



**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

**2023**  
**INTERIM REPORT**



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. HUI Pui Sing (*Chairman*)  
Ms. TONG Man Wah  
Mr. HUI Yip Ho Eric  
(*Chief Executive Officer*)  
Mr. KONG Man Ho

### Non-executive Director

Mr. WONG Chun Man

### Independent Non-Executive Directors

Mr. LEUNG Ho Chi  
Mr. CHAN Ching Sum  
Mr. TSE Yung Hoi

## AUDIT COMMITTEE

Mr. LEUNG Ho Chi (*Chairman*)  
Mr. CHAN Ching Sum  
Mr. TSE Yung Hoi

## REMUNERATION COMMITTEE

Mr. LEUNG Ho Chi (*Chairman*)  
Mr. HUI Yip Ho Eric  
Mr. TSE Yung Hoi

## NOMINATION COMMITTEE

Mr. HUI Pui Sing (*Chairman*)  
Mr. LEUNG Ho Chi  
Mr. CHAN Ching Sum

## AUTHORISED REPRESENTATIVES

Mr. HUI Yip Ho Eric  
Mr. KONG Man Ho

## COMPANY SECRETARY

Ms. CHAN Sze Ting (*ACG, HKACG*)

## REGISTERED OFFICE

Third Floor, Century Yard  
Cricket Square  
P.O. Box 902  
Grand Cayman KY1-1103  
Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit D, 11/F, Billion Plaza II  
No. 10 Cheung Yue Street  
Cheung Sha Wan  
Hong Kong

## CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Services (Cayman Islands) Limited  
Third Floor, Century Yard  
Cricket Square  
P.O. Box 902  
Grand Cayman KY1-1103  
Cayman Islands

## **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## **AUDITORS**

Prism Hong Kong and Shanghai Limited  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*  
Units 1903A-1905, 8 Observatory Road  
Tsim Sha Tsui, Kowloon  
Hong Kong

## **PRINCIPAL BANKERS**

Bank of China (Hong Kong) Limited  
Chong Hing Bank Limited

## **STOCK CODE**

1621

## **COMPANY WEBSITE**

[www.vicointernational.hk](http://www.vicointernational.hk)



# MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (the “**Directors**”) of Vico International Holdings Limited (the “**Company**”) hereby presents the interim report of the Company and its subsidiaries (collectively referred to as the “**Group**” or “**we**”) for the six months ended 30 September 2023 (the “**Current Period**”).

## 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 2023, the Group operated a total number of 54,897 fleet card accounts (2022: 50,347 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\$726.7 million, HK\$29.3 million and HK\$12.3 million, respectively, representing an increase of 44.0%, an increase of 23.4% and an increase of 42.8%, respectively as compared with the six months ended 30 September 2022 (the “**Corresponding Period**”). The increase in profit for the Current Period was primarily attributed to the enhanced market demand of diesel, a trend influenced by the gradual growth of the Hong Kong economy.

### BUSINESS PROSPECTS

The economic landscape in Hong Kong and China presents a nuanced business outlook for the upcoming year. The noticeable economic slowdown and diminished consumer confidence in both China and Hong Kong pose challenges to our fleet card sector, potentially impacting the overall demand for commercial fuels.

Furthermore, the uncertainties surrounding trade disputes and geopolitical tensions may have repercussions on the cost and availability of raw materials, thereby influencing our operational costs. Simultaneously, the recent “zero bid” phenomenon for a property development at Tung Chung East station suggests a potential lack of confidence among real estate developers in the Hong Kong economy and housing market. In the context of our petrochemical products catering to construction companies, the hesitancy among real estate developers could result in a temporary decline in demand for construction-related petrochemicals.

However, the impending construction of Route 11, designed to alleviate traffic congestion in the North West New Territories and support proposed developments in the region, presents a significant opportunity for our Group. As a provider of petrochemical products to the construction and logistics sectors, we can actively engage with the project. The construction of Route 11 is anticipated to generate heightened demand for construction materials and fuel, aligning seamlessly with our core offerings.

Recognizing the global trend towards an increased focus on sustainability and environmental consciousness, our Group will explore initiatives promoting cleaner fuels and eco-friendly practices. This proactive approach aligns with evolving consumer expectations and regulatory measures, positioning us as a responsible and forward-thinking player in the market.

