

2019

Index ▲ 1.56
INTERIM REPORT



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



Contents

Corporate Information	2
Management Discussion and Analysis	4
Other Information	10
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	18
Condensed Consolidated Statement of Financial Position	19
Condensed Consolidated Statement of Changes in Equity	20
Condensed Consolidated Statement of Cash Flows	21
Notes to the Condensed Consolidated Financial Statements	23

* Should there be any discrepancy between the English and Chinese versions, the English version shall prevail.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. HUI Pui Sing (*Chairman*)
Ms. TONG Man Wah
Mr. HUI Yip Ho Eric (*Chief Executive Officer*)
Ms. HUI Wing Man Rebecca
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. NGAI Kit Fong (*FCIS, FCS (PE)*)

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111 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

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman KY1-1111
Cayman Islands



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

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East, Hong Kong

AUDITORS

SHINEWING (HK) CPA Limited
Certified Public Accountants

PRINCIPAL BANKERS

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

STOCK CODE

1621

COMPANY WEBSITE

www.vicointernational.hk

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

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

The Group is also an authorized reseller of fleet cards. As at 30 September 2019, the Group operated a total number of 36,973 fleet card accounts (2018: 29,554 fleet card accounts).

Leveraging on the Group's experience and competitive strengths, for the six months ended 30 September 2019 (the "**Current Period**"), the Group's revenue, gross profit and net profit was approximately HK\$591.2 million, HK\$29.4 million and HK\$12.8 million, respectively, representing an increase of 9.0%, an increase of 31.4% and an increase of 19.7%, respectively as compared with the six months ended 30 September 2018 (the "**Corresponding Period**"). The increase in gross profit for the Current Period was primarily due to relatively increasing of selling price.

BUSINESS PROSPECTS

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



MANAGEMENT DISCUSSION AND ANALYSIS

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

FINANCIAL REVIEW

Revenue

During the Current Period, the Group's revenue amounted to HK\$591.2 million, which increased by 9.0% as compared to that of HK\$542.5 million during the Corresponding Period. The increase in revenue was mainly contributed by the increase in the sales of diesel.

Sales of diesel

Our revenue from sales of diesel represents the sales of our diesel products, which mainly include automotive diesel and industrial diesel. For the Current Period and the Corresponding Period, our revenue generated from the sales of diesel amounted to approximately HK\$542.6 million and HK\$507.3 million respectively, representing 91.8% and 93.5% of the total revenue respectively.

The increase was mainly due to the increase in sales quantity. The sales quantity of diesel also increased by approximately 23.7 million litres or 22.2% to approximately 130.2 million litres in the Current Period compared with approximately 106.5 million litres for the Corresponding Period.

MANAGEMENT DISCUSSION AND ANALYSIS

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\$30.6 million and HK\$21.7 million respectively, representing 5.2% and 4.0% of the total revenue respectively.

The increase was primarily due to the slight increase in the sales quantity of lubricant oil by approximately 0.1 million litres or 7.7% to approximately 1.4 million litres in the Current Period compared with approximately 1.3 million litres in the Corresponding Period.

Provision of fleet cards service

Our income from our provision of fleet cards service increased by approximately HK\$4.4 million or 39.7% from approximately HK\$11.0 million for the Corresponding Period to approximately HK\$15.3 million for the Current Period.

The increase was mainly a result of some promotion campaign was carried out during the period to attract more customers. Our fleet card customers used our fleet cards primarily for the purchase of diesel and petrol at network gas stations.

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\$2.7 million and HK\$2.5 million respectively, representing 0.5% and 0.5% of the total revenue respectively.

Cost of sales

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



MANAGEMENT DISCUSSION AND ANALYSIS

For the Current Period and the Corresponding Period, our cost of sales amounted to approximately HK\$561.8 million and HK\$520.1 million respectively, increased by 8%. 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\$7.0 million or approximately 31.4% from approximately HK\$22.4 million for the Corresponding Period to approximately HK\$29.4 million for the Current Period.

Selling and distribution expenses

Our selling and distribution expenses mainly consist of truck drivers' costs and benefits and depreciation. Selling and distribution expenses slightly increased by approximately HK\$146,000 or 7.6% to HK\$2.0 million for the Current Period from HK\$1.9 million for the Corresponding Period.

