



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

FIRST QUARTERLY REPORT

2019

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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 "Directors") 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

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
(appointed with effect from 4 May 2019)
Ms. Ngai Kit Fong
(resigned with effect from 4 May 2019)

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
(appointed with effect from 4 May 2019)
Ms. Ngai Kit Fong
(resigned with effect from 4 May 2019)

REGISTERED OFFICE

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

HEADQUARTERS 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 268
Grand Cayman KY1-1111
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Computershare Hong Kong Investor Services
Limited
17M
Hopewell Centre
183 Queen's Road East Wan Chai
Hong Kong

COMPLIANCE ADVISER

Giraffe Capital Limited

LEGAL ADVISER TO THE COMPANY AS TO HONG KONG LAW

Miao & Co. (in Association with
Han Kun Law Offices)

PRINCIPAL BANKERS

The Hongkong and Shanghai
Banking Corporation Limited
United Overseas Bank Limited
Hong Kong Branch

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

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 three months ended 31 March 2019 together with the comparative unaudited figures for the corresponding period in 2018, as follows:

	Notes	Three months ended 31 March	
		2019 (unaudited) HK\$'000	2018 (unaudited) HK\$'000
Revenue	3	6,117	8,082
Cost of sales		(3,911)	(5,726)
Gross profit		2,206	2,356
Other income	4	90	928
Other gains and losses	5	95	106
Selling and distribution expenses		(2,222)	(1,740)
Administrative expenses		(2,445)	(1,413)
Listing expenses		–	(1,510)
Finance costs		(90)	(61)
Loss before taxation		(2,366)	(1,334)
Income tax expense	6	(8)	(36)
Loss and total comprehensive loss for the period	7	(2,374)	(1,370)
Loss per share — basic (HK cents)	9	(0.24)	(0.14)

Unaudited Condensed Consolidated Statement of Changes in Equity

	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 2018 (audited)	1	–	(103,262)	(7,252)	148,410	37,897
Loss and total comprehensive loss for the period	–	–	–	–	(1,370)	(1,370)
At 31 March 2018 (unaudited)	1	–	(103,262)	(7,252)	147,040	36,527
At 1 January 2019 (audited)	10,000	38,444	(103,262)	(7,252)	144,422	82,352
Loss and total comprehensive loss for the period	–	–	–	–	(2,374)	(2,374)
At 31 March 2019 (unaudited)	10,000	38,444	(103,262)	(7,252)	142,048	79,978

Notes to the Unaudited Condensed Consolidated Financial Information

1. GENERAL

The Company is an exempted company with limited liability incorporated in the Cayman Islands on 19 January 2017. The Company was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) on 23 June 2017. The shares of the Company (the "Share(s)") have been listed (the "Listing") on GEM of the Stock Exchange on 4 May 2018 (the "Listing Date"). The address of the registered office and principal place of business in Hong Kong of the Company are disclosed in the corporate information section to this report.

The Company is an investment holding company. The principal activities of its subsidiaries are to provide one-stop full-service apparel supply chain management ("SCM") services.

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 dollar ("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 Group's principal place of business is in Hong Kong.

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 2019 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2018, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") and disclosed in Appendix I of the prospectus of the Company dated 23 April 2018 (the "Prospectus"), except for the adoption of the following new and amendments to HKFRSs effective from 1 January 2019, as noted below.

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle

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 2019.

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 Information

3. REVENUE AND SEGMENT INFORMATION

Revenue from contracts with customers represents the fair value of amounts received and receivable from the sales of apparel products with the provision of SCM services to customers by the Group.

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 Germany, Austria, France and Switzerland. Sales from Germany, Austria, France and Switzerland accounted for approximately 66.4%, 19.1%, 8.8% and 5.7% of the total revenue for the three months ended 31 March 2019, respectively (three months ended 31 March 2018: 56.5%, 11.5%, 18.9% and 13.1% of the total revenue, respectively).

The following table sets forth a breakdown of the Group's revenue by the geographical location of the customers.