To navigate potential challenges and capitalize on emerging opportunities, our Group should diligently monitor economic trends, reassess supply chain dependencies, and remain agile in adapting marketing and operational strategies. By staying attuned to market dynamics and implementing strategic measures, we can position ourselves for sustainable growth in the coming year, ensuring resilience in the face of economic uncertainties and capitalizing on evolving consumer preferences.

### FINANCIAL REVIEW

#### Revenue

During the Current Period, the Group's revenue amounted to approximately HK\$726.7 million, which increased by 44.0% as compared to that of approximately HK\$504.6 million during the Corresponding Period. The increase in revenue was attributed to the heightened demand for diesel, which was a result of the relaxation of restrictions on cross-boundary land cargo logistics.

#### 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\$685.3 million and HK\$461.3 million respectively, representing 94.3% and 91.4% 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\$22.1 million and HK\$22.6 million respectively, representing 3.0% and 4.5% of the total revenue respectively.

#### Provision of fleet cards service

Our income from our provision of fleet cards service decreased by approximately HK\$1.9 million or 10.9% from approximately HK\$17.3 million for the Corresponding Period to approximately HK\$15.4 million for the Current Period. The decrease was primarily due to reduced demand, stemming from the sluggish expansion of the domestic economy post-pandemic and heightened competition in the domestic market.

### 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\$3.8 million and HK\$3.4 million respectively, representing 0.5% and 0.7% 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\$697.3 million and HK\$480.8 million respectively, increased by 45.0%. 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\$5.5 million or approximately 23.1% from approximately HK\$23.8 million for the Corresponding Period to approximately HK\$29.3 million for the Current Period.

### Selling and distribution expenses

Our selling and distribution expenses mainly consist of truck drivers' costs. Selling and distribution expenses decreased by approximately HK\$0.6 million or 46.2% to approximately HK\$0.7 million for the Current Period from approximately HK\$1.3 million for the Corresponding Period.



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

Administrative and other operating expenses decreased by approximately HK\$0.7 million or 5.2%, from approximately HK\$13.5 million for the Corresponding Period to approximately HK\$12.8 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 decreased by approximately HK\$0.1 million or 12.5% to approximately HK\$0.7 million for the Current Period from approximately HK\$0.8 million for the Corresponding Period, primarily due to the decrease in the amount of bank borrowing during Current Period.

### **Income tax expenses**

Income tax expenses increased by approximately HK\$3.0 million or 187.5%, from approximately HK\$1.6 million for the Corresponding Period to approximately HK\$4.6 million for the Current Period, primarily due to the profitable companies resulted in higher profit comparing with the Corresponding Period.

### **Profit for the Current Period**

Profit for the Current Period increased by approximately HK\$3.7 million or 43.0% from approximately HK\$8.6 million for the Corresponding Period to approximately HK\$12.3 million for the Current Period, and the Group's net profit margin was approximately 1.7% and 1.2% for the Current Period and the Corresponding Period respectively.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 September 2023, the Group employed a total of 31 full-time employees (as at 31 March 2023: 33 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.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2023 (for the six months ended 30 September 2022: 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\$80.3 million as at 30 September 2023, compared to approximately HK\$65.7 million as at 31 March 2023.

As at 30 September 2023, the Group's current assets amounted to approximately HK\$142.0 million (as at 31 March 2023: HK\$120.3 million) of which approximately HK\$51.9 million (as at 31 March 2023: HK\$32.7 million) was bank balances and cash, approximately HK\$77.0 million (as at 31 March 2023: HK\$67.2 million) was trade and other receivables. The Group's current liabilities amounted to approximately HK\$61.9 million (as at 31 March 2023: HK\$54.6 million), including trade and other payables in the amount of approximately HK\$11.8 million (as at 31 March 2023: HK\$8.1 million), bank borrowings in the amount of approximately HK\$42.9 million (as at 31 March 2023: HK\$43.8 million) and income tax payable in the amount of approximately HK\$5.6 million (as at 31 March 2023: HK\$1.0 million). The current ratio (which was calculated by dividing current assets by current liabilities) was 2.3 as at 30 September 2023 (as at 31 March 2023: 2.2).



## MANAGEMENT DISCUSSION AND ANALYSIS

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 20.7% as at 30 September 2023 (as at 31 March 2023: 22.8%).

