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## **Vico International Holdings Limited**

**域高國際控股有限公司**

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

**(Stock Code: 1621)**

### **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

#### **FINANCIAL HIGHLIGHTS**

Revenue increased by approximately 11.5% to approximately HK\$810.0 million for the six months ended 30 September 2024 from approximately HK\$726.7 million for the six months ended 30 September 2023.

Gross profit decreased by approximately 16.7% to approximately HK\$24.4 million for the six months ended 30 September 2024 from approximately HK\$29.3 million for the six months ended 30 September 2023.

Net profit decreased by approximately 22.0% to approximately HK\$9.6 million for the six months ended 30 September 2024 from approximately HK\$12.3 million for the six months ended 30 September 2023.

## INTERIM RESULTS

The board of directors (the “**Board**”) of Vico International Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**” or “**We**”) for the six months ended 30 September 2024 (the “**Current Period**”) together with the comparative unaudited figures for the six months ended 30 September 2023 (the “**Corresponding Period**”). The consolidated interim results of the Group have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 30 September 2024*

		Six months ended	
		30 September	
	Notes	2024	2023
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	3	809,982	726,658
Cost of sales		<u>(785,568)</u>	<u>(697,335)</u>
Gross profit		24,414	29,323
Other income	5	816	1,820
Selling and distribution expenses		(1,257)	(757)
Administrative and operating expenses		(12,107)	(12,759)
Finance costs	6	<u>(684)</u>	<u>(719)</u>
<b>Profit before tax</b>		11,182	16,908
Income tax expense	7	<u>(1,566)</u>	<u>(4,607)</u>
<b>Profit and total comprehensive income for the period</b>	8	<u><b>9,616</b></u>	<u>12,301</u>
<b>Earnings per share (HK cents)</b>			
Basic and diluted	10	<u><b>0.96</b></u>	<u>1.23</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 September 2024*

	<i>Notes</i>	<b>30 September 2024</b> <i>HK\$'000</i> <b>(Unaudited)</b>	31 March 2024 <i>HK\$'000</i> (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		121,354	123,332
Investment properties		7,036	7,197
Right-of-use assets		1,345	664
		<b>129,735</b>	131,193
<b>Current assets</b>			
Inventories		9,577	11,602
Trade and other receivables	<i>11</i>	72,312	90,348
Amount due from ultimate holding company		72	72
Income tax recoverable		4	4
Time deposit		23,111	5,791
Cash and cash equivalents		56,128	34,160
		<b>161,204</b>	141,977
<b>Current liabilities</b>			
Trade and other payables	<i>12</i>	14,030	10,382
Lease liabilities		591	790
Bank borrowings		36,882	34,369
Income tax payables		5,647	4,231
		<b>57,150</b>	49,772
<b>Net current assets</b>		<b>104,054</b>	92,205
<b>Total assets less current liabilities</b>		<b>233,789</b>	223,398

	<i>Note</i>	<b>30 September 2024 HK\$'000 (Unaudited)</b>	31 March 2024 HK\$'000 (Audited)
<b>Non-current liabilities</b>			
Lease liabilities		733	–
Provision for long service payments		242	242
Deferred tax liabilities		<u>3,175</u>	<u>3,133</u>
		<u>4,150</u>	<u>3,375</u>
<b>Net assets</b>		<u><u>229,639</u></u>	<u><u>220,023</u></u>
<b>Capital and reserves</b>			
Share capital	<i>13</i>	10,000	10,000
Reserves		<u>219,639</u>	<u>210,023</u>
<b>Total equity</b>		<u><u>229,639</u></u>	<u><u>220,023</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000 (Note)	Retained profits HK\$'000	Total HK\$'000
At 1 April 2023 (Audited)	10,000	62,978	28,272	101,840	203,090
Profit and total comprehensive income for the period (Unaudited)	<u>–</u>	<u>–</u>	<u>–</u>	<u>12,301</u>	<u>12,301</u>
At 30 September 2023 (Unaudited)	<u>10,000</u>	<u>62,978</u>	<u>28,272</u>	<u>114,141</u>	<u>215,391</u>
At 1 April 2024 (Audited)	10,000	62,978	28,272	118,773	220,023
Profit and total comprehensive income for the period (Unaudited)	<u>–</u>	<u>–</u>	<u>–</u>	<u>9,616</u>	<u>9,616</u>
At 30 September 2024 (Unaudited)	<u>10,000</u>	<u>62,978</u>	<u>28,272</u>	<u>128,389</u>	<u>229,639</u>

