to the involvement and/or knowledge in the Subject Issues of all the current and former directors of the Group, including:

- (i) the Directors;
- (ii) Dr. Kan, the current director of WWWC;
- (iii) Mr. Lee Kai Lun, the former executive Director; and
- (iv) Mr. SM Lee, Mr. Wong, Mr. Yeung Nai Cheong, and Mr. Kwong Po Lam, the former directors of WWWC.

(1) Integrity issues of all the current and former directors of the Group (excluding Dr. Kan, Mr. SM Lee, and Mr. Wong)

(a) Involvement in the Subject Issues of all the current and former directors of the Group (excluding Dr. Kan, Mr. SM Lee, and Mr. Wong)

During the Investigation, RSMHK noted that:

- (i) all the current and former directors of the Group (excluding Dr. Kan, Mr. SM Lee, and Mr. Wong) were not involved in and did not have meaningful knowledge about the Subject Issues; and
- (ii) Mr. Lee Kai Lun's knowledge of the Saipan Project was primarily originated from Dr. Kan.

(b) Relationships among Dr. Kan, Mr. SM Lee, Mr. Wong, and other current and former directors of the Group

The Company confirmed that all the Directors, Mr. Lee Kai Lun, Mr. Yeung Nai Cheong, and Mr. Kwong Po Lam are independent of Dr. Kan, Mr. SM Lee, and/or Mr. Wong.

(c) Conclusion

Considering the involvement of all the current and former directors of the Group (excluding Dr. Kan, Mr. SM Lee, and Mr. Wong) in the Subject Issues and their independence from Dr. Kan, Mr. SM Lee, and Mr. Wong, the Company is of the view that there is no regulatory concern about the integrity of all the current and former directors of the Group (excluding Dr. Kan, Mr. SM Lee, and Mr. Wong).

(2) Integrity issues of Dr. Kan, Mr. SM Lee, and Mr. Wong

During the Investigation, RSMHK noted that Mr. SM Lee and Mr. Wong were involved in the Subject Issue 5, and Dr. Kan was highly involved in all the Subject Issues. All of Dr. Kan, Mr. SM Lee, and Mr. Wong did not disclose the Subject Issues to the Company and the Board before PwC raised their concerns in the PwC Resignation Letter in April 2021. In this connection, Dr. Kan, Mr. SM Lee, and Mr. Wong failed to comply with the internal control policies of the Group and the Listing Rules. Therefore, the Company is of the view that there is regulatory concern about Dr. Kan, Mr. SM Lee, and Mr. Wong's integrity.

In light of the above, the Group had carried out the following measures to enhance the internal control of the Group, including but not limited to:

- (i) since August 2021, Dr. Kan has ceased to be an authorised signatory of bank accounts and an authorised user of e-banking in respect of the bank accounts of WWWC. Dr. Kan ceased to have the authority to conduct any fund transfers in the Group;
- (ii) as at the date of this announcement, Mr. SM Lee and Mr. Wong have resigned as directors of all the subsidiaries of the Company;
- (iii) the finance manager of all the subsidiaries of the Company will monitor the fund transfer, including safekeeping the bank security token and reviewing the payment application to ensure the internal measures of segregation of authorisation of fund transfers and execution of fund transfers are duly implemented; and

(iv) the person who authorised a fund transfer cannot be the same person who signed the cheques for the transfer or authorised the transfer via the e-banking system. The approval of the fund transfer and the execution of the fund transfer have to be undertaken by two different persons. The Compliance Officer will (a) review fund transfer applications exceeding HK\$500,000; (b) assess whether there are any compliance requirements under the Listing Rules in relation to such transactions; and (c) ask for Board's approval for connected transactions whose amount exceeds HK\$3,000,000.

By implementing the above measures, the Company considers that all of Dr. Kan, Mr. SM Lee, and Mr. Wong would no longer be able to exert substantial influence on the business operation of the Group.