Administrative and operating expenses

Administrative expenses increased by approximately HK\$2.4 million or 33.7%, from approximately HK\$7.0 million for the Corresponding Period to approximately HK\$9.3 million for the Current Period, primarily due to increase in legal and professional fees and consultancy fees.

Finance costs

Our finance costs mainly consist of the interest on our interest-bearing bank borrowings and finance lease. Finance costs increased by approximately HK\$181,000 or 90.5% to HK\$381,000 for the Current Period from HK\$200,000 for the Corresponding Period, primarily due to the addition of revolving bank borrowings.



MANAGEMENT DISCUSSION AND ANALYSIS

Income tax expenses

Income tax expenses increased by approximately HK\$695,000 or 37.1%, from approximately HK\$1.9 million for the Corresponding Period to approximately HK\$2.6 million for the Current Period, primarily due to an increase in profit before income tax.

Profit for the Current Period

Profit for the Current Period increased by approximately HK\$2.1 million or 19.7% from approximately HK\$10.8 million for the Corresponding Period to approximately HK\$12.8 million for the Current Period, and the Group's net profit margin was approximately 2.2% and 2.0% for the Current Period and the Corresponding Period respectively.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2019, the Group employed a total of 33 full time employees (As at 31 March 2019: 35 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 2019 (For the six months ended 30 September 2018: 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 borrowing. The Group recorded net current assets of approximately HK\$90.7 million as at 30 September 2019, compared to approximately HK\$94.9 million as at 31 March 2019.

As at 30 September 2019, the Group's current assets amounted to approximately HK\$142.2 million (as at 31 March 2019: HK\$118.0 million) of which approximately HK\$77.0 million (as at 31 March 2019: HK\$55.1 million) was bank balances and cash, approximately HK\$58.8 million (as at 31 March 2019: HK\$55.0 million) was trade and other receivables. The Group's current liabilities amounted to approximately HK\$51.5 million (as at 31 March 2019: HK\$23.1 million), including trade and other payables in the amount of approximately HK\$15.9 million (as at 31 March 2019: HK\$9.0 million), bank borrowings in the amount of approximately HK\$31.7 million (as at 31 March 2019: HK\$13.6 million) and tax payable in the amount of approximately HK\$2.2 million (as at 31 March 2019: HK\$0.5 million). The current ratio (which was calculated by dividing current assets by current liabilities) was 2.76 as at 30 September 2019 (as at 31 March 2019: 5.1). The gearing ratio (which was calculated based on the total debt divided by total equity multiplied by 100%) was 31.0% as at 30 September 2019 (as at 31 March 2019: 13.9%).

Capital structure

For the Current Period, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately HK\$173.6 million. There has been no change in the capital structure of the Group during the Current Period.

CAPITAL COMMITMENTS

As at 30 September 2019, the Group had no material off-balance sheet capital commitments.

MATERIAL CHANGES SINCE 31 MARCH 2019

Save for those disclosed in this announcement, there were no other material changes in the Group's financial position since the publication of the 2018/19 annual report of the Company.



OTHER INFORMATION

CORPORATE GOVERNANCE

The Company has applied the principles as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange (the “**Listing Rules**”).

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

MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules (the “**Securities Dealing Code**”).

The Company has made specific enquiry of all the Directors and all the Directors have confirmed that they complied with the required standard set out in the Securities Dealing Code during the Current Period and 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 2019, 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:

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

Name of Director	Nature of interest	Number of Shares⁽¹⁾	Approximate shareholding percentage in the issued share capital of the Company (%)
Mr. Hui Pui Sing ("Mr. Hui")	Interest in a controlled corporation ⁽²⁾ and interest of spouse ⁽³⁾	750,000,000 Shares (L)	75
Ms. Tong Man Wah ("Ms. Tong")	Interest in a controlled corporation ⁽²⁾ and interest of spouse ⁽³⁾	750,000,000 Shares (L)	75
Mr. Hui Yip Ho Eric ("Mr. Eric Hui")	Interest in a controlled corporation ⁽²⁾	750,000,000 Shares (L)	75

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 750,000,000 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.