### Capital structure

For the Current Period, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately HK\$215.4 million. There has been no change in the capital structure of the Group during the Current Period.

### CAPITAL COMMITMENTS

As at 30 September 2023, the Group had no material off-balance sheet capital commitments.

### PLEDGE OF ASSETS

As at 30 September 2023, the Group pledged its leasehold land and building of HK\$63,474,000 and investment property of HK\$67,032,000 respectively (as at 31 March 2023: HK\$64,613,000 and HK\$67,337,000 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 2023, 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 2023

Save for those disclosed in this report, there were no other material changes in the Group's financial position since the publication of the 2022/23 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 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 up to the date of this report.

### DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2023, the interests and short positions of the Directors and chief executive of the Company in the shares of the Company (the “**Shares**”), underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

## OTHER INFORMATION

### Long positions in the shares and underlying shares of the Company

Name of Director	Nature of interest	Number of Shares <sup>(1)</sup>	Approximate shareholding percentage in the issued share capital of the Company
Mr. Hui Pui Sing ("Mr. Hui")	Interest in a controlled corporation <sup>(2)</sup> and interest of spouse <sup>(3)</sup>	730,000,000 (L)	73%
Ms. Tong Man Wah ("Ms. Tong")	Interest in a controlled corporation <sup>(2)</sup> and interest of spouse <sup>(3)</sup>	730,000,000 (L)	73%
Mr. Hui Yip Ho Eric ("Mr. Eric Hui")	Interest in a controlled corporation <sup>(2)</sup>	730,000,000 (L)	73%

*Notes:*

1. The letter (L) denotes the person's long position in such Shares.
2. Max Fortune Holdings Limited ("Max Fortune") was owned by Mr. Hui, Ms. Tong and Mr. Eric Hui as to 35%, 35% and 30%, respectively. Under the SFO, each of Mr. Hui, Ms. Tong and Mr. Eric Hui was deemed to be interested in all of the 730,000,000 Shares held by Max Fortune.
3. Mr. Hui is the spouse of Ms. Tong. Ms. Tong and Mr. Hui were deemed under the SFO to be interested in the Shares held, directly or indirectly, by Mr. Hui and Ms. Tong, respectively.

### Long positions in the shares of the associated corporation (as defined in the SFO)

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Nature of interest</b>	<b>Number of shares</b>	<b>Class of shares</b>	<b>Approximate shareholding percentage of the associated corporation's issued share capital</b>
Mr. Hui <sup>(1)</sup>	Max Fortune <sup>(2)</sup>	Beneficial interest and interest of spouse <sup>(1)</sup>	700	Ordinary shares	35%
Ms. Tong <sup>(1)</sup>	Max Fortune <sup>(2)</sup>	Beneficial interest and interest of spouse <sup>(1)</sup>	700	Ordinary shares	35%
Mr. Eric Hui	Max Fortune <sup>(2)</sup>	Beneficial interest	600	Ordinary shares	30%

*Notes:*

1. Mr. Hui is the spouse of Ms. Tong. Ms. Tong and Mr. Hui were deemed under the SFO to be interested in the shares of Max Fortune held, directly or indirectly, by Mr. Hui and Ms. Tong, respectively.
2. Max Fortune was interested in 730,000,000 Shares, representing 73% of the issued share capital of the Company. Max Fortune was therefore a holding company and an associated corporation of the Company for the purpose of the SFO.

Save for each of Mr. Hui and Mr. Eric Hui being a director of Max Fortune, as at 30 September 2023, none of the other Directors were directors or employees of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## OTHER INFORMATION

Save as disclosed above, none of the Directors or the chief executive of the Company had an interest and/or short position (as applicable) in the shares, underlying shares or debentures of the Company or any interests and/or short positions (as applicable) in the shares, underlying shares or debentures of the Company's associated corporations (within the meaning of Part XV of the SFO) which (i) will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), (ii) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) will be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDER'S INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2023, the following persons (other than the Directors and chief executives of the Company whose interests are disclosed above) and corporations had or were deemed or taken to have an interest and/or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

<b>Name of shareholder</b>	<b>Nature of interest</b>	<b>Number of Shares<sup>(1)</sup></b>	<b>Approximate shareholding percentage in the Company's issued share capital</b>
Max Fortune <sup>(2)</sup>	Beneficial owner	730,000,000 (L)	73%

Notes:

(1) The Letter (L) denotes the person's long position in the Shares.

