



VISION
INTERNATIONAL HOLDINGS

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

THIRD QUARTERLY REPORT

2023

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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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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. Lau Kai Tai (*Chairman*)
(appointed on 15 September 2023)
- Mr. Cheuk Ka Chun Kevin
(appointed on 15 September 2023)
- Mr. Wong Ching
(appointed on 6 November 2023)
- Ms. Ng Hoi Yung Yo Yo
(being removed on 26 October 2023)
- Mr. Ko Sin Yun
(resigned on 15 September 2023)
- Mr. Ko Man Ho
(resigned on 15 September 2023)
- Mr. Cheng Ka Wing
(resigned on 15 September 2023)

Independent Non-executive Directors:

- Dr. Liu Ta-pei
(appointed on 15 September 2023)
- Ir Prof. Young Andrew Meng Cheung
(appointed on 15 September 2023)
- Mr. Cha Ho Wa
(appointed on 15 September 2023)
- Mr. Chu Kin Ming
(appointed on 15 September 2023)
- Mr. To King Yan, Adam
(resigned on 15 September 2023)
- Mr. Kwok Chee Kin
(resigned on 15 September 2023)
- Mr. Chan Kim Sun
(resigned on 15 September 2023)

AUDIT COMMITTEE

- Mr. Chu Kin Ming (*Chairman*)
(appointed on 15 September 2023)
- Dr. Liu Ta-pei
(appointed on 15 September 2023)
- Ir Prof. Young Andrew Meng Cheung
(appointed on 15 September 2023)
- Mr. Chan Kim Sun
(resigned on 15 September 2023)
- Mr. To King Yan, Adam
(resigned on 15 September 2023)
- Mr. Kwok Chee Kin
(resigned on 15 September 2023)

REMUNERATION COMMITTEE

- Dr. Liu Ta-pei (*Chairman*)
(appointed on 15 September 2023)
- Mr. Cheuk Ka Chun Kevin
(appointed on 15 September 2023)
- Mr. Cha Ho Wa
(appointed on 15 September 2023)
- Mr. To King Yan, Adam
(resigned on 15 September 2023)
- Mr. Chan Kim Sun
(resigned on 15 September 2023)
- Mr. Kwok Chee Kin
(resigned on 15 September 2023)

NOMINATION COMMITTEE

- Ir Prof. Young Andrew Meng Cheung (*Chairman*)
(appointed on 15 September 2023)
- Dr. Liu Ta-pei
(appointed on 15 September 2023)
- Mr. Cheuk Ka Chun Kevin
(appointed on 15 September 2023)
- Mr. Ko Sin Yun
(resigned on 15 September 2023)
- Mr. Chan Kim Sun
(resigned on 15 September 2023)
- Mr. To King Yan, Adam
(resigned on 15 September 2023)

Corporate Information

COMPANY SECRETARY

Mr. Tam Chun Wai Edwin

COMPLIANCE OFFICER

Mr. Cheuk Ka Chun Kevin

(appointed on 15 September 2023)

Mr. Cheng Ka Wing

(resigned on 15 September 2023)

AUTHORISED REPRESENTATIVES FOR THE PURPOSE OF THE GEM LISTING RULES

Mr. Cheuk Ka Chun Kevin

(appointed on 15 September 2023)

Mr. Tam Chun Wai Edwin

Mr. Cheng Ka Wing

(resigned on 15 September 2023)

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

Unit 1305-10

13/F, Delta House

3 On Yiu Street

Shatin, New Territories

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
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Grand Cayman KY1-1111

Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Computershare Hong Kong Investor Services
Limited

17M 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

Ping An Bank Company Limited

Shenzhen Futian Branch

AUDITOR

Yongtuo Fuson CPA Limited

Certified Public Accountants

Registered Public Interest Entity Auditor

STOCK CODE

8107

COMPANY'S WEBSITE

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 nine months ended 30 September 2023 together with the comparative unaudited figures for the corresponding period in 2022, as follows:

