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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 2024

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 56.8% to HK\$1,595.1 million for the year ended 31 March 2024 from HK\$1,017.0 million for the year ended 31 March 2023.
- Gross profit increased by approximately 8.2% to HK\$48.3 million for the year ended 31 March 2024 from HK\$44.7 million for the year ended 31 March 2023.
- Net profit increased by approximately 92.5% to HK\$16.9 million for the year ended 31 March 2024 from HK\$8.8 million for the year ended 31 March 2023.
- The Board does not recommend the payment of final dividend for the year ended 31 March 2024 (2023: 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 2024 (the “**Current Period**”) together with the comparative audited figures for the year ended 31 March 2023 (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 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	3	1,595,083	1,017,037
Cost of sales		<u>(1,546,744)</u>	<u>(972,344)</u>
Gross profit		48,339	44,693
Other income	5	2,806	5,331
Selling and distribution expenses		(4,657)	(6,417)
Administrative and operating expenses		(23,696)	(29,195)
Finance costs	6	<u>(1,456)</u>	<u>(1,514)</u>
Profit before tax		21,336	12,898
Income tax expense	7	<u>(4,403)</u>	<u>(4,102)</u>
Profit and total comprehensive income for the year	8	<u>16,933</u>	<u>8,796</u>
Earnings per share (<i>HK cents</i>)			
Basic and diluted	10	<u>1.69</u>	<u>0.88</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Property, plant and equipment		123,332	70,782
Investment properties		7,197	67,337
Right-of-use assets		<u>664</u>	<u>2,413</u>
		131,193	140,532
Current assets			
Inventories		11,602	10,556
Trade and other receivables	11	90,348	67,246
Amount due from ultimate holding company		72	59
Income tax recoverable		4	268
Time deposit		5,791	9,421
Cash and cash equivalents		<u>34,160</u>	<u>32,734</u>
		141,977	120,284
Current liabilities			
Trade and other payables	12	10,382	8,098
Lease liabilities		790	1,737
Bank borrowings		34,369	43,773
Income tax payables		<u>4,231</u>	<u>978</u>
		49,772	54,586
Net current assets		92,205	65,698
Total assets less current liabilities		223,398	206,230
Non-current liabilities			
Lease liabilities		–	790
Provision for long service payments		242	–
Deferred tax liabilities		<u>3,133</u>	<u>2,350</u>
		3,375	3,140
Net assets		220,023	203,090
Capital and reserves			
Share capital	13	10,000	10,000
Reserves		<u>210,023</u>	<u>193,090</u>
Total equity		220,023	203,090

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1. GENERAL INFORMATION

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 “**Controlling Shareholders**”). 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 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**”)

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
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
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance or the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKFRSs issued but not yet effective

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²
Amendments to HKAS 21	Lack of Exchangeability ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

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

3. REVENUE

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products		
Sales of diesel	1,511,507	937,700
Provision of fleet cards service	33,475	32,434
Sales of lubricant oil	44,427	36,902
Sales of others	5,674	10,001
	<u>1,595,083</u>	<u>1,017,037</u>
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Disaggregation of revenue by timing of recognition		
Timing of revenue recognition		
At a point in time	<u>1,595,083</u>	<u>1,017,037</u>

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

Geographical information

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

	2024 <i>HK\$’000</i>	2023 <i>HK\$’000</i>
Hong Kong	1,591,524	1,012,025
Macau	–	1,100
Vietnam	1,210	239
Dubai	1,833	3,137
Malaysia	–	536
Korea	360	–
India	156	–
	<u>1,595,083</u>	<u>1,017,037</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:

	2024 <i>HK\$’000</i>	2023 <i>HK\$’000</i>
Customer A ¹	296,141	151,333
Customer B ¹	254,293	130,207
Customer C ¹	<u>186,418</u>	<u>N/A²</u>

¹ Revenue from sales of diesel and lubricant oil.

