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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 ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2019

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 30.1% to HK$1,077.0 million for the year ended 31 March 2019 from HK$828.1 million for the year ended 31 March 2018.
- Gross profit decreased by approximately 4.3% to HK$45.4 million for the year ended 31 March 2019 from HK$47.5 million for the year ended 31 March 2018.
- Net profit increased by approximately 163.9% to HK$18.0 million for the year ended 31 March 2019 from HK$6.8 million for the year ended 31 March 2018.
- The Board proposes the distribution of final dividend of HK$0.01 per ordinary share of the Company for the year ended 31 March 2019 (2018: Nil).

ANNUAL RESULTS

The board of directors (the "**Board**") of Vico International Holdings Limited (the "**Company**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2019 (the "**Current Period**") together with the comparative audited figures for the year ended 31 March 2018 (the "**Corresponding Period**"). The consolidated annual results of the Group have been reviewed by the audit committee of the Company (the "**Audit Committee**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	**2019** *HK$'000*	2018 *HK$'000*
Revenue	3	**1,076,998**	828,139
Cost of sales		**(1,031,560)**	(780,655)
Gross profit		**45,438**	47,484
Other income	5	**268**	408
Selling and distribution expenses		**(4,582)**	(4,185)
Administrative and operating expenses		**(17,494)**	(10,378)
Listing expenses		**—**	(20,596)
Finance costs	6	**(383)**	(468)
Profit before tax		**23,247**	12,265
Income tax expense	7	**(5,259)**	(5,449)
Profit and total comprehensive income for the year	8	**17,988**	6,816
Earnings per share *(HK cents)*			
Basic and diluted	10	**1.80**	0.96

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Notes	2019 HK$'000	2018 HK$'000
Non-current asset			
Property, plant and equipment		**76,499**	20,650
Current assets			
Inventories		**5,940**	5,408
Trade and other receivables	11	**54,959**	56,302
Amount due from ultimate holding company		**8**	8
Income tax recoverable		**1,070**	211
Time deposit		**1,015**	1,007
Bank balances and cash		**55,053**	94,091
		118,045	157,027
Current liabilities			
Trade and other payables	12	**9,022**	7,176
Obligations under finance leases		**—**	257
Bank borrowings		**13,623**	16,350
Income tax payable		**479**	872
		23,124	24,655
Net current assets		**94,921**	132,372
Total assets less current liabilities		**171,420**	153,022
Non-current liability			
Deferred tax liabilities		**647**	237
Net assets		**170,773**	152,785
Capital and reserves			
Share capital	13	**10,000**	10,000
Reserves		**160,773**	142,785
Total equity		**170,773**	152,785

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. GENERAL INFORMATION AND BASIS OF PREPARATION

General information

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 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, son of Mr. Hui and Ms. Tong (the "Controlling Shareholders"). The addresses of the Company's registered office and the principal place of business are at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111 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 consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company.

Basis of preparation

Pursuant to the reorganisation as detailed in the section headed "History, Reorganisation and Corporate Structure — Reorganisation" in the prospectus of the Company dated 30 January 2018 (the "Reorganisation"), the Company became the holding company of the companies now comprising the Group on 12 April 2017. The Company and its subsidiaries have been under the control and beneficially owned by the Controlling Shareholders throughout the year ended 31 March 2018 or since their respective dates of incorporation or establishment up to 31 March 2018. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity. Accordingly, the consolidated financial statements of the Group have been prepared on the basis as if the Company had always been the holding company of the companies now comprising the Group throughout the year ended 31 March 2018 or since their respective dates of incorporation or establishment up to 31 March 2018, using the principles of merger accounting in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Consolidation" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for its first time, the following new and amendments to HKFRSs issued by the HKICPA:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of Annual Improvements to HKFRSs 2014 — 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The impact of the adoption of HKFRS 9 *Financial Instruments* and HKFRS 15 *Revenue from Contracts with Customers* have been summarised below. The application of other new and amendments to HKFRSs in the current year has had no material effect on the Group's financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 superseded HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard established a five-step model for determining whether, how much and when revenue is recognised. The Group has elected to adopt the modified retrospective approach for contracts with customers that are not completed as at the date of initial application (i.e. 1 April 2018) with the cumulative effect of initially applying HKFRS 15 as an adjustment to the opening balance of retained profits and comparative information is not restated. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 *Revenue*.

