

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



## VICON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3878)

### ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

#### INTERIM RESULTS

The board (the “Board”) of directors (the “Directors”) of Vicon Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2020, together with the comparative figures for the corresponding period in 2019 as follows:

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

For the six months ended 30 September 2020

		<b>Six months ended 30 September</b>	
	<i>Note</i>	<b>2020</b>	2019
		<b>HK\$' 000</b>	HK\$' 000
		<b>(unaudited)</b>	(unaudited)
Revenue	4	<b>210,389</b>	175,882
Cost of sales		<b>(192,304)</b>	154,223
Gross profit		<b>18,085</b>	21,659
Other income and gains		<b>4,275</b>	2,894
Other administrative expenses		<b>(5,567)</b>	(5,438)
Operating profit		<b>16,793</b>	19,115
Finance income		<b>2</b>	2
Finance costs		<b>(4,233)</b>	(3,892)
Finance costs, net		<b>(4,231)</b>	(3,890)
Profit before taxation		<b>12,562</b>	15,225
Income tax expense	5	<b>(2,073)</b>	(2,893)
Profit for the period		<b>10,489</b>	12,332
Other comprehensive income		<b>–</b>	–
Profit and total comprehensive income attributable to equity holders of the Company		<b>10,489</b>	12,332
Basic and diluted earnings per share (HK cents)	6	<b>2.62</b>	3.08

## CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2020

	Note	As at 30 September 2020 HK\$'000 (unaudited)	As at 31 March 2020 HK\$'000 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		154,078	160,716
Prepayments and deposits		7,168	7,030
		<u>161,246</u>	<u>167,746</u>
<b>Current assets</b>			
Trade and retention receivables	8	55,369	46,522
Prepayments, deposits and other receivables		5,912	11,103
Contract assets		298,632	324,494
Income tax recoverable		4,136	4,136
Restricted bank balances		–	3,180
Cash and cash equivalents		15,396	19,386
		<u>379,445</u>	<u>408,821</u>
<b>Total assets</b>		<u><u>540,691</u></u>	<u><u>576,567</u></u>
<b>EQUITY</b>			
<b>Capital and reserve</b>			
Share capital		4,000	4,000
Reserves		319,027	308,538
<b>Total equity</b>		<u><u>323,027</u></u>	<u><u>312,538</u></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		1,540	3,033
Lease liabilities		33,949	41,715
Deferred income tax liabilities		9,125	9,125
		<u>44,614</u>	<u>53,873</u>
<b>Current liabilities</b>			
Trade and retention payables	9	60,715	77,136
Other payables and accruals		3,816	5,288
Contract liabilities		5,507	3,351
Income tax payables		5,502	3,429
Lease liabilities		19,707	15,968
Borrowings		77,803	104,984
		<u>173,050</u>	<u>210,156</u>
<b>Total liabilities</b>		<u><u>217,664</u></u>	<u><u>264,029</u></u>
<b>Total equity and liabilities</b>		<u><u>540,691</u></u>	<u><u>576,567</u></u>

**Notes:**

**1. GENERAL INFORMATION**

Vicon Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the foundation works and ancillary services, and general building works in Hong Kong and Macau and leasing of construction machinery.

The Company was incorporated in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 13 January 2016 and its shares (the “Shares”) were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 22 December 2017 (the “Listing”). The address of the registered office and the principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and 31st Floor, Kings Tower, 111 King Lam Street, Cheung Sha Wan, Kowloon, Hong Kong, respectively.

The unaudited condensed consolidated interim financial information of the Company is presented in Hong Kong dollars (“HK\$”), unless otherwise stated.

The unaudited condensed consolidated interim financial information has not been audited by the Company’s auditors, but has been reviewed by the audit committee of the Company.

**2. BASIS OF PREPARATION**

The unaudited condensed consolidated interim financial information of the Company for the six months ended 30 September 2020 has 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 disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange (the “Listing Rules”).

The unaudited condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements for the year ended 31 March 2020, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”), and any public announcement made by the Company during the interim reporting period.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The preparation of the unaudited condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this unaudited condensed consolidated interim financial information, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 31 March 2020.