	Three months ended 31 March	
	2019 (unaudited) HK\$'000	2018 (unaudited) HK\$'000
Germany	4,063	4,568
Austria	1,166	927
France	538	1,529
Switzerland	350	1,058
Total	6,117	8,082

Information about major customers

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

	Three months ended 31 March	
	2019 (unaudited) HK\$'000	2018 (unaudited) HK\$'000
Customer A	3,212	2,291
Customer B	737	1,362
Customer C	736	—*
Customer D	—*	1,529
Customer E	—*	1,058

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

Notes to the Unaudited Condensed Consolidated Financial Information

3. REVENUE AND SEGMENT INFORMATION (Continued)

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

	As at 31 March 2019 (unaudited) HK\$'000	As at 31 December 2018 (audited) HK\$'000
Hong Kong	29,922	30,004
Germany	8,333	8,583
Total	38,255	38,587

The following table sets forth a breakdown of the Group's revenue by product category.

	Three months ended 31 March	
	2019 (unaudited) HK\$'000	2018 (unaudited) HK\$'000
Knitwear	5,070	5,877
T-shirts	986	1,883
Woven	61	322
Total	6,117	8,082

The following table sets forth a breakdown of the Group's revenue by customer type.

	Three months ended 31 March	
	2019 (unaudited) HK\$'000	2018 (unaudited) HK\$'000
Apparel sourcing agent	4,730	5,303
Boutique shop	1,274	2,211
Department store	113	568
Total	6,117	8,082

Notes to the Unaudited Condensed Consolidated Financial Information

3. REVENUE AND SEGMENT INFORMATION (Continued)

Timing of revenue recognition and category of revenue

	Three months ended 31 March	
	2019 (unaudited) HK\$'000	2018 (unaudited) HK\$'000
Recognised at a point in time and short-term contracts:		
Sales of apparel products with the provision of supply chain management services to customers	6,117	8,082

The customers of the Group are mainly large department stores in Europe. All of the Group's sales of apparel products with the provision of SCM services are provided directly to the customers. Contracts with the Group's customers are fixed-price contracts.

All revenue contracts are for period of one year or less. As permitted by HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

4. OTHER INCOME

	Three months ended 31 March	
	2019 (unaudited) HK\$'000	2018 (unaudited) HK\$'000
Financial guarantee income	–	816
Sample sales income	81	112
Others	9	–
Total	90	928

5. OTHER GAINS AND LOSSES

	Three months ended 31 March	
	2019 (unaudited) HK\$'000	2018 (unaudited) HK\$'000
Net gain on structured foreign currency forward contracts	–	50
Net foreign exchange gain	95	56
	95	106

Notes to the Unaudited Condensed Consolidated Financial Information

6. INCOME TAX EXPENSE

	Three months ended 31 March	
	2019 (unaudited) HK\$'000	2018 (unaudited) HK\$'000
Hong Kong Profits Tax:		
Current tax	–	25
Deferred taxation	8	67
Total	8	92

Hong Kong Profits Tax is calculated at 16.5% (2018: 16.5%) of the estimated assessable profit for the period. No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits for the period under review.

7. LOSS FOR THE PERIOD

	Three months ended 31 March	
	2019 (unaudited) HK\$'000	2018 (unaudited) HK\$'000
Loss for the period has been arrived at after charging:		
Directors' remuneration	639	429
Other staff costs:		
— Salaries and other benefits	759	597
— Retirement benefit scheme contributions	29	22
Total staff costs	788	619
Total employee benefits expenses	1,427	1,048
Auditor's remuneration	225	325
Depreciation of property, plant and equipment	290	29
Depreciation of leasehold improvements	2	–
Amortisation of intangible assets	250	250
Cost of inventories recognised as cost of sales	3,911	5,726
Minimum lease payment under operating leases in respect of land and building	47	70

Notes to the Unaudited Condensed Consolidated Financial Information

8. DIVIDENDS

The Board does not recommend the payment of any dividend for the three months ended 31 March 2019 (for the three months ended 31 March 2018: Nil).

9. LOSS PER SHARE

The calculation of basic loss 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 2019 of HK\$2.4 million (loss for the three months ended 31 March 2018: HK\$1.4 million), and the weighted average number of ordinary shares of 1,000,000,000 (for the three months ended 31 March 2018: 1,000,000,000, being the total number of Shares in issue of the Company immediately upon the Listing) in issue throughout the period.