(2) Max Fortune was owned by Mr. Hui, Ms. Tong and Mr. Eric Hui as to 35%, 35% and 30%, respectively.

Save as disclosed above and those disclosed under the section headed “Directors’ and Chief Executive’s Interests and Short Positions in the Shares and Underlying Shares of the Company”, the Directors are not aware of any other person or corporation who has any interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## **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 Mr. Tse Yung Hoi. 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.

## **CHANGE OF DIRECTOR’S INFORMATION SINCE THE DATE OF LAST ANNUAL REPORT**

After making specific enquiries by the Company and confirmed by the Directors, no other changes in the information of any Directors after the date of the Annual Report 2022/2023 that are required to be disclosed pursuant to paragraphs (a) to (e) and paragraph (g) of Rule 13.51(2) of the Listing Rules have to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.



## SHARE OPTION SCHEME

The share option scheme (the “**Share Option Scheme**”) was conditionally adopted by the written resolutions of the shareholders of the Company on 16 January 2018.

The following is a summary of the terms of the Share Option Scheme:

### 1. Purpose

The purpose of the Share Option Scheme is to reward Eligible Participants (as defined in paragraph (2) below) who have contributed to the Group and to encourage Eligible Participants to work towards enhancing the value of the Company and the Shares for the benefit of the Company and the shareholders as a whole.

### 2. Participants

The Board may, at its absolute discretion, offer to grant an option to the following persons (collectively the “**Eligible Participants**”) to subscribe for such number of Shares as the Board may determine at an exercise price determined in accordance with paragraph (7) below:

- (A) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
- (B) any directors (including independent non-executive directors) of the Company or any of its subsidiaries; and
- (C) any advisers, consultants, agents, suppliers, customers, distributors and such other persons who, in the sole opinion of the Board, will contribute or have contributed to our Company and/or any of its subsidiaries.

### 3. Maximum number of Shares

The maximum number of Shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time.

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 10% of the total number of Shares in issue as at the date of listing of the Shares. The maximum number of Shares that may be granted under the Share Option Scheme was 100 million Shares, representing 10% of the total number of issued Shares as at the listing date, i.e. 5 March 2018. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting. As at the date of this interim report, no share options have been granted since adoption of the Share Option Scheme and there were no outstanding share options.

### 4. Maximum entitlement of each Eligible Participant

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of our Company (including both exercised, cancelled and outstanding options) to each Eligible Participant in any 12-month period up to and including the date of grant must not exceed 1% of the total number of Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit must be separately approved by the shareholders in general meeting of the Company with such Eligible Participant and his/her associates (or his/her associates if the Eligible Participant is a core connected person) abstaining from voting.



## OTHER INFORMATION

### **5. Period within which the Shares must be taken up under an option**

An option must be exercised within 10 years from the date on which it is granted or such shorter period as the Board may specify at the time of grant.

### **6. Minimum period, if any, for which an option must be held**

No minimum period for which the option has to be held before it can be exercised is specified in the Share Option Scheme.

### **7. Basis of determining the exercise price of an option**

The exercise price shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; and (iii) the nominal value of a Share.

### **8. Validity of the Share Option Scheme**

The Share Option Scheme has a life of 10 years and will expire on 5 March 2028 unless otherwise terminated in accordance with the terms of the Share Option Scheme. As at the date of this interim report, the Share Option Scheme had a remaining life of approximately 5 years.

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

For the six months ended 30 September 2023

	Notes	Six months ended 30 September	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	3	<b>726,658</b>	504,565
Cost of sales		<b>(697,335)</b>	(480,796)
Gross profit		<b>29,323</b>	23,769
Other income	5	<b>1,820</b>	2,086
Selling and distribution expenses		<b>(757)</b>	(1,285)
Administrative and operating expenses		<b>(12,759)</b>	(13,506)
Finance costs	6	<b>(719)</b>	(807)
Profit before tax		<b>16,908</b>	10,257
Income tax expense	7	<b>(4,607)</b>	(1,641)
Profit and total comprehensive income for the period	8	<b>12,301</b>	8,616
Earnings per share (HK cents)			
Basic and diluted	10	<b>1.23</b>	0.86

