VICON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3878)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2018

FINANCIAL HIGHLIGHTS

(for the year ended 31 March 2018)

– Revenue was HK$381.3 million (2017: HK$263.5 million)
– Gross profit was HK$50.2 million (2017: HK$48.4 million)
– Profit for the year attributable to equity holders of the Company was HK$18.2 million (2017: HK$30.2 million)
– Excluding the one-off listing expenses charged to profit or loss, the profit for the year attributable to equity holders of the Company was HK$30.6 million (2017: HK$33.2 million)
– Basic and diluted earnings per share was HK5.57 cents per share (2017: HK10.06 cents per share)

ANNUAL RESULTS

The board (the "Board") of directors (the "Directors") of Vicon Holdings Limited (the "Company") is pleased to present the consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2018 (the "Year" or "FY2018"), together with the comparative figures for the year ended 31 March 2017 ("Last Year" or "FY2017") as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Note	**2018** ***HK$'000***	2017 *HK$'000*
Revenue	3	**381,301**	263,471
Cost of sales		**(331,109)**	(215,064)
Gross profit		**50,192**	48,407
Other income and gains		**513**	1,110
Professional fees incurred for initial public offering		**(12,348)**	(3,040)
Other administrative expenses		**(10,137)**	(7,561)
Operating profit		**28,220**	38,916
Finance income		**96**	122
Finance costs		**(4,255)**	(2,361)
Finance costs, net		**(4,159)**	(2,239)
Profit before taxation		**24,061**	36,677
Income tax expense	4	**(5,840)**	(6,489)
Profit for the yaer		**18,221**	30,188
Other comprehensive income		**–**	–
Profit and total comprehensive income attributable to equity holders of the Company		**18,221**	30,188
Basic and diluted earnings per share (HK cents)	5	**5.57**	10.06

CONSOLIDATED BALANCE SHEET

As at 31 March 2018

	Note	2018 HK$'000	2017 HK$'000
ASSETS			
Non-current assets			
Machinery and equipment		**110,242**	125,775
Prepayments and deposits		**2,857**	45
Deferred income tax assets		**–**	185
		113,099	126,005
Current assets			
Trade and retention receivables	7	**50,942**	38,324
Prepayments, deposits and other receivables		**2,845**	2,683
Amounts due from customers for contract work	8	**159,877**	58,710
Income tax recoverable		**576**	3,149
Restricted bank balances		**1,697**	16,817
Cash and cash equivalents		**100,475**	34,421
		316,412	154,104
Total assets		**429,511**	280,109
EQUITY			
Capital and reserve			
Share capital	10	**4,000**	–
Reserves		**255,652**	132,689
Total equity		**259,652**	132,689
LIABILITIES			
Non-current liabilities			
Borrowings		**15,365**	29,181
Deferred income tax liabilities		**1,079**	–
		16,444	29,181
Current liabilities			
Trade and retention payables	9	**66,280**	68,597
Other payables and accruals		**7,715**	15,913
Amounts due to customers for contract work	8	**4,901**	4,397
Borrowings		**74,519**	29,332
		153,415	118,239
Total liabilities		**169,859**	147,420
Total equity and liabilities		**429,511**	280,109

Notes:

1. GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

The Company was incorporated in the Cayman Islands on 13 January 2016 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at 31st Floor, Kings Tower, 111 King Lam Street, Cheung Sha Wan, Kowloon, Hong Kong.

The Company is an investment holding company and its subsidiaries provide foundation works and ancillary services in Hong Kong and Macau.

Pursuant to the group reorganisation as set out in the section headed "History, Development and Reorganisation" in the Company's listing prospectus dated 12 December 2017 (the "Prospectus"), which was completed on 15 November 2017 (the "Reorganisation"), the Company became the holding company of its subsidiaries now comprising the Group. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 22 December 2017 (the "Listing Date").

The consolidated financial statements of the Group has been prepared as if the Group had always been in existence throughout both years presented, or since the respective dates of incorporation or establishment of the group companies, rather than from the date when the Company became the holding company pursuant to the Reorganisation.

The consolidated financial statements are presented in Hong Kong dollars "HK$", unless otherwise stated.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied during the year, unless otherwise stated.

