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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 2021**

**FINANCIAL HIGHLIGHTS**

- Revenue decreased by approximately 21.9% to HK\$816.4 million for the year ended 31 March 2021 from HK\$1,045.3 million for the year ended 31 March 2020.
- Gross profit increased by approximately 0.6% to HK\$47.2 million for the year ended 31 March 2021 from HK\$46.9 million for the year ended 31 March 2020.
- Net profit increased by approximately 14.4% to HK\$18.3 million for the year ended 31 March 2021 from HK\$16.0 million for the year ended 31 March 2020.
- The Board does not recommend the payment of final dividend for the year ended 31 March 2021 (2020: 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 2021 (the “**Current Period**”) together with the comparative audited figures for the year ended 31 March 2020 (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 2021*

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
<b>Revenue</b>	3	<b>816,374</b>	1,045,348
Cost of sales		<u>(769,211)</u>	<u>(998,411)</u>
<b>Gross profit</b>		<b>47,163</b>	46,937
Other income	5	<b>3,674</b>	1,562
Selling and distribution expenses		<b>(5,795)</b>	(5,571)
Administrative and operating expenses		<b>(21,674)</b>	(21,160)
Finance costs	6	<u>(927)</u>	<u>(831)</u>
<b>Profit before tax</b>		<b>22,441</b>	20,937
Income tax expense	7	<u>(4,101)</u>	<u>(4,925)</u>
<b>Profit and total comprehensive income for the year</b>	8	<u><b>18,340</b></u>	<u>16,012</u>
<b>Earnings per share (<i>HK cents</i>)</b>			
Basic and diluted	10	<u><b>1.83</b></u>	<u>1.60</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		<b>76,835</b>	79,639
Investment properties		<b>38,388</b>	–
Deposit paid for acquisition of non-current assets		<b>534</b>	5,550
Right-of-use assets		<b>1,914</b>	2,453
		<u><b>117,671</b></u>	<u>87,642</u>
<b>Current assets</b>			
Inventories		<b>7,044</b>	6,018
Trade and other receivables	<i>11</i>	<b>64,713</b>	56,811
Amount due from ultimate holding company		<b>30</b>	20
Income tax recoverable		<b>208</b>	311
Time deposit		<b>1,021</b>	1,017
Bank balances		<b>55,219</b>	66,101
		<u><b>128,235</b></u>	<u>130,278</u>
<b>Current liabilities</b>			
Trade and other payables	<i>12</i>	<b>5,079</b>	4,240
Lease liabilities		<b>1,192</b>	1,754
Bank borrowings		<b>35,406</b>	30,109
Income tax payable		<b>6,919</b>	3,259
		<u><b>48,596</b></u>	<u>39,362</u>
<b>Net current assets</b>		<u><b>79,639</b></u>	<u>90,916</u>
<b>Total assets less current liabilities</b>		<b>197,310</b>	178,558
<b>Non-current liabilities</b>			
Lease liabilities		<b>599</b>	754
Deferred tax liabilities		<b>1,586</b>	1,019
		<u><b>2,185</b></u>	<u>1,773</u>
<b>Net assets</b>		<u><b>195,125</b></u>	<u>176,785</u>
<b>Capital and reserves</b>			
Share capital	<i>13</i>	<b>10,000</b>	10,000
Reserves		<b>185,125</b>	166,785
<b>Total equity</b>		<u><b>195,125</b></u>	<u>176,785</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2021

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 24 March 2017 under the Companies Act, 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 on 5 March 2018. The Company's immediate and ultimate holding company is Max Fortune Holdings Limited, 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 addresses of the Company's registered office and the principal place of business are at Second 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 Group is 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.

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

In the current year, the Group has applied, for the first time, the Amendments to References to the Conceptual Framework in HKFRSs and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) which are effective for the Group's financial year beginning on 1 April 2020.

