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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 2022

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 2022, together with the comparative figures for the corresponding period in 2021 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2022

	Note	Six months ended 30 September	
		2022 HK\$' 000 (unaudited)	2021 HK\$' 000 (unaudited)
Revenue	4	160,136	59,635
Cost of sales		(154,621)	(54,786)
Gross profit		5,515	4,849
Other income, net		1,465	1,105
Other administrative expenses		(9,597)	(20,750)
Operating loss		(2,617)	(14,796)
Finance costs		(460)	(1,761)
Loss before income tax		(3,077)	(16,557)
Income tax credit	5	348	1,830
Loss for the period		(2,729)	(14,727)
Other comprehensive income		–	–
Loss and total comprehensive loss attributable to owners of the Company		(2,729)	(14,727)
		HK cents	HK cents
Loss per share	6		
Basic		(0.57)	(3.5)
Diluted		N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	<i>Notes</i>	As at 30 September 2022 <i>HK\$'000</i> (unaudited)	As at 31 March 2022 <i>HK\$'000</i> (audited)
Non-current Assets			
Property, plant and equipment		55,953	82,110
Financial assets at fair value through profit or loss		7,635	7,527
		63,588	89,637
Current Assets			
Trade and retention receivables	8	76,941	81,113
Prepayments, deposits and other receivables		8,079	3,344
Contract assets		166,347	135,619
Cash and cash equivalents		18,258	25,477
		269,625	245,553
Current Liabilities			
Trade and retention payables	9	56,524	45,915
Other payables and accruals		8,718	8,233
Contract liabilities		1,335	622
Lease liabilities		2,936	8,946
Borrowings		7,830	7,830
Income tax payable		–	214
		77,343	71,760
Net Current Assets		192,282	173,793
Total Assets less Current Liabilities		255,870	263,430
Non-current Liabilities			
Lease liabilities		2,034	6,518
Deferred income tax liabilities		734	1,081
		2,768	7,599
Net Assets		253,102	255,831
Equity			
Share capital		4,796	4,796
Reserves		248,306	251,035
Equity attributable to Owners of the Company		253,102	255,831

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 leasing of construction machinery in Hong Kong.

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 Office D, 16/F., MG Tower, 133 Hoi Bun Road, 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 2022 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 2022, 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 expenses. 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 2022.

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 March 2022, 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 for foundation works and general building works and leasing of construction machinery in the ordinary course of business. Revenue recognised is as follows:

	Six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue from construction contracts	156,779	58,066
Revenue from leasing of construction machinery	3,357	1,569
	160,136	59,635

(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.

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 2022 (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>156,779</u>	<u>3,357</u>	<u>160,136</u>
Segment results	2,958	2,557	5,515
Unallocated other income, net			1,465
Unallocated expenses			(5,204)
Unallocated depreciation			(4,393)
Finance costs			<u>(460)</u>
Loss before income tax			(3,077)
Income tax credit			<u>348</u>
Loss for the period			<u><u>(2,729)</u></u>
Included in segment results is:			
Depreciation	<u><u>-</u></u>	<u><u>(800)</u></u>	<u><u>(800)</u></u>

For the six months ended 30 September 2021 (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>58,066</u>	<u>1,569</u>	<u>59,635</u>
Segment results	4,009	840	4,849
Unallocated other income, net			1,105
Unallocated expenses			(10,618)
Unallocated depreciation			(10,132)
Finance costs			<u>(1,761)</u>
Loss before income tax			(16,557)
Income tax credit			<u>1,830</u>
Loss for the period			<u><u>(14,727)</u></u>
Included in segment results is:			
Depreciation	<u><u>-</u></u>	<u><u>(729)</u></u>	<u><u>(729)</u></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*

	Six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Hong Kong	160,136	59,635

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

(b) *Non-current assets*

	At	At
	30 September	31 March
	2022	2022
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Hong Kong	63,588	89,637

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

5. INCOME TAX CREDIT

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

	Six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Hong Kong profits tax		
Current income tax	–	–
Deferred income tax	348	1,830
	348	1,830

No provision for Hong Kong profits tax is provided as the Company and its subsidiaries do not have assessable profits during the six months ended 30 September 2022 and 2021.

6. LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	Six months ended	
	30 September	
	2022	2021
	(unaudited)	(unaudited)
Loss attributable to owners of the Company (HK\$'000)	(2,729)	(14,727)
Weighted average number of ordinary shares for the purpose of calculating basic loss per share (thousands)	479,600	421,314
Basic loss per share (HK cents)	<u>(0.57)</u>	<u>(3.50)</u>

(b) Diluted loss per share

Diluted loss per share is not presented as there were no potential ordinary shares in issue for both of the periods ended 30 September 2022 and 2021.

7. INTERIM DIVIDENDS

The Directors did not recommend the payment of an interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).

8. TRADE AND RETENTION RECEIVABLES

	At 30 September	At 31 March
	2022	2022
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Trade receivables	55,020	58,845
Less: loss allowance recognised	<u>(4,306)</u>	<u>(4,306)</u>
	50,714	54,539
Retention receivables	30,117	30,464
Less: loss allowance recognised	<u>(3,890)</u>	<u>(3,890)</u>
	26,227	26,574
Trade and retention receivables	<u>76,941</u>	<u>81,113</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 2022, the ageing analysis of the trade receivables, less allowance recognised, based on invoice date is as follows:

	At 30 September 2022 <i>HK\$'000</i> (unaudited)	At 31 March 2022 <i>HK\$'000</i> (audited)
1 to 30 days	40,493	52,052
91 to 180 days	8,000	124
181 to 365 days	155	2,080
1 to 2 years	2,066	283
	<u>50,714</u>	<u>54,539</u>

At 30 September 2022, the ageing analysis of the retention receivables, less allowance recognised, based on invoice date is as follows:

	At 30 September 2022 <i>HK\$'000</i> (unaudited)	At 31 March 2022 <i>HK\$'000</i> (audited)
Within 1 year	11,972	4,706
Between 1 to 2 years	–	5,249
Between 2 to 5 years	14,255	16,619
	<u>26,227</u>	<u>26,574</u>

9. TRADE AND RETENTION PAYABLES

	At 30 September 2022 <i>HK\$'000</i> (unaudited)	At 31 March 2022 <i>HK\$'000</i> (audited)
Trade payables	27,191	22,929
Retention payables	29,333	22,986
	<u>56,524</u>	<u>45,915</u>

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

At 30 September 2022, the ageing analysis of the trade payables based on invoice date is as follows:

	At 30 September 2022 <i>HK\$'000</i> (unaudited)	At 31 March 2022 <i>HK\$'000</i> (audited)
1 to 30 days	25,389	21,155
1 to 3 years	<u>1,802</u>	<u>1,774</u>
	<u><u>27,191</u></u>	<u><u>22,929</u></u>

The terms and conditions in relation to the release of retention vary from contract to contract. At 30 September 2022, the ageing analysis of the retention payables based on invoice date is as follows:

	At 30 September 2022 <i>HK\$'000</i> (unaudited)	At 31 March 2022 <i>HK\$'000</i> (audited)
Within 1 year	9,591	3,118
Between 1 to 3 years	4,313	5,246
Between 3 to 5 years	<u>15,429</u>	<u>14,622</u>
	<u><u>29,333</u></u>	<u><u>22,986</u></u>

10. CONTINGENT LIABILITIES

As at 30 September 2022, there were no guarantees on performance bonds in respect of construction contracts in the ordinary course of business given by the Group (31 March 2022: HK\$2.2 million).

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, and leasing of construction machinery.

For the six months ended 30 September 2022 (the “Current Period”), the Group recorded revenue of approximately HK\$160.1 million as compared to revenue of approximately HK\$59.6 million for the six months ended 30 September 2021 (the “Last Period”).

The increase for the Current Period was primarily driven by the increase in revenue from the construction works segment for the reasons detailed below.