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Revenue	3	44,180	47,039	94,384	111,386
Cost of sales		(45,439)	(42,072)	(98,502)	(103,008)
Gross (loss) profit		(1,259)	4,967	(4,118)	8,378
Other income	4	15	134	43	301
Other gains and losses	5	62	158	2,312	128
Selling and distribution expenses		(2,161)	(452)	(4,547)	(1,242)
Administrative expenses		(3,987)	(1,464)	(19,138)	(4,926)
Finance costs		(661)	(451)	(1,960)	(1,014)
(Loss) Profit before taxation		(7,991)	2,892	(27,408)	1,625
Income tax (expense) credit	6	-	(342)	155	(218)
(Loss) Profit and total comprehensive (expense) income for the period	7	(7,991)	2,550	(27,253)	1,407
(Loss) Profit and total comprehensive (expense) income for the period attributable to:					
Owners of the Company		(7,991)	2,550	(27,253)	1,407
Non-controlling interests		-	-	-	-
		(7,991)	2,550	(27,253)	1,407
(Loss) Earnings per share — basic and diluted (HK cents)	9	(6.05)	2.55	(21.99)	1.41

Unaudited Condensed Consolidated Statement of Changes in Equity

For the nine months ended 30 September 2023

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
As 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	-	-	-	-	1,407	-	1,407
As at 30 September 2022 (unaudited)	10,000	38,444	(103,262)	(7,252)	112,334	-	50,264
As at 1 January 2023 (audited)	10,000	38,444	(103,262)	(7,252)	115,825	-	53,755
Placing of new share	3,200	-	-	-	-	-	3,200
Share Premium	-	22,660	-	-	-	-	22,660
Loss and total comprehensive expense for the period	-	-	-	-	(27,253)	-	(27,253)
As at 30 September 2023 (unaudited)	13,200	61,104	(103,262)	(7,252)	88,572	-	52,362

Notes to the Unaudited Condensed Consolidated Financial Statements

For the nine months ended 30 September 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 ultimate controlling shareholder is Mr. Lau Chi Wing James (“**Mr. Lau**” or the Controlling Shareholder). 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 sales of apparel products and other products with the provision of supply chain management (“**SCM**”) services to customers and provision of agency services on construction materials and related materials.

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 nine months ended 30 September 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) Amendments to HKAS 1	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 8	Disclosure of Accounting Policies
Amendments to HKAS 12	Definition of Accounting Estimates 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 nine months ended 30 September 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 nine months ended 30 September 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 products with the provision of SCM services to customers; (ii) the sales of construction materials by the Group; and (iii) sales and distribution of health supplements products.

Timing of revenue recognition and category of revenue

	Three months ended 30 September		Nine months ended 30 September	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	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 SCM services	44,051	47,039	90,257	111,131
Agency fee from construction and related materials	–	–	–	255
Sales and distribution of health supplements products	129	–	4,127	–

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.

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**").
3. Sales and distribution of health supplements products ("**Health Supplement Products**").

Notes to the Unaudited Condensed Consolidated Financial Statements

For the nine months ended 30 September 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 nine months ended 30 September 2023 (unaudited)

	Apparel Products HK\$'000	Construction Materials HK\$'000	Health Supplement Products HK\$'000	Consolidated HK\$'000
Segment revenue				
External sales	90,257	–	4,127	94,384
Segment loss	(2,914)	–	(1,204)	(4,118)
Unallocated other income				43
Unallocated other gains and losses, net				2,312
Unallocated corporate general administrative expenses				(23,685)
Finance costs				(1,960)
Group's loss before tax				(27,408)

For the nine months ended 30 September 2022 (unaudited)

	Apparel Products HK\$'000	Construction Materials HK\$'000	Consolidated HK\$'000
Segment revenue			
External sales	111,131	255	111,386
Segment profit	8,123	255	8,378
Unallocated other income			301
Unallocated other gains and losses, net			128
Unallocated corporate general administrative expenses			(6,168)
Finance costs			(1,014)
Group's profit before tax			1,625

Notes to the Unaudited Condensed Consolidated Financial Statements

For the nine months ended 30 September 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, Germany, Hong Kong and Cambodia. The following table sets forth a breakdown of the Group's revenue by the geographical location of the customers.