The principal accounting policies applied in the preparation of the consolidated financial statements are in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants and requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention.

Adoption of amendments to standards

The Group has adopted the following amendments to standards which are relevant to the Group's operations and are mandatory for the financial year beginning on or after 1 April 2017:

HKAS 7 (Amendment)	Disclosure Initiative
HKAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRS 12 (Amendment)	Disclosure of Interests in Other Entities

The adoption of the above amendments to standards did not have any significant financial impact on the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Group. The executive directors consider the segment from a business perspective and regard the Group's business as a single operating segment and review financial information accordingly.

Geographical information

(a) Revenue from external customers

	2018	2017
	HK$'000	*HK$'000*
Hong Kong	**355,905**	263,471
Macau	**25,396**	—
	381,301	263,471

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2018	2017
	HK$'000	*HK$'000*
Hong Kong	**113,099**	125,820
Macau	**—**	—
	113,099	125,820

The non-current assets information above is based on the locations of the assets.

Information about major customers

For the year ended 31 March 2018, there were 4 customers (2017: 3 customers) which individually contributed over 10% of the Group's total revenue. The revenue contributed from each of these customers was as follows:

	2018	2017
	HK$'000	*HK$'000*
Customer A	**94,086**	86,606
Customer B	**73,282**	31,367
Customer C	**63,779**	114,160
Customer D (Note)	**62,258**	N/A

Note: Revenue from Customer D did not exceed 10% of the total revenue for the year ended 31 March 2017.

4. INCOME TAX EXPENSE

The amount of income tax charged to profit or loss represents:

	2018	2017
	HK$'000	*HK$'000*
Hong Kong profits tax		
Current income tax	**4,625**	6,960
Deferred income tax	**1,264**	(459)
Over provision in prior year	**(49)**	(12)
Macao complementary income tax		
Current income tax	**–**	–
	5,840	6,489

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits for the year.

Macao complementary income tax has been provided at the rate of 12% (2017: 12%) on the estimated assessable profits for the year.

5. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective years. The weighted average number of ordinary shares used for such purpose has been retrospectively adjusted for the effects of the issue of shares in connection with the Reorganisation completed on 15 November 2017 and the Capitalisation Issue (as defined in the Prospectus) of ordinary shares which took place on 22 December 2017.

	2018	**2017**
Profit attributable to equity holders of the Company (HK$'000)	18,221	30,188
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (thousands)	327,397	300,000
Basic earnings per share (HK cents)	5.57	10.06

(b) Diluted

Diluted earnings per share is the same as the basic earnings per share as there were no potential dilutive ordinary shares outstanding as at year end.

6. DIVIDENDS

The Board did not recommend the payment of a final dividend for the year ended 31 March 2018 (2017: Nil).

7. TRADE AND RETENTION RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Trade receivables	**28,835**	24,093
Retention receivables	**22,107**	14,231
	50,942	38,324

The credit period granted to trade customers other than for retention receivables was within 30 days or due upon presentation of invoices. The terms and conditions in relation to the release of retention vary from contract to contract, which may be subject to practical completion, the expiry of the defects liability period or a pre-agreed time period. The Group does not hold any collateral as security.

At 31 March 2018, the ageing analysis of the trade receivables based on invoice date were as follows:

	2018	2017
	HK$'000	*HK$'000*
1 - 30 days	**28,687**	24,093
91 - 180 days	**148**	—
	28,835	24,093

At 31 March 2018, the ageing analysis of the retention receivables based on invoice date were as follows:

	2018	2017
	HK$'000	HK$'000
Within 1 year	**10,239**	11,589
Between 1 to 2 years	**10,727**	2,642
Between 2 to 5 years	**1,141**	—
	22,107	14,231

8. CONTRACTING WORK-IN-PROGRESS

	2018	2017
	HK$'000	*HK$'000*
Aggregated costs incurred and recognised profits to date	**1,279,876**	889,411
Progress billings to date	**(1,124,900)**	(835,098)
	154,976	54,313
Included in current assets/(liabilities) are the following:		
Due from customers for contract work	**159,877**	58,710
Due to customers for contract work	**(4,901)**	(4,397)
	154,976	54,313

9. TRADE AND RETENTION PAYABLES

	2018	2017
	HK$'000	*HK$'000*
Trade payables	**48,960**	56,606
Retention payables	**17,320**	11,991
	66,280	68,597

The credit period granted by trade creditors was within 30 days.