Revenue contributed from projects which we were acting as main contractor has increased from approximately 56.4% in the Last Period to approximately 82.4% in the Current Period.

The amount of backlog revenue as at 30 September 2022 was approximately HK\$506.7 million (31 March 2022: HK\$29.5 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 2022, there were 7 projects (six months ended 30 September 2021: 12 projects) contributing revenue of approximately HK\$156.8 million (six months ended 30 September 2021: HK\$58.1 million) to the Group.

The increase in revenue was primarily because certain projects awarded during the Current Period were for larger contract sums relative to projects awarded during the Last Period, resulting in overall higher revenue despite the lower number of projects undertaken during the Current Period.

Leasing of construction machinery

Leasing of construction machinery mainly include the rental of our construction machinery according to the requirements of the customers.

During the six months ended 30 September 2022, the revenue derived from our leasing of construction machinery amounted to approximately HK\$3.4 million (six months ended 30 September 2021: HK\$1.6 million), representing an increase of approximately 113% for the Current Period. This represented approximately 2.1% of our total revenue (six months ended 30 September 2021: 2.6%). The increase in revenue from leasing of construction machinery of the Group was mainly due to the increase in the number of machinery rented out during the Current Period.

FINANCIAL REVIEW

Revenue

Our revenue increased by approximately HK\$100.5 million from approximately HK\$59.6 million for the Last Period to approximately HK\$160.1 million for the Current Period.

Gross profit and gross profit margin

Our gross profit increased by approximately HK\$0.7 million, from approximately HK\$4.8 million for the Last Period to approximately HK\$5.5 million for the Current Period. Our gross profit margin decreased by approximately 4.7%, from approximately 8.1% for the Last Period to approximately 3.4% for the Current Period.

The decrease in gross profit margin was mainly attributable to the combined effects of the following factors:

1. the outbreak of COVID-19 pandemic has continued to affect the number of construction works available in the market, in particular in the private sector (the target market area of the Group), which has led to fierce competition; and
2. the Group commenced certain new projects with lower gross profit margin during the Current Period despite with higher contract sums relative to the corresponding period in 2021, resulting in higher revenue but lower overall gross profit margin during the Current Period;

Other income, net

Our other income, net increased by approximately HK\$0.4 million from approximately HK\$1.1 million for the Last Period to approximately HK\$1.5 million for the Current Period, which was mainly attributable to the one off receipt and recognition of a Government grant under the Employment Support Scheme launched by the HKSAR Government of approximately HK\$0.3 million for the Current Period.

Other administrative expenses

Our administrative expenses decreased by approximately HK\$11.2 million from approximately HK\$20.8 million for the Last Period to approximately HK\$9.6 million for the Current Period. The decrease in other administrative expenses was mainly attributable to i) the decrease in staff costs to approximately HK\$5.1 million for staff not directly participating to our construction projects, in which the corresponding staff costs of approximately HK\$1.3 million was recorded as administrative expenses for the Last Period; and ii) the decrease of unallocated depreciation of our machinery and equipment not used in our construction projects from approximately HK\$10.1 million for the Last Period to approximately HK\$4.4 million for the Current Period upon disposal of certain machinery.

Finance costs

Our finance costs decreased by approximately HK\$1.3 million, or 73.8%, from approximately HK\$1.8 million for the Last Period to approximately HK\$0.5 million for the Current Period. Such decrease was mainly due to the repayments of certain finance leases during the Current Period.

Loss for the period

Based on the above factors, loss and total comprehensive loss attributable to owners of the Company decreased by approximately HK\$12.0 million, from a loss of approximately HK\$14.7 million for the Last Period to a loss of approximately HK\$2.7 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 2022, the capital structure of the Group consisted of equity of approximately HK\$253.1 million (31 March 2022: HK\$255.8 million) and bank borrowings of approximately HK\$7.8 million (31 March 2022: HK\$7.8 million). For details of the bank borrowings, please refer to the paragraph headed “Bank borrowings” below.