The transition to HKFRS 15 had no significant impact on each financial statement line item of the consolidated statement of financial position nor the retained profits at 1 April 2018.

HKFRS 9 Financial instruments

HKFRS 9 replaced the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The Group has applied HKFRS 9 retrospectively to financial instruments that have not been derecognised at the date of initial application (i.e. 1 April 2018) in accordance with the transition provisions under HKFRS 9, and chosen not to restate comparative information. Differences in the carrying amounts of financial assets and financial liabilities on initial application are recognised in the retained profits as at 1 April 2018.

The Group's accounting policies for the classification and measurement of financial instruments and the impairment of financial assets are disclosed in detail below.

Classification and measurement of financial instruments

The directors of the Company reviewed and assessed the Group's existing financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date and concluded that all recognised financial assets and financial liabilities that are within the scope of HKFRS 9 are continued to measure at amortised cost as were previously measured under HKAS 39.

Loss allowance for expected credit losses ("ECL")

The adoption of HKFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing HKAS 39's incurred loss model with a forward-looking ECL approach. As at 1 April 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirement of HKFRS 9.

It is concluded that, as at 1 April 2018, no additional credit loss allowance has been recognised against the retained profits as the estimated allowance under the ECL model were not significantly different from the impairment losses previously recognised under HKAS 39.

New and amendments to HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs and interpretation that have been issued but are not yet effective:

HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[3]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKFRS 3	Definition of a Business[4]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKAS 1 and HKAS 8	Definition of Material[2]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2019.
2 Effective for annual periods beginning on or after 1 January 2020.
3 Effective for annual periods beginning on or after 1 January 2021.
4 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
5 Effective for annual periods beginning on or after a date to be determined.

3. REVENUE

Revenue represents the net amounts received and receivable for sale of diesel, lubricant oil and others and provision of fleet card service, net of sales discounts and other similar allowances.

	2019	2018*
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15 for the year ended 31 March 2019		
Disaggregated by major products		
Sales of goods		
Sales of diesel	**1,006,740**	752,232
Provision of fleet cards service	**21,453**	23,196
Sales of lubricant oil	**43,669**	49,351
Sales of others	**5,136**	3,360
	1,076,998	828,139

* The amounts for the year ended 31 March 2018 were recognised under HKAS 18.

	2019
	HK$'000
Disaggregation of revenue by timing of recognition	
Timing of revenue recognition	
At a point in time	**1,076,998**

4. SEGMENT INFORMATION

(a) Geographical information

The following table sets out information about the Group's revenue from external customers by the location of customers:

	2019	2018
	HK$'000	*HK$'000*
Hong Kong	**1,076,678**	826,893
Macau	**309**	1,246
Vietnam	**11**	—
	1,076,998	828,139

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

(b) Information about major customers

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

	2019	2018
	HK$'000	*HK$'000*
Customer A*	**407,219**	372,613
Customer B*	**130,064**	113,052

* Revenue from sales of diesel and lubricant oil.

5. OTHER INCOME

	2019	2018
	HK$'000	*HK$'000*
Interest income of bank deposits	**8**	8
Interest income of loan to a related company	**—**	78
Gain on disposal of property, plant and equipment	**130**	—
Government subsidies *(Note)*	**125**	—
Others	**5**	322
	268	408

Note: The incomes represent government subsidies received under the "Ex-gratia Payment Scheme for Phasing Out Pre-Euro IV Diesel Commercial Vehicles" in 2019 upon retirement of certain motor vehicles.