OTHER INFORMATION

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

Name of Director	Name of associated corporation	Nature of interest	Number of shares	Description of shares	Approximate shareholding percentage of the associated corporation's issued share capital
Mr. Hui ⁽¹⁾	Max Fortune ⁽²⁾	Beneficial interest and interest of spouse ⁽¹⁾	700	Ordinary shares	35%
Ms. Tong ⁽¹⁾	Max Fortune ⁽²⁾	Beneficial interest and interest of spouse ⁽¹⁾	700	Ordinary shares	35%
Mr. Eric Hui	Max Fortune ⁽²⁾	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 750,000,000 Shares, representing 75% 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 2019, 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 2019, 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:

Name of shareholder	Nature of interest	Number of Shares⁽¹⁾	Approximate shareholding percentage in the Company's issued share capital (%)
Max Fortune ⁽²⁾	Beneficial owner	750,000,000 (L)	75

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.



OTHER INFORMATION

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. 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 interim report of the Company for the Current Period has been reviewed by the Audit Committee.

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

Mr. Leung Ho Chi, an independent non-executive Director, was appointed as a financial controller of UMP Healthcare Holdings Limited on 23 April 2019, whose shares are listed on the Stock Exchange (Stock code: 722).



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.

OTHER INFORMATION

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.

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 9 years.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2019

				Six months ended 30 September	
		NOTES	2019	2018	
			HK\$'000	HK\$'000	
			(Unaudited)	(Unaudited)	
Revenue	4		591,209	542,510	
Cost of sales			(561,806)	(520,128)	
Gross profit			29,403	22,382	
Other income	6		442	8	
Selling and distribution expenses			(2,074)	(1,928)	
Administrative expenses			(9,328)	(6,973)	
Other operating expenses			(2,646)	(681)	
Finance costs	7		(381)	(200)	
Profit before taxation	8		15,416	12,608	
Income tax expense	9		(2,569)	(1,874)	
Profit and total comprehensive income for the period			12,847	10,734	
Earnings per share	11				
Basic and diluted (HK cents)			1.28	1.07	

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2019

	NOTES	30 September 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	12	81,858	76,499
Right-of-use assets	13	3,319	—
		85,177	76,499
Current assets			
Inventories		5,236	5,940
Trade and other receivables	14	58,765	54,959
Amount due from ultimate holding company		15	8
Income tax recoverable		211	1,070
Time deposit		1,017	1,015
Bank balances and cash		76,978	55,053
		142,222	118,045
Current liabilities			
Trade and other payables	15	15,871	9,022
Bank borrowings	16	31,716	13,623
Lease liabilities	13	1,715	—
Income tax payable		2,189	479
		51,491	23,124
Net current assets			
		90,731	94,921
Total assets less current liabilities			
		175,908	171,420
Non-current liabilities			
Lease liabilities		1,641	—
Deferred tax liabilities		647	647
		2,288	647
Net assets			
		173,620	170,773
Capital and reserves			
Share capital	17	10,000	10,000
Reserves		163,620	160,773
Total equity			
		173,620	170,773

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2019

	Share capital	Share premium	Capital reserve	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2018 (audited)	10,000	62,978	28,272	51,535	152,785
Profit and total comprehensive income for the period	—	—	—	10,734	10,734
At 30 September 2018 (unaudited)	10,000	62,978	28,272	62,269	163,519
At 1 April 2019 (audited)	10,000	62,978	28,272	69,523	170,773
Profit and total comprehensive income for the period	—	—	—	12,847	12,847
Final dividend declared (note 10)	—	—	—	(10,000)	(10,000)
At 30 September 2019 (unaudited)	10,000	62,978	28,272	72,370	173,620



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2019

	Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Profit before taxation	15,416	12,608
Adjustments for:		
Depreciation of property, plant and equipment	2,709	993
Depreciation of right-of-use assets	866	—
Finance costs	381	200
Government subsidies	(413)	—
Interest income	(29)	(8)
Operating cash flows before movement in working capital	18,930	13,793
Decrease (increase) in inventories	704	(993)
Increase in trade and other receivables	(3,806)	(7,704)
Decrease in lease liabilities	(829)	—
Decrease in trade and other payables	(651)	(3,118)
NET CASH FROM OPERATING ACTIVITIES	14,348	1,978