	Three months ended 30 September		Nine months ended 30 September	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Apparel Products				
Hong Kong	14,691	16,099	16,638	55,499
Macau	29,172	11,059	71,672	29,187
Germany	188	19,881	1,947	26,124
Cambodia	–	–	–	321
	44,051	47,039	90,257	111,131
Construction Materials				
Cambodia	–	–	–	255
Health Supplement Products				
Hong Kong	129	–	4,127	–
Total	44,180	47,039	94,384	111,386

Information about major customers

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

	Three months ended 30 September		Nine months ended 30 September	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Customer A	5,370	16,099	7,129	54,994
Customer B	29,171	11,059	71,671	29,187
Customer C	–	19,881	1,947	26,124
Customer D	9,509	–	9,509	505

All the abovementioned customers are contributing revenue from Apparel Products.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the nine months ended 30 September 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 30 September 2023 (unaudited) HK\$'000	As at 31 December 2022 (audited) HK\$'000
Hong Kong	24,799	25,595
Germany	3,833	4,583
Total	28,632	30,178

4. OTHER INCOME

	Three months ended 30 September		Nine months ended 30 September	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Sample sales income	(4)	39	18	150
Others	19	95	25	151
Total	15	134	43	301

5. OTHER GAINS AND LOSSES

	Three months ended 30 September		Nine months ended 30 September	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Net foreign exchange gain	62	158	125	128
Net change in allowance for expected credit losses for trade receivable	–	–	2,187	–
Total	62	158	2,312	128

Notes to the Unaudited Condensed Consolidated Financial Statements

For the nine months ended 30 September 2023

6. INCOME TAX (EXPENSE) CREDIT

	Three months ended 30 September		Nine months ended 30 September	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Hong Kong Profits Tax:				
Current tax	–	413	–	434
Deferred taxation	–	(71)	(155)	(216)
Total	–	342	(155)	218

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) PROFIT FOR THE PERIOD

	Three months ended 30 September		Nine months ended 30 September	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Profit (Loss) for the period has been arrived at after charging:				
Directors' remuneration	690	547	11,051	1,763
Other staff costs:				
— Salaries and other benefits	2,705	335	3,812	1,117
— Retirement benefit scheme contributions	211	15	244	46
Total staff costs	2,916	350	4,056	1,163
Total employee benefits expenses	3,606	897	15,107	2,926
Auditor's remuneration	100	100	300	300
Depreciation of plant and equipment	290	263	811	810
Depreciation of leasehold improvements	6	5	16	16
Amortisation of intangible assets	250	250	750	750
Cost of inventories recognised as cost of sales	45,439	42,072	98,502	103,008

Notes to the Unaudited Condensed Consolidated Financial Statements

For the nine months ended 30 September 2023

8. DIVIDENDS

The Board does not recommend the payment of any dividend for the nine months ended 30 September 2023 (nine months ended 30 September 2022: Nil).

9. (LOSS) EARNINGS PER SHARE

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

The calculation of basic (loss) earnings per share for the period is based on the unaudited condensed consolidated loss for the nine months ended 30 September 2023 of HK\$27,253,000 (profit for the nine months ended 30 September 2022: HK\$1,407,000), and the weighted average number of ordinary shares of 123,912,000 (nine months ended 30 September 2022: 100,000,000) in issue during the period after taking into account placing of 20,000,000 shares and 12,000,000 shares completed on 13 January 2023 and 12 June 2023.

No diluted (loss) earnings per share in both periods was presented as there were no potential ordinary shares outstanding during both periods.

Management Discussion and Analysis

BUSINESS REVIEW

The 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) 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.

During the nine months ended 30 September 2023, in order to enhance the Group's competitiveness in the market, the Group had advanced its supply chain management service to include anti-counterfeit tracing technology and brand protection for its apparel and other products.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The Group's revenue recorded a decrease of 15.3% from HK\$111.4 million for the nine months ended 30 September 2022 to HK\$94.4 million for the nine months ended 30 September 2023. The decrease was mainly attributable to the drop of sales of apparel products to the Hong Kong customers as a result of the global economic downturn.

Cost of sales

The Group's cost of sales mainly included purchase costs, import duty and other cost of sales. Purchase cost mainly comprised the cost of apparel products that the Group purchased from its suppliers from the People's Republic of China, Madagascar and Cambodia.

The decrease in cost of sales of 4.4% from HK\$103.0 million for the nine months ended 30 September 2022 to HK\$98.5 million for the nine months ended 30 September 2023 was mainly attributable to the decrease in sales for the nine months ended 30 September 2023.