6. FINANCE COSTS

	2019	2018
	HK$'000	*HK$'000*
Interest expenses on:		
— Bank borrowings	**378**	450
— Obligations under finance leases	**5**	18
	383	468

7. INCOME TAX EXPENSE

	2019 *HK$'000*	2018 *HK$'000*
Current income tax		
Hong Kong Profits Tax		
— Current year	**4,849**	5,478
Deferred taxation	**410**	(29)
	5,259	5,449

8. PROFIT FOR THE YEAR

	2019 *HK$'000*	2018 *HK$'000*
Profit for the year has been arrived at after charging (crediting):		
Directors' emoluments	**1,498**	922
Other staff costs:		
Salaries and allowances	**5,761**	4,767
Contributions to retirement benefit scheme	**255**	221
Total staff costs	**7,514**	5,910
Auditor's remuneration	**800**	1,200
Cost of inventories recognised as expenses (included in cost of sales)	**1,024,471**	772,524
Reversal of allowance for inventories (included in cost of sales) *(Note)*	**—**	(255)
Depreciation of property, plant and equipment	**3,314**	2,136
Minimum operating lease rental in respect of carparks, office premises and warehouse	**1,769**	1,619

Note: The reversal of allowance for inventories included in the cost of sales in 2018 was arisen from the sale of slow-moving inventories, of which provision was made previously over their net realisable values, at selling prices higher than their net book values.

9. DIVIDEND

No dividend was paid or proposed by the Company for the years ended 31 March 2019 and 2018.

Subsequent to the end of the reporting period, a final dividend for the year ended 31 March 2019 of HK$0.01 per ordinary share of the Company has been proposed by the directors of the Company and is subject to approval by the shareholders of the Company at the forthcoming annual general meeting.

10. EARNINGS PER SHARE

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

	2019	2018
	HK$'000	*HK$'000*
Earnings:		
Earnings for the purpose of basic and diluted earnings per share	**17,988**	6,816

	2019	2018
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share *(Note)*	**1,000,000,000**	710,866,000

Note: The weighted average number of ordinary shares for the purpose of basic earnings per share for the year ended 31 March 2018 was adjusted for the effect of the capitalisation issue as detailed in Note 13.

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 March 2019 and 2018.

11. TRADE AND OTHER RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Trade receivables	**48,802**	41,866
Trade deposits paid	**3,949**	8,302
Deposits and prepayments	**236**	218
Receivables due from suppliers	**1,972**	5,916
	54,959	56,302

The Group allows an average credit period ranging from 15 to 30 days (2018: 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.

	2019	2018
	HK$'000	*HK$'000*
0 to 30 days	**45,083**	37,885
31 to 60 days	**1,642**	1,739
61 to 90 days	**1,372**	1,697
Over 90 days	**705**	545
	48,802	41,866

12. TRADE AND OTHER PAYABLES

	2019	2018
	HK$'000	*HK$'000*
Trade payables	**5,330**	1,976
Trade deposits received	**1,069**	536
Accrued listing expenses	**—**	1,964
Other payables and accruals	**2,623**	2,700
	9,022	7,176

The aging analysis of trade payables presented based on the invoice dates at the end of the reporting period is as follows:

	2019	2018
	HK$'000	*HK$'000*
0 to 30 days	**5,330**	1,976

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

13. SHARE CAPITAL

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

	Number of share	**Share capital**
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2017	38,000,000	380
Increase in authorised share capital at 16 January 2018 *(Note a)*	9,962,000,000	99,620
At 31 March 2018, 1 April 2018 and 31 March 2019	10,000,000,000	100,000
Issued and fully paid:		
At 1 April 2017	1	—*
Issued on 12 April 2017 (date of completion of the Reorganisation) *(Note b)*	749	—*
Issued of shares upon capitalisation of amount due to a director on 30 January 2018 *(Note c)*	250	—*
Issue of shares pursuant to the capitalisation issue *(Note d)*	749,999,000	7,500
Issue of shares upon listing of the Company *(Note e)*	250,000,000	2,500
At 31 March 2018, 1 April 2018 and 31 March 2019	1,000,000,000	10,000

* Less than HK$1,000.

Notes:

(a) Pursuant to the written resolution of the Company's shareholder passed on 16 January 2018, the authorised share capital of the Company was increased from HK$380,000 to HK$100,000,000 by creation of an additional 9,962,000,000 shares of HK$0.01 each.

(b) On 12 April 2017, 749 shares with a par value of HK$0.01 each of the Company were allotted and issued to Max Fortune for acquisition of 11,000 shares of Billion Harvest Ventures Limited. The new shares rank pari passu with the existing shares of the Company in all respects.

