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**Vision International Holdings Limited**

**威誠國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8107)**

**FIRST QUARTERLY RESULTS ANNOUNCEMENT  
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

The Board (the “**Board**”) of Directors (the “**Directors**”) of Vision International Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months ended 31 March 2023. This announcement, containing the full text of the 2023 First Quarterly Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of quarterly results. Printed version of the Company’s 2023 First Quarterly Report will be delivered to the shareholders of the Company and available for viewing on the websites of the Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and of the Company at [www.vision-holdings.com.hk](http://www.vision-holdings.com.hk) in due course.

By Order of the Board  
**Vision International Holdings Limited**  
威誠國際控股有限公司  
**Mr. Ko Sin Yun**  
*Chairman and Executive Director*

Hong Kong, 12 May 2023

*As at the date of this announcement, the executive Directors of the Company are Mr. Ko Sin Yun, Mr. Ko Man Ho, Mr. Cheng Ka Wing and Ms. Ng Hoi Yung Yo Yo; and the independent non-executive Directors of the Company are Mr. To King Yan, Adam, Mr. Kwok Chee Kin and Mr. Chan Kim Sun.*

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

*This announcement will remain on the “Latest Listed Company Information“ page on the website of the Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) for a minimum period of seven days from the date of its publication and on the Company’s website at [www.vision-holdings.com.hk](http://www.vision-holdings.com.hk).*

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*This report for which the directors (the "Director(s)") of Vision International Holdings Limited (the "Company", and together with its subsidiaries, the "Group", "we" or "our") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*



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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors:

Mr. Ko Sin Yun (*Chairman*)  
Mr. Ko Man Ho  
Mr. Cheng Ka Wing  
Ms. Ng Hoi Yung Yo Yo  
(appointed on 30 January 2023)

### Independent Non-executive Directors:

Mr. To King Yan, Adam  
Mr. Kwok Chee Kin  
Mr. Chan Kim Sun

## AUDIT COMMITTEE

Mr. Chan Kim Sun (*Chairman*)  
Mr. To King Yan, Adam  
Mr. Kwok Chee Kin

## REMUNERATION COMMITTEE

Mr. To King Yan, Adam (*Chairman*)  
Mr. Chan Kim Sun  
Mr. Kwok Chee Kin

## NOMINATION COMMITTEE

Mr. Ko Sin Yun (*Chairman*)  
Mr. Chan Kim Sun  
Mr. To King Yan, Adam

## COMPANY SECRETARY

Mr. Tam Chun Wai Edwin

## COMPLIANCE OFFICER

Mr. Cheng Ka Wing

## AUTHORISED REPRESENTATIVES FOR THE PURPOSE OF THE GEM LISTING RULES

Mr. Cheng Ka Wing  
Mr. Tam Chun Wai Edwin

## REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

3/F, China United Plaza  
1002–1008 Tai Nan West Street  
Cheung Sha Wan  
Kowloon  
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Computershare Hong Kong Investor Services Limited  
Shops 1712–1716  
17th Floor  
Hopewell Centre  
183 Queen's Road East  
Hong Kong

## PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited  
United Overseas Bank Limited  
Hong Kong Branch  
Hang Seng Bank Limited  
Bank of Communications (Hong Kong) Limited

## AUDITOR

Yongtuo Fuson CPA Limited  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*

## STOCK CODE

8107

## COMPANY'S WEBSITE

[www.vision-holdings.com.hk](http://www.vision-holdings.com.hk)

# Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

The board of Directors (the “**Board**”) of the Company hereby announces the unaudited condensed consolidated financial results of the Group for the three months ended 31 March 2023 together with the comparative unaudited figures for the corresponding period in 2022, as follows:

	Notes	Three months ended 31 March	
		2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Revenue	3	<b>27,784</b>	25,898
Cost of sales		<b>(26,405)</b>	(24,534)
Gross profit		<b>1,379</b>	1,364
Other income	4	<b>22</b>	45
Other gains and losses	5	<b>2,037</b>	28
Selling and distribution expenses		<b>(1,556)</b>	(335)
Administrative expenses		<b>(2,255)</b>	(1,845)
Finance costs		<b>(676)</b>	(307)
Loss before taxation		<b>(1,049)</b>	(1,050)
Income tax (expense) credit	6	<b>(7)</b>	30
Loss and total comprehensive expenses for the period	7	<b>(1,056)</b>	(1,020)
Loss per share — basic and diluted (HK cents)	9	<b>(0.90)</b>	(1.02)