Gross profit (loss) and gross profit (loss) margin

Gross profit and gross profit margin of the Group was HK\$8.4 million and 7.5% for the nine months ended 30 September 2022 and gross loss of HK\$4.1 million and gross loss margin of 4.4% for the nine months ended 30 September 2023.

The decrease in gross profit and the gross profit margin was mainly attributable to (i) a one-off claim as a result of quality issue of the Group's products; and (ii) an increase in the purchase of some health supplement products during the nine months ended 30 September 2023.

Other income

Other income amounted to HK\$0.3 million for the nine months ended 30 September 2022 and HK\$43,000 for the nine months ended 30 September 2023, respectively. The decrease was mainly attributable to the drop of sample sales income.

Other gains and losses

Other gains and losses mainly represented 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\$0.1 million for the nine months ended 30 September 2022 to HK\$2.3 million for the nine months ended 30 September 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 nine months ended 30 September 2023.

Management Discussion and Analysis

Selling and distribution expenses

Selling and distribution expenses mainly included marketing fee, staff costs, and other selling and distribution expenses.

Selling and distribution expenses amounted to HK\$1.2 million and HK\$4.5 million for the nine months ended 30 September 2022 and 2023, respectively. Such increase was mainly attributable to the increase in marketing fee for the Group's products.

Administrative expenses

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

Administrative expenses of the Group amounted to HK\$4.9 million and HK\$19.1 million for the nine months ended 30 September 2022 and 2023, respectively. The significant increase in the administrative expenses during the nine months ended 30 September 2023 was mainly due to the one-off distribution of director's bonus and the increase in professional fees and staff salaries.

Finance costs

The Group's finance costs amounted to approximately HK\$1.0 million and HK\$2.0 million for the nine months ended 30 September 2022 and 2023, respectively. The increase was mainly attributable to the increase in loan interest rate during the nine months ended 30 September 2023.

Income tax expense

Income tax expense amounted to HK\$218,000 and income tax credit amounted to HK\$155,000 for the nine months ended 30 September 2022 and 2023, respectively.

Loss for the period

The loss of the Group for the nine months ended 30 September 2023 amounted to HK\$27.3 million (profit for the nine months ended 30 September 2022: HK\$1.4 million). The loss incurred for the nine months ended 30 September 2023 was mainly attributable to the combined effect of (i) the decrease in sales revenue of apparel and related products; (ii) the decrease in gross profit as result of the one-off goods claim from an apparel client regarding the Group's products; and (iii) the increase in administrative expenses due to the distribution of director's bonus.

Management Discussion and Analysis

Charge of the Group's assets

As at 30 September 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.

Share capital

The share capital of the Group only comprises of ordinary shares.

As at 23 December 2022, the Company entered into a placing agreement pursuant to which the Company agreed to allot and issue 20,000,000 new shares at a placing price of HK\$0.213 per placing shares. It was completed on 13 January 2023. Further details are set out at the Company's announcement dated 23 December 2022 and 13 January 2023, respectively.

As at 29 May 2023, the Company entered into a placing agreement pursuant to which the Company agreed to allot and issue 12,000,000 new shares at a placing price of HK\$1.80 per placing shares. It was completed on 12 June 2023. Further details are set out at the Company's announcement dated 29 May and 12 June 2023, respectively.

As at 30 September 2023, the Company's issued share capital was HK\$13,200,000 and the number of its issued ordinary shares was 132,000,000 of HK\$0.1 each.

Significant investment held

As at 30 September 2023, the Group did not hold any significant investment.

Contingent liabilities

The Group did not have any material contingent liabilities or guarantees as at 30 September 2023.

Management Discussion and Analysis

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**”).

Our Group considers 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 nine months ended 30 September 2023, our 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.

PROSPECTS

The Group is still struggling to recover from the aftermath of COVID-19 pandemic and we expect the forthcoming business environment would still remain challenging. In order to cope with the challenging business environment, our management has taken a proactive approach in expanding customer base and to promote the Group’s supply chain management solution that could deploy anti-counterfeit, traceability and marketing functions to apparel and other products.