Note:

Capital reserve includes (i) the difference of approximately HK\$596,000 between the nominal value of the share capital issued by the Company for the acquisition of the entire interests in Billion Harvest Ventures Limited (“**Billion Harvest**”) and the nominal value of share capital of Billion Harvest during the year ended 31 March 2018 and (ii) capitalisation of the amount due to Mr. Hui Pui Sing (“**Mr. Hui**”) of approximately HK\$27,676,000 which the Company allotted and issued 250 shares, credited as fully paid, to Mr. Hui during the year ended 31 March 2018.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
<b>OPERATING ACTIVITIES</b>		
Profit before tax	11,182	16,908
Adjustments for:		
Depreciation of property, plant and equipment	2,662	2,343
Depreciation of investment properties	161	305
Depreciation of right-of-use assets	902	742
(Reversal of)/allowance for impairment loss on trade receivables, net	(190)	1,274
Impairment loss on other receivables	21	–
Finance costs	684	719
Gain on disposal of property, plant and equipment	(230)	(523)
Bank interest income	(299)	(293)
	<hr/>	<hr/>
Operating cash flows before movements in working capital	14,893	21,475
Decrease (Increase) in inventories	2,025	(233)
Decrease (Increase) in trade and other receivables	18,205	(10,983)
Increase in trade and other payables	3,648	3,746
	<hr/>	<hr/>
Cash generated from operations activities	38,771	14,005
Income tax paid	(108)	–
	<hr/>	<hr/>
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>38,663</b>	<b>14,005</b>
	<hr/>	<hr/>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(879)	(275)
Placements of time deposit	(23,111)	(2,301)
Withdrawal of time deposit	5,791	9,421
Proceeds from disposal of property, plant and equipment	425	523
Bank interest income received	299	293
	<hr/>	<hr/>
<b>NET CASH (USED IN) GENERATED FROM INVESTING ACTIVITIES</b>	<b>(17,475)</b>	<b>7,661</b>
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	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>FINANCING ACTIVITIES</b>		
Bank borrowings raised	<b>4,000</b>	7,000
Repayment of bank borrowings	<b>(1,487)</b>	(7,895)
Repayment of lease liabilities	<b>(1,049)</b>	(875)
Interest paid	<b>(684)</b>	(719)
	<hr/>	<hr/>
<b>NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES</b>	<b>780</b>	(2,489)
	<hr/>	<hr/>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>21,968</b>	19,177
<b>CASH AND CASH EQUIVALENTS AT 1 APRIL</b>	<b>34,160</b>	32,734
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<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	<b>56,128</b>	51,911
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# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

### 1. GENERAL INFORMATION AND BASIS OF PREPARATION

Vico International Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 24 March 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 5 March 2018. The Company’s immediate and ultimate holding company is Max Fortune Holdings Limited (“**Max Fortune**”), a company incorporated in the British Virgin Islands (the “**BVI**”) with limited liability. The ultimate controlling parties are Mr. Hui Pui Sing (“**Mr. Hui**”), Ms. Tong Man Wah (“**Ms. Tong**”), spouse of Mr. Hui and Mr. Hui Yip Ho, Eric (“**Mr. Eric Hui**”), son of Mr. Hui and Ms. Tong. The addresses of the Company’s registered office and the principal place of business are at Tricor Services (Cayman Islands) Limited, Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103 Cayman Islands and Unit D, 11/F, Billion Plaza II, No. 10 Cheung Yue Street, Cheung Sha Wan, Hong Kong, respectively.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in sales of diesel, lubricant oil and others and provision of fleet cards service.