# Unaudited Condensed Consolidated Statement of Changes in Equity

For the three months ended 31 March 2023

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Total equity HK\$'000
At 1 January 2022 (audited)	10,000	38,444	(103,262)	(7,252)	110,927	48,857
Profit and total comprehensive income for the period	-	-	-	-	(1,020)	(1,020)
At 31 March 2022 (unaudited)	10,000	38,444	(103,262)	(7,252)	109,907	47,837
At 1 January 2023 (audited)	<b>10,000</b>	<b>38,444</b>	<b>(103,262)</b>	<b>(7,252)</b>	<b>115,825</b>	<b>53,755</b>
Placing of new shares	<b>2,000</b>	-	-	-	-	<b>2,000</b>
Share premium	-	<b>2,260</b>	-	-	-	<b>2,260</b>
Loss and total comprehensive expense for the period	-	-	-	-	<b>(1,056)</b>	<b>(1,056)</b>
At 31 March 2023 (unaudited)	<b>12,000</b>	<b>40,704</b>	<b>(103,262)</b>	<b>(7,252)</b>	<b>114,769</b>	<b>56,959</b>

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the three months ended 31 March 2023

## 1. GENERAL

Vision International Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 19 January 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares were listed (the “**Listing**”) on GEM of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 4 May 2018 (the “**Listing Date**”). The Company’s immediate and ultimate holding company is Metro Vanguard Limited (“**Metro Vanguard**”), a limited company incorporated in the British Virgin Islands (the “**BVI**”) with limited liability. The ultimate controlling party of Metro Vanguard is Mr. Ko Sin Yun (“**Mr. Ko**” or the “**Controlling Shareholder**”) who is also the executive director of the Company. The addresses of the Company’s registered office and principal place of business are disclosed in the Corporate Information section to this report.

The principal activity of the Company is investment holding. The principal activities of the Group are (i) sales of apparel products and other products with the provision of supply chain management (“**SCM**”) services, (ii) provision of agency services on construction and related materials and (iii) sales and distribution of health supplements products.

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants as well as with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is different from the functional currency of the Company, United States Dollars (“**US\$**”). The Directors consider that presenting the unaudited condensed consolidated financial statements in HK\$ is preferable as the Company’s shares are listed on GEM of the Stock Exchange.

The accounting policies and basis of preparation adopted in the preparation of these unaudited condensed consolidated financial statements for the three months ended 31 March 2023 are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), except for the adoption of the following new and amendments to HKFRSs effective from 1 January 2023, as noted below.

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The application of the new and amendments to HKFRSs in the current period has had no significant financial effect on these unaudited condensed consolidated financial statements for the three months ended 31 March 2023.

The Group has not early applied those new and revised HKFRSs that have been issued but are not yet effective.

The Directors anticipate that the application of those new standard(s), amendments and interpretation(s) will have no material impact on the unaudited condensed consolidated financial statements.



# Notes to the Unaudited Condensed Consolidated Financial Statements

For the three months ended 31 March 2023

## 3. REVENUE AND SEGMENT INFORMATION

Revenue from contracts with customers represents the fair value of amounts received and receivable from (i) the sales of apparel and related products with the provision of supply chain management services to customers, (ii) agency fee from construction and related materials by the Group, and (iii) sales and distribution of health supplements products.

### Timing of revenue recognition and category of revenue

	Three months ended 31 March	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Recognised at a point in time and short-term contracts:		
Sales of apparel products with the provision of supply chain management ("SCM") services	26,804	25,632
Agency fee from construction and related materials	–	266
Sales and distribution of health supplements products	980	–

The Group's operating segment is determined based on information reported to the chief operating decision maker (the "CODM") of the Group, being the executive directors of the Company throughout the year, for the purpose of resource allocation and performance assessment.