² The corresponding revenue does not contribute over 10% of total revenue of the Group.

5. OTHER INCOME

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank interest income	495	187
Government subsidies (<i>Note</i>)	–	1,003
Gain on disposal of property, plant and equipment	1,037	1,583
Rental income from investment properties		
– Lease payments that are fixed	1,052	2,457
Others	222	101
	<u>2,806</u>	<u>5,331</u>

Note: During the year ended 31 March 2023, the Group recognised government subsidies of approximately 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.

During the year ended 31 March 2023, the Group recognised government subsidies of approximately HK\$741,000 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 year ended 31 March 2023, the Group recognised government subsidies of approximately HK\$141,000 in respect of Phasing out Euro IV Diesel Commercial Vehicles – Ex-gratia Payment Scheme provided by the Government of Hong Kong Special Administrative Region.

The government subsidies with no unfulfilled conditions or contingencies and recognised as other income upon receipts during the year ended 31 March 2023.

6. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest expenses on:		
– Bank borrowings	1,431	1,433
– Lease liabilities	25	81
	<u>1,456</u>	<u>1,514</u>

7. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current income tax		
Hong Kong Profits Tax		
– Current year	4,088	3,351
– (Over) provision in prior year	<u>(468)</u>	<u>(29)</u>
	3,620	3,322
Deferred taxation	<u>783</u>	<u>780</u>
	<u>4,403</u>	<u>4,102</u>

8. PROFIT FOR THE YEAR

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit for the year has been arrived at after charging (crediting):		
Directors' emoluments	4,096	4,379
Other staff costs:		
Salaries and allowances	7,535	8,417
Contributions to retirement benefit scheme	<u>321</u>	<u>310</u>
Total staff costs	<u>11,952</u>	<u>13,106</u>
Auditor's remuneration		
– Audit	550	550
– Non-audit	150	150
Cost of inventories recognised as expenses (included in cost of sales)	1,528,311	954,360
Reversal of impairment loss on inventories (included in cost of sales)	(101)	(10)
Bad debts written off	–	362
(Reversal of) impairment loss on trade receivables, net	(2,302)	3,572
Impairment loss on other receivables	49	–
Impairment loss on investment properties	318	–
Depreciation of property, plant and equipment	8,189	6,123
Depreciation of investment properties	322	2,464
Depreciation of right-of-use assets	<u>1,749</u>	<u>2,129</u>

9. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during 2024, nor has any dividend been proposed since the end of the reporting period (2023: nil).

10. EARNINGS PER SHARE

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

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Earnings:		
Earnings for the purpose of basic and diluted earnings per share	<u>16,933</u>	<u>8,796</u>
	2024	2023
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 2024 and 2023.

11. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	47,284	38,010
Less: allowance for impairment of trade receivables	<u>(1,270)</u>	<u>(3,572)</u>
	<u>46,014</u>	<u>34,438</u>
Trade deposits paid	41,343	29,998
Deposits and prepayments	438	482
Receivables due from suppliers	<u>2,602</u>	<u>2,328</u>
	44,383	32,808
Less: allowance for impairment of other receivables	<u>(49)</u>	<u>–</u>
	<u>44,334</u>	<u>32,808</u>
	<u><u>90,348</u></u>	<u><u>67,246</u></u>

As at 31 March 2024, the gross amount of trade receivables arising from contracts with customers amounted to approximately HK\$47,284,000 (2023: HK\$38,010,000).