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

The Group is an apparel SCM services provider based in Hong Kong delivering one-stop solution to customers in Europe and Asia. We have developed a vertically integrated business model with services range across market trend analysis, product design and development, sourcing of suppliers, production management, logistics services and quality control. We primarily generate revenue from the supply of middle to high-end apparel products to the customers. 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 fashion industry, as they do not have to separately engage different suppliers for various types of services throughout the apparel supply chain.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by 24.3% from HK\$8.1 million for the three months ended 31 March 2018 to HK\$6.1 million for the three months ended 31 March 2019. The decrease was mainly driven by the mix of decreased revenue from a number of customers in Germany, France and Switzerland.

Cost of sales

Cost of sales mainly consists of purchase costs, import duty and other cost of sales. Purchase costs represent the cost of finished goods purchased from suppliers located in the People's Republic of China, Madagascar and Cambodia.

Cost of sales decreased by 31.76% from HK\$5.7 million for the three months ended 31 March 2018 to HK\$3.9 million for the three months ended 31 March 2019, which was in line with the decrease in sales for the three months ended 31 March 2019.

Gross profit and gross profit margin

Gross profit was HK\$2.4 million and HK\$2.2 million for the three months ended 31 March 2018 and 2019, respectively. Gross profit margin rose from 29.2% for the three months ended 31 March 2018 to 36.1% for the three months ended 31 March 2019, which was mainly due to a change in customer mix of the Group, in which the overall gross profit margin was improved by an increased sales to a customer with higher gross profit margin, in the midst of the decrease in sales to other customers with lower gross profit margin.

Management Discussion and Analysis

Other income

Other income dropped significantly from HK\$0.9 million for the three months ended 31 March 2018 to HK\$0.1 million for the three months ended 31 March 2019, mainly due to the decrease in financial guarantee income. As the Group provided cross financial guarantee in favour of banks for bank loans of certain related companies before the Listing, such arrangement resulted in a financial guarantee liability recognised at fair value at initial recognition. Such financial guarantee liability had been amortised over the term of the financial guarantee contract and been recognised as financial guarantee income. All financial guarantee liability was released upon Listing and no financial guarantee income has been recognised thereafter.

Other gains and losses

Other gains and losses mainly represent (i) the net gain on structured foreign currency forward contracts; and (ii) the net foreign exchange gain resulted from fluctuations in the exchange rate of the foreign currency incurred in our operation.

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 amounted to HK\$1.7 million and HK\$2.2 million for the three months ended 31 March 2018 and 2019, respectively. Such increase was primarily due to an increase in staff cost and exhibition fees for participating in trade fairs.

Management Discussion and Analysis

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\$1.4 million and HK\$2.4 million for the three months ended 31 March 2018 and 2019, respectively. Such increase was mainly due to (i) an increase in our staff costs and professional fees as a result of being a listed company; and (ii) the depreciation of property resulting from the purchase of showroom in September 2018. The depreciation of property is recognised on a straight-line basis over its property lease term.

Finance costs

The Group's finance costs amounted to less than HK\$0.1 million for both three month periods ended 31 March 2018 and 2019.

Income tax expense

Income tax expense amounted to approximately HK\$36,000 and HK\$8,000 for the three months ended 31 March 2018 and 2019, respectively.

Loss for the period

Loss for the three months ended 31 March 2019 amounted to HK\$2.4 million (three months ended 31 March 2018: HK\$1.4 million). Such increase in loss was mainly attributable to (i) a drop in the financial guarantee income as a result of the reducing financial guarantee liability after the Listing; (ii) a drop in sales to a number of customers; (iii) an increase in the selling and distribution expenses due to an increase in staff cost and exhibition fees; and (iv) an increase in administrative expenses due to an increase in the professional fees as a result of being a listed company and an increase in the depreciation of property resulting from the purchase of showroom in September 2018.

Charge on the Group's assets

As at 31 March 2019, the Group mortgaged 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 31 March 2019, the Company's issued share capital was HK\$10,000,000 and the number of its issued ordinary Shares was 1,000,000,000 of HK\$0.01 each.

Management Discussion and Analysis

Significant investment held

As at 31 March 2019, 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 2019.

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 2019, 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 arises.

PROSPECTS

Due to the uncertainties of the Europe, Hong Kong and China economy, the Directors anticipate that the Group's business will face various challenges in the foreseeable future such as (i) the possible slowdown in the European economy; (ii) the reliance on a limited number of major customers; (iii) the fast-changing fashion trends; (iv) the reliance on third party suppliers for the manufacturing of apparel products; and (v) the possible increase in cost of raw materials and labour.