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Notes	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	11	68,637	70,782
Investment properties	12	67,032	67,337
Right-of-use assets	13	1,671	2,413
		<b>137,340</b>	140,532
<b>Current assets</b>			
Inventories		10,789	10,556
Trade and other receivables	14	76,956	67,246
Amount due from ultimate holding company		59	59
Income tax recoverable		268	268
Time deposit		2,301	9,421
Bank balances		51,911	32,734
		<b>142,284</b>	120,284
<b>Current liabilities</b>			
Trade and other payables	15	11,767	8,098
Lease liabilities	13	1,652	1,737
Bank borrowings	16	42,878	43,773
Income tax payables		5,642	978
		<b>61,939</b>	54,586
<b>Net current assets</b>		<b>80,345</b>	65,698
<b>Total assets less current liabilities</b>		<b>217,685</b>	206,230
<b>Non-current liabilities</b>			
Lease liabilities	13	–	790
Deferred tax liabilities		2,294	2,350
		<b>2,294</b>	3,140
<b>Net assets</b>		<b>215,391</b>	203,090
<b>Capital and reserves</b>			
Share capital	17	10,000	10,000
Reserves		205,391	193,090
<b>Total equity</b>		<b>215,391</b>	203,090

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000 (Note)	Retained profits HK\$'000	Total HK\$'000
At 1 April 2022 (Audited)	10,000	62,978	28,272	93,044	194,294
Profit and total comprehensive income for the period (Unaudited)	–	–	–	8,616	8,616
At 30 September 2022 (Unaudited)	10,000	62,978	28,272	101,660	202,910
At 1 April 2023 (Audited)	10,000	62,978	28,272	101,840	203,090
Profit and total comprehensive income for the period (Unaudited)	–	–	–	12,301	12,301
At 30 September 2023 (Unaudited)	<b>10,000</b>	<b>62,978</b>	<b>28,272</b>	<b>114,141</b>	<b>215,391</b>

*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 2023

	<b>Six months ended 30 September</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
<b>OPERATING ACTIVITIES</b>		
Profit before tax	<b>16,908</b>	10,257
Adjustments for:		
Depreciation of property, plant and equipment	<b>2,343</b>	3,219
Depreciation of investment properties	<b>305</b>	1,374
Depreciation of right-of-use assets	<b>742</b>	858
Loss allowance for impairment of trade receivables	<b>1,274</b>	–
Finance costs	<b>719</b>	807
Gain on disposal of property, plant and equipment	<b>(523)</b>	–
Government subsidies	–	(797)
Bank interest income	<b>(293)</b>	(10)
Reversal of impairment loss on inventories	–	(97)
Operating cash flows before movements in working capital	<b>21,475</b>	15,611
Increase in inventories	<b>(233)</b>	(4,070)
Increase in trade and other receivables	<b>(10,983)</b>	(14,217)
Increase in trade and other payables	<b>3,746</b>	893
Cash generated from (used in) operations	<b>14,005</b>	(1,783)
Income tax paid	–	(312)
<b>NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES</b>	<b>14,005</b>	(2,095)

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2023

	<b>Six months ended 30 September</b>	
	<b>2023</b> <b>HK\$'000</b> <b>(Unaudited)</b>	2022 HK\$'000 (Unaudited)
<b>INVESTING ACTIVITIES</b>		
Withdrawal of time deposit	<b>9,421</b>	1,026
Proceeds from disposal of property, plant and equipment	<b>523</b>	–
Bank interest income received	<b>293</b>	10
Acquisition of property, plant and equipment	<b>(275)</b>	–
Placements of time deposit	<b>(2,301)</b>	(1,026)
Acquisition of investment properties	<b>–</b>	(1,248)
<b>NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES</b>	<b>7,661</b>	(1,238)
<b>FINANCING ACTIVITIES</b>		
Repayment of bank borrowings	<b>(7,895)</b>	(12,557)
Repayment of lease liabilities	<b>(875)</b>	(977)
Interest paid	<b>(719)</b>	(807)
Bank borrowings raised	<b>7,000</b>	–
Government subsidies received	<b>–</b>	797
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(2,489)</b>	(13,544)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>19,177</b>	(16,877)
<b>CASH AND CASH EQUIVALENTS AT 1 APRIL</b>	<b>32,734</b>	53,600
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER,</b> represented by bank balances	<b>51,911</b>	36,723



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

## 1. GENERAL INFORMATION AND BASIS OF PREPARATION

Vico International Holdings Limited (the “**Company**”) was incorporated in the Cayman Island 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 2023 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 16 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 2023 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 March 2023.