(3) *Integrity issues of Individual B*

During the Investigation, RSMHK noted that Individual B, who was the then financial controller of WWWC during the occurrence of the Subject Issues and resigned from WWWC in March 2021, was involved in the Subject Issue 5 by (i) approving the accounting vouchers under the Fund Transfers; and (ii) performing the Accounting Adjustment and its subsequent reversal accounting entry. Individual B did not disclose the Subject Issue 5 and the Accounting Adjustment to the Company and the Board before PwC raised their concerns in the PwC Resignation Letter in April 2021.

In view of the above, Individual B failed to comply with the internal control policies of the Group and the Listing Rules. Therefore, the Company is of the view that there is regulatory concern about Individual B's integrity during his tenure as the financial controller in WWWC.

The Group has carried out measures to enhance the internal control of the Group, details of which are disclosed under the paragraphs headed "(III) Remedial actions taken by the Group – The Accounting Adjustment" of Subject Issue 5 under Resumption Guidance 2.

(4) Conclusion

Based on the above, the Company is of the view that, save for Dr. Kan, Mr. SM Lee, and Mr. Wong, there is no reasonable regulatory concern about the integrity of all the current and former directors of the Group.

4. Resumption Guidance 4 – Demonstrate that the Directors meet a standard of competence commensurate with their position as directors of a listed issuer to fulfil duties of skill, care and diligence as required under Rule 3.09 of the Listing Rules

The Company is of the view that the Directors have demonstrated their competence and fulfilled duties of skill care and diligence in the following ways during the Investigation Period:

(1) Actions taken to manage the Company's operation by the Directors

The Company is of the view that the Directors have used their endeavour to manage the Company's operation with due care during the occurrence of the Subject Issues (i.e., up to 30 April 2021) by taking the following actions:

- (i) inquiring the latest development of the Saipan Project and the settlement of trade receivable due from Customer A with the management of WWWC;
- (ii) reviewing the draft consolidated financial statements of the Group for FY2020;
- (iii) reviewing the information and documents regarding the Subject Issues as soon as they were aware of the Subject Issues, including, among others, the sales and purchase agreement with the suppliers, the purchase orders from the Group to the suppliers, and the bank statements of the subsidiaries of the Group; and
- (iv) consulting professional parties as to whether the Subject Issues would have material adverse effect on the consolidated financial statements of the Group for FY2020.

(2) *Enhanced Board composition and the background of the Directors*

As at the date of this announcement, the Board comprises 11 Directors.

The current Board members have a well-established diversity of professional and industry experience, including building construction business in Hong Kong, renewable energy business in the PRC, accounting, law, and investment industries. For further details on the background information of the Directors, please refer to pages 20 to 27 of the 2020 Annual Report, and the announcements of the Company dated 23 August 2021 and 3 December 2021.

In particular, in order to enhance the corporate governance of the Group, the Company appointed Mr. Wong Kee Chung as an executive Director on 23 August 2021 and Mr. Ng Kwun Wan as an independent non-executive Director on 3 December 2021.

Mr. Wong Kee Chung has over 38 years of experience in construction industry, property consultancy and business development in China and various parts of Asia. He is responsible for overseeing the operations of all the construction projects of the Group in Hong Kong and managing the building construction business for the subsidiaries located in Hong Kong. The Company believed that Mr. Wong Kee Chung is able to meet the standard of competence as an executive Director.

Mr. Ng Kwun Wan has over 20 years of experience in management, accounting and finance industry. He has been appointed as a member of the Audit Committee and is mainly responsible for overseeing the financial reporting and disclosure process and monitoring the internal control process. The Company believed that Mr. Ng Kwun Wan is able to meet the standard of competence as an independent non-executive Director.

Based on the above, the Company considers that the Directors have adequate industrial experience to demonstrate their competence as the Directors.

(3) *Enhanced board composition of WWWC*

(a) Board composition of WWWC as at the date of this announcement

As at the date of this announcement, the board of WWWC comprises two executive directors, namely Dr. Kan and Mr. Tan Wee Chuan.