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 March 2020, as described in those annual consolidated financial statements, except for the estimation of income tax and the adoption of new and amended standards as set out below.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) **New and amended standards adopted by the Group**

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(b) **Impact of standards issued but not yet applied by the Group**

Certain new accounting standards and interpretations have been published that are not mandatory for this reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

**4. REVENUE AND SEGMENT INFORMATION**

(a) **Revenue**

Revenue represents the revenue from construction contracts from foundation works and general building works on building construction and leasing of construction machinery in the ordinary course of business. Revenue recognised is as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	<b>2019</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Revenue from construction contracts	<b>198,710</b>	175,882
Revenue from leasing of construction machinery	<b>11,679</b>	–
	<b>210,389</b>	<b>175,882</b>

(b) **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 regards the Group's business as a single operating segment and review financial information accordingly. In view of the growth of the Group's leasing of construction machinery business, a new reportable segment, on leasing of construction machinery has been included during the six months ended 30 September 2020.

Specifically, the Group's reportable segments are as follows:

- Construction works; and
- Leasing of construction machinery

**Segment revenues and results**

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

*For the six months ended 30 September 2020 (unaudited)*

	Construction works <i>HK\$'000</i>	Leasing of construction machinery <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue from external customers	<u>198,710</u>	<u>11,679</u>	<u>210,389</u>
Segment results	11,346	6,739	18,085
Unallocated other income and gains			4,275
Unallocated expenses			(4,453)
Unallocated depreciation			(1,114)
Finance costs, net			<u>(4,231)</u>
Profit before taxation			12,562
Income tax expense			<u>(2,073)</u>
Profit for the period			<u><u>10,489</u></u>
Included in segment results are:			
Depreciation	<u>(6,134)</u>	<u>(4,940)</u>	<u>(11,074)</u>

*For the six months ended 30 September 2019 (unaudited)*

	Construction works <i>HK\$'000</i>	Leasing of construction machinery <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue from external customers	<u>175,882</u>	<u>–</u>	<u>175,882</u>
Segment results	21,659	–	21,659
Other income and gains	–	1,718	1,718
Depreciation of plant and equipment	–	(624)	(624)
Unallocated other income and gains			1,176
Unallocated expenses			(3,781)
Unallocated depreciation			(1,033)
Finance costs, net			<u>(3,890)</u>
Profit before taxation			15,225
Income tax expense			<u>(2,893)</u>
Profit for the period			<u><u>12,332</u></u>
Included in segment results are:			
Depreciation	<u>(8,953)</u>	<u>–</u>	<u>(8,953)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' salaries, other income and finance costs. This is the measure reported to the directors with respect to the resource allocation and performance assessment.

(c) **Geographical information**

(a) *Revenue from external customers*

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	2019
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Hong Kong	<b>210,389</b>	175,882

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

(b) *Non-current assets*

	At	At
	<b>30 September</b>	31 March
	<b>2020</b>	2020
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(audited)
Hong Kong	<b>161,246</b>	167,746

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

**5. INCOME TAX EXPENSE**

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

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	2019
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Hong Kong profits tax		
Current income tax	<b>2,073</b>	2,893

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits during the six months ended 30 September 2020 and 2019.

## 6. 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 periods.

	<b>Six months ended 30 September</b>	
	<b>2020</b>	2019
Profit attributable to equity holders of the Company (HK\$'000)	<b>10,489</b>	12,332
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (thousands)	<b>400,000</b>	400,000
Basic earnings per share (HK cents)	<b><u>2.62</u></b>	<u>3.08</u>

### (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 period end.

## 7. INTERIM DIVIDENDS

The Directors did not recommend the payment of an interim dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: Nil).

## 8. TRADE AND RETENTION RECEIVABLES

	<b>At 30 September 2020</b>	At 31 March 2020
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(audited)
Trade receivables	<b>12,086</b>	234
Retention receivables	<b><u>43,283</u></b>	<u>46,288</u>
	<b><u>55,369</u></b>	<u>46,522</u>

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 30 September 2020, the ageing analysis of the trade receivables based on invoice date is as follows:

	At 30 September 2020 <i>HK\$'000</i> (unaudited)	At 31 March 2020 <i>HK\$'000</i> (audited)
1-30 days	11,852	–
31-90 days	–	–
91-180 days	–	–
181-365 days	–	20
1 – 2 years	234	214
	<u>12,086</u>	<u>234</u>

At 30 September 2020, the ageing analysis of the retention receivables based on invoice date is as follows:

	At 30 September 2020 <i>HK\$'000</i> (unaudited)	At 31 March 2020 <i>HK\$'000</i> (audited)
Within 1 year	23,292	25,609
Between 1 to 2 years	8,186	11,730
Between 2 to 5 years	11,805	8,949
	<u>43,283</u>	<u>46,288</u>