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the Amendments to References to the Conceptual Framework in HKFRSs and the amendments to HKFRS in the current year has had no material effects on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

## New and amendments to HKFRSs issued but not yet effective

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

HKFRS 17	Insurance Contracts and related Amendments <sup>5</sup>
Amendments to HKFRS 3	Reference to Conceptual Framework <sup>4</sup>
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest rate Benchmark Reform – Phase 2 <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>6</sup>
Amendment to HKFRS 16	COVID-19 Related Rent Concessions <sup>1</sup>
Amendment to HKFRS 16	COVID-19 Related Rent Concessions beyond 30 June 2021 <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>5</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>5</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>5</sup>
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction <sup>5</sup>
Amendments to HKAS 16	Property, plant and equipment: Proceeds before Intended Use <sup>4</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>4</sup>
Amendment to HKFRSs	Annual improvement to HKFRSs 2018–2020 cycle <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 June 2020.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>3</sup> Effective for annual periods beginning on or after 1 April 2021.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>6</sup> Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of the new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

### 3. REVENUE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
<i>Disaggregated by major products</i>		
Sales of diesel	734,721	958,958
Provision of fleet cards service	28,922	26,238
Sales of lubricant oil	48,984	55,509
Sales of others	<u>3,747</u>	<u>4,643</u>
	<u><b>816,374</b></u>	<u><b>1,045,348</b></u>
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>

Disaggregation of revenue by timing of recognition

*Timing of revenue recognition*

At a point in time	<u><b>816,374</b></u>	<u><b>1,045,348</b></u>
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### 4. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the “CODM”), being the executive directors of the Company, for the purposes of allocating resources and assessing performance.

Specifically, the Group’s reportable and operating segments under HKFRS 8 *Operating Segments* are as follow:

- (i) Sales of diesel
- (ii) Provision of fleet cards service
- (iii) Sales of lubricant oil
- (iv) Sales of others

The CODM makes decisions according to the operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

## Geographical information

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong	806,083	1,032,743
Vietnam	8,807	8,934
Macau	1,276	1,397
Malaysia	208	537
Dubai	–	1,004
Singapore	–	733
	<u>816,374</u>	<u>1,045,348</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:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Customer A <sup>1</sup>	216,436	327,224
Customer B <sup>1</sup>	100,088	109,564
Customer C <sup>1</sup>	93,179	N/A <sup>2</sup>
Customer D <sup>1</sup>	82,144	116,356
Customer E <sup>1</sup>	82,126	160,035

<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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest income of bank deposits	182	185
Gain on disposal of property, plant and equipment	505	679
Government subsidies ( <i>Note</i> )	2,101	657
Rental income from investment properties		
– Lease payments that are fixed	846	–
Others	40	41
	<u>3,674</u>	<u>1,562</u>

*Note:*

During the Current Period, the Group recognised government subsidies of HK\$2,101,000 in respect of COVID-19-related subsidies related to Employment Support Scheme provided by the Government of the Hong Kong Special Administrative Region under the Anti-Epidemic Fund.

During the Corresponding Period, the Group recognised government subsidies of HK\$657,000 in respect of government subsidies under the “Ex-gratia Payment Scheme for Phasing Out Pre-Euro IV Diesel Commercial Vehicles” in 2020 upon retirement of certain motor vehicles.

The government subsidies with no unfulfilled conditions or contingencies and recognised as other income upon receipts during the years ended 31 March 2021 and 2020.

## 6. FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest expenses on:		
– Bank borrowings	834	684
– Lease liabilities	93	147
	<u>927</u>	<u>831</u>



## 7. INCOME TAX EXPENSE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Current income tax</b>		
Hong Kong Profits Tax		
– Current year	3,879	4,328
– (Over) under-provision in prior year	<u>(345)</u>	<u>225</u>
	3,534	4,553
Deferred taxation	<u>567</u>	<u>372</u>
	<u><b>4,101</b></u>	<u><b>4,925</b></u>