(b) Background of Mr. Tan Wee Chuan

Mr. Tan Wee Chuan, who is independent of Dr. Kan, was appointed as a director of WWWC with effect from 1 August 2021 to replace Dr. Kan's role as Technical Director.

Mr. Tan Wee Chuan has approximately 19 years of experience in the works of site formation, demolition, foundation, superstructure, and deep excavation and lateral support in UK and Hong Kong. He obtained Bachelor of Engineering in civil engineering in 1998 from Queen's University of Belfast, Northern Ireland and Doctor of Philosophy in geotechnical engineering in 2003 from Queen's University of Belfast, Northern Ireland.

Mr. Tan Wee Chuan began his career in 2003 working in URS Corporation Limited, a company established in UK, as a geotechnical engineer and left in 2006. He then joined W T Chan & Associates Limited, a company established in Hong Kong, in 2007 as a geotechnical engineer and left in 2009. He also worked in AECOM Asia Company Limited as a geotechnical engineer in 2009. From 2010 to 2018, he was the project manager in WWWC. He then joined ASAP Limited, a company established in Hong Kong, as a project manager in 2019.

Mr. Tan Wee Chuan has never been a director of WWWC during his tenure in WWWC from 2010 to 2018 and was not involved in any issues regarding (i) the Saipan Project; or (ii) finance and accounting of WWWC.

Based on the above, the Company considers that Mr. Tan Wee Chuan has adequate industrial experience to demonstrate his competence as the director of WWWC.

(c) Reason to delay the resignation of Dr. Kan as a director of WWWC

Dr. Kan still remains as a director of WWWC as at the date of this announcement due to the following reasons:

- (i) as at the date of this announcement, Dr. Kan is the only Technical Director for the qualifications of the Categories maintained by WWWC as required under the Buildings Ordinance; and
- (ii) as required under the Buildings Ordinance:
 - (a) WWWC shall appoint a minimum of one director from the board of directors of WWWC as the Technical Director for each Category; and
 - (b) in the event that there is no Technical Director under any Category(ies), WWWC shall cease all building construction works under that Category(ies) immediately.

As at the date of this announcement, Mr. Tan Wee Chuan is not a Technical Director of WWWC. As such, in the event that Dr. Kan resolved to tender his resignation as a director of WWWC, the requirements on Technical Director will not be met and all building construction works of WWWC will be suspended by the Buildings Department until a new Technical Director is appointed;

(d) Remedial actions taken by the Group

In order to replace Dr. Kan and avoid any disruptions on the operation of WWWC at the same time, WWWC has appointed Mr. Tan Wee Chuan as a director of WWWC in August 2021 and initiated the Application during the same period. As at the date of this announcement, the Application is under the checking process by the Buildings Department. Based on the communication between the Buildings Department and WWWC, it is expected that the addition of the Technical Director will be completed in around April 2022. In light of the above, Dr. Kan will tender his resignation as a director of WWWC in April 2022.

In addition, the Group has implemented measures to limit and monitor Dr. Kan's involvement in the business operation of WWWC. For details, please refer to "(III) Remedial actions taken by the Group — Other remedial actions taken by the Group to limit and monitor Dr. Kan's involvement in the business operation of WWWC" under Subject Issue 5 in Resumption Guidance 2.

(4) Conclusion

In light of the above, the Company is of the view that the Directors have met a standard of competence commensurate with their position as directors of the Company to fulfil duties of skill, care and diligence as required under Rule 3.09 of the Listing Rules.

5. Resumption Guidance 5 – Conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet obligations under the Listing Rules

(1) Background of the Internal Control Review

On 8 June 2021, the Company engaged ZH Risk Services to conduct the Internal Control Review and demonstrate adequate internal control systems being in place to meet the obligations under the Listing Rules. The Internal Control Review covers the Group's internal control systems for FY2020.

On 15 October 2021, ZH Risk Services issued a draft IC Review Report to the Audit Committee.