The condensed consolidated financial statements for the six months ended 30 September 2024 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company.



## 2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 March 2024.

### Application of amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA which are effective for the Group's financial year beginning on 1 April 2024.

HKFRS 16	Lease Liability in a Sale and Leaseback
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	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## 3. REVENUE

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by major products		
Sales of diesel	768,280	685,333
Provision of fleet cards service	18,329	15,443
Sales of lubricant oil	20,465	22,090
Sales of others	2,908	3,792
	<u>809,982</u>	<u>726,658</u>
<b>Disaggregated by timing of revenue recognition</b>		
At a point in time	<u>809,982</u>	<u>726,658</u>

#### 4. SEGMENT INFORMATION

##### Geographical information

An analysis of the Group's revenue from external customers is presented based on the location of customers as below:

	Six months ended	
	30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Hong Kong	808,590	725,504
Vietnam	1,046	203
Dubai	346	951
	<u>809,982</u>	<u>726,658</u>

The Group's property, plant and equipment and investment properties are solely located in Hong Kong.

##### Information about major customers

Details of the customers accounting for 10% or more of aggregate revenue of the Group are as follows:

	Six months ended	
	30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Customer A <sup>1</sup>	194,064	138,809
Customer B <sup>1</sup>	108,893	120,163
Customer C <sup>1</sup>	110,523	92,267
Customer D <sup>1</sup>	<u>91,117</u>	<u>N/A<sup>2</sup></u>

<sup>1</sup> Revenue from sales of diesel and lubricant oil.

<sup>2</sup> The corresponding revenue does not contribute over 10% of total revenue of the Group.

## 5. OTHER INCOME

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Bank interest income	299	293
Gain on disposal of property, plant and equipment	230	523
Government subsidy ( <i>Note</i> )	214	–
Rental income from investment properties		
– Lease payments that are fixed	73	780
Others	–	224
	<u>816</u>	<u>1,820</u>

### *Note:*

During the six months ended 30 September 2024, the Group recognised government subsidy of HK\$214,000 related to Technology Voucher Programme provided by the Innovation and Technology Commission under the Innovation and Technology Fund to support enterprises in using technological services and solutions to improve productivity, or upgrade or transform their business processes (six months ended 30 September 2023: Nil).

## 6. FINANCE COSTS

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Interest expenses on:		
– Bank borrowings	669	705
– Lease liabilities	15	14
	<u>684</u>	<u>719</u>

## 7. INCOME TAX EXPENSE

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current income tax		
Hong Kong Profits Tax		
– Current period	1,524	4,664
Deferred taxation	42	(57)
	<u>1,566</u>	<u>4,607</u>

## 8. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging (crediting) the following items:

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Staff costs, including directors' emoluments:		
– Salaries and allowances	5,094	4,397
– Contributions to retirement benefit scheme	251	165
Total staff costs	<u>5,345</u>	<u>4,562</u>
Cost of inventories recognised as expenses (included in cost of sales)	776,094	687,852
(Reversal of)/ allowance for impairment loss on trade receivables, net	(190)	1,274
Impairment loss on other receivables	21	–
Depreciation of property, plant and equipment	2,662	2,343
Depreciation of investment properties	161	305
Depreciation of right-of-use assets	902	742

## 9. DIVIDEND

No dividend was paid, declared or proposed during the six months ended 30 September 2024 and 2023, nor has any dividend been proposed since the end of the reporting period.

## 10. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Earnings:</b>		
Earnings for the purpose of basic and diluted earnings per share	<u><b>9,616</b></u>	<u>12,301</u>
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u><b>1,000,000,000</b></u>	<u>1,000,000,000</u>

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the periods.