## 9. TRADE AND RETENTION PAYABLES

	At 30 September 2020 <i>HK\$'000</i> (unaudited)	At 31 March 2020 <i>HK\$'000</i> (audited)
Trade payables	24,622	54,569
Retention payables	36,093	22,567
	<u>60,715</u>	<u>77,136</u>

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



At 30 September 2020, the ageing analysis of the trade payables based on invoice date is as follows:

	At 30 September 2020 <i>HK\$'000</i> (unaudited)	At 31 March 2020 <i>HK\$'000</i> (audited)
1-30 days	<u>24,622</u>	<u>54,569</u>

The terms and conditions in relation to the release of retention vary from contract to contract. At 30 September 2020, the ageing analysis of the retention payables based on invoice date is as follows:

	At 30 September 2020 <i>HK\$'000</i> (unaudited)	At 31 March 2020 <i>HK\$'000</i> (audited)
Within 1 year	14,881	10,557
Between 1 to 3 years	17,929	12,010
Between 3 to 5 years	<u>3,283</u>	<u>–</u>
	<u>36,093</u>	<u>22,567</u>

#### 10. CONTINGENT LIABILITIES

As at 30 September 2020, the Group has given guarantees on performance bonds in respect of construction contracts in the ordinary course of business amounting to HK\$36.4 million (31 March 2020: HK\$60.4 million). The performance bonds as at 30 September 2020 are expected to be released in accordance with the terms of the respective construction contracts.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Business Review**

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

For the six months ended 30 September 2020 (the “Current Period”), the Group recorded revenue of approximately HK\$210.4 million as compared to revenue of approximately HK\$175.9 million for the six months ended 30 September 2019 (the “Last Period”).

Revenue contributed from projects which we were acting as main contractor has increased from approximately 96.4% in the Last Period to approximately 99.9% in the Current Period.

The amount of backlog revenue at 30 September 2020 was approximately HK\$104.7 million (31 March 2020: HK\$280.1 million).

### **Foundation works and ancillary services**

Foundation works mainly include mini-piling, percussive piling, rock socketed in steel H-pile and bored pile, together with pile cap. Ancillary services mainly include site formation and demolition works, for example, clearance of the site, excavation, demolition of a building or any substantial part of a building.

During the six months ended 30 September 2020, there were 10 projects (six months ended 30 September 2019: 11 projects) contributing revenue of approximately HK\$198.7 million (six months ended 30 September 2019: HK\$175.9 million) to the Group. Despite the number of projects contributing revenue to the Group in the Current Period was lower than that in the Last Period, revenue was higher due to a number of sizable projects which were in the mature stages of construction, which contributed a large portion of their contract values to the revenue in the Current Period accordingly.

### **Leasing of construction machinery**

Leasing of construction machinery mainly include the rental of our construction machinery according to the requirements of the customers. This is a new business unit that has been set up during the Current Period.

During the six months ended 30 September 2020, the revenue derived from our leasing of construction machinery amounted to approximately HK\$11.7 million, accounting for approximately 5.6% of our total revenue. The increase in revenue from leasing of construction machinery of the Group was mainly due to the expansion of the leasing of construction machinery business during the Current Period.

## **FINANCIAL REVIEW**

### **Revenue**

Our revenue increased by approximately HK\$34.5 million, or approximately 19.6%, from approximately HK\$175.9 million to approximately HK\$210.4 million.

### **Gross profit and gross profit margin**

Our gross profit decreased by approximately HK\$3.6 million, or approximately 16.5% from approximately HK\$21.7 million for the Last Period to approximately HK\$18.1 million for the Current Period. Our gross profit margin decreased by approximately 3.7%, from approximately 12.3% for the Last Period to approximately 8.6% for the Current Period.

The decrease in gross profit margin was mainly attributable to the increase in the revenue contributed by the foundation projects undertaken by us with relatively low gross profit margin as compared with the overall gross profit margin for the Last Period.

### **Other income and gains**

Our other income and gains increased by approximately HK\$1.4 million from approximately HK\$2.9 million for the Last Period to approximately HK\$4.3 million for the Current Period, which was mainly attributable to the receipt and recognition of a Government grant under the Employment Support Scheme launched by the HKSAR Government of approximately HK\$1.7 million for the Current Period; increase of approximately HK\$1.6 million from the maintenance income from machinery and equipment and labour provision services from HK\$nil for the Last Period to approximately HK\$1.6 million for the Current Period; and offset by the decrease in machinery rental income of approximately HK\$1.7 million from the Last Period, in which the machinery rental income for the Current Period is presented as revenue.