On 15 December 2021, ZH Risk Services issued a final IC Review Report to the Audit Committee. The Audit Committee reported the results of the Internal Control Review to the Board. The Board has reviewed and approved the IC Review Report on the same date.

On 15 December 2021, the Company published an announcement in relation to the findings of the Internal Control Review.

On 21 February 2022, the Company published an announcement in relation to the follow-up review of the internal control of the Group conducted by ZH Risk Services up to 15 December 2021.

(2) Key findings of the Internal Control Review

As a result of the Internal Control Review, ZH Risk Services identified five key internal control deficiencies as high risk and 13 internal control deficiencies as low or medium risk during the Internal Control Review.

The Board has also assessed the risks of 18 internal control deficiencies and improvement recommendations suggested by ZH Risk Services. The management of the Company has also taken remedial actions commensurate with their respective risk levels.

ZH Risk Services has also performed the follow-up procedures for 18 internal control deficiencies and considered that the Group has adopted enhanced internal control measures to rectify the internal control deficiencies.

For details, please refer to the announcements of the Company dated 15 December 2021 and 21 February 2022.

(3) *View of the Audit Committee and the Board*

Having considered (a) the IC Review Report; (b) the remedial actions taken by the Group; and (c) the follow-up reviews on the enhanced internal control conducted by ZH Risk Services, the Audit Committee and the Board are of the view that (i) the above key internal control deficiencies have been rectified and the related risks have been managed to a reasonable level; (ii) the remedial actions and improvement measures implemented by the Company are adequate and sufficient to address the key findings of the IC Review Report and the internal control concerns related to the Subject Issues; and (iii) the Company has in place adequate internal controls and procedures to meet obligations under the Listing Rules.

(4) *Conclusion*

Based on the above, the Company considered that it has demonstrated that the Company has in place adequate internal controls and procedures to meet the obligations under the Listing Rules.

6. Resumption Guidance 6 – Demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules

(1) *Sufficient operation*

The principal activities of 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.

The following table sets forth the revenue of the Group for FY2019, FY2020, and FY2021 as extracted from the 2020 Annual Report and the 2021 Management Account, which is subject to audit:

	FY2019	FY2020	FY2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Audited)	(Unaudited)
Revenue	246,880	250,889	335,255
<i>Including:</i>			
Building construction business	207,291	124,365	128,111
Renewable energy business	36,732	122,375	177,198
E-commerce business	–	2,960	25,732
Others	2,857	1,189	4,214

In respect of the building construction business and renewable energy business of the Group, as at 31 December 2021, the Group had 18 ongoing projects with an outstanding contract value of project of approximately HK\$645.7 million. The ongoing projects are expected to be completed between the first quarter of 2022 and the fourth quarter of 2024.

In respect of the e-commerce business of the Group, as shown in the 2020 Annual Report and the 2021 Management Account, the revenue generated from e-commerce business of the Group increased from approximately HK\$3.0 million for FY2020 to HK\$25.7 million for FY2021, which is mainly attributable to the expansion of the product range.

Considering the above, the Company is of the view that the Group is able to maintain its existing business with a sufficient level of operations.

(2) *Sufficient value of assets*

The following table sets forth the total assets and net assets of the Group as at 31 December 2019, 2020, and 2021 as extracted from the 2020 Annual Report and the 2021 Management Account, which is subject to audit:

	FY2019 <i>HK\$'000</i> (Audited)	FY2020 <i>HK\$'000</i> (Audited)	FY2021 <i>HK\$'000</i> (Unaudited)
Total assets	517,742	536,193	445,173
Net assets	234,229	294,839	176,001

As shown in the table above, the total assets of the Group amounted to approximately HK\$517.7 million, HK\$536.2 million, and HK\$445.2 million as at 31 December 2019, 2020, and 2021. The net assets of the Group amounted to approximately HK\$234.2 million, HK\$294.8 million, and HK\$176.0 million as at 31 December 2019, 2020, and 2021.