## 8. PROFIT FOR THE YEAR

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit for the year has been arrived at after charging (crediting):		
Directors' emoluments	3,829	2,961
Other staff costs:		
Salaries and allowances	7,742	6,869
Contributions to retirement benefit scheme	<u>333</u>	<u>303</u>
Total staff costs	<u><b>11,904</b></u>	<u>10,133</u>
Auditor's remuneration	600	800
Cost of inventories recognised as expenses (included in cost of sales)	752,556	987,890
Rental income from investment properties less direct outgoings of approximately HK\$7,000 (2020: nil)	(839)	–
(Reversal) provision of impairment loss on inventories (included in cost of sales) ( <i>Note</i> )	(23)	62
Depreciation of property, plant and equipment	5,470	5,483
Depreciation of investment properties	934	–
Depreciation of right-of-use assets	<u><b>1,946</b></u>	<u><b>1,732</b></u>

*Note:* During the Current Period, certain long aged inventories were sold. As a result, a reversal of write-down of inventories of approximately HK\$23,000 has been recognised and included in cost of sales.

## 9. DIVIDEND

During the Corresponding Period, a final dividend in respect of the year ended 31 March 2019 of HK\$0.01 per ordinary share was declared and paid to the shareholders of the Company. The aggregate amount of final dividend declared during the Corresponding Period amounted to HK\$10,000,000.

No dividend was proposed for ordinary shareholders of the Company during the Current Period, nor has any dividend been proposed since the end of the Current 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:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Earnings:		
Earnings for the purpose of basic and diluted earnings per share	<u>18,340</u>	<u>16,012</u>
	2021	2020
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u>1,000,000,000</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 years ended 31 March 2021 and 2020.

## 11. TRADE AND OTHER RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables	45,687	38,909
Trade deposits paid	16,374	15,868
Deposits and prepayments	458	257
Receivables due from suppliers	<u>2,194</u>	<u>1,777</u>
	<u>64,713</u>	<u>56,811</u>

The Group allows an average credit period of 15 to 30 days (2020: 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 Current Period.

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 to 30 days	<b>40,328</b>	31,309
31 to 60 days	<b>2,054</b>	4,830
61 to 90 days	<b>1,320</b>	1,280
Over 90 days	<b>1,985</b>	1,490
	<u><b>45,687</b></u>	<u>38,909</u>

## 12. TRADE AND OTHER PAYABLES

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade payables ( <i>Note</i> )	<b>478</b>	386
Trade deposits received	<b>658</b>	586
Accrued directors' emoluments	<b>594</b>	536
Other payables and accruals	<b>3,349</b>	2,732
	<u><b>5,079</b></u>	<u>4,240</u>

*Note:* The aging analysis of trade payables presented based on the invoice dates at the end of the Current Period is as follows:

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 to 30 days	<u><b>478</b></u>	<u>386</u>

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

### 13. SHARE CAPITAL

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

	<b>Number of shares</b>	<b>Share capital <i>HK\$'000</i></b>
<b>Ordinary shares of HK\$0.01 each</b>		
Authorised:		
At 1 April 2019, 31 March 2020, 1 April 2020 and 31 March 2021	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
At 1 April 2019, 31 March 2020, 1 April 2020 and 31 March 2021	<u>1,000,000,000</u>	<u>10,000</u>

## 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 2021, the Group operated a total number of 50,606 fleet card accounts (2020: 38,380 fleet card accounts).

Leveraging on the Group's experience and competitive strengths, for the Current Period, the Group's revenue, gross profit and net profit was approximately HK\$816.4 million, HK\$47.2 million, and HK\$18.3 million, respectively representing decrease of 21.9%, increase of 0.6%, and increase of 14.4%, respectively as compared with the Corresponding Period. The increase in profit for the Current Period was due to the government subsidy and rental income from investment properties.

The successful development of the vaccine is beneficial to the recovering global economic environment and Group's business activities. The Directors of the Company (the "**Directors**") believe that the opening for construction land and the increase in traffic volumes have significantly led to an increase in consumption of petrochemicals and lubricant oil as well as an increase in the amount of fleet cards. The successful performance in the sales gives the Group strong confidence, and the Group's operating results showed a stabilization compared to previous years.

The global economy is already in the process of recovery and the Directors believe that the Group's business will continue to be stabilizing in the second half of 2021. The Group still needs to maintain a cautious approach to analyze global market movements and strategically adjust the Group's business. The Directors are fully confident in the future business, financial position and operating results of the Group.