During the period, the Group commenced the business relating to sales and distribution of health supplements products along with the incorporation of certain subsidiaries, and it is considered as a new operating and reportable segment by the CODM.

Specifically, the Group's reportable segments for the year ending 31 December 2023 under HKFRS 8 are as follows:

1. Sales of apparel and related products with the provision of supply chain management services ("**Apparel Products**");
2. Provision of agency services for construction and related materials ("**Construction Materials**"); and
3. Sales and distribution of health supplements products ("**Health Supplements Products**").

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the three months ended 31 March 2023

## 3. REVENUE AND SEGMENT INFORMATION (Continued)

### Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

For the 3 months ended 31 March 2023 (unaudited)

	Apparel Products HK\$'000	Construction Materials HK\$'000	Health Supplements Products HK\$'000	Consolidated HK\$'000
Segment revenue				
External sales	26,804	–	980	27,784
Segment profit	2,453	2,187	(1,052)	3,588
Unallocated other income				–
Unallocated other gains and losses, net				(150)
Unallocated corporate general administrative expenses				(3,811)
Finance costs				(676)
Group's loss before tax				(1,049)

For the 3 months ended 31 March 2022 (unaudited)

	Apparel Products HK\$'000	Construction Materials HK\$'000	Consolidated HK\$'000
Segment revenue			
External sales	25,632	266	25,898
Segment profit	1,143	266	1,409
Unallocated other income			–
Unallocated other gains and losses, net			28
Unallocated corporate general administrative expenses			(2,180)
Finance costs			(307)
Group's loss before tax			(1,050)

Segment profit/loss represents the profit/loss earned by each segment without allocation of government grant, net foreign exchange difference, central administration costs, directors' emoluments and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The customers of the Group are mainly (i) apparel sourcing agents in Macau, Hong Kong and Europe; (ii) construction materials sourcing agents in South East Asia; and (iii) health supplements products sourcing agents in Hong Kong.

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the three months ended 31 March 2023

## 3. REVENUE AND SEGMENT INFORMATION (Continued)

### Geographical information

The Group's operations are mainly located in Hong Kong.

The Group's revenue from external customers is mainly derived from customers in Macau, Hong Kong, Germany and Cambodia. The following table sets forth a breakdown of the Group's revenue by the geographical location of the customers.

	Three months ended 31 March	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Apparel Products		
Macau	23,098	12,633
Hong Kong	1,759	11,644
Germany	1,947	1,355
	26,804	25,632
Construction Materials		
Cambodia	–	266
Health Supplements Products		
Hong Kong	980	–
Total	27,784	25,898

### Information about major customers

Revenue from customers contributing over 10% of the Group's revenue are as follows:

	Three months ended 31 March	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Customer A	23,098	12,633
Customer B	*	11,644

\* The corresponding revenue did not contribute over 10% of the Group's revenue.

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the three months ended 31 March 2023

## 3. REVENUE AND SEGMENT INFORMATION (Continued)

### Information about major customers (Continued)

Non-current assets (excluding financial assets) by geographical location of assets are detailed below:

	As at 31 March 2023 (unaudited) HK\$'000	As at 31 March 2022 (unaudited) HK\$'000
Hong Kong	25,998	26,403
Germany	4,333	5,333
Total	30,331	31,736

## 4. OTHER INCOME

	Three months ended 31 March	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Sample sales income	22	45
Total	22	45

## 5. OTHER GAINS AND LOSSES

	Three months ended 31 March	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Net foreign exchange (loss)/gain	(150)	28
Net change in allowance for expected credit losses for trade receivables	2,187	–
Total	2,037	28

# Notes to the Unaudited Condensed Consolidated Financial Statements

For the three months ended 31 March 2023

## 6. INCOME TAX EXPENSE/(CREDIT)

	Three months ended 31 March	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Hong Kong Profits Tax:		
Current tax	77	43
Deferred taxation	(70)	(73)
Total	7	(30)

The profits tax of the Group is following the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of the profits of the qualifying group entity shall be taxed at 8.25% and profits above HK\$2 million shall be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime shall be taxed at a flat rate of 16.5%.