## 11. TRADE AND OTHER RECEIVABLES

	<b>30 September</b>	<b>31 March</b>
	<b>2024</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Trade receivables	<b>39,574</b>	47,284
Less: allowance for impairment of trade receivables	<u><b>(1,080)</b></u>	<u>(1,270)</u>
	<b>38,494</b>	46,014
Trade deposits paid	<b>29,925</b>	41,343
Deposits and prepayments	<b>428</b>	438
Receivables due from suppliers	<u><b>3,535</b></u>	<u>2,602</u>
	<b>33,888</b>	44,383
Less: allowance for impairment of other receivables	<u><b>(70)</b></u>	<u>(49)</u>
	<u><b>33,818</b></u>	<u>44,334</u>
	<u><b>72,312</b></u>	<u>90,348</u>

The Group allows an average credit period of 15 to 30 days to its trade customers. The following is an aged analysis of trade receivables presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

	<b>30 September 2024 <i>HK\$'000</i> (Unaudited)</b>	31 March 2024 <i>HK\$'000</i> (Audited)
0 to 30 days	34,132	41,945
31 to 60 days	505	495
61 to 90 days	145	33
Over 90 days	<u>3,712</u>	<u>3,541</u>
	<u><b>38,494</b></u>	<u><b>46,014</b></u>

## 12. TRADE AND OTHER PAYABLES

	<b>30 September 2024 <i>HK\$'000</i> (Unaudited)</b>	31 March 2024 <i>HK\$'000</i> (Audited)
Trade payables	305	275
Trade deposits received	2,928	1,503
Accrued directors' emoluments	–	400
Other payables and accruals	<u>10,797</u>	<u>8,204</u>
	<u><b>14,030</b></u>	<u><b>10,382</b></u>

The average credit period on purchase of goods is from 30 days to 60 days.

The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	<b>30 September 2024 <i>HK\$'000</i> (Unaudited)</b>	31 March 2024 <i>HK\$'000</i> (Audited)
0 to 30 days	<u><b>305</b></u>	<u><b>275</b></u>

### 13. SHARE CAPITAL

Details of movements of authorised and issued share capital of the Company are as follows:

	Number of shares		Share capital	
	30 September 2024	31 March 2024	30 September 2024 <i>HK\$'000</i>	31 March 2024 <i>HK\$'000</i>
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Ordinary shares of HK\$0.01 each				
<b>Authorised:</b>				
At the beginning and end of period/ year	<u>10,000,000,000</u>	<u>10,000,000,000</u>	<u>100,000</u>	<u>100,000</u>
<b>Issued and fully paid:</b>				
At the beginning and end of period/ year	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>10,000</u>	<u>10,000</u>

### 14. CONTINGENT LIABILITIES

As at 30 September 2024, the Group had issued a letter of guarantee through the banking facilities granted, to a supplier amounting to HK\$4,000,000 (unaudited) (year ended 31 March 2024: HK\$4,000,000). The facilities are secured by corporate guarantee of the Company.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group is principally engaged in the distribution of third-party branded petrochemicals, the sales of the self-branded lubricant oil and provides fleet card services in Hong Kong. The petrochemical products of the Group include (i) diesel; (ii) lubricant oil (including self-branded lubricant oil and third-party branded lubricant oil); and (iii) other petrochemicals such as bitumen.

The Group sourced semi-finished lubricant oil in bulk volume and finished lubricant oil from overseas suppliers for the in-house blending and repackaging into wholesale and retail packs for sales in Hong Kong.

The Group is also an authorized reseller of fleet cards. As at 30 September 2024, the Group operated a total number of 50,392 fleet card accounts (2023: 54,897 fleet card accounts).

Leveraging the Group's experience and competitive strengths, the Group's revenue, gross profit, and net profit for the Current Period were approximately HK\$810.0 million, HK\$24.4 million, and HK\$9.6 million, respectively. This represents an increase of 11.5% in revenue, a decrease of 16.7% in gross profit, and a decrease of 22.0% in net profit compared with the Corresponding Period. The decline in profit for the Current Period was primarily due to the increase in costs of sales and the decrease in other income.