### **Other administrative expenses**

Our administrative expenses increased by approximately HK\$0.2 million, or approximately 2.4%, from approximately HK\$5.4 million for the Last Period to approximately HK\$5.6 million for the Current Period.

### **Finance costs, net**

Our finance costs, net increased by approximately HK\$0.3 million, or 8.7%, from approximately HK\$3.9 million for the Last Period to approximately HK\$4.2 million for the Current Period.

### **Profit for the period**

Based on the above factors, profit and total comprehensive income attributable to equity holders of the Company decreased by approximately HK\$1.8 million, or approximately 14.9%, from approximately HK\$12.3 million for the Last Period to approximately HK\$10.5 million for the Current Period.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has funded the liquidity and capital requirements primarily through retained profits and borrowings.

As at 30 September 2020, the capital structure of the Group consisted of equity of approximately HK\$323.0 million (31 March 2020: HK\$312.5 million) and borrowings of approximately HK\$79.3 million (31 March 2020: HK\$108.0 million). For details, please refer to the paragraph headed “Bank borrowings” below.

### Cash position and fund available

During the Current Period, the Group maintained a healthy liquidity position, with working capital being financed by our operating cash flows and borrowings.

As at 30 September 2020, our cash and cash equivalents were approximately HK\$15.4 million (31 March 2020: HK\$19.4 million). The Group also had nil restricted bank balances (31 March 2020: HK\$3.2 million) deposited for a bank to issue surety bonds in respect of our foundation projects.

As at 30 September 2020, the current ratio of the Group was approximately 2.2 times (31 March 2020: 1.9 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) The maturity of borrowings is as follows:

	<b>At 30 September 2020 HK\$’000 (unaudited)</b>	At 31 March 2020 HK\$’000 (audited)
Within 1 year	<b>77,803</b>	104,984
Between 1 and 2 years	<b>1,540</b>	3,033
	<b>79,343</b>	108,017

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

	<b>At 30 September 2020 (unaudited)</b>	At 31 March 2020 (audited)
Long-term bank loans	<b>3.91%</b>	3.50%
Short-term bank loans	<b>3.75%</b>	3.86%

## **GEARING RATIO**

As at 30 September 2020, the Group's gearing ratio was approximately 24.6% (31 March 2020: 34.6%), calculated as the borrowings divided by the total equity as at the end of the respective periods and multiplied by 100%.

## **NET CURRENT ASSETS**

As at 30 September 2020, the Group had net current assets of approximately HK\$206.4 million (31 March 2020: HK\$198.7 million). The increase in net current assets position was mainly attributable to the net profit generated from the Group's operations during the period.

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 Current Period amounted to approximately HK\$1.0 million (six months ended 30 September 2019: HK\$25.0 million), which was incurred due to the purchase of machinery 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 six months periods ended 30 September 2020 and 2019. 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**

The net proceeds of the share offer of the Company's shares for Listing in 2017 was approximately HK\$82.7 million, after deducting the listing expenses borne by the Company. Such net proceeds have been allocated according to the principles and proposed percentage of utilisation as specified in the section headed "Reasons for the listing, future plans and proposed use of net proceeds from the share offer" of the prospectus of the Company dated 12 December 2017 and the announcement of the Company dated 9 September 2020.

Up to 30 September 2020, the net proceeds were used as follows:

	<b>Net proceeds</b> <i>HK\$'million</i>	<b>Actual usage up to 30 September 2020</b> <i>HK\$'million</i>	<b>Unutilised amount at 30 September 2020</b> <i>HK\$'million</i>
Take out of surety bond	34.0	34.0	–
Purchase of machinery	17.4	17.4	–
Repayment of bank loan	20.3	20.3	–
Strengthen of design team	2.6	2.6	–
Purchase of software	0.1	0.1	–
General working capital	8.3	8.3	–
	<u>82.7</u>	<u>82.7</u>	<u>–</u>

### **CONTINGENT LIABILITIES**

As at 30 September 2020, the Group has given guarantees on performance bonds in respect of construction contracts in the ordinary course of business amounting to approximately HK\$36.4 million (31 March 2020: HK\$60.4 million). The performance bonds as at 30 September 2020 were expected to be released in accordance with the terms of the respective construction contracts.