As at 30 September 2022, the Company had 479,600,000 ordinary shares in issue and the Company’s issued share capital was HK\$4,796,000.

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 2022, our cash and cash equivalents were approximately HK\$18.3 million (31 March 2022: HK\$25.5 million).

As at 30 September 2022, the current ratio of the Group was approximately 3.5 times (31 March 2022: 3.4 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:

	At 30 September 2022 HK\$'000 (unaudited)	At 31 March 2022 HK\$'000 (audited)
Within 1 year	<u>7,830</u>	<u>7,830</u>

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

	At 30 September 2022 (unaudited)	At 31 March 2022 (audited)
Short-term bank loans	<u>1.31%</u>	<u>2.90%</u>

GEARING RATIO

As at 30 September 2022, the Group's gearing ratio was approximately 3.1% (31 March 2022: 3.1%), 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 2022, the Group had net current assets of approximately HK\$192.3 million (31 March 2022: HK\$173.8 million). The increase in net current assets position was mainly attributable to the increase in working capital upon the disposal of certain machinery, offset by the net loss incurred 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\$1.7 million (six months ended 30 September 2021: Nil), which was incurred due to the purchase of motor vehicles.

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 2022 and 2021. The Board will review the Group's foreign exchange risk and exposure from time to time and will apply hedging where necessary.

CONTINGENT LIABILITIES

As at 30 September 2022, there were no guarantees on performance bonds in respect of construction contracts in the ordinary course of business given by the Group (31 March 2022: HK\$2.2 million).

PLEDGE OF ASSETS

As at 30 September 2022, 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 2022: 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\$7.6 million (31 March 2022: HK\$7.5 million).

CAPITAL COMMITMENTS

As at 30 September 2022, the Group did not have any capital commitments contracted but not provided for.

EMPLOYEES, TRAINING AND REMUNERATION POLICY

As at 30 September 2022, the Group had a total of 22 employees (31 March 2022: 13). Total staff costs (including Directors' emoluments) for the six months ended 30 September 2022 were approximately HK\$4.9 million (six months ended 30 September 2021: HK\$6.8 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 2022.

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 2022.

FUTURE PROSPECTS

The construction market in Hong Kong remained under pressure and continued to be weak and highly competitive in 2022 with a reduction in the number of foundation contracts in the private sector. 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 and the expected gross profit margin of the projects.

In combination with the high price fluctuations in construction materials as exacerbated by disruptions in the supply chain, management has taken a prudent approach by applying less aggressive pricing in its tender submissions, leading to less competitive tender prices for the projects awarded during the Current Period.

In the coming year, we believe the construction market in Hong Kong will remain under pressure due to persisting uncertainty in the economy and the property market environment. As a result, the construction market is expected to remain highly competitive as contractors vie for a limited number of development projects, resulting in shrinking profit margins. 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 sizeable projects and to strengthen costs control measures in order to generate stable revenue and to reduce direct costs.

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 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, save for the deviation from code provision C.2.1 described below, the Company was in compliance with the code provisions set out in Part 2 of Appendix 14 to the Listing Rules during the Current Period.

Mr. Chow Kwok Chun is currently both the chairman and chief executive officer of the Company. Code provision C.2.1 requires that the responsibilities between the chairman and the chief executive officer be segregated. The Board is aware of the above deviation from code provision C.2.1. However, the Board believes that it is appropriate and in the interests of the Company for Mr. Chow to take up both roles at the present stage as it helps to ensure consistent leadership within the Group and enable more effective and efficient overall strategic planning for the Group. The Board also believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board which comprises experienced and high calibre individuals with not less than half the number thereof being independent non-executive directors. Therefore, the Board considers that the deviation from the code provision C.2.1 is appropriate in the circumstances.

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 2022 and up to the date of this announcement.

INTERIM DIVIDEND

The Directors did not recommend the payment of an interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: 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 Mr. Chan Wai Kit.

The Group’s unaudited condensed consolidated interim financial information for the six months ended 30 September 2022 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, 29 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. Tse Ka Ching Justin and Mr. Chan Wai Kit.