At 31 March 2018, the ageing analysis of the trade payables based on invoice date was as follows:

	2018	2017
	HK$'000	*HK$'000*
1 - 30 days	**48,960**	56,075
31 - 60 days	**–**	273
61 - 90 days	**–**	–
More than 1 year	**–**	258
	48,960	56,606

10. SHARE CAPITAL

On 13 January 2016, the Company was incorporated with an authorised share capital of HK$380,000 divided into 38,000,000 shares with par value of HK$0.01 each. On the same day, the Company allotted and issued one fully-paid subscriber share which was transferred to Vic Group Holdings Limited ("VGH"), a company incorporated in British Virgin Islands at nil consideration. A further allotment and issuance of 69 Shares and 30 Shares were made on the same day to VGH and On Group Holdings Limited ("OGH") respectively both credited as fully-paid.

On 15 November 2017, the Company and Vicon Enterprises Limited, a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands, entered into a sale and purchase agreement with Mr. Chow Kwok Chun ("Mr. Chow") and Mr. Tsang Hing Kuen ("Mr. Tsang") to acquire 70% interest in Vicon Construction Company Limited ("Vicon Construction") from Mr. Chow and 30% interest in Vicon Construction from Mr. Tsang. The Company allotted and issued 140 Shares and 60 Shares, both credited as fully-paid to VGH (as directed by Mr. Chow) and OGH (as directed by Mr. Tsang) respectively.

On 30 November 2017, the authorised share capital of the Company was increased from HK$380,000 comprising 38,000,000 shares of HK$0.01 each to HK$10,000,000 comprising 1,000,000,000 shares of HK$0.01 each by the creation of an additional 962,000,000 shares of HK$0.01 each.

On 22 December 2017, pursuant to the Capitalisation Issue, the Company issued a total number of additional 299,999,700 shares, credited as fully-paid, to VGH and OGH, respectively, based on their respective number of shares.

Pursuant to the Share Offer (as defined in the Prospectus), the Company issued a total of 100,000,000 shares at a price of HK$1.20 per share.

	Number of shares	**Share capital**
		HK$'000
Ordinary shares, authorised:		
At 13 January 2016 (date of incorporation), 31 March 2017 and 1 April 2017	38,000,000	380
Increase in authorised share capital	962,000,000	9,620
At 31 March 2018	1,000,000,000	10,000

	Number of shares	**Share capital**
		HK$'000
Ordinary shares, issued and fully paid:		
At 13 January 2016 (date of incorporation), 31 March 2017 and 1 April 2017	100	—
Shares issued pursuant to the Reorganisation	200	—
Shares issued pursuant to the Capitalisation Issue	299,999,700	3,000
Shares issued under the Share Offer	100,000,000	1,000
At 31 March 2018	400,000,000	4,000

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is a Hong Kong-based specialist foundation contractor and focuses on design-and-build foundation projects in Hong Kong private sector. Our foundation projects involve different types of construction works, such as piling construction, ELS works and pile cap construction on Hong Kong and Macau.

BUSINESS REVIEW

For FY2018, the Group recorded revenue of approximately HK$381.3 million as compared to revenue of HK$263.5 million for FY2017. The Directors are of the view that the increase in revenue was primarily due to the increase in number of construction projects and increase in the scale of the construction projects undertaking by the Group. During FY2018, there are 19 projects (2017: 18 projects) contributing revenue to the Group. The revenue contributed from projects which we were acting as main contractor has increased from 11% in FY2017 to 32% in FY2018.

Recent Development

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 22 December 2017 (the "Listing"). The Listing improved our reputation and provided additional capital to the Group to explore business opportunities.

Subsequent to FY2018 and up to the date of this announcement, we were awarded a new project with contract sum of approximately HK$223 million. The Group will continue to submit tender for targeted and profitable projects in order to maintain a stable revenue growth.