In light of the above, the Company is of the view that the Group has maintained sufficient assets to support its operation due to the following reasons:

- (i) the trade receivables, deposits and other receivables and the contract assets of the Group are expected to be recoverable. In particular:
 - (a) Customer A provided the Repayment Schedule to WWWC, pursuant to which Customer A would repay the trade receivables, prepayment paid to Supplier B by WWWC, and prepayment paid to the Saipan Project Subcontractor by WWWC to WWWC;
 - (b) up to the date of this announcement, an aggregate amount of approximately HK\$68.3 million of prepayment and HK\$7.0 million of trade receivables had been repaid by Customer A to WWWC; and

(c) WWWC, Dr. Kan, Mr. SM Lee, and Win Win Way Investment entered into the Deed of Agreement on 7 January 2022, pursuant to which each of Dr. Kan, Mr. SM Lee and Win Win Way Investment jointly and severally agree to provide certain security in favour of WWWC for the due performance of the repayment obligation of Customer A of the Outstanding Amounts under the Repayment Schedule; and

(ii) the Group is in net assets position and is nowhere near insolvent.

(3) Conclusion

In light of the above, the Company is of the view that the Group has carried out the businesses with a sufficient level of operations and assets of sufficient value to support its operations.

7. Resumption Guidance 7 – Inform the market of all material information for the Shareholders and Company’s investors to appraise the Company’s position

Since the suspension of trading in the Shares, the Company has published announcements to keep the Shareholders and investors of the Company informed of the status of the Company. The Board confirms that the Company has included all material information in relation to its business, financial performance, and operation management in the 2020 Annual Results, 2021 Interim Results, quarterly update announcements of the Company, and other disclosure documents published in accordance with the Listing Rules and other applicable regulatory requirements.

To the best knowledge of the Directors, as at the date of this announcement, there is no other information required to be disclosed under Part XIVA of the SFO and no other undisclosed information that is material for the Company’s shareholders and other investors to appraise the Company’s position. As such, the Company is of the view that it has fulfilled the requirements under Resumption Guidance 7.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended since 3 May 2021. Since the Resumption Guidance has been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading of the Shares with effect from 9:00 a.m. on 9 March 2022 on the Stock Exchange.

DEFINITION

“2020 Annual Report”	annual report for FY2020 of the Company
“2020 Annual Results”	audited annual results for FY2020 of the Group
“2020 Audit”	annual audit for the consolidated financial statements of the Group for FY2020
“2020 Audit Report”	independent auditor’s report of the Company for FY2020
“2022 Audit Report”	independent auditor’s report of the Company for FY2022
“2021 Interim Report”	interim report for the six months ended 30 June 2021 of the Group
“2021 Interim Results”	unaudited interim results for the six months ended 30 June 2021 of the Group
“2021 Management Account”	unaudited management account for FY2021 of the Group
“Accounting Adjustment”	the accounting adjustment of the amount due from Dr. Kan to WWWC from approximately HK\$55.7 million to nil as at 30 June 2020, as mentioned under the Subject Issue 5
“Application”	the application for additional Authorised Signatory and Technical Director under the Categories in WWWC, which is initiated by WWWC
“Audit Committee”	the audit committee of the Board
“Audit Qualification(s)”	the audit qualification(s) as mentioned in the 2020 Audit Report
“Authorised Signatory”	the appointed person(s) to act for a registered contractor for the purpose of the Buildings Ordinance