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2019

	Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(8,141)	(56,397)
Advance to ultimate holding company	(7)	—
Placement of time deposit	(2)	(8)
Proceeds from the sale of property, plant and equipment	73	—
Interest received	29	8
NET CASH USED IN INVESTING ACTIVITIES	(8,048)	(56,397)
FINANCING ACTIVITIES		
Dividend paid	(2,500)	—
Repayment of bank borrowings	(1,407)	(11,508)
Interest paid	(381)	(200)
New bank borrowing raised	19,500	10,000
Government subsidies received	413	—
Repayment of obligations under finance leases	—	(213)
NET CASH USED IN (FROM) FINANCING ACTIVITIES	15,625	(1,921)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	21,925	(56,340)
CASH AND CASH EQUIVALENTS AT 1 APRIL	55,053	94,091
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER , represented by bank balances and cash	76,978	37,751



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Vico International Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 24 March 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 5 March 2018. The Company’s immediate and ultimate holding company is Max Fortune Holdings Limited (“**Max Fortune**”), a company incorporated in the British Virgin Islands (the “**BVI**”) with limited liability. The ultimate controlling parties are Mr. Hui Pui Sing (“**Mr. Hui**”), Mr. 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 Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111 Cayman Islands and Unit D, 11/F, Billion Plaza II, No.10 Cheung Yue Street, Cheung Sha Wan, Hong Kong, respectively.

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

The condensed consolidated financial statements for the six months ended 30 September 2019 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2019 except as described below.

In the current interim period, the Group has applied, for the first time, the following new and 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 2019.

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKRSs 2015–2017 Cycle



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

The adoption of HKFRS 16 resulted in changes in the Group's accounting policies and adjustments to the amounts recognised in the condensed consolidated financial statements. The new accounting policies are set out in note 3 below. The application of other new and 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.

2.1 Impacts on adoption of HKFRS 16 Leases

HKFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating lease and finance lease and requiring the recognition of right-of-use asset and a lease liability for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new accounting policies are described in Note 3. The Group has applied HKFRS 16 Leases retrospectively with the cumulative effect of initial application as an adjustment to the opening balance of equity, where appropriate, at 1 April 2019, and has not restated comparatives for the 2018 reporting period as permitted under the specific transitional provisions in the standard. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 17 Leases.

On transition to HKFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which arrangements are, or contain, leases. It applied HKFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 April 2019.

The major impacts of the adoption of HKFRS 16 on the Group's condensed consolidated financial statements are described below.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

The Group as lessee

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of HKAS 17 Leases (except for lease of low value assets and lease with remaining lease term of twelve months or less). These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 April 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 4.5%.

The Group recognises right-of-use assets and measures them at an amount equal to the lease liability.

The following table summarises the impact of transition to HKFRS 16 at 1 April 2019. Line items that were not affected by the adjustments have not been included.

	Note	As at 31 March 2019 HK\$'000 (Audited)	Impact on adoption of HKFRS 16 HK\$'000	As at 1 April 2019 HK\$'000 (Unaudited)
Right-of-use assets	(a)	—	4,185	4,185
Lease liabilities	(a)	—	4,185	4,185

Note:

- (a) As at 1 April 2019, right-of-use assets were measured at an amount equal to the lease liability of approximately HK\$4,185,000.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

Differences between operating lease commitment as at 31 March 2019, the date immediately preceding the date of initial application, discounted using the incremental borrowing rate, and the lease liabilities recognised as at 1 April 2019 are as follow:

	HK\$'000
Operating lease commitment disclosed as at 31 March 2019	4,494
Less: Short-term leases and other leases with remaining lease term ending on or before 31 March 2020	(29)
	4,465
Discounted using the incremental borrowing rate	(280)
Lease liabilities recognised as at 1 April 2019	4,185
Current portion	1,677
Non-current portion	2,508
	4,185

2.2 Practical expedients applied

On the date of initial application of HKFRS 16, the Group has used the following practical expedients permitted by the standard:

- not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and HK(IFRIC)-4 Determining whether an arrangement contains a lease;
- reliance on previous assessments on whether leases are onerous by applying HKAS 37 as an alternative to performing an impairment review;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases; and
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

3. CHANGE IN ACCOUNTING POLICIES

Leases

Definition of a lease

Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments).