## 7. LOSS FOR THE PERIOD

	Three months ended 31 March	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Loss for the period has been arrived at after charging:		
Directors' remuneration	651	669
Other staff costs:		
— Salaries and other benefits	426	447
— Retirement benefit scheme contributions	20	16
Total staff costs	446	463
Total employee benefits expenses	1,097	1,132
Auditor's remuneration	100	100
Depreciation of property, plant and equipment	260	279
Depreciation of leasehold improvements	5	5
Amortisation of intangible assets	250	250
Cost of inventories recognised as cost of sales	26,405	24,534

# Notes to the Unaudited Condensed Consolidated Financial Statements

*For the three months ended 31 March 2023*

## **8. DIVIDENDS**

The Board does not recommend the payment of any dividend for the three months ended 31 March 2023 (three months ended 31 March 2022: Nil).

## **9. LOSS PER SHARE**

The calculation of basic (loss) profit per Share attributable to the owners of the Company is based on the following data:

The calculation of basic loss per Share for the period is based on the unaudited condensed consolidated loss for the three months ended 31 March 2023 of HK\$1,056,000 (loss for the three months ended 31 March 2022: HK\$1,020,000), and the weighted average number of ordinary shares of 117,143,000 (three months ended 31 March 2022: 100,000,000), being the total number of Shares in issue of the Company during the three months ended 31 March 2023.

No diluted loss per share in both periods was presented as there were no potential ordinary Shares outstanding during both periods.

# Management Discussion and Analysis

## **BUSINESS REVIEW**

Our Group is based in Hong Kong and generates revenue mainly from (i) the sales of apparel and related products with the provision of SCM services to customers, delivering one-stop solution to customers in Europe and Asia; (ii) the agency fees from the sales of construction and related materials to the construction materials sourcing agents in South East Asia, and (iii) the sales and distribution of health supplements products.

As a well-established apparel SCM services provider, we have developed a vertically integrated business model with services ranging across market trend analysis, product design and development, sourcing of suppliers, production management, logistics services and quality control. Through engaging us for apparel SCM services, our customers are able to focus their resources on their retail businesses and respond quickly to the fast-evolving changes of the fashion industry, as they do not have to separately engage different suppliers for various types of services throughout the apparel supply chain.

Besides, during the three months ended 31 March 2023, our Group leveraged on our experience in SCM and extended our business to the sales and distribution of health supplements products in order to diversify our income stream.

# Management Discussion and Analysis

## FINANCIAL REVIEW

### Revenue

The Group's revenue increased by 7.3% from HK\$25.9 million for the three months ended 31 March 2022 to HK\$27.8 million for the three months ended 31 March 2023. The increase was mainly attributable to the increased revenue from customers in Macau for apparels and related products, and the additional revenue from the customers in Hong Kong for health supplements products.

### Cost of sales

Our cost of sales mainly consists of purchase costs, import duty and other cost of sales. Purchase cost represents the cost of apparel products purchased from our suppliers mainly located in the People's Republic of China, Madagascar and Cambodia, and the cost of health supplements products purchased from our suppliers located in Hong Kong.

Cost of sales increased by 7.6% from HK\$24.5 million for the three months ended 31 March 2022 to HK\$26.4 million for the three months ended 31 March 2023, which was in line with the increase in sales for the three months ended 31 March 2023.

### Gross profit and gross profit margin

Gross profit was HK\$1.4 million for both three months ended 31 March 2022 and 2023, respectively. Gross profit margin remained relatively stable at 5.3% for the three months ended 31 March 2022 to 5.0% for the three months ended 31 March 2023, respectively.

### Other income

Other income decreased from HK\$45,000 for the three months ended 31 March 2022 to HK\$22,000 for the three months ended 31 March 2023, mainly due to the decrease in sample sales income.

### Other gains and losses

Other gains and losses mainly include the net change in allowance for expected credit losses for trade receivables, and the net foreign exchange difference resulted from fluctuations in the exchange rate of the foreign currency incurred in our operation.