FINANCIAL REVIEW

Revenue

Our revenue increased by approximately HK$117.8 million, or 44.7%, from approximately HK$263.5 million for FY2017 to approximately HK$381.3 million for FY2018, which was mainly due to the increase in number of projects in progress which contributed revenue and the increase in average contract size during FY2018, as compared with FY2017.

Gross profit and gross profit margin

Our gross profit increased by approximately HK$1.8 million, or 3.7% from approximately HK$48.4 million for FY2017 to approximately HK$50.2 million for FY2018. Our gross profit margin decreased by approximately 5.2%, from approximately 18.4% for FY2017 to approximately 13.2% for FY2018.

The decrease in gross profit margin was mainly attributable to the increase in the revenue contributed by the foundation projects undertaken by us as main contractor, in which the gross profit margins are relatively lower.

Other administrative expenses

Our administrative expenses increased by approximately HK$2.5 million, or approximately 32.9%, from approximately HK$7.6 million for FY2017 to approximately HK$10.1 million for FY2018. The increase was mainly attributable to (i) the increase in auditor's remuneration following the Listing; and (ii) the increase in professional fees for purpose of general advisory, compliance, investor relations and corporate communication matters.

Finance costs, net

Our finance costs, net increased by approximately HK$2.0 million, or 90.9%, from approximately HK$2.2 million for FY2017 to approximately HK$4.2 million for FY2018. Such increase is mainly due to the increase in the balance of borrowings to finance the increased scale of business operation.

Professional fees incurred for initial public offering

The listing expenses increased by approximately HK$9.3 million, or approximately 3.1 times, from approximately HK$3.0 million for FY2017 to approximately HK$12.3 million for FY2018. The increase was mainly due to the Group's successful Listing, while the majority of the work of professional parties for the Share Offer was performed in FY2018.

Income tax expense

Our income tax expense decreased by approximately HK$0.7 million, from approximately HK$6.5 million for FY2017 to approximately HK$5.8 million for FY2018 due to the combined effect of the above factors. The effective tax rate for FY2018 was approximately 24.3%, which was higher compared to that of 17.7% for FY2017. The increase in effective tax rate for FY2018 was mainly due to the inclusion of HK$12.3 million listing expenses (2017: HK$3.0 million) which is non-deductible for tax purposes. Excluding these one-off listing expenses from the profit before income tax, our effective tax rate for FY2018 would have been 16.0% (2017: 16.3%).

Profit and total comprehensive income attributable to equity holders of the Company

Based on the above factors, profit and total comprehensive income attributable to equity holders of the Company decreased by approximately HK$12.0 million, or approximately 39.7%, from approximately HK$30.2 million for FY2017 to approximately HK$18.2 million for FY2018.

Excluding the one-off listing expenses of approximately HK$12.3 million being charged to the consolidated statement of comprehensive income (2017: HK$3.0 million), profit and total comprehensive income attributable to equity holders of the Company would have been approximately HK$30.5 million, which represented a decrease of approximately HK$2.7 million from approximately HK$33.2 million for FY2017.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has funded the liquidity and capital requirements primarily through retained profits, borrowings and cash inflows from operating activities.

As at 31 March 2018, the capital structure of the Group consisted of equity of approximately HK$259.7 million (2017: HK$132.7 million), bank borrowings of approximately HK$74.7 million (2017: HK$8.2 million) and finance lease liabilities of approximately HK$15.2 million (2017: HK$50.3 million). For details, please refer to the paragraph headed "Bank borrowings" below.

Cash position and fund available

During the year, the Group maintained a healthy liquidity position, with working capital being financed by our operating cash flows, bank borrowings and proceeds from the Share Offer.

As at 31 March 2018, our cash and cash equivalents were approximately HK$100.5 million (2017: HK$34.4 million). The Group also had restricted bank balances of approximately HK$1.7 million (2017: HK$16.8 million) deposited for a bank to issue surety bonds in respect of our foundation projects.

As at 31 March 2018, the current ratio of the Group was approximately 2.1 times (2017: 1.3 times).