The Group allows an average credit period of 15 to 30 days (2023: 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.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 to 30 days	41,945	32,559
31 to 60 days	495	348
61 to 90 days	33	19
Over 90 days	<u>3,541</u>	<u>1,512</u>
	<u><u>46,014</u></u>	<u><u>34,438</u></u>

12. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables (<i>Note</i>)	275	647
Trade deposits received	1,503	951
Accrued directors' emoluments	400	590
Other payables and accruals	<u>8,204</u>	<u>5,910</u>
	<u>10,382</u>	<u>8,098</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 to 30 days	<u>275</u>	<u>647</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:

	Number of share	Share capital <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
At 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	<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 2024, the Group operated a total number of 53,406 fleet card accounts (2023: 56,193 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 were approximately HK\$1,595.1 million, HK\$48.3 million, and HK\$16.9 million, respectively representing an increase of 56.8%, increase of 8.2 %, and increase of 92.5%, respectively as compared with the Corresponding Period. The increase in profit for the Current Period was attributable to the increase in revenue, mainly from sales of diesel upon the reopening of the China border.

In 2023, the Group successfully maintained stable operations in the sales of diesel, lubricant oil, and fleet card services in Hong Kong, benefiting from the gradual economic recovery and increased logistics demand following the reopening of the China border. After a comprehensive assessment of market demand and careful consideration of social consumption trends and economic restructuring in Hong Kong, the Group strategically resumed domestic trading volumes of diesel. Under the current business strategies, the Group achieved a total revenue of approximately HK\$1,595.1 million and a gross profit of approximately HK\$48.3 million this year.

BUSINESS PROSPECTS

The business prospects for the Group remain cautiously optimistic amidst the backdrop of Hong Kong's economic challenges. With reduced consumer spending and a sluggish property market, the business environment demands a strategic approach. While fluctuations in demand for petrochemical products are expected, particularly in industrial and commercial sectors, our focus on product quality and customer service remains steadfast.

Despite the economic uncertainties, the Group is committed to navigating through strategic planning, operational efficiency, and innovation. By maintaining high standards and adapting to market dynamics, we aim to deliver consistent value to our stakeholders. Our resilience and dedication to excellence position us well to weather the challenges and seize opportunities for growth in the evolving economic landscape.

FINANCIAL REVIEW

Revenue

During the Current Period, the Group's revenue amounted to HK\$1,595.1 million, which increased by 56.8% as compared to that of HK\$1,017.0 million during the Corresponding Period. The increase in revenue was mainly due to the quantity of oil sold increase 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\$1,511.5 million and HK\$937.7 million respectively, representing 94.8% and 92.2% of the total revenue respectively.

The sales quantity of diesel oil increased by approximately 99.7% from 135.0 million litres for the Corresponding Period to 269.7 million litres for the Current Period, primarily attributed to the heightened demand in the logistics sector, benefiting from the reopening of the China border.

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\$44.4 million and HK\$36.9 million respectively, representing 2.8% and 3.6% of the total revenue respectively.

Our sales quantity of lubricant oil amounted to approximately 1.7 million litres and 2.7 million litres for the Current Period and the Corresponding Period respectively, representing a decrease of approximately 37.0%.

Provision of fleet cards service

Our income from the 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\$33.5 million and HK\$32.4 million respectively, representing 2.1% and 3.2% 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\$5.7 million and HK\$10.0 million respectively, representing 0.4% and 1.0% 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\$1,546.7 million and HK\$972.3 million respectively, representing an increase of approximately 59.1%. 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 an increase in gross profit by approximately HK\$3.6 million or approximately 8.2% from approximately HK\$44.7 million for the Corresponding Period to approximately HK\$48.3 million for the Current Period. The Group's gross profit margin decreased from 4.4% for the Corresponding Period to 3.0% 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 as Company aimed to lower profit margin, but quicker turnover during the year.

Selling and distribution expenses

Our selling and distribution expenses mainly consist of truck drivers' costs and benefits and depreciation. Selling and distribution expenses decreased by approximately HK\$1.8 million or 27.4% to HK\$4.7 million for the Current Period from HK\$6.4 million for the Corresponding Period. The decrease was mainly due to the drop in salaries & allowances during the year.

Administrative and operating expenses

Administrative expenses decreased by approximately HK\$5.5 million or 18.8%, from approximately HK\$29.2 million for the Corresponding Period to approximately HK\$23.7 million for the Current Period, primarily due to the reversal in the impairment allowance of trade receivables. The settlement of trade receivables from cross-border truck drivers has been recovered and was returning to normal.