Other gains increased from HK\$28,000 for the three months ended 31 March 2022 to HK\$2.0 million for the three months ended 31 March 2023. Such increase was due to the decrease in the net change in allowance for expected credit losses in respect of trade receivables since a number of trade receivables were duly settled during the three months ended 31 March 2023.



# Management Discussion and Analysis

## **Selling and distribution expenses**

Selling and distribution expenses mainly include staff costs, customer service fee, freight and transportation cost, travelling expenses, exhibition fees, design fee, sample and development cost and other selling and distribution expenses.

Selling and distribution expenses increased from HK\$0.3 million for the three months ended 31 March 2022 to HK\$1.6 million for the three months ended 31 March 2023. Such increase was mainly attributable to the increase in marketing fee of health supplements products.

## **Administrative expenses**

Administrative expenses mainly include professional fees, staff costs (including Directors' remuneration), amortisation of intangible assets, depreciation, rent and rates and other administrative expenses.

Administrative expenses amounted to HK\$1.8 million and HK\$2.3 million for the three months ended 31 March 2022 and 2023, respectively. The increase was mainly due to the increase in professional fees and directors' fees.

## **Finance costs**

The Group's finance costs amounted to approximately HK\$0.3 million and HK\$0.7 million for the three months ended 31 March 2022 and 2023, respectively.

## **Income tax expense/credit**

The income tax credit for the three months ended 31 March 2022 amounted to approximately HK\$30,000 and the income tax expense amounted to approximately HK\$7,000 for the three months ended 31 March 2023, respectively.

## **Loss for the period**

The loss for the three months ended 31 March 2022 and 31 March 2023 amounted to HK\$1,020,000 and HK\$1,056,000, respectively. The slight increase in loss was mainly attributable to the increase in selling and distribution expenses due to the increase in marketing fees, being offset by the increase in other gains due to the decrease in the net change in allowance for expected credit losses in respect of trade receivables.

## **Charge on the Group's assets**

As at 31 March 2023, the Group pledged the property comprising workshops 1–3 and 5–7 on 3rd Floor of China United Plaza, No. 1008 Tai Nan West Street, Kowloon, Hong Kong to a bank for the bank finance facility for the Group.

# Management Discussion and Analysis

## Share capital

The share capital of the Company only comprises ordinary shares.

Pursuant to the ordinary resolutions passed at the extraordinary general meeting of the Company held on 3 August 2020, the Company implemented the share consolidation with effect from 5 August 2020, on the basis that every ten issued and unissued existing shares of the Company of HK\$0.01 each were consolidated into one consolidated share of HK\$0.1 each, ranked pari passu in all respects with each other. Upon completion of the share consolidation and as at 31 December 2020 and 2021, the Company's share capital consists of 100,000,000 consolidated shares of HK\$0.1 each.

On 23 December 2022, the Company entered into a placing agreement pursuant to which the Company agreed to allot and issue 20,000,000 new ordinary shares to certain placees (the "**Share Placement**"). The Share Placement was completed on 13 January 2023. Further details are set out the Company's announcements dated 23 December 2022 and 13 January 2023.

As at 31 March 2023, the Company's issued share capital was HK\$12,000,000 and the number of its issued shares was 120,000,000 of HK\$0.1 each.

## Significant investment held

As at 31 March 2023, the Group did not hold any significant investment.

## Contingent liabilities

The Group did not have any material contingent liabilities or guarantees as at 31 March 2023.

## Foreign exchange exposure

The revenue of the Group is mainly denominated in US\$, while a certain amount of the revenue is denominated in HK\$ and Euro ("**EUR**").

The Group considered that the foreign exchange risk with respect to US\$ is not significant as HK\$ is pegged to US\$.

For the transaction denominated in EUR during the three months ended 31 March 2023, the Group considers that there is no significant foreign exchange risk in respect of EUR.

Nevertheless, the Group will endeavour to manage the foreign exchange risk by closely monitoring the movement of foreign currency rates and will consider hedging significant foreign currency exposure should the need arise.