(c) On 30 January 2018, the amount due to Mr. Hui of HK$27,676,000 was capitalised and the Company allotted and issued 250 shares, credited as fully paid, to Mr. Hui (for such person as he directed). At the direction of Mr. Hui, 240 shares were allotted and issued to Max Fortune and 10 shares were allotted and issued to an investment holding company (the "Pre-IPO Investor"), partly financed by a subsidiary of Joyas International Holdings Limited, a company listed in Singapore and in respect to whom, Mr. Ong Chor Wei, the non-executive director of the Company, is a substantial shareholder and director.

(d) On 30 January 2018, a total of 719,999,040 and 29,999,960 shares were allotted and issued, credited as fully paid at par, to Max Fortune and the Pre-IPO Investor by way of capitalisation of a sum of HK$7,499,990 standing to the credit of the share premium account of the Company, and that such shares to be allotted and issued, as nearly as possible, without involving fractions, and such shares to rank pari passu with the exiting shares of the Company in all respects.

(e) On 5 March 2018, 250,000,000 ordinary shares with a par value of HK$0.01 each of the Company were issued at a price of HK$0.35 by way of public offering. On the same date, the Company's shares were listed on the Main Board of the Stock Exchange.

14. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation. The changes included combining "Administrative expenses" and "Other operating expenses" to "Administrative and operating expenses".

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 31 March 2019, the Group operated a total number of 35,434 fleet card accounts (2018: 29,554 fleet card accounts).

Leveraging on the Group's experience and competitive strengths, for the Current Period, the Group's revenue, gross profit and profit for the year was approximately HK$1,077.0 million, HK$45.4 million and HK$18.0 million, respectively, representing an increase of 30.1%, a decrease of 4.3% and an increase of 163.9%, respectively as compared with the Corresponding Period. The decrease in gross profit for the Current Period was primarily due to the relatively increased cost of sales.

BUSINESS PROSPECTS

We have confidence in the uptrend of petrochemical industry, particularly in our core business, which is diesel and lubricant oil. As the world economy is showing signs of deceleration, our revenue can still remain stable because of the infrastructure projects and considerable demand for lubricant oil in Hong Kong. Major constructions such as the Third Runway of Hong Kong International Airport, Island Eastern Corridor Link and the Railway network are expected to stimulate the demand of diesel and lubricant oil. The restoration of the logistics and the increasing importance of transportation are also significant factors to support our business development.

In August 2018, we acquired a large multi-functional site located in Tsuen Wan to improve our production capacity. With the new site, we possess more flexibility to manage our facilities and tools, thereby increasing efficiency in operation. To expand our scale of business, we proactively searched for potential selling destinations. Considering Vietnam's outstanding economic performance in the past few years, we are optimistic about its possible growth. Therefore, we began selling our lubricant oil products this year and expected to bring higher positive revenue in the future. Given enlarged storage, limber operational control and the amount of public investment in infrastructure, the directors of the Company (the "**Directors**") have the confidence that the Company has strong capability to keep moving forward in fast-paced and competitive oil industry.

FINANCIAL REVIEW

Revenue

During the Current Period, the Group's revenue amounted to HK$1,077.0 million, which increased by 30.1% as compared to that of HK$828.1 million during the Corresponding Period. The increase in revenue was mainly contributed by the increase in the sales of diesel.

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$1,006.7 million and HK$752.2 million respectively, representing 93.5% and 90.8% of the total revenue respectively.

The sales quantity of diesel oil increased by approximately 14.4% from 192.0 million litres for the Corresponding Period to 219.6 million litres for the Current Period, primarily due to the increase in demand from customers mainly in the second half of year 2018.

Sales of lubricant oil

Our revenue from lubricant oil mainly represents the sales of lubricant oil, which 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$43.7 million and HK$49.4 million respectively, representing 4.1% and 6.0% of the total revenue respectively.

Our sales quantity of lubricant oil amounted to approximately 2.7 million litres and 3.0 million litres for the Current Period and the Corresponding Period respectively, representing a decrease of approximately 10%.

Provision of fleet cards service

Our income from provision of fleet cards service is recognised on a net basis, based on the difference between (a) gross proceeds received and receivables from fleet card holders; and (b) gross amounts paid and payable to oil companies. The gross proceeds received and receivables from fleet card holders represent the pump price less the fleet card discount offered by our Group to fleet card holders. Our fleet card customers used our fleet cards primarily for the purchase of diesel and petrol at network gas stations.