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\$0.6 million or 3.8% to HK\$1.5 million for the Current Period from HK\$1.5 million for the Corresponding Period, primarily due to the completion of some finance lease arrangements.

Income tax expense

Income tax expense increased by approximately HK\$0.3 million or 7.3% from approximately HK\$4.1 million for the Corresponding Period to approximately HK\$4.4 million for the Current Period. The increase due to the rise in profit subject to income tax for the year.

Profit for the Current Period

Net profit for the Current Period increased by approximately HK\$8.1 million or 92.5% from approximately HK\$8.8 million for the Corresponding Period to approximately HK\$16.9 million for the Current Period, and the Group's net profit margin increased from approximately 0.9% for the Corresponding Period to 1.1% for the Current Period. The increase in the Group's net profit was minimal. There was only a slight improvement in the Company's overall profitability compared to Corresponding Period.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2024, the Group employed a total of 31 full time employees (As at 31 March 2023: 31 full time employees). The Group remunerates its employees based on their performance, experience and prevailing industry practice. The remuneration packages are subject to review on a regular basis.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the Current Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 March 2024 (2023: Nil).

CLOSURE OF REGISTER OF MEMBERS

The 2024 Annual General Meeting (the "AGM") of the Company is scheduled to be held on 11 September 2024. 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 6 September 2024 to 11 September 2024, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 5 September 2024.

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

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\$92.2 million as at 31 March 2024, compared to approximately HK\$65.7 million as at 31 March 2023.

As at 31 March 2024, the Group's current assets amounted to approximately HK\$142.0 million (2023: HK\$120.3 million) of which approximately HK\$34.2 million (2023: HK\$32.7 million) was bank balances, approximately HK\$90.3 million (2023: HK\$67.2 million) was trade and other receivables. The Group's current liabilities amounted to approximately HK\$49.8 million (2023: HK\$54.6 million), including trade and other payables in the amount of approximately HK\$10.4 million (2023: HK\$8.1 million), bank borrowings in the amount of approximately HK\$34.4 million (2023: HK\$43.8 million) and income tax payable in the amount of approximately HK\$4.2 million (2023: HK\$1.0 million). The current ratio (which was calculated by dividing current assets by current liabilities) was 2.9 as at 31 March 2024 (2023: 2.2). The gearing ratio (which was calculated based on the total debt and lease liabilities divided by total equity multiplied by 100%) was 24.2% as at 31 March 2024 (2023: 28.4%).

Capital structure

For the Current Period, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately HK\$220.0 million. There has been no change in the capital structure of the Group during the Current Period.

CONTINGENT LIABILITIES

As at 31 March 2023 and 2024, 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 2024, the Group pledged its leasehold land and building of HK\$119,008,000 and investment property of HK\$7,197,000 respectively (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 have no significant foreign exchange risk in respect of USD.

As at 31 March 2024, the Group had not entered into any arrangements to hedge its foreign currency risk. The Group's operating cash flow is not exposed to foreign exchange fluctuation risks.

CORPORATE GOVERNANCE

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

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

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 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, Ms. Ng Wing Sze Vince 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 PRISM HONG KONG AND SHANGHAI 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 2024 as set out in this preliminary results announcement have been agreed with the Group's auditor, Prism Hong Kong and Shanghai Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2024. The work performed by Prism Hong Kong and Shanghai 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 Prism Hong Kong and Shanghai 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 2023/2024 Annual Report of the Company will be made available to shareholders of the Company and published on the aforesaid websites in due course.

2024 ANNUAL GENERAL MEETING

The 2024 AGM of the Company is scheduled to be held on 11 September 2024. Notice of the 2024 AGM will be published on the websites of both the Stock Exchange and the Company and made available 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 and Executive Director

Hong Kong, 25 June 2024

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