The lease liability is presented as a separate line in the condensed consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

Lease liability is remeasured (and with a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. They are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group presents right-of-use assets as a separate line item on the condensed consolidated statement of financial position.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

The Group applies HKAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Property, plant and equipment” policy as stated in the Group’s annual consolidated financial statements for the year ended 31 March 2019.

Lease modification

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

4. REVENUE

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

	Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sales of diesel	542,574	507,332
Provision of fleet cards service	15,336	10,974
Sales of lubricant oil	30,562	21,721
Sales of others	2,737	2,483
	591,209	542,510



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

5. 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 follows:

- (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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

Segment revenue and results

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

For the six months ended 30 September 2019

	Sales of diesel HK\$'000 (Unaudited)	Provision of fleet cards service HK\$'000 (Unaudited)	Sales of lubricant oil HK\$'000 (Unaudited)	Sale of others HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue	542,574	15,336	30,562	2,737	591,209
Segment results	9,505	11,674	6,331	451	27,961
Other income					442
Corporate expenses					(12,606)
Finance costs					(381)
Profit before taxation					15,416

For the six months ended 30 September 2018

	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)	Total HK\$'000 (Unaudited)
Segment revenue	507,332	10,974	21,721	2,483	542,510
Segment results	6,708	7,197	7,454	103	21,462
Other income					8
Corporate expenses					(8,662)
Finance costs					(200)
Profit before taxation					12,608

There were no inter-segment sales for both periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

Segment results mainly represented profit before taxation earned by each segment, excluding expenses of corporate functions, other income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Other segment information

For the six months ended 30 September 2019

	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)	
Amounts included in the measure of segment results						
Depreciation of property, plant and equipment	242	1,151	50	—	1,266	2,709

For the six months ended 30 September 2018

	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)	
Amounts included in the measure of segment results						
Depreciation of property, plant and equipment	155	716	50	—	72	993

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

Geographical information

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

	Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong	590,726	542,054
Macau	483	456
	591,209	542,510

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

Information about major customers

Revenue from customers individually contributing over 10% of the Group's revenue is as follows:

	Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Customer A ¹	199,587	222,808
Customer B ¹	62,953	71,309
Customer C ¹	95,312	N/A ²
Customer D ¹	N/A ²	55,725

¹ Revenue was derived from sales of diesel and lubricant oil.

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



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

6. OTHER INCOME

	Six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Interest income of bank deposit	29	8
Government subsidies (Note)	413	—
	442	8

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

7. FINANCE COSTS

	Six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Interest expenses on:		
Bank borrowings	298	194
Lease liabilities	83	—
Obligations under finance leases	—	6
	381	200

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

8. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging the following items:

	Six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Staff costs, including directors' emoluments		
— Salaries, allowances and other benefits	2,911	2,958
— Contributions to retirement benefits scheme	150	120
Cost of inventories recognised as an expense	555,402	516,375
Depreciation of right-of-use assets	866	—
Depreciation of property, plant and equipment	2,709	993

9. INCOME TAX EXPENSE

	Six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Hong Kong Profits Tax		
— current period	2,569	1,874
Deferred taxation	—	—
	2,569	1,874

Pursuant to the rules and regulations of the BVI, the Group is not subject to any income tax in the BVI.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods. No income tax charge is arisen from the export of goods to Macau as the sales contracts are signed and effective in Hong Kong.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

10. DIVIDENDS

During the current 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 year amounted to HK\$10,000,000.

11. EARNINGS PER SHARE

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

	Six months ended 30 September	
	2019 (Unaudited)	2018 (Unaudited)
Earnings:		
Profit attributable to owners of the Company (HK\$'000)	12,847	10,734
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousands)	1,000,000	1,000,000
Basic earnings per share (HK cents)	1.28	1.07

Diluted earnings per share are same as the basic earnings per share as there are no dilutive potential ordinary shares in existence during the periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2019, the Group acquired certain property, plant and equipment of HK\$8,141,000 (six months ended 30 September 2018: HK\$56,397,000) in which HK\$4,716,000 was related to acquisition of leasehold land and building. Items of property, plant and equipment with a carrying amount of HK\$73,000 were disposed of during the six months ended 30 September 2019.