Our strategic objective is to strengthen our position in the market by broadening the scope of the Group’s supply chain management service to multi-brand and multi-category, thereby expanding the revenue base of the Group. Going forward, in view of the uncertainties of the market conditions, we will focus on maintaining sufficient general working capital to support the SCM business of the Group.

Management Discussion and Analysis

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2023, the total equity of the Group was HK\$52.4 million (31 December 2022: HK\$53.8 million). The Group's cash and cash equivalent was HK\$8.5 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 nine months ended 30 September 2023 (nine months ended 30 September 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 nine months ended 30 September 2023, the Group had not made any material acquisition or disposal of subsidiaries, associates and joint ventures (nine months ended 30 September 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 30 September 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 30 September 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.

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

As at 30 September 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

Name of substantial shareholder	Nature of interest and capacity	Number of Shares held ⁽¹⁾	Number of underlying Shares held pursuant to share options ⁽²⁾	Total number of Shares and underlying Shares held	Percentage of issued share capital ⁽³⁾
Mr. Lau Chi Wing James	Beneficial owner	75,038,000 (L)	–	75,038,000 (L)	56.84%
Arena Investors, LP ("Arena")	Investment manager ⁽⁴⁾	24,070,000 (L)	9,600,000 (S)	14,470,000 (L)	10.96%
Mr. Ng Kim Ming ("Mr. Ng")	Interests of controlled corporation ⁽⁵⁾	–	9,600,000 (L)	9,600,000 (L)	7.27%

Other Information

Notes:

1. The letters “L” and “S” denotes to the long and short positions in the Shares.
2. According to the disclosure of interests filing available to the Company, on 18 May 2023, EnKai Investments Pte. Ltd. (“**EnKai**”), a company incorporated in Singapore entered into an option agreement with Arena (as amended by an amendment agreement dated 18 July 2023) pursuant to which call options up to 9,600,000 shares of the Company were granted by Arena to EnKai (the “**Option Agreement**”). Under the option agreement, EnKai has the right to elect either cash settlement or physical settlement of the call options.
3. The percentage of shareholding was calculated based on the Company’s total number of issued Shares as at 30 September 2023 (i.e. 132,000,000 Shares).
4. According to the disclosure of interests filing available to the Company, Arena is an investment manager of and deemed to be interested in the Shares held by Arena Finance Markets, LP, Arena Special Opportunities (Offshore) Master, LP, Arena Special Opportunities Fund, LP, Arena Special Opportunities Partners II, LP, and Arena Special Opportunities Partners (Cayman Master) II, LP. Pursuant to the Option Agreement, Arena agreed to grant EnKai call options up to 9,600,000 shares and EnKai may elect cash settlement or physical settlement of the options.
5. The 9,600,000 underlying Shares held pursuant to share options are held by EnKai, which is 60% owned by Mr. Ng. Therefore, Mr. Ng is deemed to be interested in all the Shares held by EnKai for the purpose of the SFO.

Save as disclosed above, as at 30 September 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.

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 nine months ended 30 September 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.

Other Information

DIRECTORS' AND CONTROLLING SHAREHOLDERS' COMPETING INTERESTS

For the nine months ended 30 September 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 nine months ended 30 September 2023, save for the deviation stipulated below.

Pursuant to Rule 17.104 of the GEM Listing Rules, the Stock Exchange will not consider diversity to be achieved for a single gender board. Following the removal of Ms. Ng Hoi Yung Yo Yo as a Director with effect from 26 October 2023 and the appointment of Mr. Wong Ching as a Director with effect from 6 November 2023, the Company has still a single gender board which does not meet the requirement under Rule 17.104 of the GEM Listing Rules. The Board will identify and appoint a suitable female candidate as director of the Company as soon as practicable and not later than 25 January 2024 in order to ensure compliance by the Company with the requirement under Rule 17.104 of the GEM Listing Rules. Further announcement will be made by the Company as and when appropriate.

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 nine months ended 30 September 2023.

Other Information

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 nine months ended 30 September 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.

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. Chu Kin Ming (chairman), Dr. Liu Ta-pei and Ir Prof. Young Andrew Meng Cheung.

Other Information

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 information, 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 information of the Group for the nine months ended 30 September 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. Lau Kai Tai
Chairman and Executive Director

Hong Kong, 13 November 2023