“BD Documents”	(i) the appointment of registered contractor, the notice of commencement of building works, and undertakings by the registered contractor at the initial stage of the construction projects; (ii) the site supervision plan for the construction projects at its initial stage; and (iii) the certificates on the completion of (a) the construction works for a new building or an existing building; or (b) the demolition works of a building at the completion stage, all of which are required to be submitted to the Buildings Department
“Board”	the board of Directors
“Buildings Department”	the Buildings Department of Hong Kong
“Buildings Ordinance”	the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Category(ies)”	(i) registered general building contractor; (ii) registered specialist contractor in demolition works category; (iii) registered specialist contractor in foundation works category; and (iv) registered specialist contractor in site formation works category
“Company”	CT Vision S.L. (International) Holdings Limited, a company with limited liability incorporated in the Cayman Islands whose Shares are listed on the Main Board of the Stock Exchange (Stock code: 00994)
“Company A”	a company incorporated under the laws of Hong Kong with limited liability

“Company B”	a company incorporated under the laws of Hong Kong with limited liability, which is owned as to 1% by Dr. Kan and 99% by spouse of Dr. Kan on trust for Dr. Kan
“Company C”	a company incorporated in British Virgin Islands with limited liability, who is the sole shareholder of Customer A and the owner of the Saipan Project
“Company D”	the controlling shareholder of Company E and indirectly controls the Saipan Project Subcontractor
“Company E”	a company established in Hong Kong and directly controls Supplier B
“Company Secretary”	the company secretary of the Company
“Compliance Officer”	the compliance officer of the Company
“Condover Assets”	Condover Assets Limited, a company incorporated under the laws of the British Virgin Islands with limited liability on 25 August 2015, which is owned as to one-third by each of Dr. Kan, Mr. SM Lee and Mr. Wong and is a legal and beneficial owner of approximately 9.45% of this issued share capital of the Company
“Condover Share Charge”	the deed of share charge dated 7 January 2022 executed by Dr. Kan and Mr. SM Lee in favour of WWWC in relation to certain issued shares of Condover Assets
“COVID-19”	Novel Coronavirus (COVID-19) or Novel Coronavirus Pneumonia, a respiratory illness
“Customer A”	a company incorporated under the laws of Hong Kong with limited liability, who is the developer of the Saipan Project

“Deed of Agreement”	a formal deed of agreement dated 7 January 2022 entered into between WWWC, Dr. Kan, Mr. SM Lee, and Win Win Way Investment, pursuant to which each of Dr. Kan, Mr. SM Lee and Win Win Way Investment agree to provide certain security in favour of WWWC for the due performance of the repayment obligation of Customer A of the Outstanding Amounts under the Payment Schedule
“Director(s)”	director(s) of the Company
“Dr. Kan”	Dr. Kan Hou Sek, Jim, who is (i) a former executive Director; (ii) one of the ultimate beneficial owners of the Company via Condover Assets; (iii) one of the beneficial owners of Company C; (iv) a director of Company E, which directly and wholly owns Supplier B; and (v) the ultimate beneficial owner of Company B
“Final Investigation Report”	final Investigation Report issued by RSMHK on 21 February 2022
“Financial Controller”	the financial controller of the Company
“Financial Institution A”	one of the world’s largest banking and financial services organisations and the biggest bank incorporated in Hong Kong
“Fund Transfers”	the fund transfers among WWWC, Dr. Kan, and Company B during FY2020, subsequent to 31 December 2020, and up to 30 April 2021
“FY2020”	the year ended 31 December 2020
“FY2021”	the year ended 31 December 2021
“FY2022”	the year ending 31 December 2022
“Grantees”	the entities outside the Group or the individuals who receive the financial assistance from the Group

“Grants”	the financial assistance granted by the Group to the Grantees
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IC Review Report”	the internal control review report prepared by ZH Risk Services
“Individual A”	the sole shareholder and sole director of Supplier A and the director of Customer A
“Individual B”	the financial controller of WWWC who commenced his employment in WWWC in January 2014 and resigned from WWWC in March 2021
“Internal Control Manual”	the enhanced internal control manual on financial reporting of the Group implemented since September 2021
“Internal Control Review”	an independent review on the Company’s internal control system performed by ZH Risk Services
“Investigation”	an independent forensic investigation into the Subject Issues performed by RSMHK
“Investigation Period”	during FY2020 and up to 30 April 2021
“Investigation Report”	the independent forensic investigation report prepared by RSMHK
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. SM Lee”	Mr. Lee Sai Man, the former executive Director