# Management Discussion and Analysis

## **PROSPECTS**

The Group is still struggling to recover in the midst of COVID-19 pandemic and its aftermath. Yet, we expect the forthcoming business environment would still remain challenging, until more solid signs of customers sentiment improving in making sales orders improve are seen.

To cope with the lingering business downturn, our management has already taken cost-control measures to reduce our operating costs. Going forward, the Group will continue to keep a close eye on the appropriate ways to apply such measures.

Moreover, in order to diversify the income stream of the Group, the Group is keeping on exploring new business opportunities, such as the business of construction and related materials to ASEAN countries since 2020. Recently, the Group has started our new business of sales and distribution of health supplements products with the provision of supply chain management services during the first quarter of 2023. The Directors are of the view that such expansion would further diversify our income stream, bringing additional and more stable revenue to the Group from different sources of business.

Nevertheless, we are closely monitoring the business operations of such new businesses in order to produce positive results to our Group.

# Management Discussion and Analysis

## **CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES**

The total equity of the Group as at 31 March 2023 was HK\$57.0 million (31 December 2022: HK\$53.8 million). The Group's cash and cash equivalent as at 31 March 2023 was HK\$0.7 million (31 December 2022: HK\$0.7 million). Based on the above analysis, coupled with sufficient cash and bank balances, we have adequate liquidity and financial resources to meet our working capital requirements.

## **DIVIDENDS**

The Board does not recommend the payment of any dividend for the three months ended 31 March 2023 (three months ended 31 March 2022: Nil).

## **SEGMENT INFORMATION**

Segmental information is disclosed in note 3 of the unaudited condensed consolidated financial statements.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

For the three months ended 31 March 2023, the Group had not made any material acquisition or disposal (three months ended 31 March 2022: Nil).

## **FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

The Group did not have any plan for material investments or capital assets as at 31 March 2023.

# Other Information

## DISCLOSURE OF INTERESTS

### A. Directors' and Chief Executive's Interests And/Or Short Positions in the Shares, Underlying Shares and Debentures of the Company or Any of its Associated Corporations

As at 31 March 2023, the interests and short positions of our Directors or chief executive of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO) or which will be required pursuant to section 352 of the SFO to be entered in the register referred to therein, or which will be required to notify to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, will be as follows:

#### (a) Long Position in the Shares of the Company

Name of Director	Nature of interest and capacity	Number of Shares held <sup>(1)</sup>	Percentage of issued share capital <sup>(3)</sup>
Mr. Ko	Interest in a controlled corporation <sup>(2)</sup>	75,000,000 (L)	62.5%

#### Notes:

1. The letter "L" denotes to the long position in the Shares.
2. The Shares are registered in the name of Metro Vanguard. Accordingly, Mr. Ko is deemed to be interested in all the Shares held by Metro Vanguard for the purpose of Part XV of the SFO.
3. The percentage of shareholding was calculated based on the Company's total number of issued Shares as at 31 March 2023 (i.e. 120,000,000 Shares).

## Other Information

(b) *Long Position in the Shares of Associated Corporation*

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Capacity/ nature of interest</b>	<b>Number and class of securities</b>	<b>Percentage of issued share capital</b>
Mr. Ko	Metro Vanguard	Beneficial owner	100 ordinary shares	100%

Save as disclosed above, as at 31 March 2023, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required pursuant to Section 352 of the SFO, to be entered in the register of members of the Company or which were required to be notified to the Company and the Stock Exchange, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

## Other Information

### B. Substantial Shareholders' and Other Persons' Interests And/Or Short Positions in Shares, Underlying Shares and Debentures

As at 31 March 2023, the interest and short positions of the persons (other than the Directors or chief executive of the Company) in the Shares, underlying shares and debentures of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

#### *Long Position in the Company's Shares*

<b>Name</b>	<b>Nature of interest and capacity</b>	<b>Number of Shares held<sup>(1)</sup></b>	<b>Percentage of issued share capital<sup>(3)</sup></b>
Metro Vanguard	Beneficial owner	75,000,000 (L)	62.5%
Ms. Chan Sau Fung	Interest of spouse <sup>(2)</sup>	75,000,000 (L)	62.5%

#### *Notes:*

1. The letter "L" denotes to the long position in the Shares.
2. Ms. Chan Sau Fung is the spouse of Mr. Ko. By virtue of the SFO, she is deemed to be interested in all Shares held by Metro Vanguard, in which Mr. Ko is deemed to be interested.
3. The percentage of shareholding was calculated based on the Company's total number of issued Shares as at 31 March 2023 (i.e. 120,000,000 Shares).