For the Current Period and the Corresponding Period, our revenue generated from the fleet cards service amounted to approximately HK$21.5 million and HK$23.2 million respectively, representing 2.0% and 2.8% of the total revenue respectively.

Sales of others

Our revenue from other products mainly represents the sales of bitumen and kerosene. For the Current Period and the Corresponding Period, our revenue from the sales of others amounted to approximately HK$5.1 million and HK$3.4 million respectively, representing 0.5% and 0.4% 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$1,031.6 million and HK$780.7 million respectively, increased by 32.1%. 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$2.0 million or approximately 4.3% from approximately HK$47.5 million for the Corresponding Period to approximately HK$45.4 million for the Current Period. The Group's gross profit margin decreased slightly from 5.7% for the Corresponding Period to 4.2% for the Current Period. The Group's selling price is broadly in line with the movement of oil price. However, the gross profit margin does not fluctuate at the same level of the time lags and customers' moderate price sensitivity regarding oil products. During the Current Period, Brent spot crude oil price increased from US$57.4 per barrel in December 2018 to US$66.1 per barrel in March 2019. As a result, the Group's gross profit margin decreased slightly comparing with that of the Corresponding Period.

Selling and distribution expenses

Our selling and distribution expenses mainly consist of truck drivers' costs and benefits and depreciation. Selling and distribution expenses increased by approximately HK$0.4 million or 9.5% to HK$4.6 million for the Current Period from HK$4.2 million for the Corresponding Period. The slight increase was mainly due to increases in truck driver wages and the direct cost of transportation charges.

Administrative and operating expenses

Administrative expenses increased by approximately HK$7.1 million or 68.5%, from approximately HK$10.4 million for the Corresponding Period to approximately HK$17.5 million for the Current Period, primarily due to increase in legal and professional fees and consultancy fees.

Finance costs

Our finance costs mainly consist of the interest on our interest-bearing bank borrowings and finance lease. Finance costs decreased by approximately HK$85,000 or 18.2% to HK$383,000 for the Current Period from HK$468,000 for the Corresponding Period, primarily due to the repayment of bank borrowings.

Income tax expenses

Income tax expenses decreased by approximately HK$100,000 or 3.5%, from approximately HK$5.4 million for the Corresponding Period to approximately HK$5.3 million for the Current Period, primarily due to a decrease in profit before income tax when excluding the effect of listing expenses of approximately HK$20.6 million in the Corresponding Period, which was non-tax deductible expenses.

Profit for the Current Period

Profit for the Current Period increased by approximately HK$11.2 million or 163.9% from approximately HK$6.8 million for the Corresponding Period to approximately HK$18.0 million for the Current Period, and the Group's net profit margin increased from approximately 0.8% to 1.7% for the same period. The increase in the Group's net profit was mainly due to the one-off listing expenses of approximately HK$20.6 million incurred in the Corresponding Period.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2019, the Group employed a total of 35 full time employees (As at 31 March 2018: 28 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.

FINAL DIVIDEND

The Directors have resolved to recommend the payment of a final dividend of HK$0.01 per ordinary share of the Company for the year ended 31 March 2019 (2018: Nil), amounting to approximately HK$10.0 million. Subject to the approval of the ordinary shareholders of the Company (the "**Shareholders**") at the forthcoming annual general meeting (the "**AGM**"), the proposed final dividend will be payable to the Shareholders whose names appear on the register of members of the Company on 10 September 2019 and payable on 30 September 2019.

CLOSURE OF REGISTER OF MEMBERS

a) For determining the entitlement to attend and vote at the AGM

The 2019 AGM is scheduled to be held on Monday, 2 September 2019. For the purpose of determining the entitlement to attend the AGM, the register of members of the Company will be closed during the period from Wednesday, 28 August 2019 to Monday, 2 September 2019, both days inclusive, during which period no transfer of share(s) of the Company will be effected. In order to qualify for attending and voting at the AGM, all transfer document(s), accompanied by the relevant share certificate(s), must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong* for registration not later than 4:30 p.m. on Tuesday, 27 August 2019.

b) For determining the entitlement to the proposed final dividend

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Friday, 6 September 2019 to Tuesday, 10 September 2019, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares of the Company, accompanied by the relevant share certificate(s), must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong*, for registration not later than 4:30 p.m. (Hong Kong time) on 5 September 2019.