### **PLEDGE OF ASSETS**

As at 30 September 2020, machinery and equipment with carrying amount of approximately HK\$14.4 million (31 March 2020: HK\$15.5 million) were pledged for the Group's bank borrowings.

As at 30 September 2020, banking facilities were granted to the Group in respect of the specific projects, with an aggregate amount of approximately HK\$89.0 million (31 March 2020: HK\$119.9 million) were guaranteed by (i) the Company; and (ii) charge over the Group's trade receivables with an aggregate amount of approximately HK\$10.5 million (31 March 2020: Nil), of which approximately HK\$37.2 million (31 March 2020: HK\$40.6 million) of the banking facilities had not yet been utilised. These banking facilities can only be used for project-specific financing which will be terminated upon the completion of the foundation projects as specified in the relevant facility letters.

As at 30 September 2020, a bank borrowing granted to the Group in respect of the key management insurance contract, with an amount of approximately HK\$7.8 million (31 March 2020: HK\$7.8 million) were guaranteed by (i) the Company; and (ii) charge over the Group's key management insurance contract with cash surrender value of approximately HK\$7.2 million (31 March 2020: HK\$7.0 million).

### **CAPITAL COMMITMENTS**

As at 30 September 2020, the Group did not have any capital commitments contracted but not provided for.

## **EMPLOYEES, TRAINING AND REMUNERATION POLICY**

As at 30 September 2020, the Group had a total of 69 employees (31 March 2020: 51). Total staff costs (including Directors' emoluments) for the six months ended 30 September 2020 were approximately HK\$14.4 million (six months ended 30 September 2019: HK\$19.8 million). The remuneration offered to employees generally includes salaries, medical benefits and bonuses. In general, the Group determines salaries of its employees based on each employee's qualification, position and seniority. The Company adopted a share option scheme under which the Board may grant options to the employees. The Group provides training to its employees according to the work requirements.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Current Period.

## **SIGNIFICANT INVESTMENTS HELD**

The Group did not have any significant investments held as at 30 September 2020.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

The Group did not have other plans for material investments or capital assets as at 30 September 2020.

## **FUTURE PROSPECTS**

The construction market in Hong Kong remained under pressure and continued to be weak and highly competitive in 2020 with a reduction in the number of foundation contracts in both the public and private sectors. Our business has been primarily focused in the Hong Kong private sector but the reduction of foundation contracts has led to enhanced competition in the industry, affecting our tender prices and therefore reduced the award prices of the projects.

In the coming year, we believe the construction market in Hong Kong will remain under pressure due to the uncertainty economic environment. As a result, the construction market has become highly competitive with the decrease in number of development projects, which has resulted in shrinking profit margin.

With the outbreak of COVID-19 (the “Epidemic”), the spread of the disease has created a challenging operating environment worldwide. In view of the uncertainty brought by the Epidemic to the macroeconomic environment, the Group will continue to monitor the evolving situation, including Government guidance and measures initiated, in order to enable the Group to position itself well in the market. We will continue to focus on “design and build” projects and maintaining a strong financial position to meet the requirements of future potential projects.

The Group is in the process of multiple tender submissions for foundation projects. The Group will continue to submit tender for targeted and profitable projects in order to strive for a stable revenue growth.

#### **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float under the Listing Rules from the Listing Date and up to the date of this announcement.

#### **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 during the Current Period.

#### **COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) 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 standards set out in the Model Code during the Current Period.

#### **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 during the Current Period.

#### **EVENTS AFTER THE REPORTING PERIOD**

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 30 September 2020 and up to the date of this interim results announcement.

#### **INTERIM DIVIDEND**

The Directors did not recommend the payment of an interim dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: Nil).



## AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”), with its terms of reference established in compliance with the Listing Rules, comprises three independent non-executive Directors, namely Mr. Tse Ka Ching Justin (chairman), Mr. Ip Ka Ki and Professor Kuang Jun Shang.

The Group’s unaudited condensed consolidated interim financial information for the six months ended 30 September 2020 have not been audited or reviewed by the Company’s independent auditor, but have been reviewed by the Audit Committee. The Audit Committee was satisfied that the unaudited condensed consolidated interim financial information was prepared in accordance with applicable accounting standards and requirements as well as the Listing Rules and relevant adequate disclosures have been made.

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

Hong Kong, 30 November 2020

*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. Tse Ka Ching Justin.*