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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3878)

PROFIT ALERT – REDUCTION IN LOSS

This announcement is made by Vicon Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company wishes to inform the shareholders and potential investors of the Company that, based on preliminary assessment by the Board of the unaudited management accounts of the Group for the six months ended 30 September 2022 (the “**Period**”), the Group is expected to record (i) a net loss of not less than HK\$2.7 million as compared with a net loss of approximately HK\$14.7 million for the corresponding period in 2021 and (ii) a decline in its gross profit margin of over 5 percentage points.

The Board considers the expected decrease in net loss and decline in gross profit margin was primarily attributable to the combined effects of the following factors:

1. the Group commenced certain new projects during the Period with higher contract sums relative to the corresponding period in 2021, resulting in higher revenue during the Period;
2. the impact of COVID-19 pandemic has continued to affect the number of construction works available in the market, and the fierce competition resulted in lower margins for the Group’s projects during the Period; and
3. the Group recorded a decrease in administrative expenses, mainly due to decreases in direct staff costs and unallocated depreciation on machinery and equipment not used in construction projects.

The Board considers that despite the expected net loss for the Period, the Group’s financial position remains sound with sufficient working capital. Looking forward, the Board will continue to review the Group’s operations and strategies from time to time to meet the challenges ahead.

The Company is still in the process of finalising the interim results of the Group for the Period. The information contained in this announcement is based on a preliminary assessment by the Company's management with reference to the information currently available and the unaudited consolidated management accounts of the Group for the Period. Such accounts have not been reviewed or audited by the Company's auditor or have not been reviewed by the Company's audit committee and may be subject to adjustment. Shareholders of the Company and potential investors are advised to read the announcement of the interim results of the Company for the Period carefully, which is expected to be published in late November 2022.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
VICON HOLDINGS LIMITED
CHOW Kwok Chun
Chairman

Hong Kong, 18 November 2022

As at the date of this announcement, the executive Directors are Mr. CHOW Kwok Chun and Mr. LEUNG Hing Wai and the independent non-executive Directors are Mr. IP Ka Ki, Mr. CHAN Wai Kit and Mr. TSE Ka Ching Justin.