### **BUSINESS PROSPECTS**

The local economic landscape remains tough in 2024, with slow growth, cautious consumer spending, and challenges across key sectors like construction and logistics. Adding to the uncertainty, the government's growing budget deficit raises concerns about its ability to support major public infrastructure projects. Despite these headwinds, the Company sees opportunities to grow both locally and abroad through strategic planning and adaptability.

In construction, private projects have stalled as developers grapple with high costs and uncertain returns. While public infrastructure initiatives like Route 11 and new housing developments could drive demand for fuels, fiscal constraints might lead to delays or scaled-back projects. To mitigate this risk, the Company will diversify its focus by targeting smaller private projects while closely monitoring public works.

The logistics sector continues to face rising operational costs and fluctuating trade volumes. However, the essential nature of this industry means demand for fuel remains stable. The Company plans to strengthen its position by offering tailored fleet card solutions that help logistics businesses manage costs. Loyalty programs and strategic partnerships will support both customer acquisition and retention.



Sustainability is another key focus. As demand grows for cleaner, more efficient fuels, the Company is promoting products like ultra-low-sulfur diesel and exploring emissions-reducing technologies. These efforts align with global trends and enhance the Company's reputation as a forward-thinking leader in the energy market.

To reduce reliance on the volatile economy of the domestic market, the Company is also actively exploring overseas markets, particularly in Southeast Asia and other emerging regions. By understanding local market needs and building partnerships, the Company aims to expand its footprint and diversify revenue streams.

At the same time, improving operational efficiency remains critical. Streamlining supply chains, renegotiating supplier contracts, and leveraging data-driven insights will help the Company stay agile and cost-effective.

While challenges persist, the Company is confident in its ability to adapt. By staying responsive to market needs, prioritizing sustainability, and expanding beyond Hong Kong, the Company is well-positioned to overcome uncertainties and achieve sustainable growth.

## **FINANCIAL REVIEW**

### **Revenue**

During the Current Period, the Group's revenue amounted to approximately HK\$810.0 million, which increased by 11.5% as compared to that of approximately HK\$726.7 million during the Corresponding Period. The increase in revenue was driven by heightened demand for diesel, supported by the steady recovery and improvement in cross-boundary land cargo logistics, as well as the ongoing development of public infrastructure projects.

### **Sales of diesel**

Our revenue from sales of diesel represents the sales of our diesel products, which mainly include automotive diesel and industrial diesel. For the Current Period and the Corresponding Period, our revenue generated from the sales of diesel amounted to approximately HK\$768.3 million and HK\$685.3 million respectively, representing 94.9% and 94.3% of the total revenue respectively.

### **Sales of lubricant oil**

Our revenue from sales of lubricant oil mainly include (i) the sales of our self-branded lubricant oil, namely "AMERICO", "Dr. Lubricant" and "U-LUBRICANT"; and (ii) the sales of third party branded lubricant oil.

For the Current Period and the Corresponding Period, our revenue from the sales of lubricant oil amounted to approximately HK\$20.5 million and HK\$22.1 million respectively, representing 2.5% and 3.0% of the total revenue respectively.

### **Provision of fleet cards service**

Our income from our provision of fleet cards service increased by approximately HK\$2.9 million or 18.8% from approximately HK\$15.4 million for the Corresponding Period to approximately HK\$18.3 million for the Current Period. The increase was mainly a result of the carried-out marketing campaigns which stimulated the consumption of customers.

### **Sales of other products**

Our revenue from sales of other products mainly represents the sales of bitumen, kerosene and diesel exhaust fluid. For the Current Period and the Corresponding Period, our revenue from the sales of other products amounted to approximately HK\$2.9 million and HK\$3.8 million respectively, representing 0.4% and 0.5% of the total revenue respectively.