## **BUSINESS PROSPECTS**

As the global economic recovery accelerates, we continue to expand our overseas business. There is a strong demand for petroleum products such as lubricants in the Asian market, so we have continued our business to countries such as Malaysia and Vietnam. The next step in our plan will be to develop more business and trade cooperation with more Asian countries. Based on our excellent sales performance in Asian countries, we are fully confident in expanding our business to other regions.

We maintain a positive attitude in continuous self-improvement. The multi-functional site in Tsuen Wan which we acquired was held for our own use as a warehouse and petrochemical products outlet. We make industrial improvements on this warehouse and our productivity has increased significantly.

We have operated efficiently under the challenges of COVID-19 pandemic. We are more flexible in managing our production equipment and tools and thus, we are capable of risk management. After experiencing challenges from various situation, the Group is more competent to face any difficulties under changeable situation and keep moving forward. The Group is powerfully forward to build our business blueprint in the future.

## **FINANCIAL REVIEW**

### **Revenue**

During the Current Period, the Group's revenue amounted to HK\$816.4 million, which decreased by 21.9% as compared to that of HK\$1,045.3 million during the Corresponding Period. The decrease in revenue was mainly due to the relatively decrease in oil price during the Current Period.

### ***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\$734.7 million and HK\$959.0 million respectively, representing 90.0% and 91.7% of the total revenue respectively.

The sales quantity of diesel oil increased by approximately 16.49% from 234.80 million litres for the Corresponding Period to 273.51 million litres for the Current Period, primarily due to the international oil prices dropped as a result of higher demand from customer.

### ***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\$49.0 million and HK\$55.5 million respectively, representing 6.0% and 5.3% of the total revenue respectively.

Our sales quantity of lubricant oil amounted to approximately 3.4 million litres and 3.9 million litres for the Current Period and the Corresponding Period respectively, representing a decrease of approximately 12.8%.

### ***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\$28.9 million and HK\$26.2 million respectively, representing 3.5% and 2.5% 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\$3.7 million and HK\$4.6 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\$769.2 million and HK\$998.4 million respectively, representing a decrease of approximately 23.0%. 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 an increase in gross profit by approximately HK\$0.3 million or approximately 0.6% from approximately HK\$46.9 million for the Corresponding Period to approximately HK\$47.2 million for the Current Period. The Group's gross profit margin increased slightly from 4.5% for the Corresponding Period to 5.8% 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.

## **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\$0.2 million or 3.6% to HK\$5.8 million for the Current Period from HK\$5.6 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 slightly increased by approximately HK0.5 million or 2.4%, from approximately HK\$21.2 million for the Corresponding Period to approximately HK\$21.7 million for the Current Period, primarily due to an increase in depreciation of property, plant and equipment and staff cost.



## **Finance costs**

Our finance costs mainly consist of the interest on our interest-bearing bank borrowings and lease liabilities. Finance costs increased by approximately HK\$0.1 million or 12.5% to HK\$0.9 million for the Current Period from HK\$0.8 million for the Corresponding Period, primarily due to the new bank borrowing for financing the acquisition of property.

## **Income tax expense**

Income tax expense decreased by approximately HK\$0.8 million or 16.3% from approximately HK\$4.9 million for the Corresponding Period to approximately HK\$4.1 million for the Current Period. The decrease was mainly attributed to the drop in profit subject to income tax for the year.

## **Profit for the Current Period**

Net profit for the Current Period increased by approximately HK\$2.3 million or 14.4% from approximately HK\$16.0 million for the Corresponding Period to approximately HK\$18.3 million for the Current Period, and the Group's net profit margin increased from approximately 1.5% for the Corresponding Period to 2.2% for the Current Period. The increase in the Group's net profit was mainly due to the government subsidy and rental income from investment properties.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 March 2021, the Group employed a total of 37 full time employees (As at 31 March 2020: 34 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 Board does not recommend the payment of final dividend for the year ended 31 March 2021 (2020: Nil).