“Mr. Wong”	Mr. Wong Siu Kwai, the former executive Director
“Outstanding Amounts”	an outstanding amount of HK\$179,584,366, consisting of (i) trade receivables of approximately HK\$51.4 million; (ii) contract assets of approximately HK\$18.3 million; and (iii) prepayments of approximately HK\$109.8 million, due to WWWC from Customer A in relation to the Saipan Project
“POB Payments”	a series of payments related and unrelated to the Saipan Project made by WWWC on behalf of Customer A, consisting of approximately (i) HK\$36,651,000 made to Supplier A; (ii) HK\$4,170,000 made to Supplier C; (iii) HK\$40,976,000 made to Supplier D; and (iv) HK\$17,691,000 made to Company A
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Purchasing Policy”	the enhanced purchasing policy under the Internal Control Manual implemented since September 2021
“PwC”	PricewaterhouseCoopers, the predecessor auditor of the Company
“PwC Resignation Letter”	the resignation letter issued by PwC to the Company on 30 April 2021
“Repayment Schedule”	a settlement schedule for the Outstanding Amounts as disclosed in the Company’s announcement dated 2 November 2021
“Resumption Guidance”	a letter issued by the Stock Exchange on 18 June 2021, in which the Stock Exchange set out the guidance for the resumption of trading in the Shares

“RSMHK”	RSM Corporate Advisory (Hong Kong) Limited, the forensic accountant of the Company
“Saipan”	a municipality of 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 by Customer A as employer, to WWWC as the main contractor
“Saipan Project Subcontractor”	WWWC’s subcontractor of the Saipan Project located in Tianjin, the PRC
“Samoa Share Charge”	the deed of share charge dated 7 January 2022 executed by WWWC Investment in favour of WWWC in relation to the entire issued share capital of Win Win Way Samoa
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Special Review Committee”	the special review committee of the Board established on 20 July 2021
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subcontracting Agreement”	the subcontracting agreement entered into between WWWC and the Saipan Project Subcontractor dated 3 June 2020 and signed by the Saipan Project Subcontractor on 26 March 2021
“Subject Issue(s)”	the matters set out in the PwC Resignation Letter

“Supplier A”	a company incorporated under the laws of Hong Kong with limited liability, who is an independent supplier of the reinforcement bars of WWWC
“Supplier B”	a company incorporated in UK with limited liability, which is wholly owned by Company E
“Supplier C”	a company incorporated under the laws of Hong Kong with limited liability, who is an independent supplier of the reinforcement bars of WWWC
“Supplier D”	a company incorporated under the laws of the British Virgin Islands with limited liability, who is an independent supplier of the reinforcement bars of WWWC
“Technical Director”	in respect of any registered contractor which is a corporate entity, a director authorised by the board of directors of such contractor to ensure the works are carried out in accordance with the Buildings Ordinance
“UK”	The United Kingdom of Great Britain and Northern Ireland
“Win Win Way Investment”	Win Win Way Investment Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, which is owned as to one-third by each of Dr. Kan, Mr. SM Lee and Mr. Wong, and a minority beneficial owner of Customer A
“Win Win Way Samoa”	Win Win Way Construction Co., Limited, a company incorporated under the laws of Samoa and is wholly owned by Win Win Way Investment, which is in turn owned as to one-third by each of Dr. Kan, Mr. SM Lee and Mr. Wong

“WWWC”	Win Win Way Construction Co., Limited (恆誠建築工程有限公司), an indirect wholly owned subsidiary of the Company incorporated under the laws of Hong Kong with limited liability
“ZHONGHUI”	ZHONGHUI ANDA CPA Limited, the current auditor of the Company
“ZH Risk Services”	Zhonghui Anda Risk Services Limited, the internal control reviewer of the Company
“%”	percent

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

Hong Kong, 8 March 2022

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