### **Cost of sales**

Our cost of sales primarily consists of diesel costs, lubricant oil costs, other petrochemicals costs and sales commissions. Our purchase cost for diesel and third-party lubricant oil depends on the domestic purchase price offered by our oil suppliers, with reference to the price index such as Europe Brent spot crude price.

For the Current Period and the Corresponding Period, our cost of sales amounted to approximately HK\$785.6 million and HK\$697.3 million respectively, increased by 12.7%. The trend of movement of our cost of sales for the Current Period was generally in line with the revenue.

### **Gross profit and gross profit margin**

The gross profit represented the Group's revenue less cost of sales. The Group recorded a decrease in gross profit by approximately HK\$4.9 million or approximately 16.7% from approximately HK\$29.3 million for the Corresponding Period to approximately HK\$24.4 million for the Current Period.

### **Selling and distribution expenses**

Our selling and distribution expenses mainly consist of truck drivers' costs, packing and commission paid. Selling and distribution expenses increased by approximately HK\$0.5 million or 62.5% to approximately HK\$1.3 million for the Current Period from approximately HK\$0.8 million for the Corresponding Period. The increase is mainly attributed to the higher consumption of oil containers and the incentives provided to salesman.

### **Administrative and other operating expenses**

Administrative and other operating expenses slightly decreased by approximately HK\$0.7 million or 5.5%, from approximately HK\$12.8 million for the Corresponding Period to approximately HK\$12.1 million for the Current Period.

## **Finance costs**

Our finance costs mainly consist of the interest on our interest-bearing bank borrowings and lease liabilities. Finance costs slightly decreased by approximately HK\$35 thousand or 4.9% to approximately HK\$684 thousand for the Current Period from approximately HK\$719 thousand for the Corresponding Period, primarily due to the rate-cut decision in by the Federal Reserve in the US during Current Period.

## **Income tax expenses**

Income tax expenses decreased by approximately HK\$3.0 million or 65.2%, from approximately HK\$4.6 million for the Corresponding Period to approximately HK\$1.6 million for the Current Period, primarily due to the profitable companies resulted in lower profit comparing with the Corresponding Period.

## **Profit for the Current Period**

Profit for the Current Period decreased by approximately HK\$2.7 million or 22.0% from approximately HK\$12.3 million for the Corresponding Period to approximately HK\$9.6 million for the Current Period, and the Group's net profit margin was approximately 1.2% and 1.7% for the Current Period and the Corresponding Period respectively.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 September 2024, the Group employed a total of 29 full-time employees (as at 31 March 2024: 31 full-time employees). The Group remunerates its employees based on their performance, experience and prevailing industry practice. The remuneration packages are subject to review on a regular basis.

## **PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES**

During the Current Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares (the "Treasury Shares") within the meaning under the Listing Rules). As at 30 September 2024, the Company did not hold any Treasury Shares.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2024 (for the six months ended 30 September 2023: nil).

## **MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Current Period.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **Financial resources and liquidity**

The Group finances its operations primarily through cash generated from operating activities and interest-bearing bank borrowings. The Group recorded net current assets of approximately HK\$104.0 million as at 30 September 2024, compared to approximately HK\$92.2 million as at 31 March 2024.

As at 30 September 2024, the Group's current assets amounted to approximately HK\$161.2 million (as at 31 March 2024: HK\$142.0 million) of which approximately HK\$56.1 million (as at 31 March 2024: HK\$34.2 million) was bank balances and cash, approximately HK\$72.3 million (as at 31 March 2024: HK\$90.3 million) was trade and other receivables. The Group's current liabilities amounted to approximately HK\$57.2 million (as at 31 March 2024: HK\$49.8 million), including trade and other payables in the amount of approximately HK\$14.0 million (as at 31 March 2024: HK\$10.4 million), bank borrowings in the amount of approximately HK\$36.9 million (as at 31 March 2024: HK\$34.4 million) and income tax payable in the amount of approximately HK\$5.6 million (as at 31 March 2024: HK\$4.2 million). The current ratio (which was calculated by dividing current assets by current liabilities) was 2.8 as at 30 September 2024 (as at 31 March 2024: 2.9).