Save as disclosed above, as at 31 March 2023, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## Other Information

### **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES**

Save as disclosed in the sub-sections headed "Disclosure of Interests" and "Share Option Scheme" herein, at no time during the three months ended 31 March 2023 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company (including their spouses or children under 18 years of age) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate.

### **DIRECTORS' AND CONTROLLING SHAREHOLDERS' COMPETING INTERESTS**

For the three months ended 31 March 2023, the Directors have confirmed that to the best of their knowledge, information and belief and having made all reasonable enquiries, none of the Directors, the Controlling Shareholders and their respective close associates (as defined in the GEM Listing Rules) had any business or interests in any company that competes or may compete with the business of the Group and any other conflict of interests which any such person has or may have with the Group.

### **CORPORATE GOVERNANCE PRACTICES AND COMPLIANCE**

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules (the "CG Code"). The Board and the management of the Company are committed to maintaining and achieving a high standard of corporate governance practices with an emphasis on a quality Board, an effective accountability system and a healthy corporate culture in order to safeguard the interests of the shareholders of the Company and enhance the business growth of the Group. Where applicable, the Company has complied with the code provisions as set out in the CG Code during the three months ended 31 March 2023.



# Other Information

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (“**Required Standard of Dealings**”) regarding Directors’ securities transactions. Having been enquired by the Company, all Directors confirmed that they had complied with the Required Standard of Dealings during the three months ended 31 March 2023.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the three months ended 31 March 2023.

## **SHARE OPTION SCHEME**

The Company has conditionally adopted a share option scheme (the “**Share Option Scheme**”) on 16 April 2018 pursuant to a resolution passed by the Company’s then sole shareholder. The purpose of the Share Option Scheme is to provide eligible participants an opportunity to have a personal stake in the Company and to motivate, attract and retain the eligible participants whose contributions are important to the long-term growth and profitability of the Group. Eligible participants of the Share Option Scheme include any employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner of the Company or any of its subsidiaries (including any director of the Company or any of its subsidiaries) who is in full-time or part-time employment with or otherwise engaged by the Company or any of its subsidiaries at the time when an option is granted.

The Share Option Scheme became effective on the Listing Date and, unless otherwise cancelled or amended, will remain in force for 10 years commencing on the Listing Date.

No share option was granted, lapsed, exercised or cancelled by the Company under the Share Option Scheme since its adoption on 16 April 2018 and there was no outstanding share option as at the date of this report.

Further details on the principal terms of the Share Option Scheme were summarised in the section headed “Statutory and General Information — D. Share Option Scheme” in Appendix IV to the Prospectus.

## Other Information

### **AUDIT COMMITTEE AND REVIEW OF ACCOUNTS**

The Company has established the Audit Committee on 16 April 2018 with written terms of reference in compliance with the requirements as set out in Rules 5.28 of the GEM Listing Rules and code provision D.3.3 of the CG Code. The Audit Committee consists of three members, all of whom are the independent non-executive Directors, namely Mr. Chan Kim Sun (chairman), Mr. To King Yan, Adam and Mr. Kwok Chee Kin.

The primary duties of the Audit Committee are, among others, to make recommendations to the Board on the appointment, reappointment and removal of external auditor, review the financial statements, oversee the financial reporting process, internal control and risk management systems and audit process, and perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2023 and this report, and is of the opinion that the preparation of such statements complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

### **FORWARD LOOKING STATEMENTS**

This report contains certain statements that are forward-looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Directors regarding the industry and markets in which it operates. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company's control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements.

By Order of the Board  
**Vision International Holdings Limited**  
**Mr. Ko Sin Yun**  
*Chairman and Executive Director*

Hong Kong, 12 May 2023