Bank borrowings

The Group generally meets its working capital requirement by cash flows generated from its operation and borrowings. The maturity and interest rate profile of the Group's borrowings are set out below.

(a) Based on the scheduled repayment terms set out in the loan agreements and ignoring the effect of any repayment on demand clause, the maturity of bank borrowings would be as follows:

	2018	*2017*
	HK$'000	*HK$'000*
Within 1 year	66,191	8,190
Between 1 and 2 years	2,656	—
Between 2 and 5 years	5,877	—
	74,724	8,190

(b) The present value of finance lease liabilities is as follows:

	2018	*2017*
	HK$'000	*HK$'000*
No later than 1 year	8,328	21,142
Later than 1 year and no later than 5 years	6,832	29,181
	15,160	50,323

(c) The weighted average interest rates were as follows:

	2018	*2017*
Long-term bank loans	4.67%	—
Short-term bank loans	1.12%	2.09%
Finance lease liabilities	4.55%	5.53%

GEARING RATIO

As at 31 March 2018, the Group's gearing ratio was approximately 34.6% (2017: 44.1%), calculated as the borrowings divided by the total equity as at the end of the respective years and multiplied by 100%.

NET CURRENT ASSETS

As at 31 March 2018, the Group had net current assets of HK$163.0 million (2017: HK$35.9 million). The increase in net current assets position was mainly attributable to the strengthening of the capital due to the Listing, and the net profit generated from the Group's operations during the year.

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from the banks to meet its liquidity requirements. The Board is not aware of any liquidity issue that may cast significant doubt on the Group's ability to continue as a going concern.

CAPITAL EXPENDITURES

The Group's capital expenditures for the year amounted to approximately HK$2.2 million (2017: HK$62.8 million), which was incurred due to the purchase of property and equipment.

FOREIGN EXCHANGE EXPOSURE

The Group mainly operates in Hong Kong and most of the operating transactions such as revenue, expenses, monetary assets and liabilities are denominated in Hong Kong dollars. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that we should have sufficient resources to meet foreign exchange requirements as and if they arise. Therefore, the Group has not engaged in any derivative contracts to hedge its exposure to foreign exchange risk during the year ended 31 March 2018. The Board will review the Group's foreign exchange risk and exposure from time to time and will apply hedging where necessary.

USE OF NET PROCEEDS FROM LISTING

Based on the Offer Price of HK$1.20 per share, the net proceeds of the Share Offer received by the Company was approximately HK$82.7 million, after deducting the listing expenses borne by the Company. The proposed application of net proceeds as stated in the Prospectus has been allocated according to the principles and proposed percentage of utilisation as specified in the section headed "Reasons for the listing, future plans and use of proceeds from the share offer" of the Prospectus.

During the period from the Listing Date to 31 March 2018, the net proceeds were used as follows:

	Net proceeds from Share Offer	**Utilisation in FY2018**	**Unutilised amount**
	HK$'million	HK$'million	HK$'million
Take out of surety bond	34.0	—	34.0
Purchase of machinery (Note)	17.4	—	17.4
Repayment of bank loan	14.0	14.0	—
Strengthen of design team	8.5	—	8.5
Purchase of software	0.5	—	0.5
General working capital	8.3	2.0	6.3
	82.7	16.0	66.7

Note: As at 31 March 2018, the Group was in progress of negotiation with the relevant suppliers for the purchase of the relevant machinery. Up to the date of this announcement, the Group utilised HK$12.4 million of the total net proceeds to purchase the relevant machinery.

The Group held the unutilised net proceeds mainly in short-term deposits with licensed banks in Hong Kong.

CONTINGENT LIABILITIES

As at 31 March 2018, the Group has given guarantees on performance bonds in respect of construction contracts in the ordinary course of business amounting to HK$1.7 million (2017: HK$16.8 million). The performance bonds as at 31 March 2018 were expected to be released in accordance with the terms of the respective construction contracts.

PLEDGE OF ASSETS

As at 31 March 2018, banking facilities granted to the Group in respect of the specific projects, with an aggregate amount of HK$49.3 million were guaranteed by (i) the Company; and (ii) charge over the Group's trade receivables with an aggregate amount of approximately HK$8.0 million, of which HK$0.8 million had not been utilised. These banking facilities can only be used for project-specific financing which will be terminated upon the completion of the foundation projects specified in the relevant facility letters.