The gearing ratio (which was calculated based on the total debt (including bank borrowings and lease liabilities) divided by total equity multiplied by 100%) was 26.7% as at 30 September 2024 (as at 31 March 2024: 24.2%).

### **Capital structure**

For the Current Period, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately HK\$230.0 million. There has been no change in the capital structure of the Group during the Current Period.

## **CAPITAL COMMITMENTS**

As at 30 September 2024, the Group had no material off-balance sheet capital commitments.

## **PLEDGE OF ASSETS**

As at 30 September 2024, the Group pledged its leasehold land and building of HK\$118,397,000 and investment property of HK\$7,036,000 respectively (as at 31 March 2024: HK\$119,008,000 and HK\$7,197,000 respectively) to secure its bank borrowings.

## **FOREIGN CURRENCY RISK**

The Group is not exposed to foreign currency risk in respect of HKD against USD as long as these currencies are pegged. The transactions and monetary assets denominated in USD are minimal, the Group considers there is no significant foreign exchange risk in respect of USD.

As at 30 September 2024, the Group had not entered into any arrangements to hedge its foreign currency risk. The Group's operating cash flow is not exposed to foreign exchange fluctuation risks.

## **MATERIAL CHANGES SINCE 31 MARCH 2024**

Save for those disclosed in this announcement, there were no other material changes in the Group's financial position since the publication of the 2023/24 annual report of the Company.

## **CORPORATE GOVERNANCE**

The Company has applied the principles as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The Board is of the view that during the Current Period, the Company has complied with all the code provisions as set out in the CG Code.

## **MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix D3 to the Listing Rules (the “**Securities Dealing Code**”).

The Company has made specific enquiry of all the Directors and all the Directors have confirmed that they complied with the required standard set out in the Securities Dealing Code during the Current Period and up to the date of this announcement.

## **AUDIT COMMITTEE**

The Audit Committee comprises three members, all of whom are independent non-executive Directors, namely Mr. Leung Ho Chi, Mr. Chan Ching Sum and Ms. Ng Wing Sze Vince. Mr. Leung Ho Chi is the chairman of the Audit Committee. The Audit Committee has written terms of reference in compliance with the Listing Rules and the CG Code.

The Audit Committee has in conjunction with the management reviewed the accounting principles and practices adopted by the Group and discussed risk management, internal controls and financial reporting matters of the Group. The Audit Committee has no disagreement with the accounting treatment adopted by the Company. The consolidated interim results of the Group for the Current Period have been reviewed by the Audit Committee.

## **PUBLICATION OF 2024 INTERIM RESULTS AND INTERIM REPORT**

This announcement is published on the Company's corporate website at [www.vicointernational.hk](http://www.vicointernational.hk) and the HKEXnews at [www.hkexnews.hk](http://www.hkexnews.hk). The 2024 Interim Report of the Company will be made available to shareholders of the Company and published on the aforesaid websites in due course.

## **APPRECIATION**

The Board would like to extend its sincere thanks to the Group's shareholders, business partners and customers for their utmost support to the Group. The Group would also like to take this opportunity to thank all management members and staff for their hard work and dedication throughout the Current Period.

By order of the Board  
**Vico International Holdings Limited**  
**Hui Pui Sing**  
*Chairman and Executive Director*

Hong Kong, 28 November 2024

*As at the date of this announcement, the executive directors are Mr. Hui Pui Sing, Ms. Tong Man Wah, Mr. Hui Yip Ho Eric and Mr. Kong Man Ho, the non-executive director is Mr. Wong Chun Man and the independent non-executive directors are Mr. Leung Ho Chi, Mr. Chan Ching Sum and Ms. Ng Wing Sze Vince.*