### 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 2023.

HKFRS 17	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

The application of the amendments to HKFRSs in the current interim period has had no material effect 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.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

## 3. REVENUE

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by major products		
Sales of diesel	685,333	461,304
Provision of fleet cards service	15,443	17,260
Sales of lubricant oil	22,090	22,585
Sales of others	3,792	3,416
	<b>726,658</b>	504,565
<b>Disaggregation of revenue by timing of recognition</b>		
Timing of revenue recognition		
At a point in time	726,658	504,565

## 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

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

## 4. SEGMENT INFORMATION (CONTINUED)

### Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

#### For the six months ended 30 September 2023

	Sales of diesel HK\$'000 (Unaudited)	Provision of fleet cards HK\$'000 (Unaudited)	Sales of lubricant oil HK\$'000 (Unaudited)	Sales of others HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>Segment revenue</b>	<b>685,333</b>	<b>15,443</b>	<b>22,090</b>	<b>3,792</b>	<b>726,658</b>
<b>Segment results</b>	<b>2,307</b>	<b>5,697</b>	<b>13,139</b>	<b>2,448</b>	<b>23,591</b>
Other income					<b>1,820</b>
Corporate expenses					<b>(7,784)</b>
Finance costs					<b>(719)</b>
<b>Profit before tax</b>					<b>16,908</b>

#### For the six months ended 30 September 2022

	Sales of diesel HK\$'000 (Unaudited)	Provision of fleet cards HK\$'000 (Unaudited)	Sales of lubricant oil HK\$'000 (Unaudited)	Sales of others HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>Segment revenue</b>	<b>461,304</b>	<b>17,260</b>	<b>22,585</b>	<b>3,416</b>	<b>504,565</b>
<b>Segment results</b>	<b>1,749</b>	<b>7,193</b>	<b>12,411</b>	<b>358</b>	<b>21,711</b>
Other income					<b>2,086</b>
Corporate expenses					<b>(12,733)</b>
Finance costs					<b>(807)</b>
<b>Profit before tax</b>					<b>10,257</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

## 4. SEGMENT INFORMATION (CONTINUED)

### Other segment information

*For the six months ended 30 September 2023*

	Provision of					Total HK\$'000 (Unaudited)
	Sales of diesel HK\$'000 (Unaudited)	fleet cards service HK\$'000 (Unaudited)	Sales of lubricant oil HK\$'000 (Unaudited)	Sales of others HK\$'000 (Unaudited)	Unallocated HK\$'000 (Unaudited)	
<b>Amounts included in the measure of segment profit or segment assets</b>						
Depreciation of right-of- use assets	-	-	-	-	742	742
Depreciation of property, plant and equipment	898	-	27	5	1,413	2,343
Depreciation of investment properties	-	-	-	-	305	305

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

## 4. SEGMENT INFORMATION (CONTINUED)

### Other segment information (continued)

For the six months ended 30 September 2022

	Sales of diesel HK\$'000 (Unaudited)	Provision of fleet cards service HK\$'000 (Unaudited)	Sales of lubricant oil HK\$'000 (Unaudited)	Sales of others HK\$'000 (Unaudited)	Unallocated HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>Amounts included in the measure of segment profit or segment assets</b>						
Depreciation of right-of-use assets	-	-	-	-	858	858
Reversal of impairment loss on inventories	-	-	(97)	-	-	(97)
Depreciation of property, plant and equipment	509	1,298	251	-	1,161	3,219
Depreciation of investment properties	-	-	-	-	1,374	1,374

### 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	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Hong Kong	725,504	503,590
Macau	-	430
Vietnam	203	545
Dubai	951	-
	<b>726,658</b>	504,565

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

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

## 4. SEGMENT INFORMATION (CONTINUED)

### 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	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Customer A <sup>1</sup>	138,809	85,013
Customer B <sup>1</sup>	120,163	94,120
Customer C <sup>1</sup>	92,267	49,232
Customer D <sup>1</sup>	N/A <sup>2</sup>	55,603

<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

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Bank interest income	293	10
Government subsidies ( <i>Note</i> )	–	797
Gain on disposal of property, plant and equipment	523	–
Rental income from investment properties		
– Lease payments that are fixed	780	1,279
Others	224	–
	<b>1,820</b>	<b>2,086</b>



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

## 5. OTHER INCOME (CONTINUED)

*Note:*

During the six months ended 30 September 2022, the Group recognised government subsidies of HK\$676,000 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 and HK\$121,000 provided by the Hong Kong Productivity Council to support enterprises to adopt IT solutions to continue their business and services during the epidemic.