Nonetheless, based on the years of experience of the senior management of the Company in the apparel SCM market, the Directors are confident that the Group can succeed and overcome the aforesaid challenges. Going forward, the Group will continue to strive to achieve its objective of strengthening its key market player position in the Hong Kong apparel SCM industry, with the aim to optimise the returns to the Group's shareholders. Moreover, the Group will continue to enhance its overall competitiveness and market share in the apparel SCM industry.

With the abovementioned objectives, the Group will continue its growth by solidifying relationship with existing customers and exploring new customers, increase geographic footprint to new apparel retail markets, strengthen design and development capabilities to develop new design collections, and enhance quality control process.

Management Discussion and Analysis

USE OF PROCEEDS

The net proceeds from the Listing, after deducting the actual underwriting commissions and expenses paid by the Company in connection thereto, were approximately HK\$32.2 million.

The Company intends to utilise the net proceeds according to the section headed “Statement of Business Objectives and Use of Proceeds” of the Prospectus.

Up to 31 March 2019, the Group has utilised approximately HK\$17.5 million to set up a new showroom, HK\$5.2 million to repay its bank borrowings, HK\$1.7 million to fund the general working capital need, HK\$0.9 million to solidify relationship with existing customers and explore new customers, HK\$0.2 million to enhance quality control process, and HK\$0.1 million to strengthening our design and development capabilities to develop new design collections.

The unutilised proceeds were placed in a licensed bank in Hong Kong.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The total equity of the Group as at 31 March 2019 was HK\$80.0 million. The Group’s cash and cash equivalent as at 31 March 2019 was HK\$25.5 million. Based on the cash and bank balances, the Directors are of the view that the Group has adequate liquidity and financial resources to meet its working capital requirements.

DIVIDENDS

The Board does not recommend the payment of any dividend for the three months ended 31 March 2019 (for the three months ended 31 March 2018: Nil).

SEGMENT INFORMATION

Segmental information is disclosed in note 9 to the unaudited condensed consolidated financial information.

MATERIAL ACQUISITIONS AND DISPOSALS

For the three months ended 31 March 2019, the Group had not made any material acquisition or disposal (for the three months ended 31 March 2018: 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 2019.

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 2019, the interests and short positions of the 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 (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

Name of Director	Nature of interest and capacity	Number of Shares held <i>(Note 1)</i>	Percentage of issued share capital <i>(Note 3)</i>
Mr. Ko	Interest in a controlled corporation <i>(Note 2)</i>	750,000,000 (L)	75%

Notes:

1. The letter "L" denotes to the long position in the Shares.
2. The Shares are registered in the name of Metro Vanguard Limited ("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 2019 (i.e. 1,000,000,000 Shares).

Other Information

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

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

Save as disclosed above, as at 31 March 2019, 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 2019, 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	Nature of interest and capacity	Number of Shares held <i>(Note 1)</i>	Percentage of issued share capital <i>(Note 3)</i>
Metro Vanguard	Beneficial owner	750,000,000 (L)	75%
Ms. Chan Sau Fung	Interest of spouse <i>(Note 2)</i>	750,000,000 (L)	75%

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 2019 (i.e. 1,000,000,000 Shares).

Save as disclosed above, as at 31 March 2019, 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 2019 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 2019, 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.

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Giraffe Capital Limited as its compliance adviser, which provides advices and guidance to the Company in respect of compliance with the GEM Listing Rules including various requirements relating to the Directors' duties. Except for the compliance adviser agreement entered into between the Company and the compliance adviser dated 3 August 2017, neither the compliance adviser nor its directors, employees or close associates had any interests in relation to the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules as at 31 March 2019.

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 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 2019 and up to the date of this report.

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 2019.

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 2019.

SHARE OPTION SCHEME

The share option scheme of the Company (the "Share Option Scheme") was adopted pursuant to a resolution passed by the Company's then sole shareholder on 16 April 2018 for the primary purpose of providing 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. The principal terms of the Share Option Scheme were summarised in the paragraph headed "Statutory and General Information — D. Share Option Scheme" in Appendix IV to the Prospectus. No share option was granted, lapsed, exercised or cancelled by the Company under the Share Option Scheme since its adoption and there was no outstanding share option as at 31 March 2019 and the date of this report.

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 C.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 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 three months ended 31 March 2019 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, 14 May 2019