As at 31 March 2018, the finance lease liabilities amounting to HK$15.2 million (2017: HK$50.3 million) from two banks are guaranteed by the Company and pledged by the Group's machinery and equipment with carrying amount of HK$67.2 million (2017: HK$88.2 million).

As at 31 March 2018, machinery and equipment with carrying amount of HK$20.1 million (2017: nil) were pledged for the Group's bank borrowings.

CAPITAL COMMITMENTS

As at 31 March 2018, the Group did not have any capital commitments contracted but not provided for.

EMPLOYEES, TRAINING AND REMUNERATION POLICY

As at 31 March 2018, the Group had a total of 84 employees (2017: 75). Total staff costs (including Directors emoluments) for the year were approximately HK$45.2 million (2017: HK$40.1 million). The remuneration offered to employees generally includes salaries, medical benefits and bonus. In general, the Group determines salaries of its employees based on each employee's qualification, position and seniority. The Group provides training to its employees according to the work requirements.

MATERIAL ACQUISITIONS AND DISPOSALS

Save as the Reorganisation of the Group as described in the section "History, Development and Reorganisation" in the Prospectus, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during FY2018.

SIGNIFICANT INVESTMENTS HELD

The Group did not have any significant investments held as at 31 March 2018.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Saved as disclosed in the Prospectus, the Group did not have other plans for material investments or capital assets as at 31 March 2018.

FUTURE PROSPECTS

The successful listing of the shares of the Company marked a meaningful and significant milestone in the history of the Group. With the net proceeds raised and the improved corporate image, we are able to explore further business opportunities in the foundation industry. Despite the keen competition in Hong Kong Construction Industry, the Board is confident with the Group's future development due to its well established reputation and proven ability.

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own code of corporate governance. The Board is of the opinion that the Company has complied with all the code provisions set out in the CG Code from the Listing Date and up to 31 March 2018.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code during the period from 22 December 2017 to 31 March 2018.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities since the Listing Date to 31 March 2018.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2018 and up to the date of this announcement.

REVIEW OF ANNUAL RESULT BY AUDIT COMMITTEE

The Company has established the audit committee (the "Audit Committee") on 30 November 2017 with written terms of reference in compliance with the Listing Rules as amended from time to time. The Audit Committee consists of three independent non-executive Directors. The Audit Committee had reviewed the Group's consolidated financial statements of the FY2018, including the accounting principles and practices adopted by the Group, as well as the risk management and internal control systems of the Group.

SCOPE OF WORK OF MESSRS. PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2018 as set out in this announcement have been agreed by the Group's auditor, Messrs. PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. PricewaterhouseCoopers 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 Messrs. PricewaterhouseCoopers on the preliminary announcement.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 March 2018 (2017: Nil).

CLOSURE OF REGISTER OF MEMBERS

For determining the identity of the shareholders to attend and vote at the forthcoming annual general meeting of the Company to be held on Thursday, 6 September 2018, the register of members of the Company will be closed from Friday, 31 August 2018 to Thursday, 6 September 2018, both days inclusive, during which period no transfer of shares will be registered. All transfer of shares accompanied by the relevant certificates must be lodged with the Company's transfer office and share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 30 August 2018.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The results announcement is published on the Company's website at http://www.vicon.com.hk and the Stock Exchange's website at www.hkexnews.hk. The 2018 annual report containing all the information regared by the Listing Rules will be dispatched to the Shareholders and published on the aforesaid websites in due course.

By order of the Board
Vicon Holdings Limited
CHOW Kwok Chun
Chairman

Hong Kong, 27 June 2018

As at the date of this announcement, the executive Directors are Mr. Chow Kwok Chun, Mr. Tsang Hing Kuen, Mr. Leung Kim Lim and Mr. Liu Jin Fai and the independent non-executive Directors are Mr. Ip Ka Ki, Professor Kuang Jun Shang and Mr. Law Wang Chak Waltery.