## 6. FINANCE COSTS

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Interest expenses on:		
– Bank borrowings	705	776
– Lease liabilities	14	31
	719	807

## 7. INCOME TAX EXPENSE

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Current income tax		
Hong Kong Profits Tax		
– Current period	4,664	1,698
Deferred taxation	(57)	(57)
	4,607	1,641

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

## 8. PROFIT FOR THE PERIOD

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

	<b>Six months ended 30 September</b>	
	<b>2023</b> <b>HK\$'000</b> <b>(Unaudited)</b>	2022 HK\$'000 (Unaudited)
Staff costs, including directors' emoluments		
– Salaries and allowances	<b>4,397</b>	5,333
– Contributions to retirement benefit scheme	<b>165</b>	156
<b>Total staff costs</b>	<b>4,562</b>	5,489
Cost of inventories recognised as expenses (included in cost of sales)	<b>687,852</b>	471,162
Reversal of impairment loss on inventories (included in cost of sales)	–	(97)
Impairment loss on trade receivables	<b>1,274</b>	–
Depreciation of property, plant and equipment	<b>2,343</b>	3,219
Depreciation of investment properties	<b>305</b>	1,374
Depreciation of right-of-use assets	<b>742</b>	858

## 9. DIVIDEND

No dividends were paid, declared or proposed during the six months ended 30 September 2023 and 2022. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

### 10. EARNINGS PER SHARE

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

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
<b>Earnings:</b>		
Earnings for the purpose of basic and diluted earnings per share	12,301	8,616
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	1,000,000,000	1,000,000,000

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. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2023, the Group acquired certain property, plant and equipment of HK\$275,000 (year ended 31 March 2023: HK\$1,700,000).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

## 12. INVESTMENT PROPERTIES

As at 30 September 2023, the Group pledged its investment properties with carrying values of HK\$67,032,000 (31 March 2023: HK\$67,337,000) to secure its bank borrowings.

## 13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

### (i) Right-of-use assets

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Buildings	1,671	2,413

During the six months ended 30 September 2023, no addition to the right-of-use assets due to new leases (year ended 31 March 2023: Nil).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

## 13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

### (ii) Lease liabilities

	<b>30 September 2023 HK\$'000 (Unaudited)</b>	31 March 2023 HK\$'000 (Audited)
Non-current	–	790
Current	<b>1,652</b>	1,737
	<b>1,652</b>	2,527
Amount payable under lease liabilities		
Within one year	<b>1,652</b>	1,737
After one year but within two years	–	790
	<b>1,652</b>	2,527
Less: Amount due for settlement within 12 months (shown under current liabilities)	<b>(1,652)</b>	(1,737)
Amount due for settlement after 12 months	–	790

During the six months ended 30 September 2023, no addition to the lease liabilities due to new leases (year ended 31 March 2023: Nil).

### (iii) Amounts recognised in profit or loss

	<b>Six months ended 30 September</b>	
	<b>2023 HK\$'000 (Unaudited)</b>	2022 HK\$'000 (Unaudited)
Depreciation of right-of-use assets	<b>742</b>	858
Interest expenses on lease liabilities	<b>14</b>	31

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

## 13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

### (iv) Others

During the six months ended 30 September 2023, the total cash outflow for leases amount to approximately HK\$903,000 (year ended 31 March 2023: HK\$2,015,000).

## 14. TRADE AND OTHER RECEIVABLES

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Trade receivables	43,770	38,010
Less: allowance for impairment of trade receivables	(4,846)	(3,572)
	<b>38,924</b>	34,438
Trade deposits paid	28,009	29,998
Deposits and prepayments	447	482
Receivables due from suppliers	9,576	2,328
	<b>76,956</b>	67,246

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.