* The address of the Company's branch share registrar in Hong Kong will be changed to Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 11 July 2019.

CHANGE OF ADDRESS OF HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

With effect from 11 July 2019, the Hong Kong Branch Share Registrar and Transfer Office of the Company, Tricor Investor Services Limited (the "**Branch Share Registrar**"), will change its address from Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong to Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong. All telephone and facsimile numbers of the Branch Share Registrar will remain unchanged.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group had no significant investment, material acquisition or disposal 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 borrowing and finance leases. The Group recorded net current assets of approximately HK$94.9 million as at 31 March 2019, compared to approximately HK$132.4 million as at 31 March 2018.

As at 31 March 2019, the Group's current assets amounted to approximately HK$118.0 million (as at 31 March 2018: HK$157.0 million) of which approximately HK$55.1 million (as at 31 March 2018: HK$94.1 million) was bank balances and cash, approximately HK$55.0 million (as at 31 March 2018: HK$56.3 million) was trade and other receivables. The Group's current liabilities amounted to approximately HK$23.1 million (as at 31 March 2018: HK$24.7 million), including trade and other payables in the amount of approximately HK$9.0 million (as at 31 March 2018: HK$7.2 million), bank borrowings in the amount of approximately HK$13.6 million (as at 31 March 2018: HK$16.4 million) and tax payable in the amount of approximately HK$0.5 million (as at 31 March 2018: HK$0.9 million). The current ratio (which was calculated by dividing current assets by current liabilities) was 5.1 as at 31 March 2019 (as at 31 March 2018: 6.4). The gearing ratio (which was calculated based on the total debt and obligations under finance leases divided by total equity multiplied by 100%) was 8.0% as at 31 March 2019 (as at 31 March 2018: 10.9%).

As at 31 March 2019, the Group issued letters of guarantees through the banking facilities granted, to certain suppliers amounting to HK$4.0 million.

Capital structure

For the Current Period, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately HK$170.8 million. There has been no change in the capital structure of the Group during the Current Period.

CONTINGENT LIABILITIES

As at 31 March 2019, the Group had issued a letter of guarantee through the banking facilities granted to a supplier amounting to HK$4,000,000 (2018: HK$4,300,000). The facilities are secured by corporate guarantee of the Company.

PLEDGE OF ASSETS

As at 31 March 2019, the Group pledged its leasehold land and building of HK$16,306,000 (2018: HK$16,889,000) to secure its bank borrowings.

As at 31 March 2019, the net book value of motor vehicles included an amount of HK$Nil (2018: HK$303,000) in respect of assets held under finance leases.

CAPITAL COMMITMENTS

As at 31 March 2019, the Group had no material off-balance sheet capital commitments (2018: Nil).

CORPORATE GOVERNANCE

The Company has applied the principles as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 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 (the "**Model Code**") set out in Appendix 10 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 throughout the period 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. Tse Yung Hoi and Mr. Chan Ching Sum. 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 annual results of the Group for the Current Period have been reviewed by the Audit Committee.

SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED

The figures above in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2019 as set out in this preliminary results announcement have been agreed with the Group's auditor, SHINEWING (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2019. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING (HK) CPA Limited on this preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the Company's corporate website at www.vicointernational.hk and the HKEXnews at www.hkexnews.hk. The 2018/2019 Annual Report of the Company will be dispatched to shareholders of the Company and published on the aforesaid websites in due course.

2019 ANNUAL GENERAL MEETING

The 2019 AGM of the Company is scheduled to be held on Monday, 2 September 2019. Notice of the 2019 AGM will be published on the websites of both the Stock Exchange and the Company and dispatched to the Company's shareholders 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 year.

By order of the Board
Vico International Holdings Limited
Hui Pui Sing
Chairman

Hong Kong, 24 June 2019

As at the date of this announcement, the executive directors are Mr. Hui Pui Sing, Ms. Tong Man Wah, Mr. Hui Yip Ho Eric, Ms. Hui Wing Man Rebecca 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 Mr. Tse Yung Hoi.