13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(i) Right-of-use assets

Upon adoption of HKFRS 16, on 1 April 2019, the Group recognised right-of-use assets of approximately HK\$4,185,000 in respect of the leased properties (Note 2). As at 30 September 2019, the carrying amounts of right-of-use assets were approximately HK\$3,319,000 in respect of the leased properties.

(ii) Lease liabilities

Upon adoption of HKFRS 16, on 1 April 2019, the Group recognised lease liabilities of approximately HK\$4,185,000 (Note 2). As at 30 September 2019, the carrying amount of lease liabilities was approximately HK\$3,356,000.

(iii) Amount recognised in profit or loss

	For the six months ended 30 June 2019 HK\$'000
Depreciation of right-of-use assets	866
Interest expense on lease liabilities	83
Expense relating to short-term leases	29

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

14. TRADE AND OTHER RECEIVABLES

	30 September 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
Trade receivables	45,785	48,802
Trade deposits paid	4,640	3,949
Deposits and prepayments	303	236
Receivables due from suppliers	8,037	1,972
	58,765	54,959

The Group allows average credit period ranging from 15 to 30 days to its trade customers.

The following is an aged analysis of trade receivables presented based on invoice date, which approximates the respective revenue recognition dates at the end of the reporting period:

	30 September 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
0-30 days	39,682	45,083
31-60 days	3,731	1,642
61-90 days	680	1,372
Over 90 days	1,692	705
	45,785	48,802

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

15. TRADE AND OTHER PAYABLES

	30 September 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
Trade payables	5,671	5,330
Trade deposits received	833	1,069
Dividend payable	7,500	—
Other payables and accruals	1,867	2,623
	15,871	9,022

The credit period on trade payables ranged from 30 to 60 days.

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

	30 September 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
0–30 days	5,545	5,330
31–60 days	—	—
61–90 days	126	—
	5,671	5,330

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

16. BANK BORROWINGS

	30 September 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
Variable-rate bank borrowings: Secured and guaranteed	31,716	13,623
Bank borrowings repayable (based on scheduled repayment dates set out in the loan agreements):		
Within one year	3,210	2,445
More than one year but not exceeding two years	3,243	2,457
More than two years but not exceeding five years	7,258	5,776
More than five years	18,005	2,945
	31,716	13,623
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)	(28,506)	(11,178)
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	(3,210)	(2,445)
Amount shown under current liabilities	(31,716)	(13,623)
Amount shown under non-current liabilities	—	—

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

All bank borrowings were secured by charges over leasehold land and building of the Group as at 30 September 2019 and 31 March 2019.

As at 30 September 2019, the bank borrowings carry interests at Hong Kong Prime Rate (“**HK Prime Rate**”) less 2% to 2.8% per annum (31 March 2019: HK Prime Rate less 0.25% to 2.75% per annum). The effective interest rates of the bank borrowings as at 30 September 2019 range from 2.5% to 2.6% per annum (31 March 2019: 2.5% to 2.6% per annum).

17. SHARE CAPITAL

	Number of shares		Share capital	
	30 September 2019 (Unaudited)	31 March 2019 (Audited)	30 September 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
Ordinary shares of HK\$0.01 each				
Authorised				
At the beginning and end of period/year	10,000,000,000	10,000,000,000	100,000	100,000
Issued and fully paid				
At the beginning and end of period/year	1,000,000,000	1,000,000,000	10,000	10,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

18. RELATED PARTY TRANSACTIONS

- (a) During the period, other than those disclosed in other notes, the Group entered into the following significant transactions with related parties:

Related parties	Nature of transactions	Six months ended 30 September	
		2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Yee Sing Hong Petroleum Products Limited (note)	Rental expense paid	192	180
Bright Ford Development Limited (note)	Rental expense paid	324	294
Sunny Gainer Investment Limited (note)	Rental expense paid	168	148
Mr. Hui	Rental expense paid	192	181

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

- (b) The remuneration of key management personnel during the periods was as follows:

	Six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Short-term benefits	702	705
Post-employment benefits	27	21
	729	726

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



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

19. CONTINGENT LIABILITIES

As at 30 September 2019, the Group had issued a letter of guarantee through the banking facilities granted, to a supplier amounting to HK\$4,000,000 (31 March 2019: HK\$4,000,000). The facilities are secured by corporate guarantee of the Company.