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
0 to 30 days	33,465	32,559
31 to 60 days	1,018	348
61 to 90 days	350	19
Over 90 days	4,091	1,512
	<b>38,924</b>	34,438

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

## 15. TRADE AND OTHER PAYABLES

	<b>30 September 2023 HK\$'000 (Unaudited)</b>	31 March 2023 HK\$'000 (Audited)
Trade payables	<b>435</b>	647
Trade deposits received	<b>3,009</b>	951
Accrued directors' emoluments	<b>–</b>	590
Other payables and accruals	<b>8,323</b>	5,910
	<b>11,767</b>	8,098

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

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

	<b>30 September 2023 HK\$'000 (Unaudited)</b>	31 March 2023 HK\$'000 (Audited)
0 to 30 days	<b>435</b>	647

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

## 16. BANK BORROWINGS

	<b>30 September 2023 HK\$'000 (Unaudited)</b>	31 March 2023 HK\$'000 (Audited)
Variable-rate bank borrowings: Secured and guaranteed	<b>42,878</b>	43,773
Bank borrowings repayable (based on scheduled repayment dates set out in the loan agreements):		
Within one year	<b>10,213</b>	9,518
More than one year but not exceeding two years	<b>3,270</b>	3,242
More than two years but not exceeding five years	<b>10,159</b>	9,122
More than five years	<b>19,236</b>	21,891
	<b>42,878</b>	43,773
Less: Carrying amounts of bank borrowings that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	<b>(10,213)</b>	(34,255)
Less: Carrying amounts of bank borrowings that are repayable within one year from the end of the reporting period and contain a repayment on demand clause	<b>(32,665)</b>	(9,518)
Amount shown under current liabilities	<b>(42,878)</b>	(43,773)
Amount shown under non-current liabilities	-	-



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

## 16. BANK BORROWINGS (CONTINUED)

All bank borrowings were secured by charges over leasehold land and buildings and investment property of the Group as at 30 September 2023 and 31 March 2023.

As at 30 September 2023, the bank borrowings carry interests at Hong Kong Prime Rate less 2.25% to 2.80% per annum and 1 month Hong Kong Interbank Rate plus 2.5% (31 March 2023: Hong Kong Prime Rate less 2.65% to 2.80% per annum and 1 month Hong Kong Interbank Rate plus 2.5%). The effective interest rates of the bank borrowings as at 30 September 2023 range from 2.2% to 2.6% per annum (31 March 2023: 2.1% to 3.2% per annum).

## 17. SHARE CAPITAL

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

	Number of shares		Share capital	
	30 September 2023 (Unaudited)	31 March 2023 (Audited)	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Ordinary shares of HK\$0.01 each				
<b>Authorised:</b>				
At the beginning and end of period/year	10,000,000,000	10,000,000,000	100,000	100,000
<b>Issued and fully paid:</b>				
At the beginning and end of period/year	1,000,000,000	1,000,000,000	10,000	10,000

## 18. RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the transactions and balances detailed elsewhere in the consolidated financial statements, the Group has entered into the following significant transactions with related parties during the six months ended 30 September 2023.

### (a) Compensation of key management personnel

The remuneration of directors of the Company and other members of key management personnel during the period was as follows:

	<b>Six months ended 30 September</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Short-term employee benefits	<b>1,869</b>	2,124
Post-employment benefits	<b>46</b>	49
	<b>1,915</b>	2,173

The remuneration of the directors of the Company and key management personnel of the Group is determined by the board of directors of the Company having regard to the performance of individuals and market trends.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

## 18. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

- (b) During the period, the Group entered into the following significant transactions with related parties:

Related parties	Nature of transactions	Six months ended	
		30 September	
		2023	2022
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Bright Ford Development Limited ( <i>Note</i> )	Lease and interest payment	462	462
Sunny Gainer Investment Limited ( <i>Note</i> )	Lease and interest payment	330	330

*Note:* Mr. Hui/Ms. Tong are the controlling shareholders of these companies.

## 19. CONTINGENT LIABILITIES

As at 30 September 2023, the Group had issued a letter of guarantee through the banking facilities granted, to a supplier amounting to HK\$4,000,000 (unaudited) (31 March 2023: HK\$4,000,000). The facilities are secured by corporate guarantee of the Company.