## **CLOSURE OF REGISTER OF MEMBERS**

The 2021 Annual General Meeting (the “AGM”) of the Company is scheduled to be held on 6 September 2021. 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, 1 September 2021 to Monday, 6 September 2021, 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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 31 August 2021.

## **SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES**

The Group had no significant investment, material acquisition or disposal of subsidiaries 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\$79.6 million as at 31 March 2021, compared to approximately HK\$90.9 million as at 31 March 2020.

As at 31 March 2021, the Group’s current assets amounted to approximately HK\$128.2 million (2020: HK\$130.3 million) of which approximately HK\$55.2 million (2020: HK\$66.1 million) was bank balances, approximately HK\$64.7 million (2020: HK\$56.8 million) was trade and other receivables. The Group’s current liabilities amounted to approximately HK\$48.6 million (2020: HK\$39.4 million), including trade and other payables in the amount of approximately HK\$5.1 million (2020: HK\$4.2 million), bank borrowings in the amount of approximately HK\$35.4 million (2020: HK\$30.1 million) and income tax payable in the amount of approximately HK\$6.9 million (2020: HK\$3.3 million). The current ratio (which was calculated by dividing current assets by current liabilities) was 2.6 as at 31 March 2021 (2020: 3.3). The gearing ratio (which was calculated based on the total debt and lease liabilities divided by total equity multiplied by 100%) was 19.1% as at 31 March 2021 (2020: 18.5%).

## Capital structure

For the Current Period, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately HK\$195.1 million. There has been no change in the capital structure of the Group during the Current Period.

## CONTINGENT LIABILITIES

As at 31 March 2020 and 2021, the Group had issued a letter of guarantee through the banking facilities granted, to a supplier amounting to HK\$4,000,000. The facilities are secured by corporate guarantee of the Company.

## PLEDGE OF ASSETS

As at 31 March 2021, the Group pledged its leasehold land and building of HK\$63,868,000 and investment property of HK\$32,064,000 respectively (2020: HK\$66,308,000 and nil respectively) to secure its bank borrowings.

As at 31 March 2021, the net book value of the leased motor vehicle under a hire purchases agreement of HK\$590,000 (2020: nil) is secured by the lessor's title.

## CAPITAL COMMITMENTS

	<b>2021</b>	2020
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Capital expenditure in respect of the acquisition of non-current assets for but not provided in the consolidated financial statements	<u>          –          </u>	<u>          27,000          </u>

## USE OF PROCEEDS

The net proceeds from the Share Offer amounted to approximately HK\$53.2 million (after deducting underwriting commissions and total expenses in connection with the Share Offer) (the “**Net Proceeds**”). These proceeds were applied during the Current Period in accordance with the proposed applications set out in the Company’s prospectus dated 30 January 2018 (the “**Prospectus**”), as follows

<b>Use of Net Proceeds</b>	<b>Intended applications set out in the Prospectus</b> <i>(HK\$ million)</i>	<b>Utilised net proceeds as at 31 March 2020</b> <i>(HK\$ million)</i>	<b>Utilised net proceeds as at 31 March 2021</b> <i>(HK\$ million)</i>
1) development of the Group’s new blending site with storage facility	40.6	40.6	40.6
2) purchase of six new wagons and three new trucks	5.4	3.6	5.4
3) recruiting and retaining high calibre talents	6.2	4.9	6.2
4) additional working capital and other general corporate purposes	<u>1.0</u>	<u>0.7</u>	<u>1.0</u>
	<u><u>53.2</u></u>	<u><u>49.8</u></u>	<u><u>53.2</u></u>

## 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 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 2021 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 2021. 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](http://www.vicointernational.hk) and the HKEXnews at [www.hkexnews.hk](http://www.hkexnews.hk). The 2020/2021 Annual Report of the Company will be dispatched to shareholders of the Company and published on the aforesaid websites in due course.

## **2021 ANNUAL GENERAL MEETING**

The 2021 AGM of the Company is scheduled to be held on 6 September 2021. Notice of the 2021 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, 28 June 2021

*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.*